

Comments following PCR Euphemia workshop (11/01)

3rd MESC

Brussels, 03/02/2016

Stakeholder engagement is essential

- **PCR workshop on Euphemia (11/01)**
 - Workshop brought very valuable information to market parties and improved market parties' trust in the algorithm
 - Progress reached so far on the Euphemia performance are welcome.
 - Further improvements of the performance are a no regret-option
 - Regular feedbacks on Euphemia performance to market parties should be ensured on a continuous basis
 - Organise a PCR forum every 6 months
 - Intermediate expert workshops would be welcome to increase understanding on thermal orders, non-uniform pricing, etc.
 - Market Parties to develop a list of performance indicators to be assessed:
 - daily for key indicators on PXs' website
 - on a monthly basis in more detailed reports

First proposals of performance indicators

- **On PRBs:**
 - **Number, Volumes and Depth of PRBs per bidding zones***
 - Number of combination of PRB reinsertion (number of simple, double, etc)
- **On block bids:**
 - Number of submitted block bids per zone
 - Publish details on block bids in all areas (same as EPEX today): which block is the parent, the child, clearing status, etc.
- **On timing:**
 - Time to first solution
 - Time dedicated to each subtask (relaxation, tree exploring, PUN search, PRB re-insertion..)
 - **Number of feasible solutions investigated***
 - Quality of the solution : gap to optimality
 - Show statistics to prove that running 2 hours is not improving the solution compared to results obtained with the 10 minutes constraint (welfare, prices, flows).
- **On patches/heuristics:**
 - **Flag the activation of patches such as delta P rule (2EUR cut-off), intuitive patch,...***
 - Provide the delta in terms of welfare/price/flows between FB plain and FB intuitive solution
 - Number of MIC re-insertion
 - Number of PRB reinsertion : how many in total and how many are true PRBs, how many are false PRBs?

* **High priority indicators**

Europex proposals: harmonise first market rules before introducing radical changes

- **Market parties need a detailed diagnosis, including description of the test case, quantitative impacts on depth and number of PRBs before starting discussions on any of the suggested changes (option 1-2-3)**
- **Each option should be explained in detail by PCR and allow for in depth discussions**
- **To be followed by a proper consultation on these proposals**
- **Rather than implementing radical market design evolutions, we should first harmonise/simplify the existing individual market designs, e.g. market rules in terms of bidding process**
 - **EURELECTRIC members believe portfolio bidding in day-ahead markets has a number of advantages and would need more time to understand the thermal orders.**
 - **Nomination/scheduling should however remain on a plant by plant basis**
 - **Settlement should be done on a portfolio basis**