



General update on the status of NEMOs' Proposals

10th Market European Stakeholder Committee

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Status Overview

Proposal	Submitted	NRA Response	Notes
MCO Plan	14 April 2016	26 June 2017: approved	<ul style="list-style-type: none"> Implementation by June 2018
MCO Methodologies – Algorithm, Requirements, Product, Backup	14 Feb 2017	14/17 August 2017: RfA	<ul style="list-style-type: none"> Consultation period 3 Nov–2 Dec 2016 Workshop 14 Nov 2016 Amended proposal to be sent by middle of October 2017 New consultation to be scheduled
MCO Methodologies -Harmonised Max/Min Clearing Prices proposal	14 Feb 2017	14 August 2017: NRAs escalated it to ACER	<ul style="list-style-type: none"> ACER consultation; it will then possibly be amended

MCO Plan implementation

	Deliverables	Scope	Responsibility	SH involvement
DESIGN	Methodologies	EU	NEMOs	NRA approval, Consultation
	Multi Nemo Arrangements (MNAs)	Regional/ EU	TSOs and NEMOs	Possibly Local/Regional/EU
CONTRACTS	NEMO arrangements (ANDOA, ANIDOA, ANCA + co-own.)	EU	NEMOs	-
	NEMO/TSO arrangements (DAOA, IDOA)	EU	NEMOs, TSOs	-
AASSETS	Procedures	EU	NEMOs	Consultation
	DA Algo & Systems	EU	NEMOs	Public description of the algorithm
	ID Algo & systems	EU	NEMOs	Public description of the algorithm

+ NEMOs & TSOs cooperating to set up CACM art 10 coordination

Methodologies – key points (1)

❑ Algorithm/requirements

- NRAs RfA
 - Qualify the concepts of optimality, reproducibility, scalability and usage limits;
 - More detailed description of algo, monitoring metrics & thresholds;
 - Stepwise implementation.
- NEMOs' view
 - Working on NRAs requests;
 - Need to retain flexibility;
 - Need to acknowledge complexity of the goal (scalability) and trade-offs among CACM requirements (especially on repeatability).

❑ Products

- NRAs RfA
 - Provide description of individual impact
- NEMOs' view
 - Products are the at the core of algo complexities, and products are also major contributors to overall welfare, market liquidity and price formation efficiency
 - Different views among NRAs and MPs
 - Pragmatic approach is sought for

Methodologies – key points (2)

❑ Max/min clearing prices

- NRAs escalated to ACER
- ACER’s consultation ongoing on three issues
 - Speed of scaling mechanism: NEMOs’ proposal aiming to reduce “black swan” cases
 - Starting point of DA max price: NEMOs’ proposal aiming to avoid distortive impacts on price formation
 - Guarantee that ID maxP \geq DA maxP: NEMOs support that notion

❑ Backup

- Minor amendments
- Fallback deadline relates to “backup” rather than to “algo” methodology
- Link between NEMOs pan-EU Backup and TSOs CCR level Fallback Methodology(ies) needs to be clarified