



CACM Framework Guideline Intraday

In line with PCG and AHAG target model

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Current legal framework

*Intraday congestion management shall be established in a coordinated way no later than 1 January 2008, shall be **market-based** and allocation only by means of explicit or implicit auctions. For intra-day trade, **continuous trading** may be used.*

- Explicit Continuous trading
 - Not market-based? Not as efficient?
- Explicit Auctions
 - Market-based but not as efficient?
- Implicit Auctions
 - Market-based, efficient but less flexible & governance challenges?
- Implicit Continuous
 - Efficient, flexible but how to value scarce capacity?

Intra-day target model

- Target model: an evolution of continuous implicit trading, featuring, including
 - reliable capacity pricing reflecting congestion (i.e. for scarcity)
 - automatic matching
 - appropriate block bids
- Interim model:
 - continuous implicit allocation
 - Implicit auctions may be implemented if liquidity sufficient

Intraday requirements

- Compatibility and coordination:
 - between different regional approaches
 - efficient arbitrage possibilities between timeframes
 - no discrimination between different products:
 - separate hours/block bids
 - organised markets/OTC
- Firmness: all nominated capacities are firm
- Implementation: Regional projects → Pan-European implementation

- Is continuous implicit trading (with pricing mechanism) an appropriate target model?
 - facilitate close to real time trading?
 - efficient allocation of capacity?
 - appropriate for increase in renewable generation?
 - capable of being implemented across Europe?
- Are the interim steps useful progress towards the target model?
- If not, what else is needed?



Thank you for your attention!

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