

## DECISION OF RAE UNDER NO. 1229/2020

**Methodology on the application of acceptance rules for Sell and Buy Orders, with interconnected price in the Day-Ahead and Intra-Day Markets subject to the provisions of sub-sections 4.1.3.2, 4.3.3, 5.4.3 and 5.10.3 Day-Ahead and Intra-Day Markets Trading Rulebook and article 18 par. 4 of L. 4425/2016, as applying**

### The Regulatory Authority for Energy

During its ordinary meeting, at its headquarters, **on the 3<sup>rd</sup> of September 2020, which continued on the 4<sup>th</sup> of September 2020**, and

#### Taking into account:

1. The provisions of Chapter C' "*Stipulations coming under the competency of the Ministry for the Environment and Energy*" of L. 4425/2016 "*Urgent regulations of the Ministries of Finance, Environment and Energy, Infrastructure, Transport and Networks and the Ministry of Labor, Social Security and Social Solidarity, on the application of the agreement on fiscal targets and structural reforms and other stipulations*" (GG A'185/30.09.2016), as modified by Law 4512/2018 (GG A' 5/17.01.2018) and applying and in particular articles 7, 8, 9, 10, 11, 15 and article 18 par. 4 of this law.
2. The stipulations of L. 4001/2011 "*On the operation of Energy Markets for Electricity and Natural Gas, for Research, Production and Hydrocarbon transfer networks and other regulations*" (GG A' 179/22.08.2011), as applying.
- 3.
4. The Day-Ahead and Intra-Day Markets Trading Rulebook, (decision of RAE under the No. 1116/2018, GG B' 5914/31.12.2018, as applying following its modification by the No. 820/2020 Decision of RAE, GG B' 1941/21.05.2020), and in particular the sub-sections 4.1.3.2, 4.3.3, 5.4.3 and 5.10.3
5. RAE Decision No. 869/2020 entitled "*Methodology for the application of acceptance rules Buy / Sell Orders with interconnected price in Next Day Market and Intraday Purchase according to the provisions of subsections 4.1.3.2, 4.3.3, 5.4.3 and 5.10.3 of Regulation for the Operation of the Next Day & Intraday Market and the article 18 par. 4 of law 4425/2016, as in force*" (Government Gazette B '2384 / 17.06.2020).
6. According to no. Date ΔΔΑ / 20540 / 24.07.2020 document of IPTO SA (RAE I-286048 / 24.07.2020) on the subject: "*Suggestion regarding the amendment of the Market Operation*

Regulations Next Day & Intraday Market for the participation of the ESMIE Administrator in the Intraday Market".

7. According to no. Date / DAPEEP / 6541 / 27.07.2020 (RAE I-186212 / 28.07.2020) document of DAPEEP SA on "Proposal to amend the Regulations for the Operation of the Next Market Day and Intraday Market for the participation of the RES & Guarantee Manager Origin »
8. The sub-no. O-83550 / 03.08.2020 document of RAE to EXE A.E. by notification to Ministry of Environment and Energy on the topic: "Recommendations of IPTO SA and her DAPEEP SA regarding amendments to the Market Operation Regulations Next Day and the Intraday Market".
9. The document with NO./HM./EXE: 1609 / 05.08.2020 (RAE I-286679 / 6.8.2020) with notification to the Ministry of Environment and Energy, IPTO SA and DAPEEP SA subject: "Submission of a proposal to amend the provisions of the Rules of Procedure Next Day Market Operation and Intraday Market, transfer Annex B of the Regulation in Technical Decision, determination of Limit Value System at the transitional time on the first day of application of the Solution Algorithm Next Day Purchase and implementation of provisions for calculation and enforcement of Non-Compliance Charges".
10. The Public Consultation of RAE on the above suggestion of EXE SA, which received country from 07.08.2020 to 14.08.2020 ([http://www.rae.gr/site/categories\\_new/about\\_rae/factsheets/2020/gen/0708\\_2.csp](http://www.rae.gr/site/categories_new/about_rae/factsheets/2020/gen/0708_2.csp)) and on no comments were submitted.
11. The fact that in accordance with the provisions of par. 1 of article 32 of L. 4001/2011, the regulatory acts issued by RAE are published in the Government Gazette.
12. The fact that the provisions hereof do not entail any charge on the State Budget.

### **Has come to the following conclusions:**

#### **I. Legal framework - duties**

*Because*, in accordance with the provisions of article 7 of L. 4425/2016, as applying, "[...] *The Participants in the Day-Ahead Market submit energy transaction orders with an obligation of physical delivery the day ahead (Delivery Day D). Energy quantities which have been nominated on Energy Financial Instruments and/or other wholesale energy products of the Rulebook (EU) No. 1227/2011 with the obligation of physical delivery are declared in the Day-Ahead Market. [...]*" and furthermore "[...] *The Participants in the Intra-Day Market may submit orders for physical delivery on the Delivery Day D, after the expiry for the submission of Orders in the Day-Ahead Market [...]*".

*Because*, article 18 of the same aforementioned law provides, among other things, that "[...]2. *Energy Exchange Rulebook [...] defines the terms and conditions for the operation of the Day-Ahead and Intra-Day Markets [...]. The Rulebooks include transparent and non-discriminatory rules, which are based on objective criteria regarding the access of the Participants to the Electricity Markets. The Participants and any other person to whom the Regulations relate must comply with their obligations arising from them. [...]*" as well as that "[...] 4. *Methodologies, parameters and other*

*special approvals provided by the Market Codes, are decided by RAE, following a suggestion of the Market Operators and are published in the Government Gazette. [...]*”.

Because, with the decision 1116/2018, RAE approved the Day-Ahead & Intra-Day Markets Trading Rulebook and its annexes (hereinafter "Regulation"), according to articles 9, 10 and 18 of Law 4425/2016. In this regard, after the relevant recommendations of HEnEx SA, with decision 820/2020 RAE approved the first amendment of the Regulation, and with decision 1228/2020 approved the second amendment of the above Regulation. In particular, with the above no. 1228/2020 with its decision, the Authority, on the basis of a relevant proposal of HEnEx SA, proceeded with the appropriate amendments to the provisions of the Regulation, so that DAPEEP SA and IPTO SA will submit to the Intraday Market priced Buy and / or Sale Orders. At the same time, the provisions of the Rulebook concerning submission of Buy or Sell Priority Price Taking Orders (PPT orders) were deleted. The PPT orders were submitted by the Administrator of ESMIE in the Intraday Market for the projected deviations of the Production Units and the RES Units in initial testing mode or in Testing Operation status as well as for the Mandatory Water Injections of hydroelectric units.

*Because*, in accordance with paragraphs 10, 11 and 12 of the sub-section 4.1.3.2 “Priority Price-Taking Orders” of the Day-Ahead and Intra-Day Markets Trading Rulebook (hereinafter referred to as the “Rulebook”, Decision of RAE 1116/2018, as modified by the decision of RAE 820/2020)

*“10. In case that the Market Clearing Price in a Bidding Zone for a given Market Time Unit of Delivery Day D is equal to the Minimum Orders Price for the Day-Ahead Market and at the same time no Hourly Hybrid Sell Order has been accepted by the algorithm solution at a price equal to the Minimum Orders Price of the Day-Ahead Market and without Priority, then curtailment of Priority Price-Taking Sell Orders shall take place.*

*11. In case that the Market Clearing Price in a Bidding Zone for a given Market Time Unit of Delivery Day D is equal to the Maximum Orders Price for the Day-Ahead Market and at the same time no Hourly Hybrid Buy Order has been accepted by the algorithm solution at a price equal to the Maximum Orders Price of the Day-Ahead Market and without Priority, then curtailment of Priority Price-Taking Buy Orders shall take place.*

*12. The procedure for the curtailment of Buy/Sell Orders in the cases of paragraphs (10) and (11) is executed according to a methodology defined by RAE decision upon recommendation of HEnEx.”*

*Because*, in paragraphs 9 and 10 of the sub-section 4.3.3 "Acceptance rules of Orders by the Day-Ahead Market Price Coupling Algorithm" of the Rulebook, the following are provided for:

*“9. In the event that for a Market Time Unit more than one part of Hourly Hybrid Sell Orders has a value at the left end lower than or equal to the Market Clearing Price and at the right end higher than or equal to the Market Clearing Price, the acceptance of Orders is applied according to the methodology specified by a relevant RAE Decision, following a HEnEx proposal.*

*10. In the event that for a Market Time Unit more than one part of Hourly Hybrid Buy Orders has a value at the left end higher than or equal to the Market Clearing Price and at the right end lower than or equal to the Market Clearing Price, the acceptance of Orders is applied according to the methodology specified by a relevant RAE Decision, following a HEnEx proposal.”*

*Because*, in accordance with paragraphs 6 and 7 of the sub-section 5.10.3 "Order acceptance rules in LIDAs and CRIDAs" of the Rulebook:

*“6. In the event that for a Market Time Unit more than one part of Hourly Hybrid Sell Orders has a value at the left end lower than or equal to the Market Clearing Price and at the right end higher than or equal to the Market Clearing Price, the acceptance of Orders is applied according to the methodology specified by a relevant RAE Decision, following a HEnEx proposal.*

*7. In the event that for a Market Time Unit more than one part of Hourly Hybrid Buy Orders has a value at the left end higher than or equal to the Market Clearing Price and at the right end lower than or equal to the Market Clearing Price, the acceptance of Orders is applied according to the methodology specified by a relevant RAE Decision, following a HEnEx proposal.”*

Because, HEnEx S.A. in its relevant document 9, submitted a proposal for amendment of the provisions of the Day-Ahead & Intra-Day Markets Trading Rulebook , which included, inter alia, a proposal to amend it, with the no. 869/2020 Decision of RAE, approved " Methodology of application of Acceptance Rules for Buy / Sell Orders with Interconnected Price in the Day-Ahead & Intra-Day Markets according to the provisions of subsections 4.1.3.2, 4.3.3, 5.4.3 and 5.10.3 of the Regulations for the Operation of the Day-Ahead & Intra-Day Markets and article 18 par. 4 of law 4425/2016, as in force ". RAE raised the relevant suggestion of HEnEx SA in public consultation (ref. 10), in which no comments were submitted.

Because, according to the suggestion of HEnEx SA, it is proposed to modify the content of the relevant RAE Decision 5 (Decision 869/2020) regarding the Methodology of application of rules for the acceptance of Buy / Sell Orders with interconnected price in the Day-Ahead & Intra-Day Markets. In particular, it is proposed to delete the Priority Price Taking orders in the accepting prices algorithm application with interconnected price in the Intraday Auctions, when the Clearing Price is equal to the Maximum or Minimum Order Price. Since all Participants can submit Hybrid Buy and Sell Orders, acceptance of Orders in the case of Orders with interconnected value will be made according to the Time stamp of their entry into the Energy Market Trading System (ETSS). Therefore, it is proposed to cut the last entered Orders first. Furthermore, in the above suggestion of HEnEx S.A., no modifications are included in relation to the already approved methodological rules regarding the cutting sequence of Priority Price Taking Buy / Sell Orders in the Day-Ahead & Intra-Day Markets.

Because, RAE after taking into account the above, as well as the reasons they have in detail referred to in no. 869/2020 Decision, considered the above suggestion of HEnEx S.A. as reasonable.

#### **Decides:**

Within the frame of its duties, subject to article 18, par. 4 of L. 4425/2016, and the sub-sections 4.1.3.2, 4.3.3, 5.4.3 and 5.10.3 of the Day-Ahead and Intra-Day Marks Trading Rulebook as applying, the definition of the here-below methodological rules:

- A. The curtailment of Priority Price-Taking Sell Orders in the Day-Ahead Market, it is applied per Market Time Unit, in the following sequence:
  1. Sell Orders corresponding to the production of scheduled production of Generating Units in Commissioning or Testing Operation and RES Units in Commissioning or Testing Operation.
  2. Sell Orders corresponding to trades that have been conducted within the Energy Derivatives Market, and have been nominated to ETSS through validated Physical

Delivery Nomination, and to trades that have been concluded on Energy Financial Instruments bilaterally outside the Energy Derivatives Market and have been nominated to ETSS through validated Physical Delivery Nomination, with the exemption of Sell Orders corresponding to Imports using confirmed nominated Long-Term Physical Transmission Rights and Sell Orders corresponding to deviations of the forecasted Losses of the Transmission System.

3. Sell Orders corresponding to Imports using confirmed nominated Long-Term Physical Transmission Rights.
4. Sell Orders corresponding to the forecasted production of RES and CHP Units that are submitted by the Last Resort RES Aggregator.
5. Sell Orders corresponding to the forecasted production of RES Units that are submitted by DAPEEP.
6. Sell Orders corresponding to the scheduled production of CHP Units that are submitted by DAPEEP for reasons related to the safety of the facilities that are supplied with thermal energy.
7. Sell Orders submitted by the HTS Operator and which correspond to the correction of deviations of the Transmission System Losses in relation to the Sell Orders that have been created as a result of the participation of the HTS Operator in the Energy Derivatives Market or bilaterally outside the Energy Derivatives Market.
8. Sell Orders corresponding to Mandatory Hydro Injections of each Hydro Unit for water supply, irrigation and ecological supply.

As for the Priority Price-Taking Sell Orders that are curtailed subject to the above provisions, within the same category, the selection is made according to the Timestamp at the moment they were entered into the ETSS, meaning within the same category, while the first to be curtailed are the ones that have been the last to be entered in the ETSS. As for the Priority Price-Taking Orders that correspond to Orders that are created as a result of their participation in the Energy Derivatives Market or bilaterally, outside the Energy Derivatives Market, the Timestamps are received in accordance with the provisions of point D of this Decision".

- B. The curtailment of Priority Price-Taking Buy Orders in the Day-Ahead Market, it is applied per Market Time Unit, in the following sequence:
1. Buy Orders corresponding to trades that have been conducted within the Energy Derivatives Market, and have been nominated to ETSS through validated Physical Offtake Nomination, and to trades that have been concluded on Energy Financial Instruments bilaterally outside the Energy Derivatives Market and have been nominated to ETSS through validated Physical Offtake Nomination, with the exemption of Buy Orders corresponding to Exports using confirmed nominated Long-Term Physical Transmission Rights and Buy Orders corresponding to Losses of the Transmission System.
  2. Buy Orders corresponding to Exports using confirmed nominated Long-Term Physical Transmission Rights.
  3. Sell Orders corresponding to deviations of the forecasted production of RES and CHP Units that are submitted by the Last Resort RES Aggregator in association with the Sell Orders that have been created as a result of the participation of the Last Resort RES Aggregator in the Energy Derivatives Market or bilaterally, outside the Energy Derivatives Market.
  4. Sell Orders corresponding to deviations of the forecasted production of RES and CHP Units that are imported by DAPEEP in association with the Sell Orders that have been

created as a result of the participation of DAPEEP in the Energy Derivatives Market or bilaterally, outside the Energy Derivatives Market.

5. Sell Orders submitted by HEnEx S.A. on behalf of the Last Resort Supplier and are associated with the Sell Orders for a Supplier that has been deleted from the Participant Register and exclusively for the Delivery Day D following its deletion by HEnEx S.A.
6. Sell Orders submitted by the HTSO corresponding to Transmission System Losses, including those that correspond to transactions carried out within the Energy Derivatives Market, and have been declared to the ETSS through a validated Physical Offtake Nomination, and transactions that have been carried out on Energy Financial Instruments bilaterally, outside the Energy Derivatives Market and have been declared to the ETSS through a validated Physical Offtake Nomination.

As for the Priority Price-Taking Buy Orders that are curtailed subject to the above provisions, within the same category, the selection is made according to the Timestamp at the moment they were entered into the ETSS, meaning within the same category, while the first to be curtailed are the ones that have been the last to be entered in the ETSS. As for the Priority Price-Taking Orders that correspond to Orders that are created as a result of their participation in the Energy Derivatives Market or bilaterally, outside the Energy Derivatives Market, the Timestamps are received in accordance with the provisions of point D of this Decision ".

- C. In case the Clearing Price of the Day-Ahead Market and/or Intra-Day Market is between the Minimum and the Maximum Order Price of the Day-Ahead Market and/or Intra-Day Market, the curtailment of the Buy (or Sell) Orders is made based on the Timestamp at the moment they were entered into the ETSS, meaning that the first to be curtailed are the ones that have been the last to be entered in the ETSS.
- D. The Timestamp of Priority Price-Taking Orders corresponding to Physical Delivery/Offtake Nominations, takes into account the time of submission of the respective accepted/final Physical Delivery or Offtake Schedule Report. In particular, upon completion of the submission process of the Physical Delivery and Offtake Schedules and the implementation of these validation checks, the Energy Trading Spot System (ETSS) of HEnEx creates the respective Sell/Buy Orders with Priority Price-Taking, taking into account the time sequence of the Timestamps regarding the submission of Physical Delivery/Offtake Nominations.
- E. The entry into force of this decision from the day of commencement of operation of the Day-Ahead and Intra-Day Markets.

*This Decision is notified to the company "Hellenic Energy Exchange S.A.", posted on the official website of RAE and published in the Government Gazette (GG).*

**Athens, 4 September 2020**

**The President of RAE**

**Dr. Athanasios Dagoumas**