

All NEMO Committee Communication note: 25 November 2022

## All NEMOs to increase threshold that triggers second auction procedure to EUR 2,400 per MWh on 7 December 2022

Due to the winter season and an enduring period of high electricity prices, the Nominated Electricity Market Operators (NEMOs) involved in the Single Day-Ahead Coupling in the most affected countries have decided to increase the threshold that triggers the 2<sup>nd</sup> auction procedure from EUR 1,500 to EUR 2,400 per MWh. The change will be implemented as of 7 December (first trading day). The goal of this change is to maintain security of operations by avoiding triggering second auctions in these countries on a regular basis and thus binding operational resources, which could endanger the Market Coupling session by increasing the risk of Full Decoupling.

Triggering of second auction through threshold being reached was announced as a new procedure very recently in the Baltic bidding zones and Croatia bidding zone. That threshold has now been superseded by this higher NEMO threshold announcement.

The second auction procedure is triggered when certain price levels are achieved in the coupled Day-Ahead auction, in order to allow market participants to review their positions when price levels are higher than usual.

The following countries are affected by the threshold switch to EUR 2,400 :

- Austria
- Belgium
- Croatia
- Estonia
- France
- Germany
- Hungary
- Ireland
- Latvia
- Lithuania
- Netherlands
- Portugal
- Romania
- Slovenia
- Spain

The following countries are still under study for performing the same changes:

- Czech Republic
- Greece
- Slovakia

Therefore, these countries as well as the other not explicitly mentioned in this note, keep the current threshold.