

Update on Market Incident of 25 June 2024

Information on the Market Incident of 25.6.2024

Summary

- On 25 June 2024, EPEX SPOT faced a technical incident that led to a decoupling of EPEX SPOT markets from the interconnected European Single Day Ahead Coupling (SDAC).
- Market Coupling Operational Procedures set forth in NEMOs and TSOs contracts and governed by regional regulatory framework, as well as EPEX SPOT Market Rules have been applied in an orderly manner and in line with nomination and payment deadlines, therefore preserving the physical electricity system.
- The Market Results (prices) stemming from the SDAC coupled and decoupled sessions diverged significantly, especially in Germany, Austria and France. It is important to note that both coupled and decoupled prices calculated have been impacted by the partial decoupling that day (and in particular the allocation mechanism of interconnection capacity made available).
- Nevertheless, EPEX SPOT prices were determined in line with rules and procedures and are consistent with the orders received. Associated cleared market volumes were in line with the amounts of previous days.

All timings are expressed in CEST

Events leading to the partial decoupling of the market:

Initial technical issue:

- At 10:08, a technical issue on EPEX auction trading system ETS occurred following the deployment of a feature upgrade, affecting ETS availability. As a result, ETS was no longer accessible to EPEX SPOT customers.
- The problematic feature upgrade was then deactivated in order to prevent further ETS server unavailability.

Following technical issues:

- Later, a connectivity issue affecting market participants' access to the trading system was detected. Despite resolution operations, the trading system still suffered from low responsiveness, preventing the effective connection to ETS by market participants.

Market decoupling and end of the ETS technical incident:

- At **13:05**, time had run out for EPEX SPOT to participate with its orderbook to the SDAC. As per procedures, EPEX SPOT was required to declare partial decoupling of SDAC.

- As of 13:38, following further resolution operations, ETS became faster and responsive again, allowing customers to connect to the trading system.
- The order book remained open for about 1h before the gate closure time of EPEX SPOT CORE decoupled auctions, with the number of connected ETS users in line with normal day users' connection count.

Status as of today:

- The initial technical issue has been fixed, and measures have been taken to improve connectivity performance of ETS.

SDAC Decoupling procedures followed on 25.6.2024

- Decoupled auctions for CWE and Poland (CORE region)
- Decoupled auctions for the Nordic region
- Note on cross-zonal capacity allocation through shadow auctions

All timings are expressed in CEST

Decoupled auctions for CWE and Poland (CORE region)

Once Partial Decoupling is declared, EPEX SPOT runs decoupled auctions in the CORE region (which includes Central Western Europe and Poland), in line with the agreed Market Coupling Operational Procedures set forth in NEMOs and TSOs contracts and governed by the applicable regulatory frameworks. As per EPEX SPOT Market Rules, these decoupled auctions deliver Market Results that are published by EPEX SPOT, aside from the coupled Market Results published by Power Exchanges that remain coupled.

On the 25.06.2024, EPEX SPOT published the final market results of the decoupled auctions of the CORE region at 15:06 CEST.

Comments on Market Results in the CORE region:

- Traded volumes at EPEX SPOT in the decoupled auction session ran on 25.06.2024 were in line with previous days turnover and prices correctly reflected the received orders. The results of EPEX SPOT decoupled auctions were impacted by the absence of cross-border capacity allocation made available to market coupling. This lack of interconnection capacity allocation can accentuate the price peaks as observed in France, Germany and Austria in particular.
- Conversely, the results of the SDAC coupled auctions were impacted by the fact that they were allocated with 100% of the European interconnection capacity made available to market coupling that day.

Decoupled auctions for the Nordic region:

The nomination and settlement deadlines in the Nordic region are less tight than in the CORE region and allow for a postponement of the coupled auctions at a regional level (until 20:00). The Nordic countries remained thus coupled as a region, but the entire Nordic region was decoupled from the CORE areas on the 25.06.2024, as per market coupling procedures.

Both operational NEMOs, EPEX SPOT and Nord Pool, remained coupled within the Nordic region and published single coupled prices for the Nordic areas at 17:40.

Note on cross-zonal capacity allocation through shadow auctions in CORE: As explained on the website of JAO, shadow auctions are performed in case of failure of market coupling (implicit allocations). Only on the borders where implicit allocation cannot be performed, shadow auctions (explicit allocations) can then be triggered. On the 25.06.2024, SDAC experienced a partial decoupling event, where EPEX SPOT was decoupled from the CORE markets. Implicit capacity allocations were still performed with the TSOs and the other operating NEMOs of the CORE region – thus no shadow auctions were performed on the internal coupled CORE borders.

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