



National Regulatory Authorities approve NEMO proposal to establish European Market Coupling Operator functions to further integrate day-ahead and intraday markets (the “MCO Plan”)

Cosimo Campidoglio elected as new Chairperson of NEMO Committee

21 July 2017.

We are pleased to announce that, following extensive discussion and collaboration between Nominated Electricity Market Operators (NEMOs) and National Regulatory Authorities (NRAs), all NRAs approved the MCO Plan on 26 June 2017. The MCO Plan includes all the necessary steps to accomplish a European market coupling operator function to integrate European day-ahead and intraday power markets.

In April 2016, the NEMO Committee, representing all 17 NEMOs from across Europe, submitted the MCO Plan to all National Regulatory Authorities for approval under Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the “CACM Regulation”).

The MCO Plan provides how NEMOs will jointly set up and perform the MCO functions according to the CACM Regulation, necessary to connect day-ahead and intraday markets across the whole of Europe and provides clear and detailed rules and requirements that have been agreed upon among NEMOs. It will serve as the framework enabling the successful development and operation and of market coupling in all Member States in the years to come.

The approval of the MCO Plan represents a significant milestone in the implementation of the CACM Regulation and accomplishment of the Internal Energy Market. The NRAs ratification of the MCO Plan confirms:

1. the adoption of Price Coupling of Regions (PCR) solution as the basis for pan-European single day-ahead coupling,
2. the adoption of the Cross-Border Intraday (XBID) solution as the basis for pan-European single intraday coupling,

3. the role of the NEMO Committee as the official body responsible to oversee the future establishment, development and operation of the MCO functions.

During the following months, the NEMO Committee will provide the necessary oversight to coordinate and report on progress to implement the MCO Plan and to successfully establish the MCO functions. In addition, all NEMOs are dedicated to fulfil further obligations under the CACM Regulation to:

1. finalise and implement the additional methodologies required by the CACM Regulation, that NEMOs submitted to all NRAs for approval in February 2017,
2. implement multi-NEMO arrangements, to support efficient and non-discriminatory operation where multiple NEMOs operate in the same bidding zone,
3. deliver projects, together with TSOs and stakeholders, to implement day-ahead and intraday coupling on a European-wide basis.

On 12 July 2017, the NEMO Committee confirmed the appointment of Cosimo Campidoglio, current Head of Market Monitoring and Analysis at the Italian power exchange GME, as its new Chairperson. All NEMOs warmly thank the outgoing Chairperson, Andrew Claxton, for his significant contribution in establishing the NEMO Committee and fostering the wider cooperation among NEMOs.

Contact

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NEMO Committee Members

BSP Regional Energy Exchange LLC	LAGIE - Operator of Electricity Market S.A.
Croatian Power Exchange Ltd.	Nord Pool AS
EirGrid plc	OKTE a.s.
EPEX SPOT SE	OMI - Polo Español S.A. (OMIE)
EPEX SPOT Belgium B.V.	Operatorul Pieței de Energie Electrică și de Gaze Naturale "OPCOM" SA
EXAA Abwicklungsstelle für Energieprodukte AG	OTE A.S.
Gestore dei Mercati Energetici S.p.A.	SONI Limited
HUPX Hungarian Power Exchange Company Limited by Shares	Towarowa Giełda Energii S.A.
Independent Bulgarian Energy Exchange EAD	

The NEMO Committee oversees the efficient management of the cooperation between NEMOs aiming to achieve the objective of and delivering the requirements set by the CACM Regulation. All NEMOs are part of the NEMO Committee.

Price Coupling of Regions (PCR) is the initiative of 7 European Power Exchanges (EPEX SPOT, GME, Nord Pool, OMIE, OPCOM, TGE and OTE), to develop a single price coupling solution to be used to calculate electricity prices across Europe, and allocate cross-border capacity on a day-ahead basis. This is crucial to achieve the overall EU target of a harmonised European electricity market. The integrated European electricity market is expected to increase liquidity, efficiency and social welfare.

Cross-border Intraday Market Project (XBID) is a joint initiative by the Power Exchanges (PXs): EPEX SPOT, GME, Nord Pool and OMIE together with the Transmission System Operators (TSOs) from 11 countries, to create an integrated intraday cross-border market. The single intraday market will enable continuous cross-border trading across the entire Europe.