ACER consultation on IDA timings in the Algorithm Methodology

Eurelectric response paper

August 2026

ACER consultation on IDA timings

KEY MESSAGES

- **Eurelectric welcomes the extension of flow-based allocation in the intraday timeframe**. If implemented correctly, this change will provide relief to market participants (MPs) who have experienced a decline in cross-zonal trading opportunities in intraday since the go-live of flow-based market coupling in the day-ahead auction.

- **Eurelectric calls for sufficient time for MPs' operational preparation and for testing before the go-live in Q4 2027**.

- **The risk of locked cross-zonal flows in the intraday continuous and balancing timeframes needs to be mitigated** before the go-live of flow-based in IDAs.

- **Eurelectric welcomes NEMOs' commitment to keep suspension times of SIDC continuous below 40 minutes under normal operations** but encourages NEMOs to pursue ways to minimise this suspension time.

- **The removal of concrete suspension time arrangements from the Algorithm Methodology raises questions about transparency and stakeholder involvement.** We encourage NEMOs to consult MPs on any further evolution of the suspension times.

- **The concrete distribution of SIDC continuous suspension times matters from a MP perspective,** since trading opportunities closer to delivery are more valuable. Hence, a later reopening of the continuous market could be acceptable if accompanied by significantly improved transparency and timely publication of auction and capacity calculation outcomes.

- **Further discussions with MPs on fallback procedures can help ensuring a proper balance between operational robustness, transparency and market efficiency.**

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Improve the availability of cross-zonal capacity across timeframes

Eurelectric welcomes the extension of flow-based allocation in the intraday timeframe. Provided that sufficient Remaining Available Margin (RAM) is made available to the market both within the intraday auctions and within the continuous market and that capacity calculation remains transparent and not unduly conservative, the flow-based approach is expected to improve the efficient use of available cross-zonal capacity and increase trading opportunities across bidding zones.

This is particularly relevant in the Nordic context, where the introduction of flow-based in the day-ahead timeframe has led to cross-zonal flows being locked in the subsequent timeframes with unavailable cross-zonal capacity notably due to the co-existence of flow-based and NTC allocations on the same borders during subsequent timeframes. Combined with small bidding zones, this has left market participants (MPs) in surplus or deficit zones with limited to no market liquidity to adjust to unexpected changes in the generation or load after the day-ahead auction.

Eurelectric supports swift action to address current inefficiencies and to prevent similar restrictions of cross-zonal capacity from resurfacing between IDAs and the ensuing timeframes of intraday continuous and balancing. Considering that the mismatch between flow-based capacity allocation and ATC extraction will only be shifted to subsequent market timeframes, the risk of locked flows needs to be assessed properly, and mitigating actions should be anticipated to avoid undue restrictions of cross-zonal trading.

Eurelectric also recalls that it has repeatedly supported the minimisation of the suspension of SIDC continuous in the past. We consider that such suspension should seek to remain below 20 minutes.

Specific comments on the revised Algorithm Methodology amendment

In general, Eurelectric welcomes improvements to the all-NEMO Committee draft ensuring that market timings resulting from the implementation of flow-based allocation in IDAs respect the maximum SIDC continuous suspension time of 40 minutes under normal operations. NEMOs should achieve the implementation of flow-based allocation in IDAs while making the minimisation of suspension times in SIDC continuous their priority.

However, the removal of information about concrete suspension times from the NEMO proposal raises questions. **Eurelectric recalls the importance of ensuring transparency and full stakeholder involvement when determining concrete SIDC continuous suspension times**.

- <u>Article 5(19) – Suspension of continuous trading</u> – Eurelectric welcomes the clarification that, under normal operations, the suspension of continuous trading shall not exceed 40 minutes. We further encourage NEMOs to pursue ways to minimise SIDC continuous suspension times, for example through the parallelisation of tasks.

- At the same time, Eurelectric would welcome clarity about the concrete SIDC continuous suspension arrangements before and after the IDA gate closure time, which have now been moved to IDA operational procedures. In general, we encourage NEMOs and TSOs to consult MPs on any future evolution of the detailed timing arrangements.
    - During the previous consultation, NEMOs proposed a suspension period of 18 minutes before and 22 minutes after the gate closure time, effectively reducing the time available for cross-zonal capacity calculation from 5 minutes to 3 minutes. Eurelectric would welcome transparency about the outcomes of testing on this arrangement. We would also welcome clarification about whether it remains the preferred design or if alternative arrangements are under consideration.
    - Indeed, **the redistribution of trading time remains relevant from a market participant perspective**. **Trading opportunities closer to delivery can be particularly valuable for balancing, portfolio optimisation, and the management of forecast deviations arising from variable renewable generation**. Consequently, a shift of trading time away from the period closest to delivery could be perceived negatively by some MPs despite the unchanged total duration.
    - While Eurelectric keeps a preference for minimising SIDC continuous suspension times both before and after the IDA, a later reopening could be more acceptable if accompanied by **significantly enhanced transparency and timely publication of auction outcomes, capacity calculation results, and other relevant operational information**. Enhanced information closer to real time could help market participants make more informed decisions and potentially reduce the amount of time required to adjust their positions.

- <u>Article 6(12) - Publication of IDA Results</u> – Eurelectric welcomes the deletion of the amendment in Art. 6(12) and NEMOs' commitment to **provide IDA results in time to ensure at least 30 minutes of cross-zonal continuous trading under normal operations**. Maintaining a meaningful continuous trading period following the publication of auction results remains important for MPs' balancing and portfolio optimisation activities.

- <u>Article 6(15) – Go-live timeline</u> – Eurelectric welcomes NEMOs' confirmation about the planned go-live of flow-based in IDAs no later than Q4 2027. We recall that this change will require preparation from market participants, who will need to adapt their trading and risk management practices and to prepare operationally, notably through participation in testing activities spanning over a sufficiently long period of time.
    - To ensure a smooth go-live, we would appreciate greater visibility regarding the expected implementation timeline and regular updates about whether the project is on schedule.

- While ACER is expected to decide on the amendment by 21 January 2027, Eurelectric encourages NEMOs to share the detailed implementation roadmap, associated testing arrangements and any additional methodological amendments with MPs as early as possible.

Finally, **we note that any reference to fallback arrangements under non-normal operations has been removed from the updated explanatory document**. Eurelectric believes that fallback arrangements remain an important element of the future flow-based implementation in IDAs.

With this in mind, **we would welcome further discussions with market participants on the design of fallback arrangements.** While situations leading to a risk of partial decoupling or IDA cancellation must remain exceptional, there may be opportunities to further enhance certain fallback processes to better balance operational robustness, transparency and market efficiency.

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We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

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transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

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WG Market Integration & Network Codes

Contact:
Max Schneider, Advisor Wholesale Markets
mschneider@eurelectric.org

eurelectric

Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: 4271427696-87