

Description of Energinet.dk emergency procedure - in situations where a point of intersection between the purchase- and sales curve is not achieved in DK1 or DK2 due to failure of market coupling

In case of technical failure, a situation may occur where it is impossible to complete the market coupling procedures on the Danish-German border. This again may lead to a situation of under supply or over supply in DK1 or DK2 in Elspot so that a point of intersection between the purchase- and sales curve is not achieved

For these situations Energinet.dk has obtained regulatory approval to implement an emergency procedure which in principal means that Energinet.dk as the TSO will give a separate purchase- or sales bid in order to achieve intersection between the curves and thus a price in the Danish bidding areas.

These are the directions for the emergency procedure:

- The objective is only to secure an intersection point at the highest commercial price in case of technical failure and cancellation of market coupling.
- The procedure will be used both in situations of over-supply and under-supply in DK1 and/or DK2.
- The procedure is described in Energinet.dk market regulations.
- An amendment is made to the rulebook for the physical markets at Nord Pool Spot.
- The market will be informed every time the procedure has been employed.
- The purchase or sales bid will formally be given by Energinet.dk system operation pool.
- The trades will be kept in separate accounts from the ordinary trading of Energinet.dk.

The procedure

1. Due to failure of market coupling a situation of over-supply or under-supply in DK1 and or DK2 is discovered in the Elspot price calculation.
2. The volume difference at maximum or minimum price needed in order to achieve intersection at the highest or lowest commercial price in the market area is calculated by Nord Pool spot.
3. Energinet.dk is contacted immediately.
4. If the volume difference is smaller than the transmission capacity reserved for market coupling, a price-independent purchase or sales bid with a volume equivalent to the volume difference is activated on Energinet.dk behalf.
5. If the volume difference is greater than the transmission capacity reserved for market coupling, a price-independent purchase or sales bid with a volume equivalent to the available transmission capacity is activated on behalf of Energinet.dk. In this situation the emergency procedure will reduce the need for curtailment.
6. Energinet.dk will inform the market through UMM every time the emergency procedure is employed.