



(This was summary was sent as an e-mail to all intraday countertrade design meeting participants 22-04-2021)

Dear participant,

Thank you for your participation at the intraday (ID) countertrade (CT) model design meeting, and for your feedback regarding the design of the model.

The purpose of the meeting was to receive concrete input to the design of the new ID CT model. Questions related to the choice of the countertrade model were briefly answered, and reference was made to previous workshops and to the Q&A published here: [Modhandel | Energinet](#). In line with the guidelines for the online meeting, questions and comments in the chat box were answered if repeated orally. Design relevant feedback raised in the chat box will be taken into consideration when finalising the design.

### **Input to the design of the countertrade model:**

#### **- Publication of prices**

Regarding the publication of the bid price some participants emphasized that the willingness to pay (bid price) should not be published – it would mean trading with an open book.

Energinet presented the dynamics of intraday trading and argued that TSOs willingness to pay would be revealed in case of shortage of bids. Furthermore, Energinet argued that the publication of the bid price, trading time and volumes (full transparency), would lower entry barriers for small market participants lacking the resources to predict the countertrade volumes and discover the hidden maximum price.

#### **- Trading windows**

Several participants found that two trading windows make good sense, but they encouraged Energinet to wait a few minutes before going into the market, thereby ensuring that cross border capacity has been released. Instead of entering the market at 15.00 and 18.00 (cf. the current Energinet proposal) Energinet should enter the market at 15.05 and 18.05.

Some participants also found that trading later in the window would be an advantage, as that would allow liquidity to build up. On the other side, this would also give market participants more time to do capacity hoarding, which was one of Energinets arguments for placing the windows at the time of cross border capacity release.

#### **- Trading in smaller portions**

Countertrading in smaller portions was suggested, as this would better ensure that the volumes would be traded. Energinets perspective was that the trading windows would attract a lot of liquidity, and that adjacent TSOs would be interested in early countertrade, as that would give them the security that the requested countertrade is firm (the requested countertrade is firm once traded).

Some market participants commented that this market indeed would be very competitive.

#### **- Specific needs for countertrade**

It was suggested to specifically consider Kriegers Flak (KF) when designing the model, as the need for CT on KF is only predictable once close to the operational hour. As continuous trading is also a possibility in the suggested design Energinet believes this to be sufficient, but a meeting will be scheduled to discuss this further.

- **Netting**

When netting the need for upward or downward regulation, by both selling and buying on XBID within the same hour, Energinet should be aware of the risk that Energinet may be trading with oneself.

- **Market behaviour**

It was suggested that examples of market behaviour are provided to facilitate a discussion of whether this specific type of behaviour would be REMIT compliant or not. E.g., would one market party be allowed to buy all Buy-orders, and then place them in the market again at a higher price?

- **Choice of NEMO**

Energinet was asked which NEMO they would choose. Energinet replied that the third party performing automatic trading on behalf of Energinet would be free to choose the NEMO that could provide the best service at the lowest cost.

Thanks a lot for all this relevant and concrete input to the design!

A survey link was sent to you this morning. Please take the time to evaluate the meeting content and facilitation – thank you!

Best regards,

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