CONSULTATION RESPONSE

Response to the amended Multi-NEMO Arrangement in France

Brussels, 20 January 2026

Detailed comments

We thank RTE for providing an updated version of the Multi NEMO Arrangement (MNA). With multiple MNAs across Europe, we emphasise the need for coherence between different bidding zones and MNAs. We hope to see consistent changes in all MNAs and wonder what the next steps will be if there is no overall agreement on the proposed changes across Europe.

Additionally, regarding the need for coherence, we note that the definitions of the types of decoupling do not necessarily align with those used at the European level. More specifically, we point out the definition of 'full decoupling' in the MNA, which can be translated to "A situation of 'complete decoupling' occurs when France is decoupled on all borders of its Bidding Zone." This creates a situation where there could be a difference in full decoupling happening only in the French bidding zone, and a full decoupling on Single Day-Ahead Coupling. Comparatively, within the SDAC Fallback Manual, full decoupling has been defined as "A Full Decoupling of SDAC is a situation where no bidding zone and interconnector can remain coupled under SDAC, most likely due to the unavailability of the market coupling results at the full decoupling deadline." While we recognise that the SDAC fallback manual is not legally binding, it is a commonly agreed text by all European TSOs and NEMOs, including the French. We emphasise the need for harmonisation of terminology, especially when there are multiple texts structuring market coupling.

We suggest that any future modifications to the MNA be provided in Track Changes for better readability.

For structural reform to facilitate amendments, we noticed a typo in the reference to article 1(5) of the MNA. However, there is no article 1(5); perhaps it was a reference to article 1(3) of the MNA.

We also welcome the inclusion of a single SDAC price reflecting prevailing market conditions. Market participants should remain involved in the discussions and design for the volume allocation solution outlined in the revised MNA. Notably, we want to understand the timeline for the design and implementation through discussions with the NEMOs. Furthermore, market participants should remain involved in the discussions of solutions for full decoupling, as understood at the EU level, because it is a complex issue, and we advocate for the achievement of one price per bidding zone.

For Article 11.3.h concerning NEMO actions in case of partial decoupling, we rather suggest having NEMOs, both coupled and decoupled, reopening orderbooks so market participants may transfer from one to the other.

We also ask for some clarification around Article 11.3.d and 11.3.g, who appear contradictory. Are the two sub-clauses meant to refer to different situations of partial decoupling, and which solution is implemented?

Lastly, we highlight a definition repetition for Hub NEMO in Article 2.1.m and Article 2.1.h.

Concerning fallback mechanisms, there are two priorities that should be ensured: providing more time for market coupling to solve potential risks of decoupling and establishing a single price per Bidding Zone that reflects the market fundamentals and remains reliable. We reiterate three main principles:

- a single price per bidding zone (where multi NEMOs agreements are in place);
- efficient, transparent and non-discriminatory cross-border capacity allocation;
- and clear dispatch and scheduling signals in case of partial or full decoupling.

We recognise the need to update fallback mechanisms and support the ongoing work conducted by the Market Coupling Steering Committee with all the NEMOs and TSOs. Of the recent proposed workstreams, we highlight that relaxing the nomination deadlines as the most positive option. The measure allows the prevention of potential decoupling by allowing more time for the market coupling processes.

On the other hand, market participants are strongly against the workstream considering the shortening of the SDAC gate closure time, currently at 12:00 CEST, to an earlier time. More precisely, we are against establishing a long-lasting daily and structural measure of an earlier SDAC Gate Closure as it is more disruptive for the market compared to an exceptional stretch of a TSO deadline in case of a fallback scenario. SDAC Gate Closure Time is a reference point for other short-term optimisation steps, including balancing mechanisms. Gate closure times for balancing capacity tenders in many EU countries leave a short time window for market participants to integrate results available 30 minutes later.

Another impact of an earlier SDAC gate closure time leads to needing further accurate forecasts to ensure that market participants' strategy is aligned with physical fundamentals. Key data for the preparation of price or consumption forecasts is only available around 7-8 am. An earlier SDAC Gate Closure would also impact TSO operations, requiring the provision of capacity calculations earlier, which could lead to lower quality of calculated capacity. The trading and optimisation window would be reduced, which would negatively affect market efficiency and optimisation.

Impacts on neighbouring markets should also be considered and likely impacted. The Swiss auctions for cross-border capacities are at 10 am, and the Swiss day-ahead auction is at 11 am, while with the Great Britain (GB)'s electricity market, explicit capacity auctions for the interconnectors have various timings and would also be impacted, as well as the GB day-ahead auctions.

Impacts of an earlier gate closure time on pan-EU optimisation processes are substantial:

- Rescheduling of balancing capacity tenders and potentially third-country auction processes.
- Lack of time to integrate relevant information into forecasts and to execute bid optimisation processes.
- Higher imbalances due to the inability to align bids with physical fundamentals.
- Impacts operations every day, even when market coupling runs smoothly.

Lastly, the disruption of optimisation processes and the negative impact on the accuracy of day-ahead bids strongly suggest that such a measure contradicts the European Commission's efforts to reduce lead times in line with a shorter Intraday Cross-Zonal Gate Closure Time.

Overall, market participants remain engaged in market coupling procedures, with an interest in participating in the design of fallback procedures and maintaining transparency in the decision-making process.

Contact

Coline Gailleul
Electricity Policy Advisor
c.gailleul@energytraderseurope.org