

The background of the slide is a light gray world map. Overlaid on the map are several small, stylized human figures in various colors (black, blue, red, green) scattered across the continents, representing a global network or community.

# New Pan-European Intraday Auctions: Navigating the Impact on DCP Limit Calculation

European Commodity Clearing AG

5 June 2024

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# Introduction Pan-European Intraday Auctions (IDAs)

Planned go-live: 13.06.2024

## Background & scope

- IDAs are the solution designed to fulfil the regulatory CACM (Congestion Allocation Capacity Management) requirement of **cross-zonal capacity pricing in the Intraday Market**.
- There will be three Pan-European Intraday Auctions taking place for each delivery day (D):
- **IDA1: GCT D-1 15:00** Allocated period D [00:00-24:00]
- **IDA2: GCT D-1 22:00** Allocated period D [00:00-24:00]
- **IDA3: GCT D 10:00** Allocated period D [12:00-24:00]

## Product and service coverage

- Nominated delivery positions are summarized in the **SMSS Delivery Report Summary** and are tradeable in the Online View of the ECC Member Area.
- the **values of the transactions** concluded are **netted into one payment per trading participant or Clearing Member** on every ECC business day at the booking cut at 16:00 CE(S)T (payment group EUR\_1600).

# Objective

- The changes with the introduction of the new Pan-European Intraday Auction.
- The affect on trading limit.
- The steps that can be taken to prepare and adjust to this change.

# 1. The current DCP Dynamic Limit Update Model

# 1. Definitions

## Trading Limit:

- Calculated by ECC and uploaded to the exchange (Initial Limit)
- maximum financial amount up to which the client can trade during two limit reset times

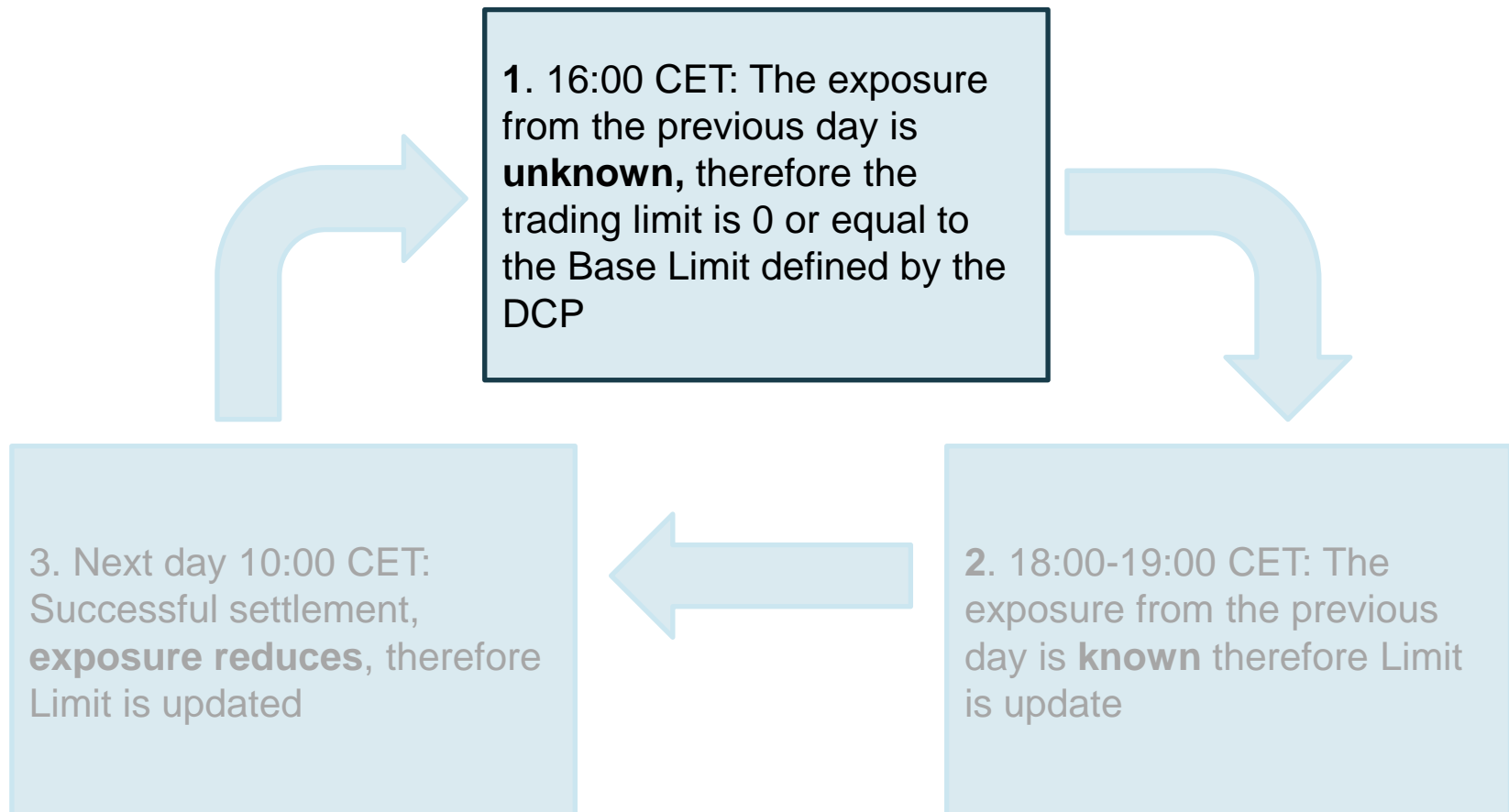
## Base Limit:

- User defined through the O09 Form
- Enables trading from 16:00 onwards otherwise Trading Limit is 0

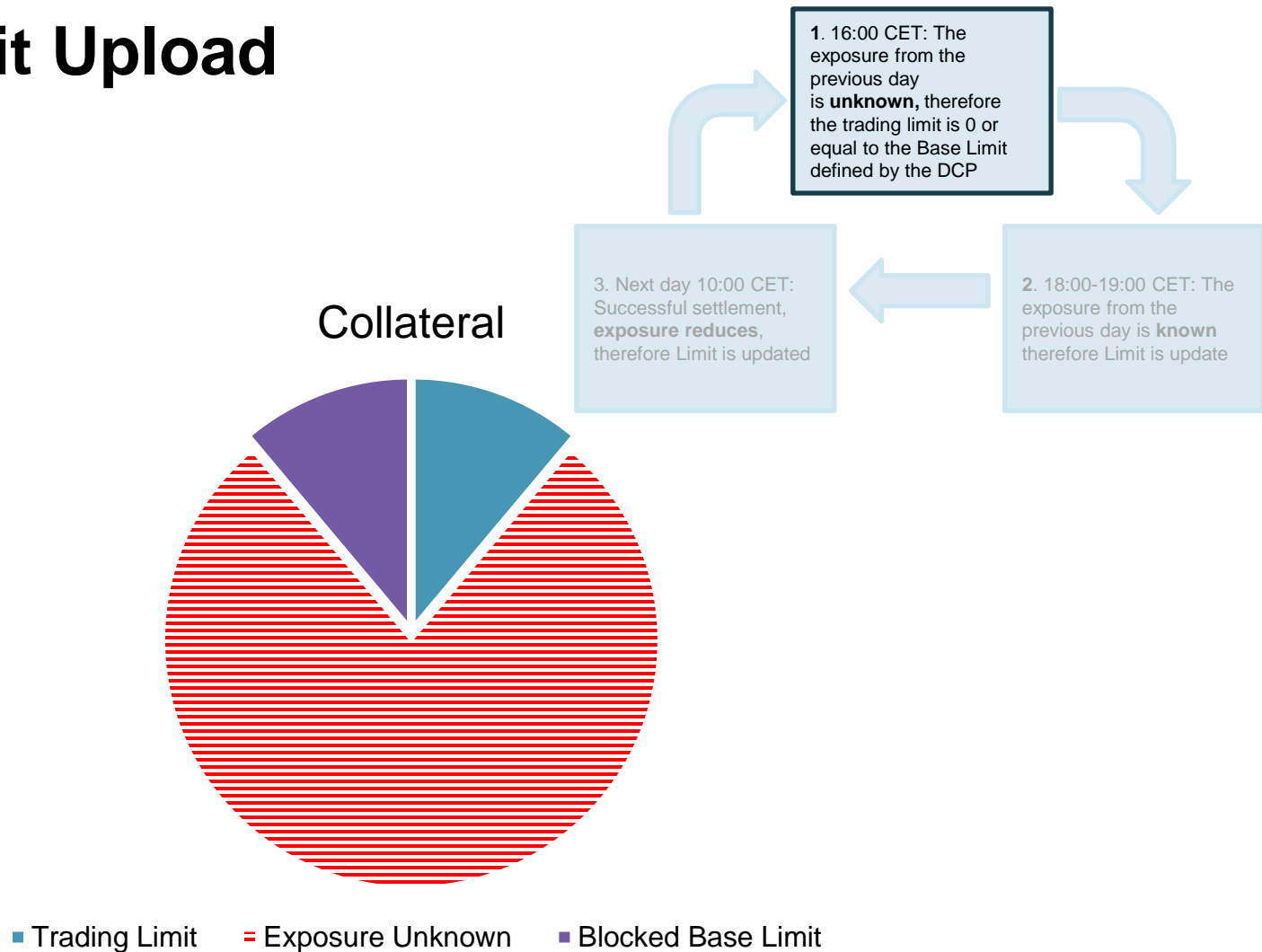
## Collateral:

- Cash and/or guarantees deposit with ECC excluding the default fund.

# 1. First Limit Upload

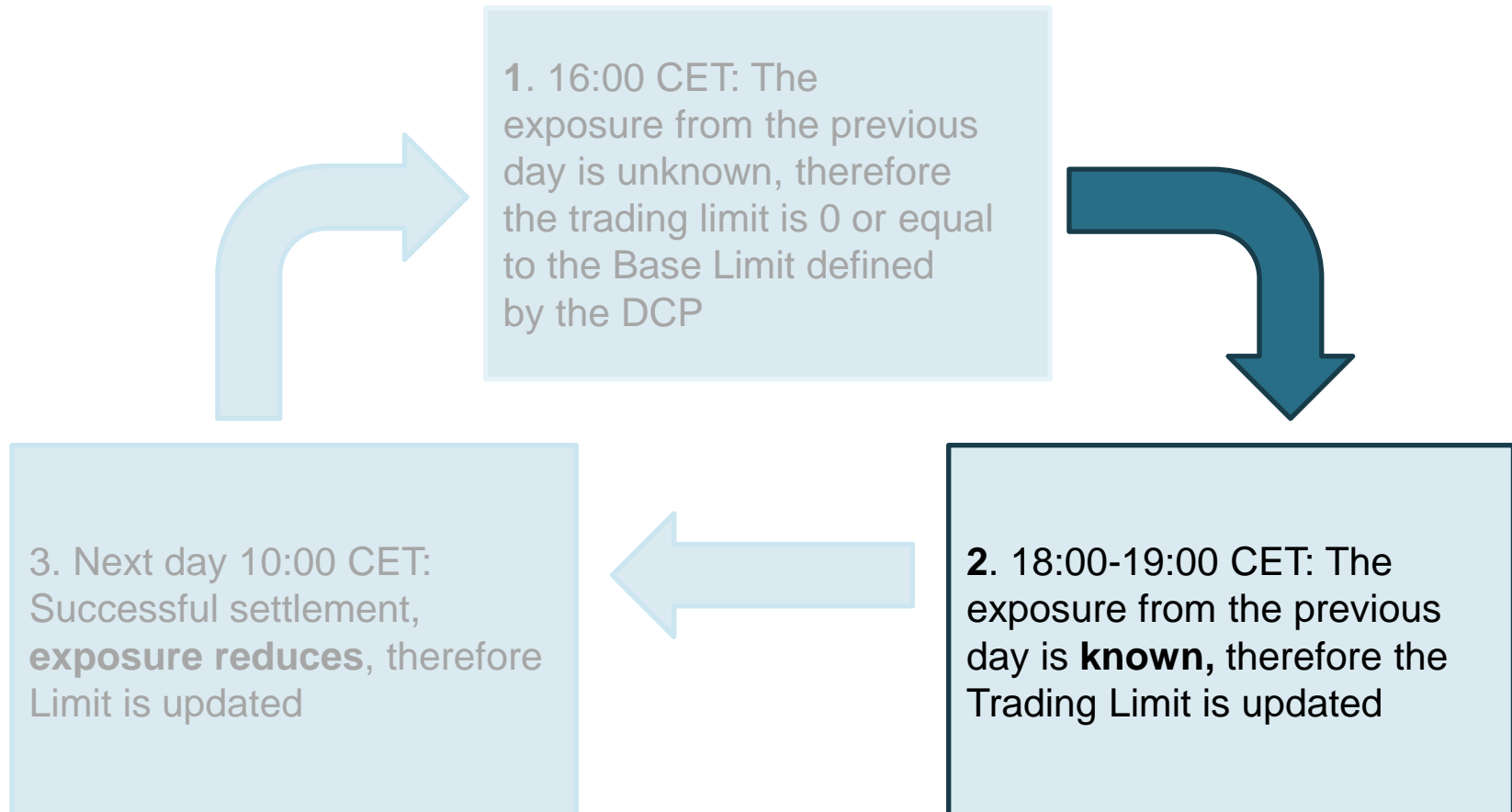


# 1. First Limit Upload



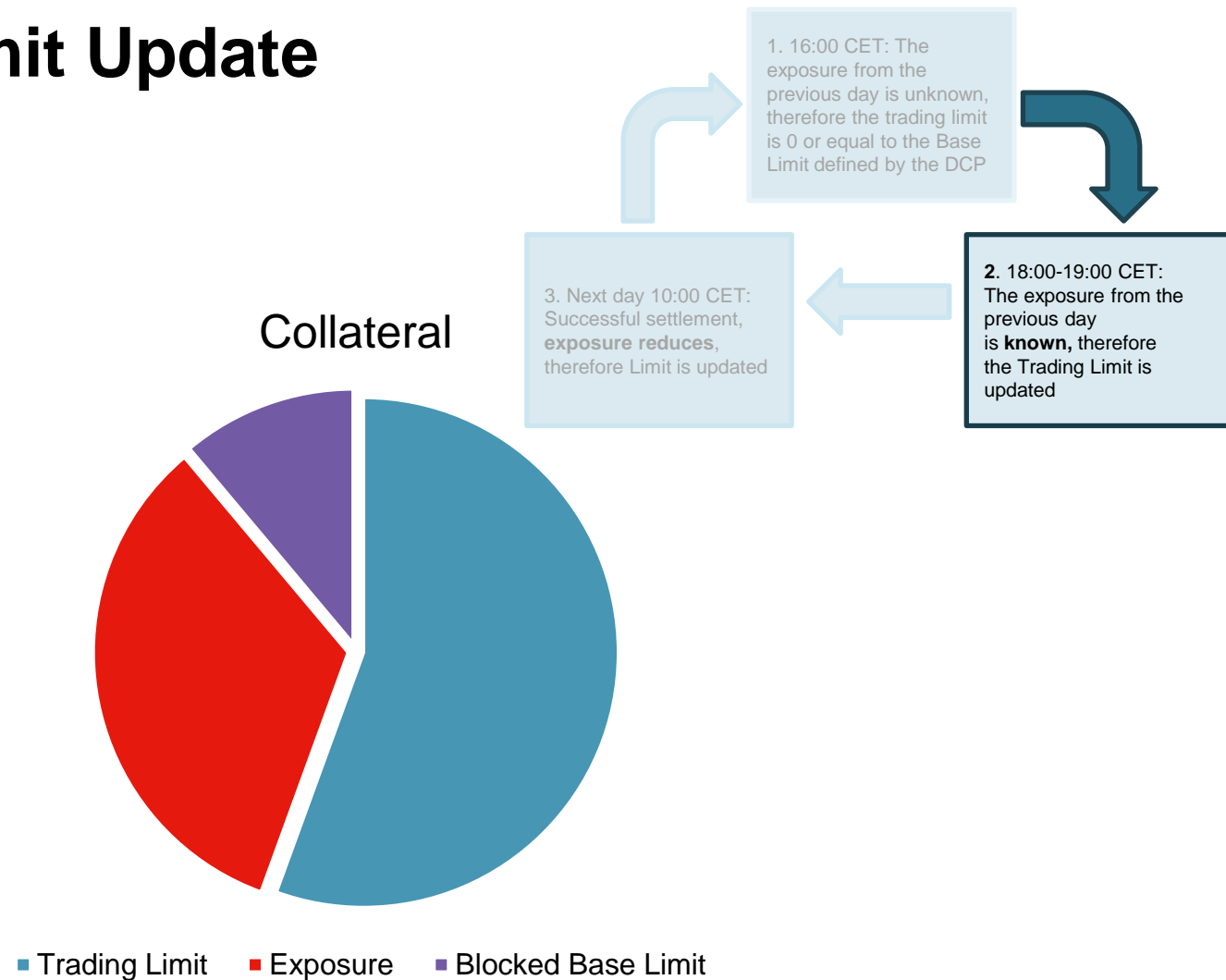
Base Limit= Trading Limit

# 1. Second Limit Update



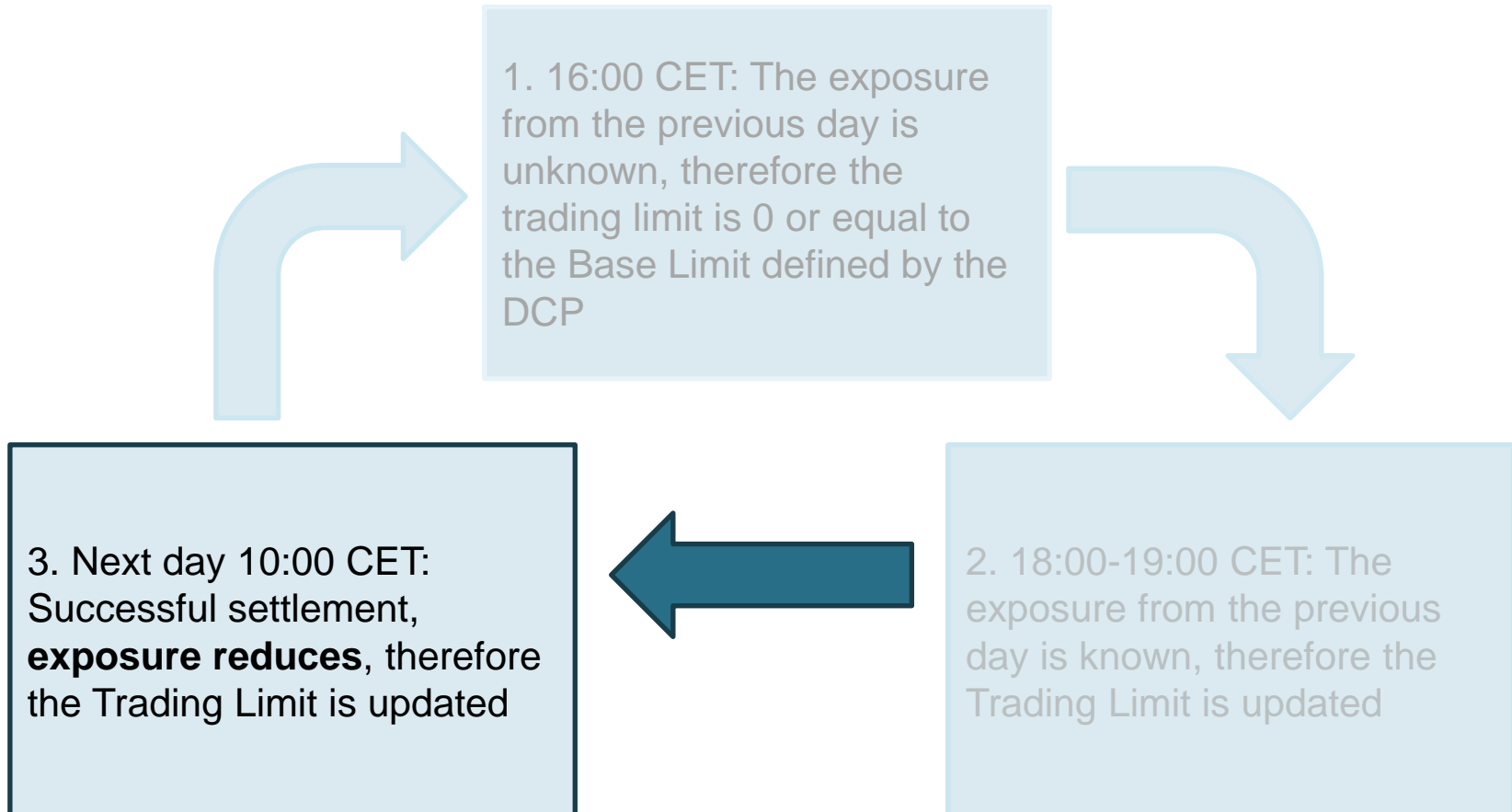


# 1. Second Limit Update

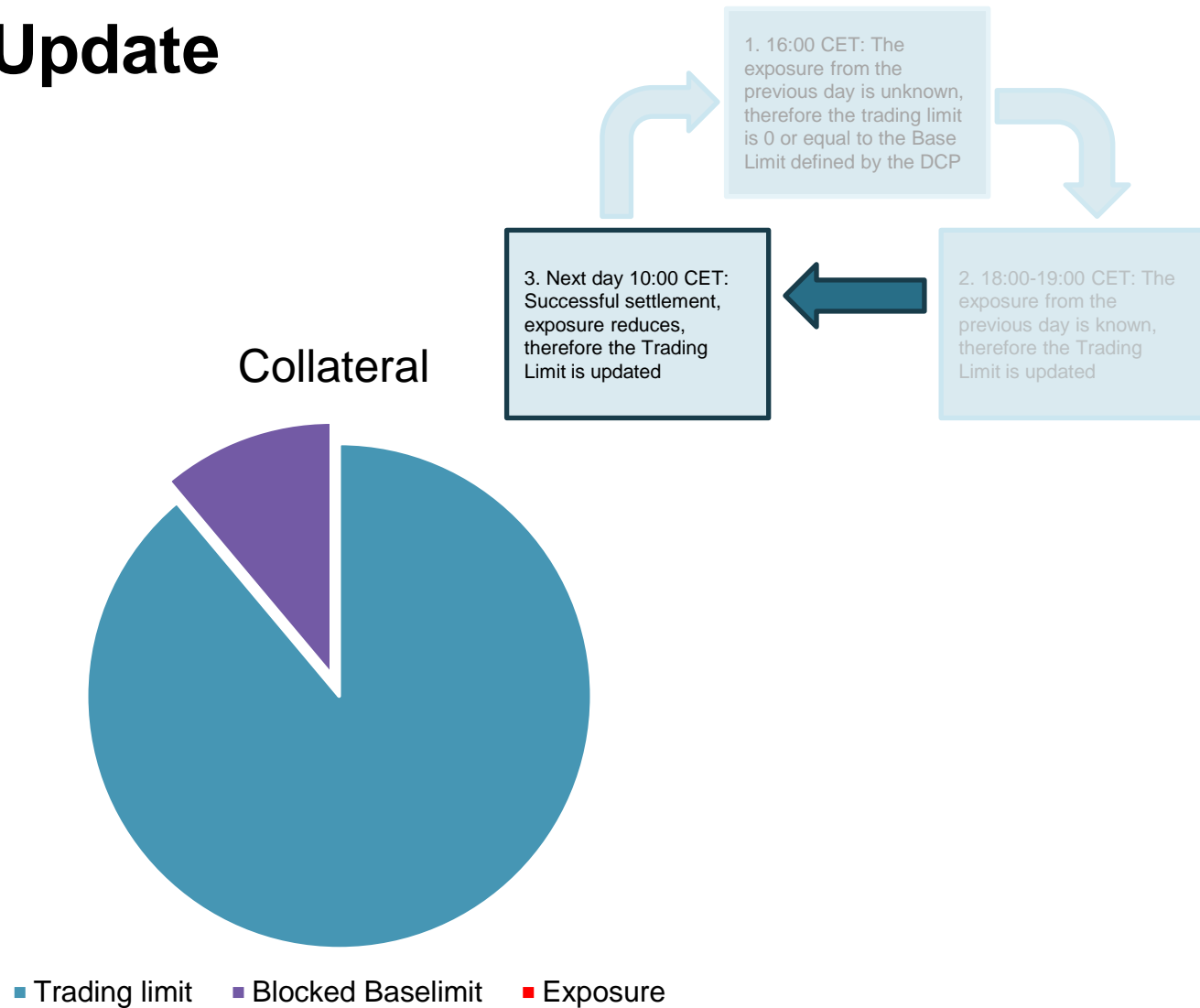


Collateral - Exposure - Blocked Base Limit for next days = Trading Limit

# 1. Third Limit Update



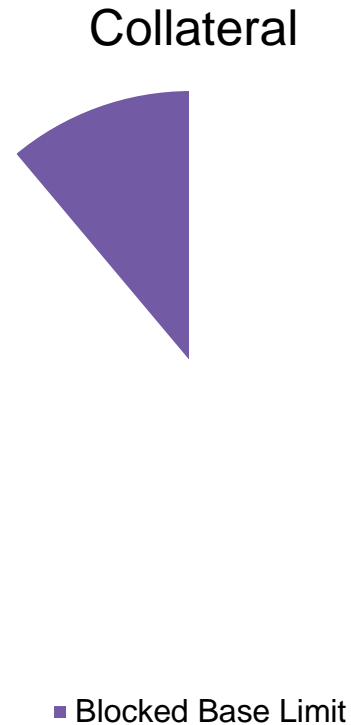
# 1. Third Limit Update



$$\text{Collateral} - \text{Exposure} - \text{Blocked Base Limit for next days} = \text{Trading Limit}$$

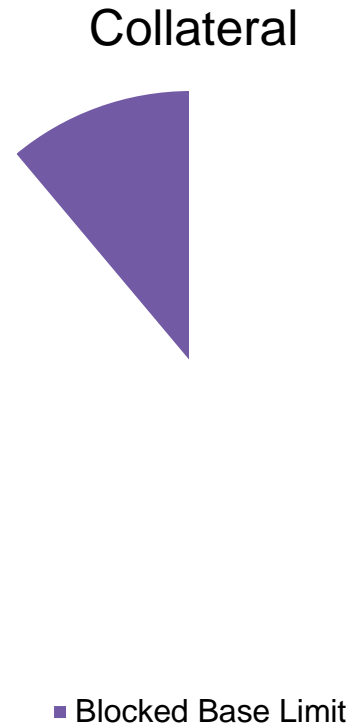
## **2. What is changing due to new Pan-European Intraday Auction?**

## 2. Changes to Blocked Base Limit for next days for EPEX\_AUCTION\_EUR



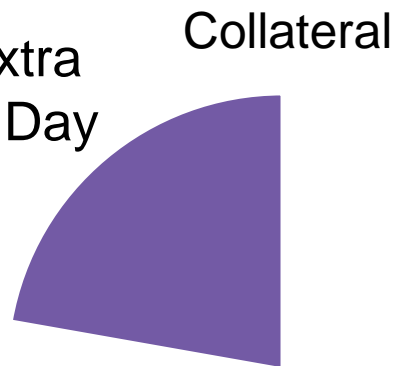
## 2. Changes to Blocked Base Limit for next days for EPEX\_AUCTION\_EUR

- Calculation is changing



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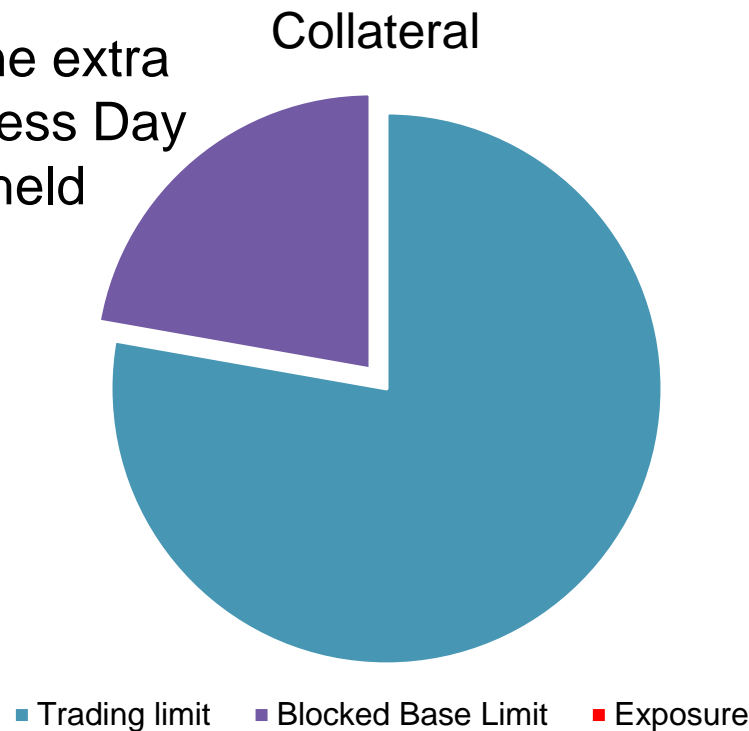
- Calculation is changing
- For every day, one extra Base Limit Business Day needs to be withheld



- Blocked Base Limit

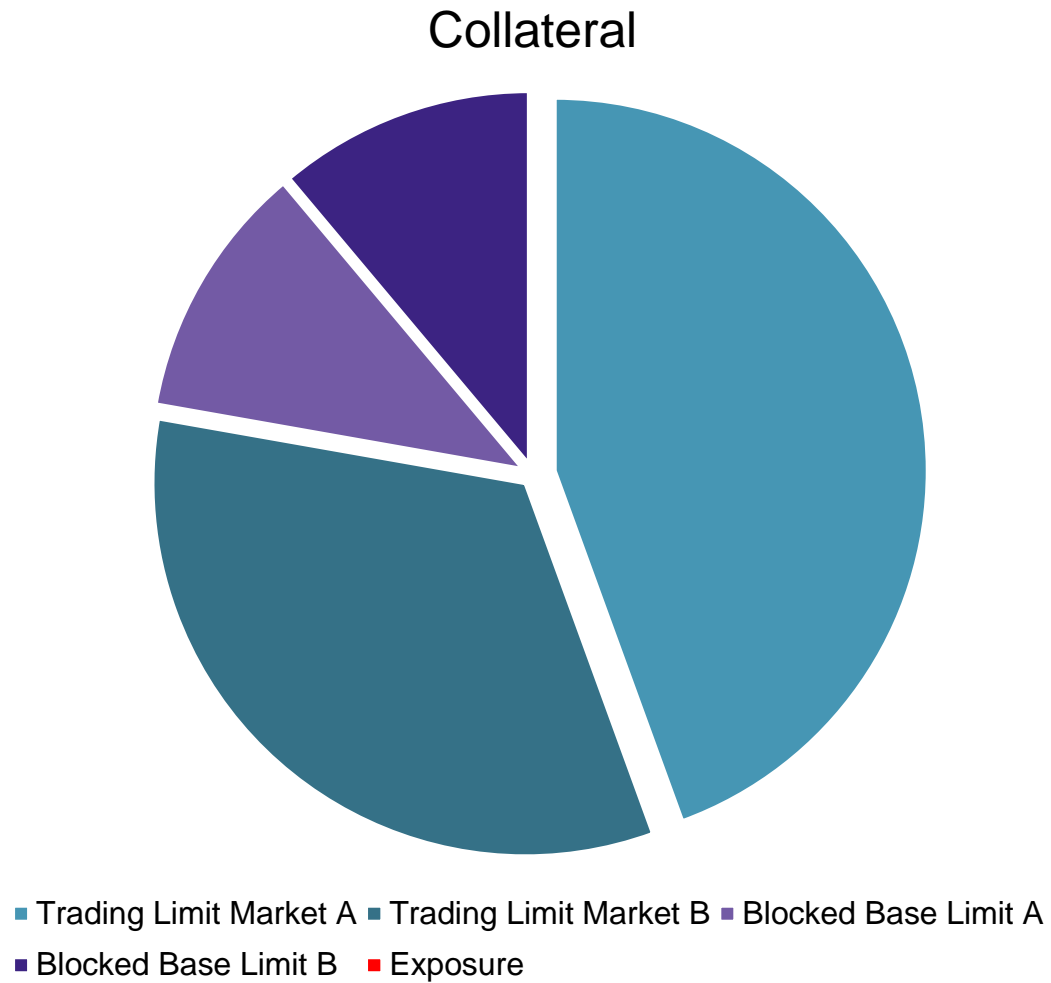
## 2. Changes to Blocked Base Limit for next days for EPEX\_AUCTION\_EUR

- Calculation is changing
- For every day, one extra Base Limit Business Day needs to be withheld

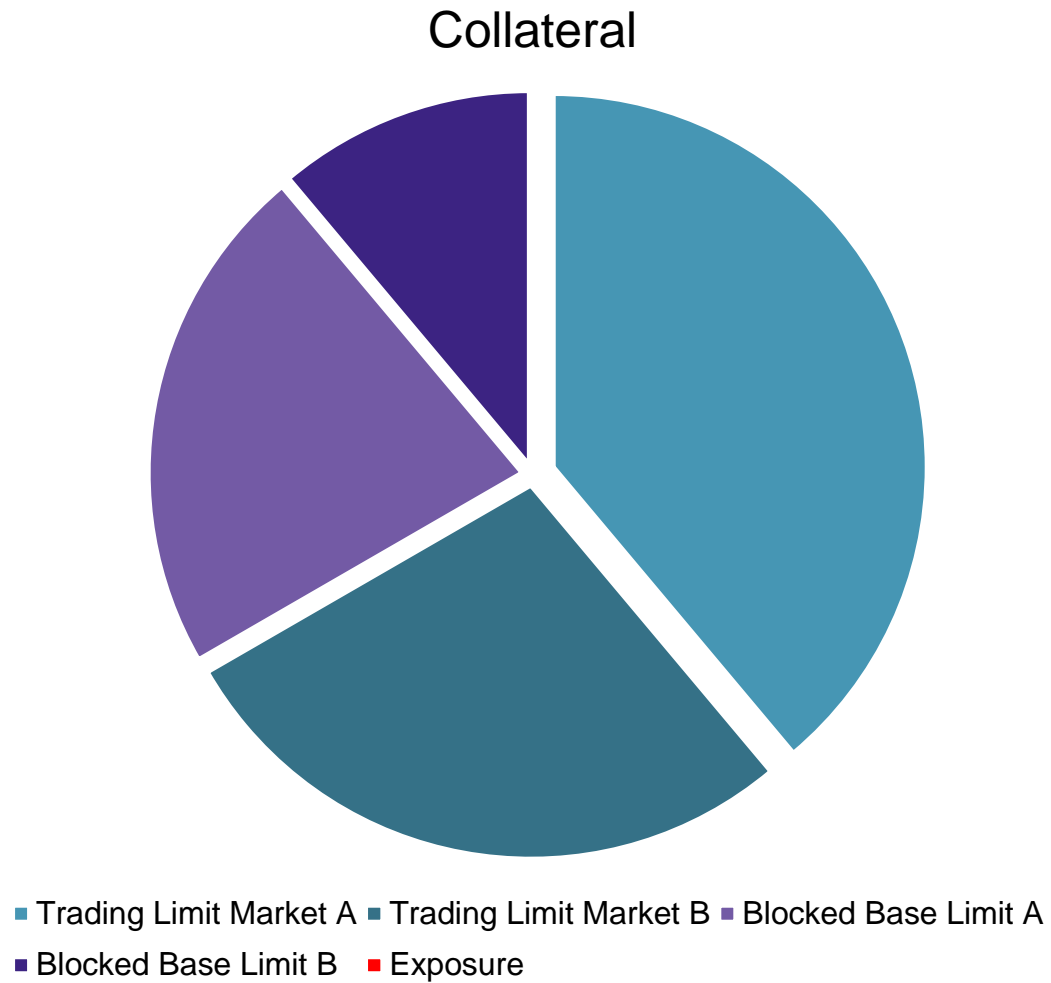




# 2. Spillover effect



# 2. Spillover effect



## 3. Calculation Table

# 3. How to calculate the Blocked Base Limit Status Quo

Collateral



■ Blocked Base Limit

Base Limit Business Day (BD): € 5,000

Base Limit Non-Business Day (NBD): € 3,000

Day	Monday 16:00 to Tuesday 16:00	Tuesday 16:00 to Wednesday 16:00	Wednesday 16:00 to Thursday 16:00	Thursday 16:00 to Friday 16:00	Friday 16:00 to Monday 16:00
Base Limit	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000 (= 3 * max(NBD Base Limit, Base Limit BD)/3)
Blocked Collateral for Base Limits for next business day	€ 0	€ 0	€ 0	€ 10,000 =2 * max(NBD Base Limit, Base Limit BD) - Base Limit BD	€ 0
Base Limit Requirements	€ 5,000 = Base Limit BD	€ 5,000 = Base Limit BD	€ 5,000 = Base Limit BD	€ 15,000 =Base Limit BD + 2 * max(NBD Base Limit, Base Limit BD)	€ 15,000 =3 * max(NBD Base Limit, Base Limit BD)

# 3. How to calculate the Blocked Base Limit After the go-live of IDA

Collateral



■ Blocked Base Limit

Base Limit Business Day (BD): € 5,000  
 Base Limit Non-Business Day (NBD): € 3,000

Day	Monday 16:00 to Tuesday 16:00	Tuesday 16:00 to Wednesday 16:00	Wednesday 16:00 to Thursday 16:00	Thursday 16:00 to Friday 16:00	Friday 16:00 to Monday 16:00
<b>Base Limit</b>	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000 (= 3 * max(NBD Base Limit, Base Limit BD)/3)
<b>Blocked Collateral for Base Limits for next business day</b>	€ 5,000 = Base Limit BD	€ 5,000 = Base Limit BD	€ 5,000 = Base Limit BD	€ 15,000 = 3 * max(NBD Base Limit, Base Limit)	€ 5,000 = Base Limit BD
<b>Base Limit Requirements</b>	€ 10,000 = Base Limit BD * 2	€ 10,000 = Base Limit BD * 2	€ 10,000 = Base Limit BD * 2	€ 20,000 = Base Limit BD + 3 * max(NBD Base Limit, Base Limit BD)	€ 20,000 = Base Limit BD + 3 * max(NBD Base Limit, Base Limit BD)

# Summary

- From June 13<sup>th</sup> new Pan-European Intraday Auction:
  - IDA1: GCT D-1 15:00 Allocated period D [00:00-24:00]
  - IDA2: GCT D-1 22:00 Allocated period D [00:00-24:00]
  - IDA3: GCT D 10:00 Allocated period D [12:00-24:00]
- Impact on all Trading Limits:
  - Base Limit  $EPEX\_AUCTION\_EUR=0$ ; no change
  - Base Limit  $EPEX\_AUCTION\_EUR>0$ ; One extra Base Limit Business Day needs to be withheld, reducing the maximum Trading Limit
  - Blocked Base Limit for next days is Base Limit req. minus Base Limit
- Adjustments:
  - Increase collateral
  - Change Base Limit

# Useful DCP links to ECC website

- Introduction DCP presentation: [DCP Introduction](#)
- Collateral and Limit presentation: [Collateral and Limits](#)
- O09 & O10 Form: [Admission Forms \(ecc.de\)](#)

# Thank you for your attention!

For questions, please reach out to:

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