



Energinet Public Consultation regarding Amendments to the Methodology for Procurement of Countertrade Energy

MFT Energy welcomes the opportunity to provide feedback to the amendments of the methodology of procurement of countertrade energy. We are an energy trading firm based in Aarhus, Denmark and currently trade power and gas across most European markets.

MFT Energy has not previously responded to consultations regarding the intraday-based procurement of countertrade energy. We firmly believe that the transition from procuring countertrade energy through special regulations to an intraday-based model will result in a substantial welfare gain through:

1. More competitive pricing of the countertraded energy, as the number of participants who can influence the price were few under the special regulation regime.
2. A better functioning regulating market in the DK1 price zone, where balancing service providers are currently incentivized to submit lower prices (for downward regulation services), if there is a probability that they will be activated as a special regulation, which is settled at the bidding price instead of the market clearing price. An intraday-based model will restore the incentive for balancing service providers to submit prices that are closer to their short-term variable costs of providing the service, which results in a balancing market that is more effective from an economic welfare point of view.

With regards to the four amendments to the methodology, our comments on each point are listed below:

1. Definition of the traded period for the first trading slot

MFT Energy recognizes the motivation behind selecting T24(D-1)-T23(D) as the first trading slot and see no arguments against it.

2. Information about countertrade volumes published on the NUCS publication platform

MFT Energy agrees with Energinet's assessment that it is the net countertraded energy which is relevant to the Danish intraday market. However, we would prefer

netting the individual countertrades ourselves, as the countertrade details contain information relevant to the neighboring markets, where the respective TSO's might not adhere to the same standard of transparency as Energinet. It is not a critical point to us, however.

3. Publication of trading slots

MFT Energy welcomes the transparency and finds the amendment to be a reasonable compromise between transparency and minimizing the disruption of the intraday market.

4. The defined request deadlines for countertrade for each trading slot are removed from the methodology text.

MFT Energy recognizes that the specific need for countertrading can change all the way up to the gate closure of the intraday XBID products (as the scheduled cross border flows are not firm until this point). We do not have any objections towards this point.