

# PCR Project

## Main features

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# Introduction

- **WHAT is PCR?** Price Coupling of Regions (PCR) is the initiative of seven European Power Exchanges to harmonise the European electricity markets
- **HOW is this done?** By developing a single price coupling algorithm to be used to calculate electricity prices across Europe

# Key Elements: Towards 2014 Integration

- Price Coupling of Regions (PCR) is a Market Coupling project focused on the delivery of a common European price coupling solution
- An important part of all regional market coupling projects, linking them all together
- This is to accommodate the overall EU target of a harmonised European electricity market
- Based on three main principles:
  - One single algorithm
  - Robust operation
  - Individual accountability

# Key Elements: Towards 2014 Integration

- Initiative of seven Power Exchanges: APX-ENDEX, Belpex, EPEX SPOT, GME, Nord Pool Spot, OMIE and OTE, covering the electricity markets in Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Portugal, Spain, Slovenia, Sweden, Switzerland and UK
- Development of a single price coupling algorithm, Euphemia. It will be used to calculate electricity prices across Europe. It will also optimise the overall welfare and increase transparency of prices and flows

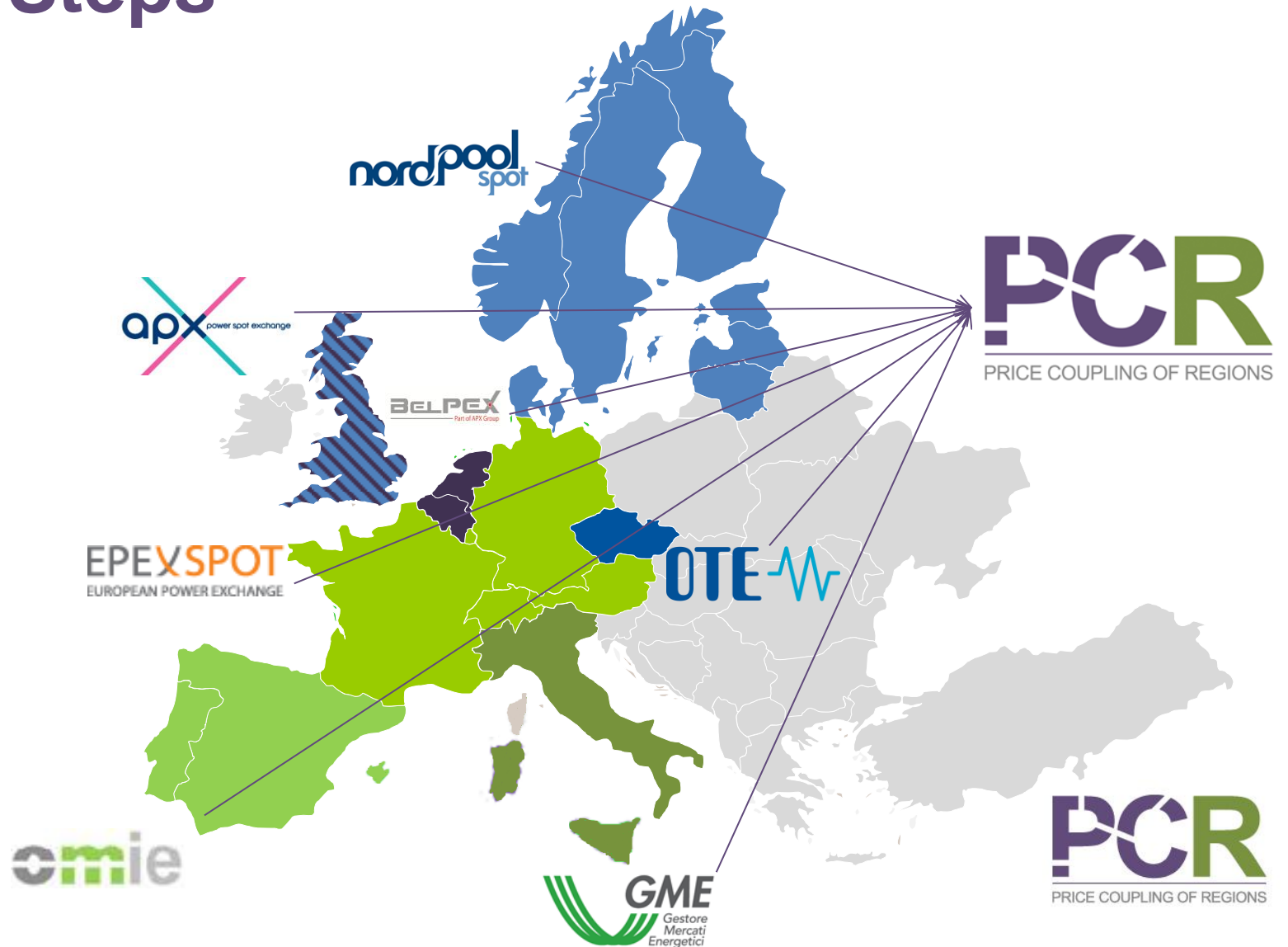
# Key Elements: Towards 2014 Integration

- Open for other European Power Exchanges wishing to join. PCR is creating a governance structure based on a Co-ownership Agreement and a Co-Operation Agreement among exchanges
- There are several coupling initiatives in progress in different Regions in Europe preparing to use the PCR solution (NWE, CSE, SWE, etc...)

# Benefits of European Price Coupling:




- The integrated European electricity market will be beneficial due to increased liquidity, efficiency and social welfare
- Guarantees the overall welfare and optimal use of interconnection capacities
- Removes unnecessary risks of trading short-term transmission capacity and energy separately
- All market participants benefit from cross-border capacity
- Encourages liquidity, transparency and efficiency in the power markets across Europe

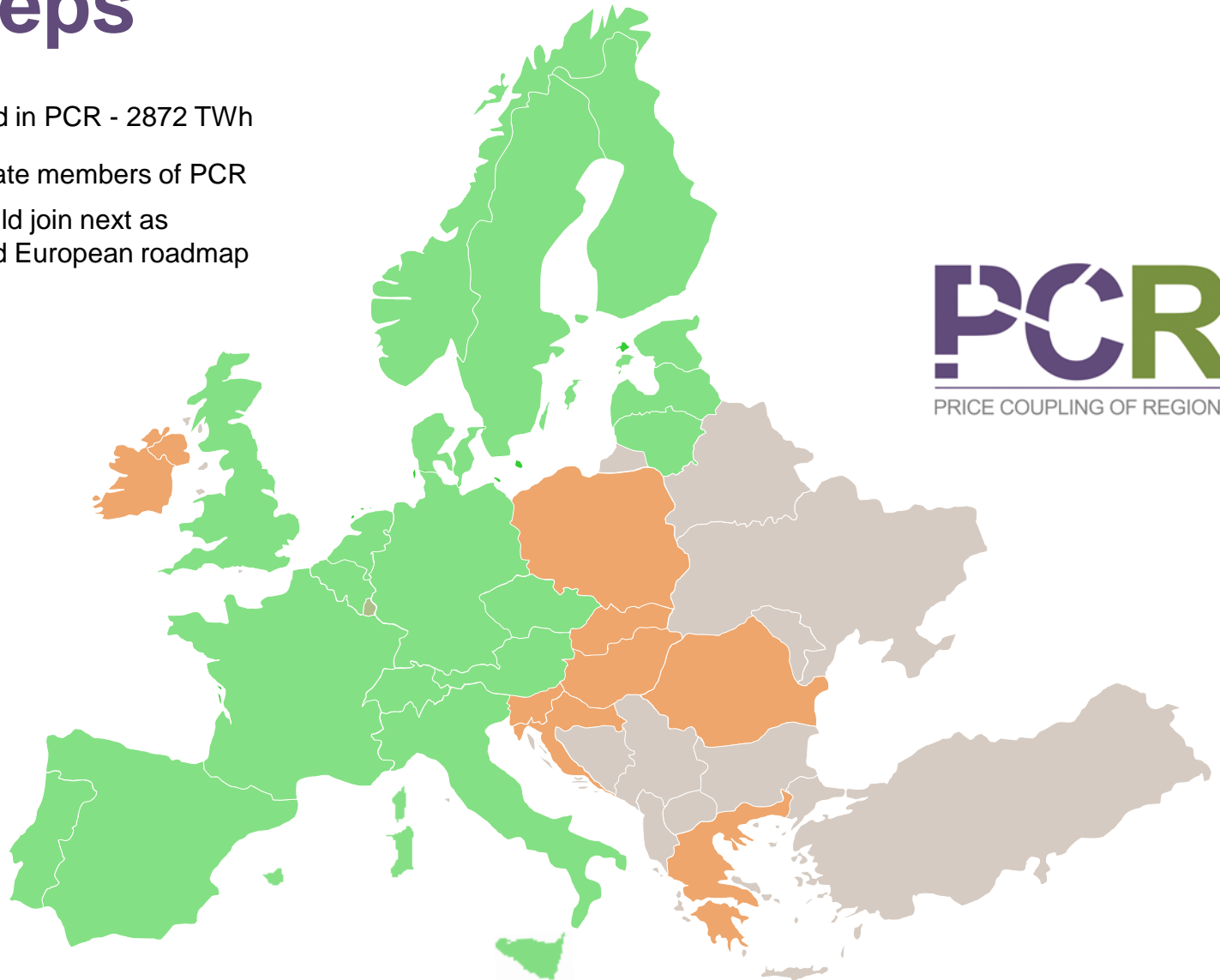
# Towards Single European Market: Next Steps





# Towards Single European Market: Next Steps

-  Markets included in PCR - 2872 TWh
-  Markets associate members of PCR
-  Markets that could join next as part of an agreed European roadmap



**PCR**  
PRICE COUPLING OF REGIONS

# Thank You



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