

With the inclusion of the Bulgarian-Romanian border, a geographical loop has been closed and the southeastern Europe region is now fully integrated in the Single Day-Ahead Coupling (SDAC). This marks yet another major milestone in the process of integrating the European day-ahead power markets.

Market coupling operations for the Bulgarian- Romanian border in SDAC were successfully launched on Wednesday, 27 October, with first delivery day of 28 October.

For the first time, day-ahead cross-zonal capacity between Romania and Bulgaria has been implicitly allocated via the Euphemia algorithm. The implemented price coupling allows for the simultaneous calculation of electricity prices and cross-border flows across the region. The efficient use of the power system and cross-border infrastructures, brought about by stronger coordination between energy markets, aims to maximize social welfare to the benefit of all market participants.

Integration of the Bulgarian-Romanian bidding zone border into SDAC marks yet another major achievement in the completion of the European target model. In addition to the HVDC interconnection between Greece and Italy, the Greek and Bulgarian day-ahead markets are now also connected northbound via the Bulgarian- Romanian border with SDAC.

SDAC allocates scarce cross-border transmission capacity in the most efficient way by coupling wholesale electricity markets from different regions through a common algorithm, simultaneously taking into account cross-border transmission constraints, thereby maximizing social welfare.

The aim of SDAC is to create a single pan European cross zonal day-ahead electricity market. An integrated day-ahead market increases the overall efficiency of trading by promoting effective competition, increasing liquidity and enabling a more efficient utilization of generation resources across Europe.