

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 in European Integration

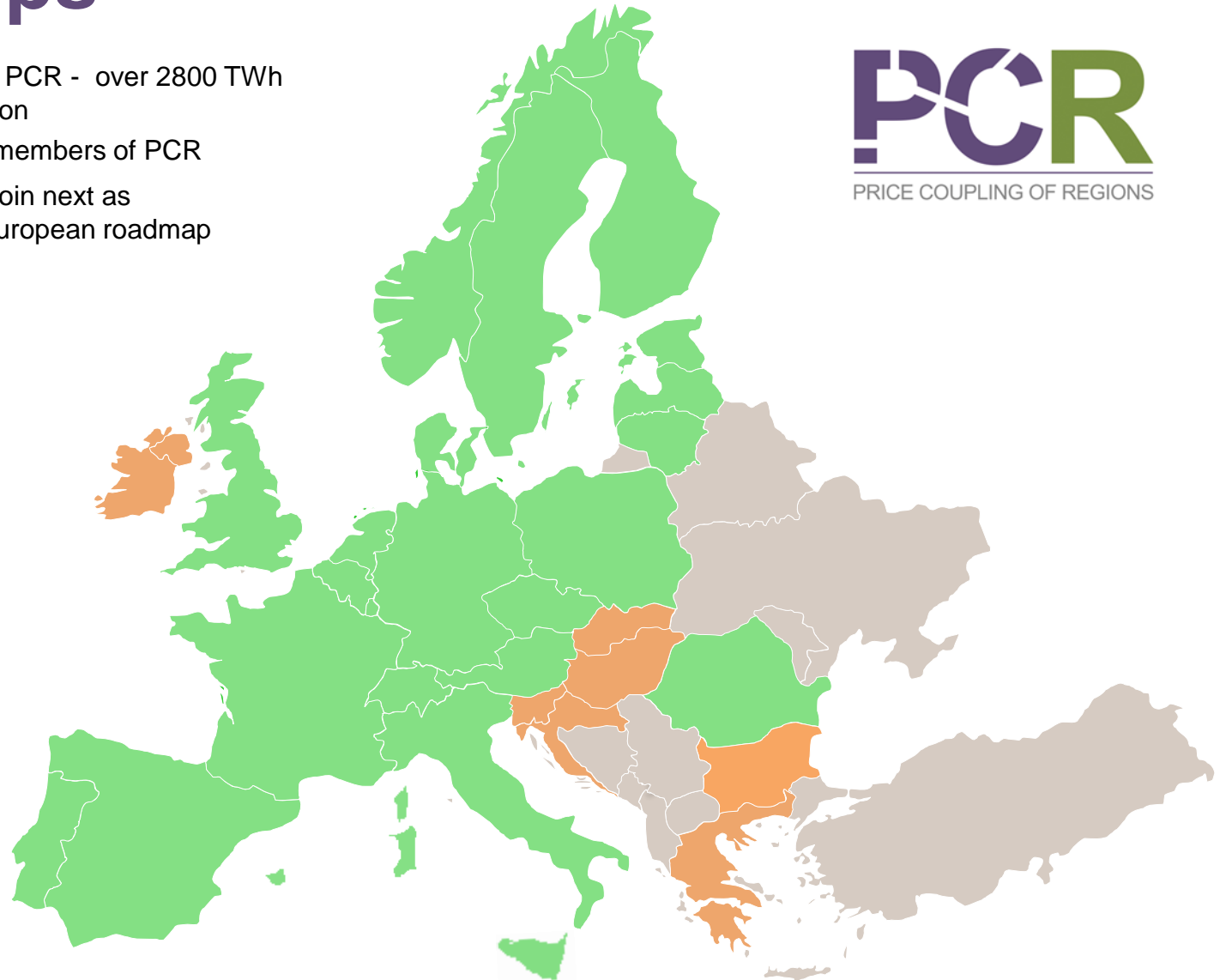
- PCR is initiative of seven Power Exchanges: EPEX SPOT, GME, Nord Pool, OMIE, OPCOM, OTE and TGE, open for other European Power Exchanges wishing to join. PCR is creating a governance structure based on a Co-Ownership Agreement and a Co-Operation Agreement among exchanges
- PCR is used to couple the following countries: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden 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

Benefits of European Price Coupling

- The integrated European electricity market will be beneficial due to increased liquidity, transparency, efficiency and social welfare
- Guarantees the overall welfare and optimal use of interconnection capacities
- Implicit trading removes unnecessary risks of trading cross-border capacity and electricity separately

Towards Single European Market: Next Steps

-  Markets included in PCR - over 2800 TWh of yearly consumption
-  Markets associate members of PCR
-  Markets that could join next as part of an agreed European roadmap





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