



Status NWE DA & ID Projects

European Market Design Working Group
April 3rd 2012

04.04.2012



NWE DA – Towards a European market...



The Nordic market – 2000

Including Estonia 2010

Central West Europe – 2010

ITVC – 2011

Including embedded solution for BritNed cable to GB via APX and Price Coupling on SwePol via NPS

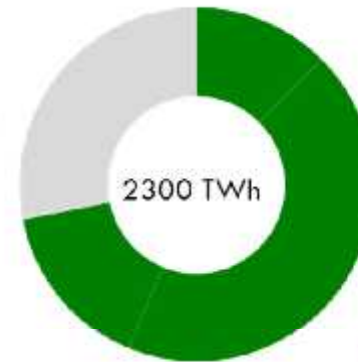


NWE DA – Towards a European market...



The Nordic market – 2000

Including Estonia 2010 (and full Baltic prel. end 2012)



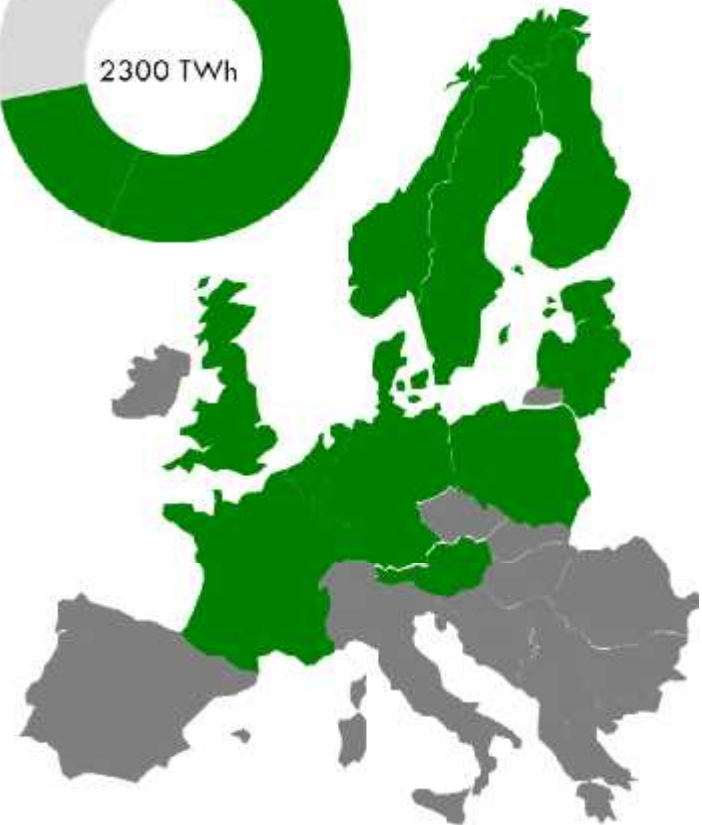
Central West Europe – 2010

ITVC – 2011

Including embedded solution for BritNed cable to GB via APX and Price Coupling on SwePol via NPS

North West Europe – 2012

Including Price Coupling on SwePol via NPS, and NPSs work with the local TSOs on establishing day-ahead markets in Latvia and Lithuania



NWE DA – Towards a European market...



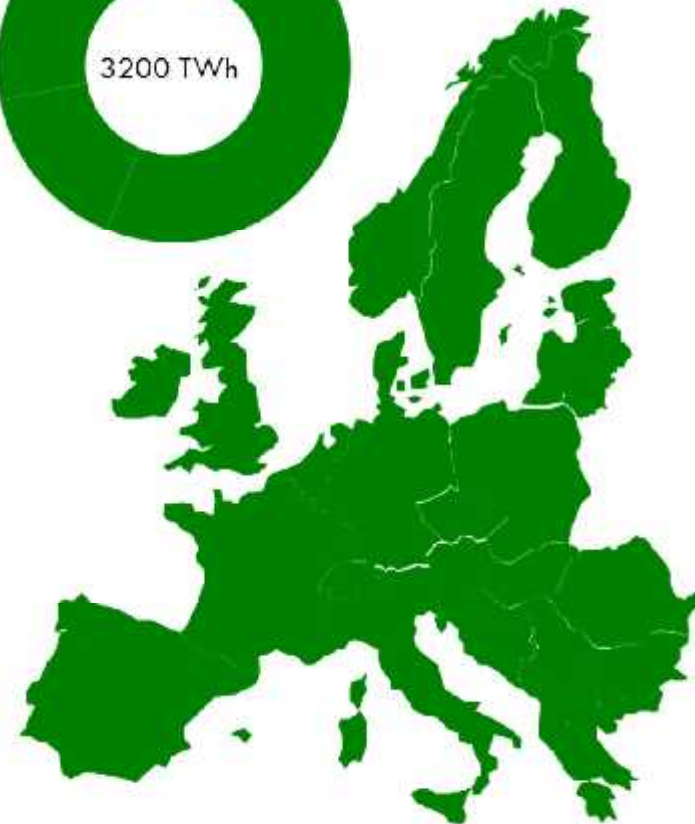
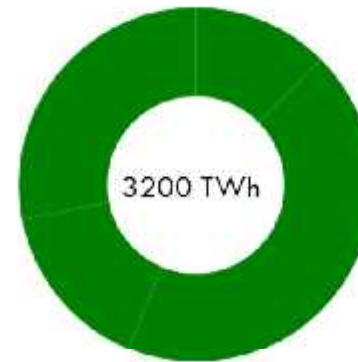
The Nordic market – 2000

Central West Europe – 2010

ITVC – 2011

North West Europe – 2012

European solution – 2014



NWE DA – High Level Timeline



1. Design Phase

Impact analysis and change specifications, cost and cost recovery, algorithm requirements, algorithm prototype, governance for the operations phase, approvals

2. Implementation Phase

Build/test/commission systems, prepare operations phase, communication to stakeholders

3. Operational phase

Daily operations and maintenance

Status update on NWE DA project



❑ Contractual framework milestones

- **PCR agreements** between PXs ongoing
- **joint TSO/PX APCA** negotiations: ongoing ; target finalization end of April. APCA sets forth the rights and obligations between PXs & TSOs regarding cooperation, project governance and organisation, task division, deliverables, budget, funding, cost sharing & recovery for both Design and Implementation Phase of NWE Market Coupling project (Enduring (PCR) Solution).
- signed **PCR agreements precondition for signature APCA**
- **PriceMatcherBroker (PMB) provider selected**

- ❑ First discussion on **joint PX/TSO project organization** ; ongoing selection of a PMO

❑ Technical Framework Milestones

- PXs have defined TSO algorithm requirements, validated by TSO
- decision on **PMB 1 step** (preferred) or **PCS first followed by PMB** will be taken in May depending on overall PMB development status, overall project progress, PCS governance discussions and overall budget impact
- PCS is not PCR approach compliant and would only constitute intermediate solution to secure earlier go-live

- ❑ **Target go live: end 2012**

Status update on NWE ID project



❑ Contractual framework milestones

- Q2-2012: **Europex-ENTSOE MoU** sets high-level principles of the design of the ID solution
- Q2-2012: The **PX-PX Cooperation agreement** sets the terms of cooperation between PXs for the development and implementation of the Cross Border Intraday SOB/CMM solution

→ **With these steps, PXs commit to pool ID liquidity into a single SOB**

❑ Technical solution milestones

- Q2-2012: The **PX PX Cooperation Agreement** sets the high-level requirements to be fulfilled by the Elbas starting point in order to finalize the selection process.
- Currently, the **selection of the ELBAS technology** is on-going but not yet finalized (conditions not yet fully verified)

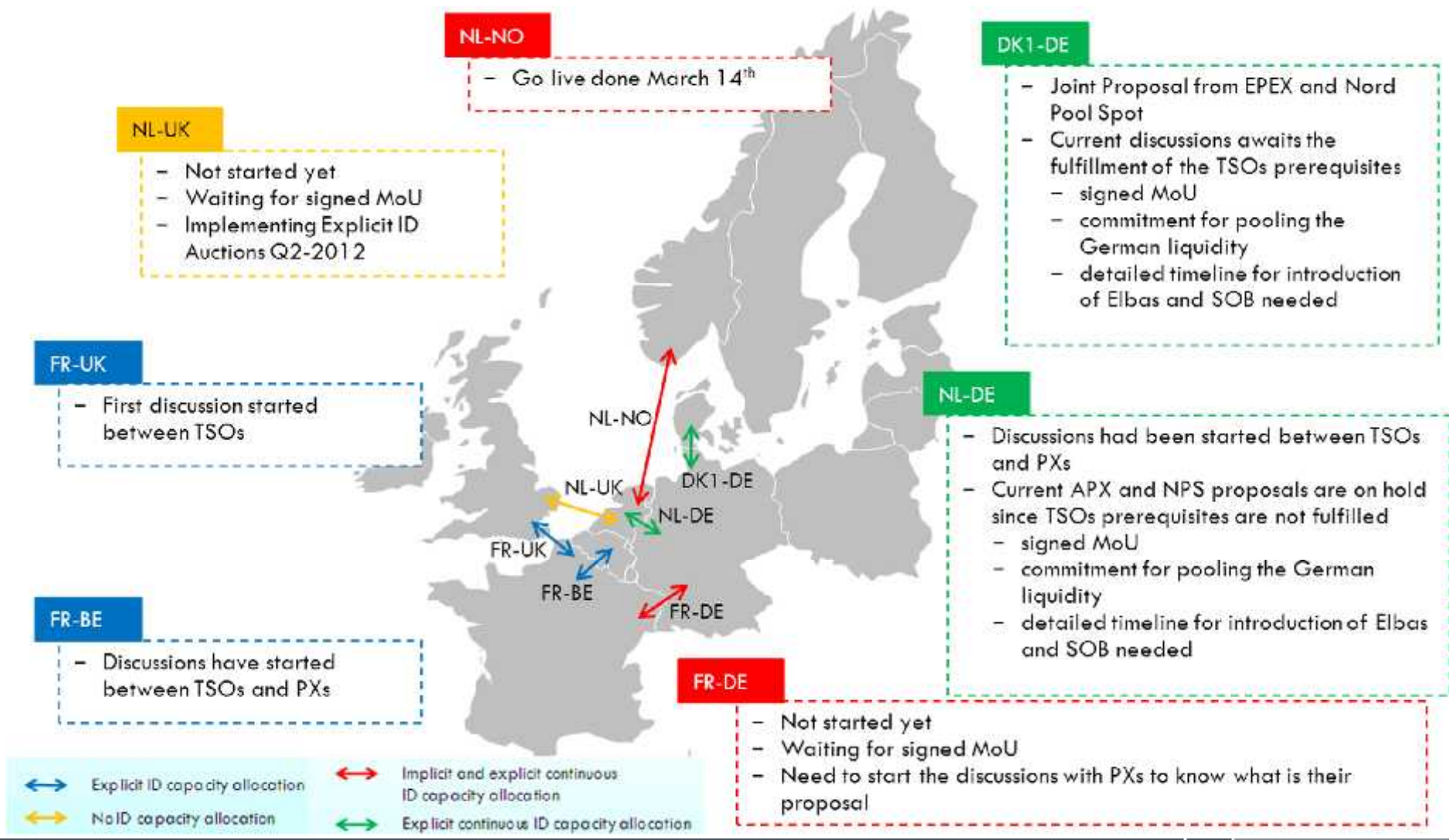
→ **With these steps, PXs will be able to provide a clear timeline for the SOB/CMM 2012 developments** comprising:

- Development and upgrade activities
- Testing and roll-out activities

☞ **These milestones are prerequisite to start local implementation projects**

(FR-BE, NL-DE, DE-DK, FR-DE, NL-UK)

NWE ID - Local Project Status



NWE ID - Local Project Status



- ❑ **There is still no detailed planning by PXs to deliver the SOB and even with which system (assessment of technical conditions fulfillment by ELBAS on-going)**

- ❑ **Work on local projects can be planned as follows:**

Phase 1

- Definition of local requirements
- Preparation of contractual framework where possible/relevant

Phase 2 (can start/continue after signature of the agreements and selection of technology)

- Preparation of contractual framework where not started in phase 1
- Design of local projects
- Definition of interfaces
- Implementation work

Phase 3 (requires delivery of industrialized tools)

- Testing and go-live preparation

- ❑ **Based on this planning, a go live for end of 2012 might be challenging**