

Agenda 8th User Group at Brussels Airport*

17/04/2018 09:30-12:30 CET

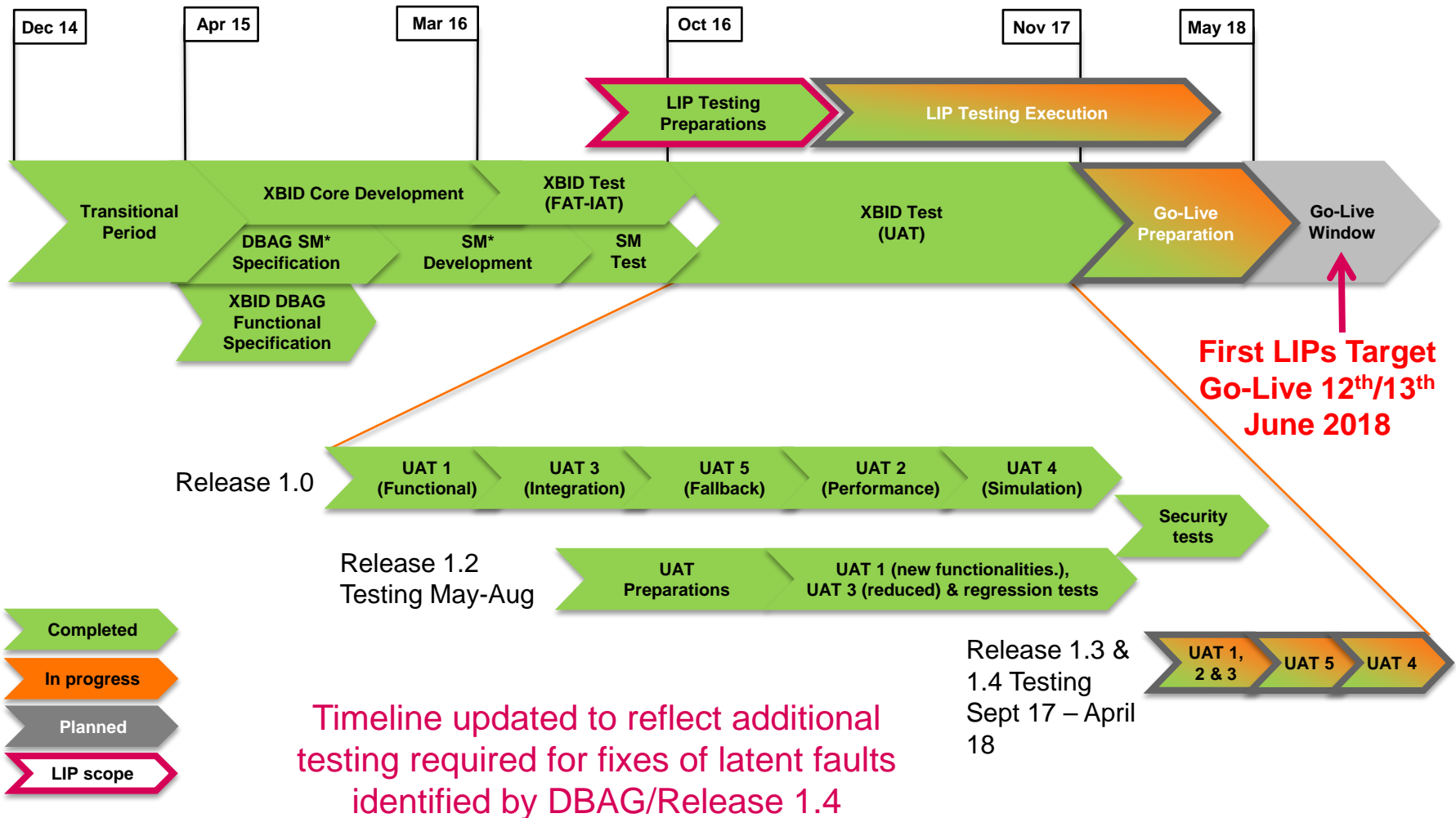
TIME	AGENDA ITEM	PRESENTER
09:30 – 09:40	1. Welcome, agenda	Mark Pickles
09:40 – 10:15	2. Project status update incl. matters related to EFET and eurelectric letters	Mark Pickles
10:15 – 10:45	3. Extended trial period a) Feedback market parties b) NEMO's view (implicit trading) c) RTE's/Amprion's view (explicit trading)	Vladimir Satek
10:45-11:15	4. Preparations 2nd trial period	Vladimir Satek
11:15 – 12:15	5. Go-live preparations and process a) Go-live readiness and road-map b) Overview products and GOT&GCT c) Cross-border trading possibilities for D-1 delivery	Vladimir Satek Pietro Rabassi Viviane Illegems
12:15-12:30	6. Wrap up	Mark Pickles

* Exact address:
 Sheraton Brussels Airport Hotel
 Brussels National Airport
 1930 Zaventem, Belgium

Agenda

1. Welcome, agenda
2. **Project status update**
3. Extended trial period
4. Preparations 2nd trial period
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6. Wrap up

2. Project Timeline – High Level Delivery Plan until Go-Live (updated)



*SM – Shipping Module

2. Project Progress – Achievements (1/2)

• Technical

- Release 1.4. scope and approach agreed for testing the latent faults identified by DBAG. Tests have been undertaken. Bugs have largely been rectified by DBAG, and testing/verification of the fixes is in progress.
- End to End System Integration Testing is underway (all Project Parties and all systems). This testing is due to complete on 27/04. Five clear days testing without issues is required to demonstrate stability of the system.
- Certification activities for the central system are being delivered according to plan
- High level functional concept for Losses on DC cables has been agreed
- Discussions continue with DBAG about XBID Release 2.0 which will deliver improvements to the Shipping Module as well as Enhanced Shipper Part II

• Operational readiness

- All products (15 minutes, 30 minutes, User Defined Blocks etc.) are confirmed as being available on specified borders for go-live
- Extended Trial Period underway. Second Trial Period scheduled from 14/05-18/05.
- Good progress achieved with Operational Training
- Go-live activities are agreed
- Plans are in place to establish OPSCOM from go-live. PMO has been appointed. Incident Committees will also be held as needed.

2. Project Progress – Achievements (2/2)

• Contractual

- The IDOA has been finalised and issued to project parties for submission to NRAs as required
 - Significant progress has been made in resolving outstanding cost sharing and splitting clarifications
 - Project Parties have been asked to confirm their willingness to sign the IDOA (by 13/04)
 - Signature process due to commence 23/04
- TCID (TSO cooperation agreement) and ANIDOA (NEMO cooperation agreement) are finalised

• Accession Stream

- Accession Stream Management Events continue to be held to ensure continual collaboration and interface with the central project
- Lessons learnt workshop will be held with Accession Parties after 1st go-live
- 2nd wave go-live plan is in place and tracked

• Lock In

- A Lock-in was held on 16th April with Dr Borchardt to tackle all outstanding blockers for go-live. The outcomes are detailed on the next four slides.

2. Potential blockers for go-live – Outcome of Lock In (1/4)

1. ECC/NP Cross Clearing Agreement

- Based on NRAs' information, the participants agreed that NEMOs/CCPs/SAs should not charge each other cross-clearing fees for the single intraday market. Each NEMOs/CCPs/SAs should bear its own clearing and settlement costs related to the single intraday market and seek cost recovery from the respective NRAs.
- Based on Article 3 of CACM, the Commission agreed to monitor the implementation of NRAs' decisions on the recovery of NEMOs clearing and settlement costs. In this context, the Commission highlighted that the clearing and settlement costs related to activities performed by NEMOs on behalf of TSOs should be recovered via the TSOs tariffs. Based on this monitoring, the Commission will take the appropriate measures, including the initiative for CACM amendments. In this context, the Commission will write a report as soon as possible and no later than one year after XBID go-live.

2. Potential blockers for go-live – Outcome of Lock In (2/4)

2. Local Order Book/Parallel Trading

- The Commission highlighted that all information describing the interaction between XBID and local order books should be made publicly available as soon as possible. Therefore, the NEMOs agreed to publish all relevant information on their websites, including EPEX paper sent to the Commission on 14th of March updated with the Exchange Council approval on 20th March.
- All participants confirm that products offered on XBID will not be offered in parallel in the local trading systems during cross-border allocation. Pre-defined blocks as described by EPEX in the rulebook will not be available on XBID at go-live. Such products are defined as hourly block orders covering multiple hours that are pre-defined in the trading system by EPEX. If it is demonstrated that those predefined blocks are needed for the single intraday market, a roadmap should be agreed in the NEMO committee in order to move them to XBID as soon as possible.
- Two examples: block baseload covering hours 1 to 24 and block peak load hours 9 to 20.

2. Potential blockers for go-live – Outcome of Lock In (3/4)



3. Tick Size

- **The Commission stressed the importance of not delaying the go-live of XBID further. Therefore, the participants agreed as follows:**
 - **XBID will go-live with a tick size of 0.01.**
 - **XBID will undertake an interim assessment by mid-August to see if there are any significant detrimental impacts of the tick size on the single intraday market. In this case, the concerned NEMOs will take the necessary operational measures to mitigate those negative impacts.**
 - **XBID will request DBAG to perform a sensitivity analysis on the effect of the tick size on the single intraday market, especially on the visibility of the order book, by mid-October 2018. Depending on the results, a change of the tick size on XBID should be implemented by all NEMOs as soon as possible and no later than end November 2018.**
 - **The following question shall be asked to DBAG: what is the effect of the tick size change with particular regard to the market order book visibility?**

2. Potential blockers for go-live – Outcome of Lock In (4/4)

4. Cost sharing clarifications

- These are now all complete

5. Parties willingness to sign IDOA/cost socialisation

- Nearly all parties have confirmed their willingness to sign the IDOA (3 parties are due to confirm during this week).
- This minimises the impact of cost pre-financing by those parties who do sign

2. Feedback MPs on sustainable order book depth

- Background

- The order book depth applicable at the go live is set to 31 (for details on the meaning of the order book depth and implication on the block orders see the updated Q&A)
- The project parties are taking necessary steps to explore options for extension of the order book depth while reflecting required performance and system boundaries
- DBAG have provided the European Commission with slides which detail the rationale of the visible Order Book Depth limitation
- EFET have provided feedback to the EC
- Changes to Order Book Depth are not possible before go-live

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3. Trial Period – extended opportunity for the Market Participants

- Background:
 - In order to ensure a smooth transition to the XBID Solution **2 Trial Periods were offered to Market Participants.**
 - The results of the 1st Trial Period has shown that not all Market Participants were able to finalize their internal process which **limited** Market Participants in the 1st Trial Period.
 - Project parties consider that readiness of the Market Participants for the go-live is important for the overall success. Therefore project parties have agreed to offer an **extended opportunity for the Market Participants** on the NEMO individual basis (2nd Trial Period is not impacted by the extended opportunity)
- Extended opportunity:
 - Based on individual offering and coordination of each NEMO and TSOs which are responsible for borders with explicit allocations.
 - Technical details of the period and other specifics were provided by the individual NEMOs upon request of the Market Participants.
 - The days for the provision of the capacity are foreseen for the delivery day of Tuesdays and Wednesdays (local offering may deviate from this principle).

3. Trial Period – extended opportunity for the Market Participants

- a) Feedback market parties
- b) NEMO's view (implicit trading)
- c) RTE's/Amprion's view (explicit trading)

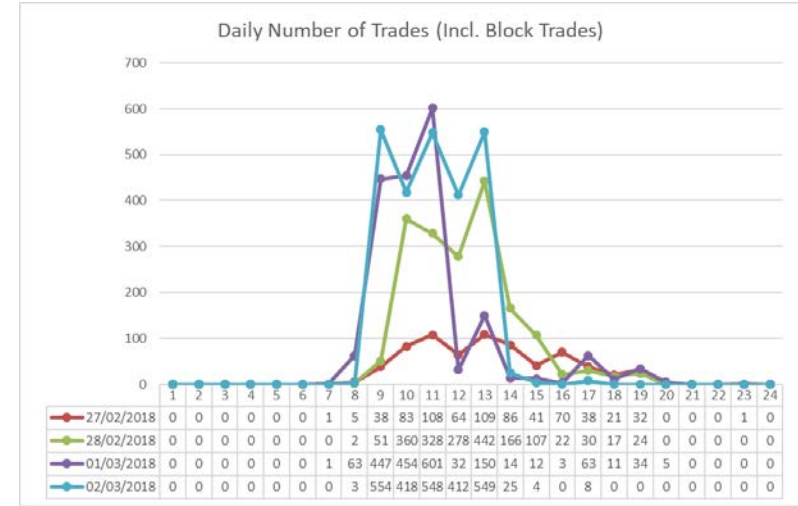
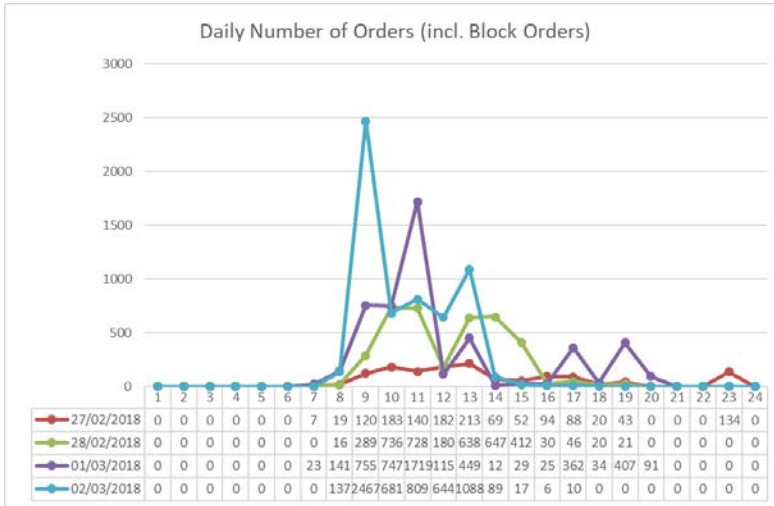
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2nd Trial Period - 1/3

- The 2nd Trial Period is a **final stage of the XBID Project before the launch process** is started. Therefore the focus is made to create an environment reflecting production like situation (to the extent feasible)
 - 2nd Trial Period is based on the final status of all project components as they will be used **at the go live**.
 - **All test activities** for the Go Live XBID Solution **are completed** (Functional Tests, End to End tests, ...) and XBID Solution deployed on the Trial Period environment.
 - **Final configuration** of all XBID Solution components is applied (e.g. Product, Areas, Borders, ...)
 - **Lessons learnt** from the 1st Trial Period and extended opportunity for Market Participants **is applied** (including applicable procedures)
 - **Local Solutions** fully reflect status which will be used **at go live**
 - Liquidity:
 - 1st Trial Period showed that **liquidity of the market was limited** due to limited participation (which is expected to be mitigated by extended trial period) and unfocused utilization of the XBID Solution.
 - The principal assumption is that Market Participants **shall not be limited** in any way or **forced to follow trading patterns** predefined by the Project Parties during the Trial Period. Still it may be of Market Participants interest to understand utilization of the XBID Solution during the 1st Trial Period (see the next slide).
 - Note: In order to address Market Participants' concern on the liquidity the NEMOs may generate liquidity during the 2nd Trial Period

2nd Trial Period - 2/3



- The figures above represents daily distribution of orders and trades for all days of the 1st Trial Period
- Trade distribution reflect in principle an order distribution
- Majority of the Market Participant activities are executed during the office hours (9:00 - 14:00 CET). No activity during the night.
- Note that XBID Solution is available 24 hours a day reflecting LTS limitations if any, however, operator's support is provided as indicated in the next slide

2nd Trial Period - 3/3

	Day			Special scenarios	Comments
Part 2	1	Mo	14/05	<ul style="list-style-type: none"> None 	Regular trading day
	2	Tu	15/05	<ul style="list-style-type: none"> None 	Regular trading day
	3	We	16/05	<ul style="list-style-type: none"> Trade recall and trade cancellation of the implicit trades Closing of market(s) 	<ul style="list-style-type: none"> There are new rules for this process and for some MPs the system is working differently from what they are used to. Still to be decided which market(s) will be closed (simulate situation of partial de-coupling)
	4	Th	17/05	<ul style="list-style-type: none"> Trade recall and trade cancellation Closing of several borders including French-German border 	See 16/05
	5	Fr	18/05	<ul style="list-style-type: none"> XBID not available (between 14:00 – 15:00) 	No trading and capacity allocation in XBID possible. LTSS' services may be still available.

During the trial period, the daily schedule is as follows:

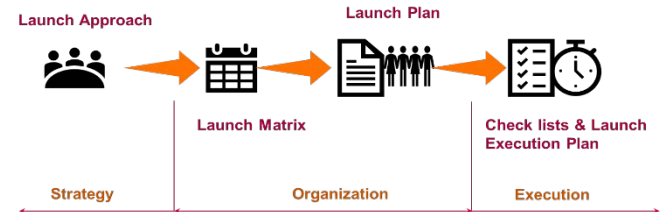
- 09:00 – 17:00 CET: Regular trading
- 09:30 – 11:00 CET: Special scenarios
- 13:00 – 16:00 CET: Special scenarios

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5.a) Go-live readiness and road-map – 1/3

- Go live represent a final step in the **complex coordination process** consisting of two principal areas:

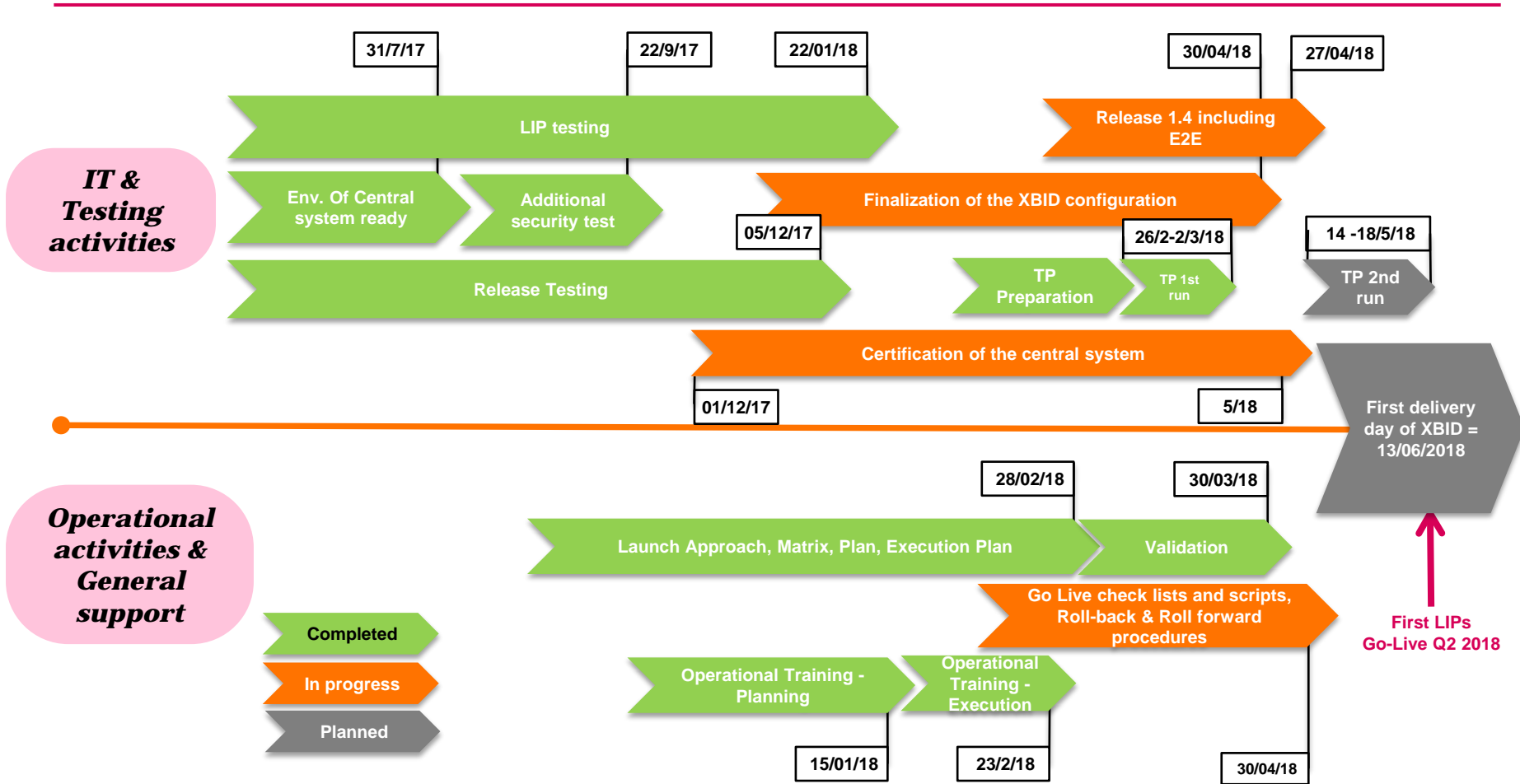


- **Preconditions*** for activation of the launch process consisting of but not limited to:
 - **Contractual arrangements** on global, regional and local levels,
 - **Technical readiness** of XBID Solution and all Local Solutions,
 - **Operational readiness** focused on organization, procedures, staffing, ...,
- Preparation, validation and execution of launch related activities and deliverables:
 - ✓ Launch Approach - defines **strategic principles** as coordinated launch of all LIPs which are ready “big bang”, principles for activation of the rollback etc.
 - ✓ Launch Matrix & Launch Plan – lists **detailed activities and organization** of the launch process.
 - ✓ Launch Execution Plan – **timetable** of the particular steps and deliverables to be executed during the launch process (what, when, by whom)

* Around 30 groups of deliverables are monitored for the purpose of go live readiness

5.a) Go-live readiness and road-map - 2/3

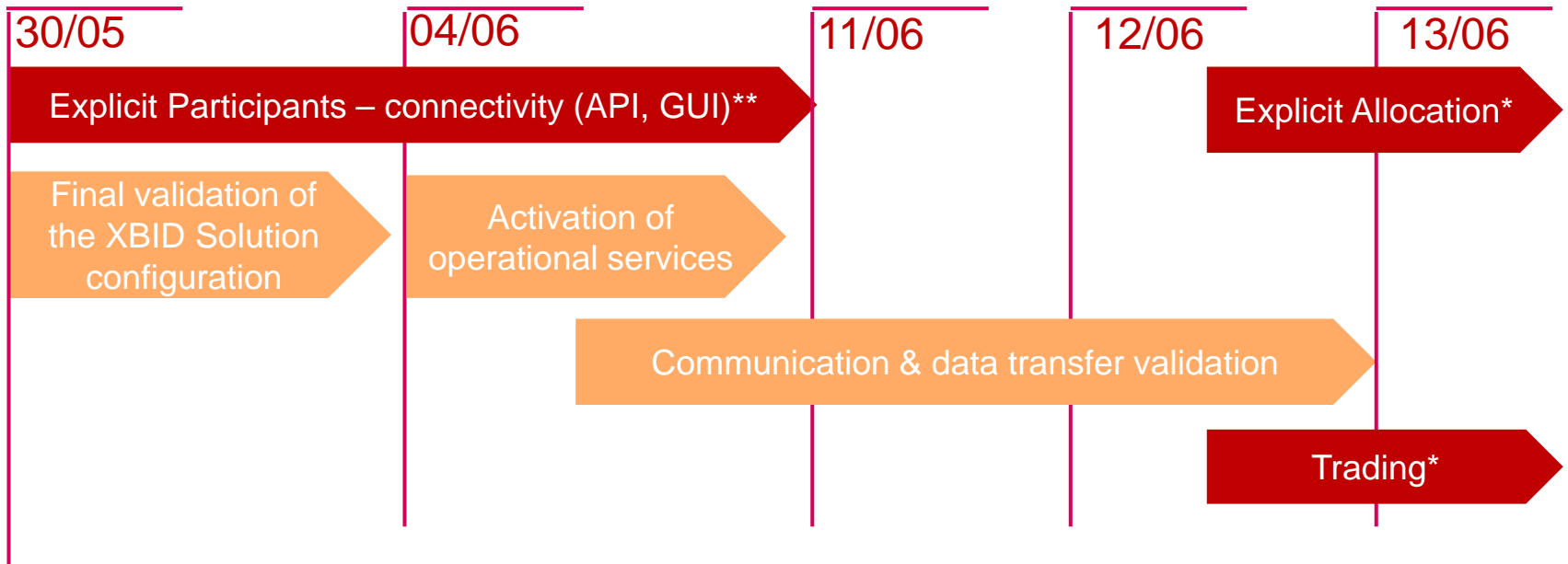
Go live readiness – Status of major activities non legal activities as of 16/04/2018



5.a) Go-live readiness and road-map - 3/3

Road-map – Launch Execution Plan (categories)

Market Participants involved



700+ number of steps/checks to be executed during launch process (each check is clearly assigned to the actor with a clear deadline for completion)

* Different needs of the **regional and local markets** are reflected (individual schedule per NEMO/TSO) => Opening of Trading by NEMOs and availability of capacities per brother can differ (first data submission expected by 2 pm)

** **Connectivity window** for Explicit Market Participants closes by **08/06 17:00**, new one opens after successful completion of go live

5.b) Overview of established Market Areas as part of the 1st go-live

Delivery Areas to be launched at first go-live

50Hertz Transmission GmbH
Amprion
Austria
Denmark West
Denmark East
Estonia
Elia System Operator
Finland
Finland-Russia Exchange Area
Lithuania
Latvia
Morocco Delivery Area
Netherlands
Norway 1-5
Portugal Delivery Area
France
Sweden 1-4
Spain Delivery Area
TransnetBW GmbH
TenneT TSO GmbH



NRAs have confirmed that explicit access is only on the DE/FR border

5.b) Products offered in the XBID solution

A. Overview

- XBID system supports the following products:
 - 15-minutes
 - 30-minutes
 - 60-minutes
 - Hourly User Defined Blocks
- Products are configured to the XBID solution per market area
- For specific product availability in different market areas see next slide

5.b) Products offered in the XBID solution

B. Details

		German TSO areas	Austria	France	NL & Belgium	Nordics & Baltics	Iberia
Size		Min vol. Increment 0.1 MW					
Price Tick		EUR 0.01** per MWh					
Price Range		-9 999 €/MWh to 9 999 €/MWh					
Products	15-min	X	X				
	30-min	X		X			
	Hourly	X	X	X	X	X	X
	User Defined Blocks*	X	X	X	X	X	
Notes		* Hourly blocks (not 15 or 30 min blocks) ** Confirmed 16/04					

5.b) Products offered in the XBID solution

C. Order types

Order type	Execution Restrictions	Validity Restrictions	Predefined	User-Defined
Regular predefined	NON (None) IOC (Immediate-or-Cancel) FOK (Fill-or-Kill)	GTD (Good Till Date) GFS (Good For Session)	Yes	No
Regular user-defined block	AON (All-or-Nothing)	GTD (Good Till Date) GFS (Good For Session)	No	Yes
Iceberg	NON (None)	GTD (Good Till Date) GFS (Good For Session)	Yes	No
Basket Orders	None (1) Valid (2) Linked (3)	--	Yes	No

(1) Orders are processed as if they would have been submitted separately

(2) All orders in the basket are accepted or rejected

(3) All orders in the basket must be executed immediately with their entire quantity, all orders inside basket have the execution restriction "FOK"

5.b) Products offered in the XBID solution

D. Capacity requests types for CMM

- Capacity requests can be sent to the CMM
 - for one or more Hours of delivery
 - and/or one or more Half-Hours of delivery
- 3 types of request
 - Immediate Or Cancel: request can be partially accepted
 - All Or Nothing: request cannot be accepted partially
 - All Contracts Equal (for multiple contracts only): minimum capacity value available across all the contracts is allocated to all

5.b) Opening and closing times Intra-MA

		German TSO areas	Austria	France	NL & Belgium	Nordics & Baltics	Iberia
Opening times	All products	18:00	15:00	15:00	14:00	14:00	14:00
Closing times	15-min	Delivery (D)-30 min	D-30 min				
	30-min	D-30 min		D-30 min			
	Hourly	D-30 min	D-30 min	D-30 min	D-5 min	D-60min*	D-60 min
	User Defined Blocks	D-30 min	D-30 min	D-30 min	D-5 min	D-60 min*	
Notes	* Finland and Estonia at D-30 min						

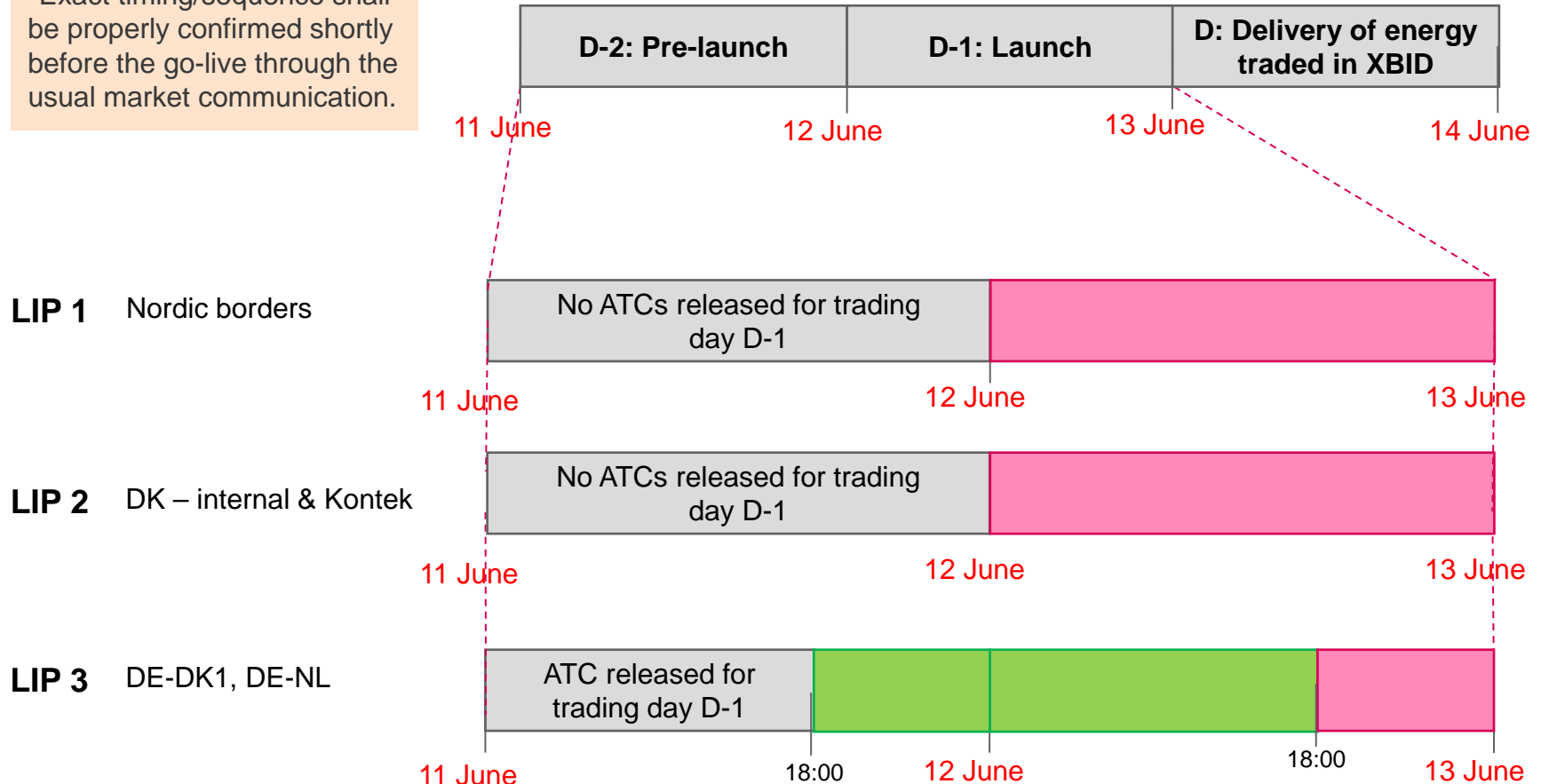
5.b) Opening and closing times

Cross-MA

	German TSO areas	Austria	France	NL & Belgium	Nordics	Baltics	Iberia ^{^^}
Opening times[^]	22:00 ^{**}	18:00	22:00	22:00	14:00 ^{**}	18:00 ^{***}	22:00
Closing times	D-60 min*						
Notes	<p>*Estlink Closing time D-30 min; for FR-DE, same GCT applies to both half hours of a given hour</p> <p>**DE-AT, DE-DK2 (Kontek) and DE-DK1 opening at 18:00</p> <p>***Pending as part of overall decision by ACER - move it to 15:00</p> <p>[^]Pending IDCZGT overall regulatory decision by ACER by end of April 2018</p> <p>^{^^}The capacity will be released in several batches during the day</p> <p>Ramping constraint on (DK1-NO2, DK1-SE3, DK1-DK2)</p> <p>Cross-border contract resolutions:</p> <ul style="list-style-type: none"> - DE-AT border: 15 min - FR-DE border: 30 min - All other borders: 60 min 						

5.c) Cross-border trading possibilities for D-1 delivery (tentative)* 1/3

*Exact timing/sequence shall be properly confirmed shortly before the go-live through the usual market communication.

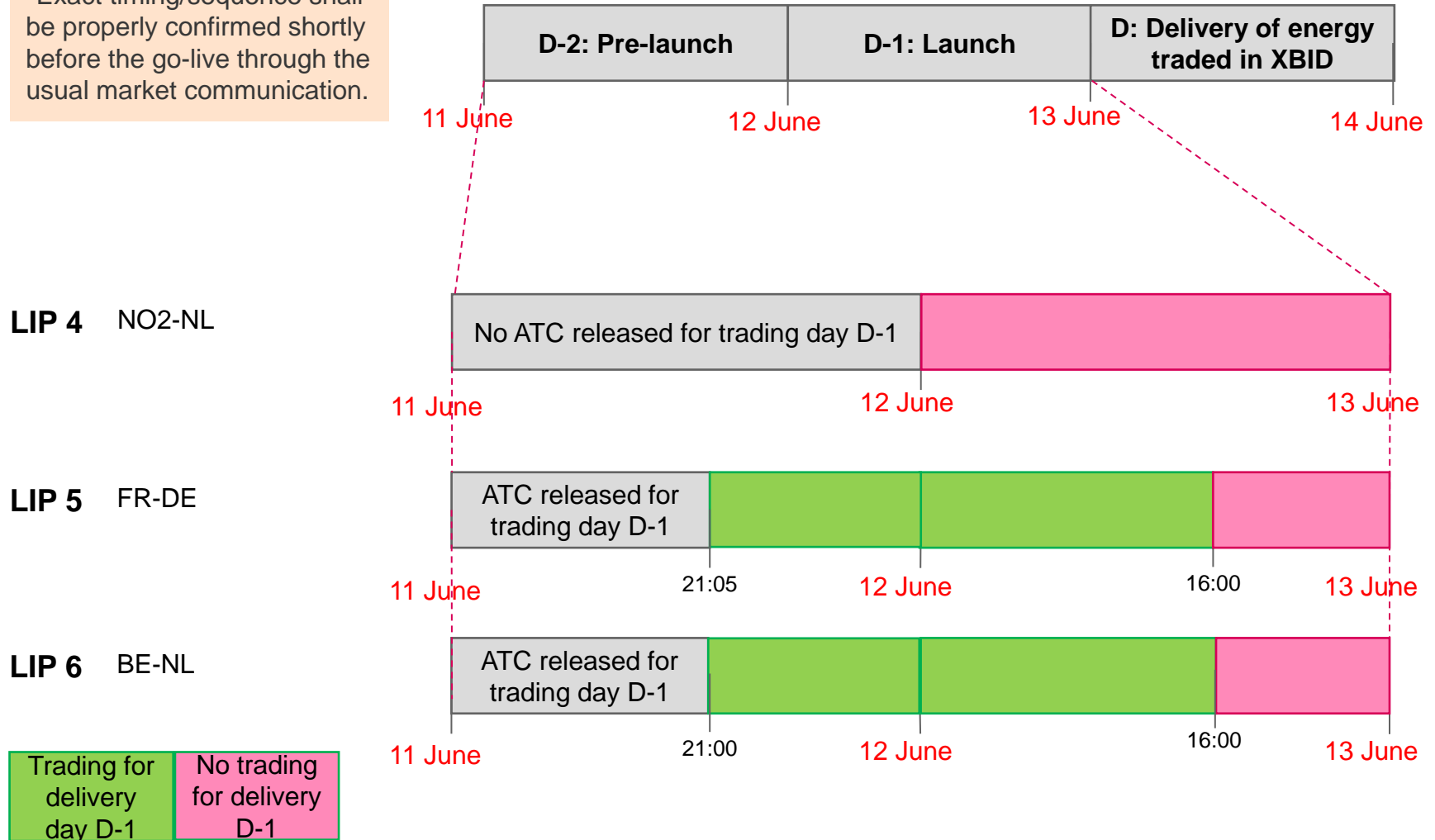


Trading for delivery day D-1	No trading for delivery D-1
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Exception: The “No trading for delivery D-1” period will not be applied to the interconnector AMP-NL Regular gate closures will be applied,

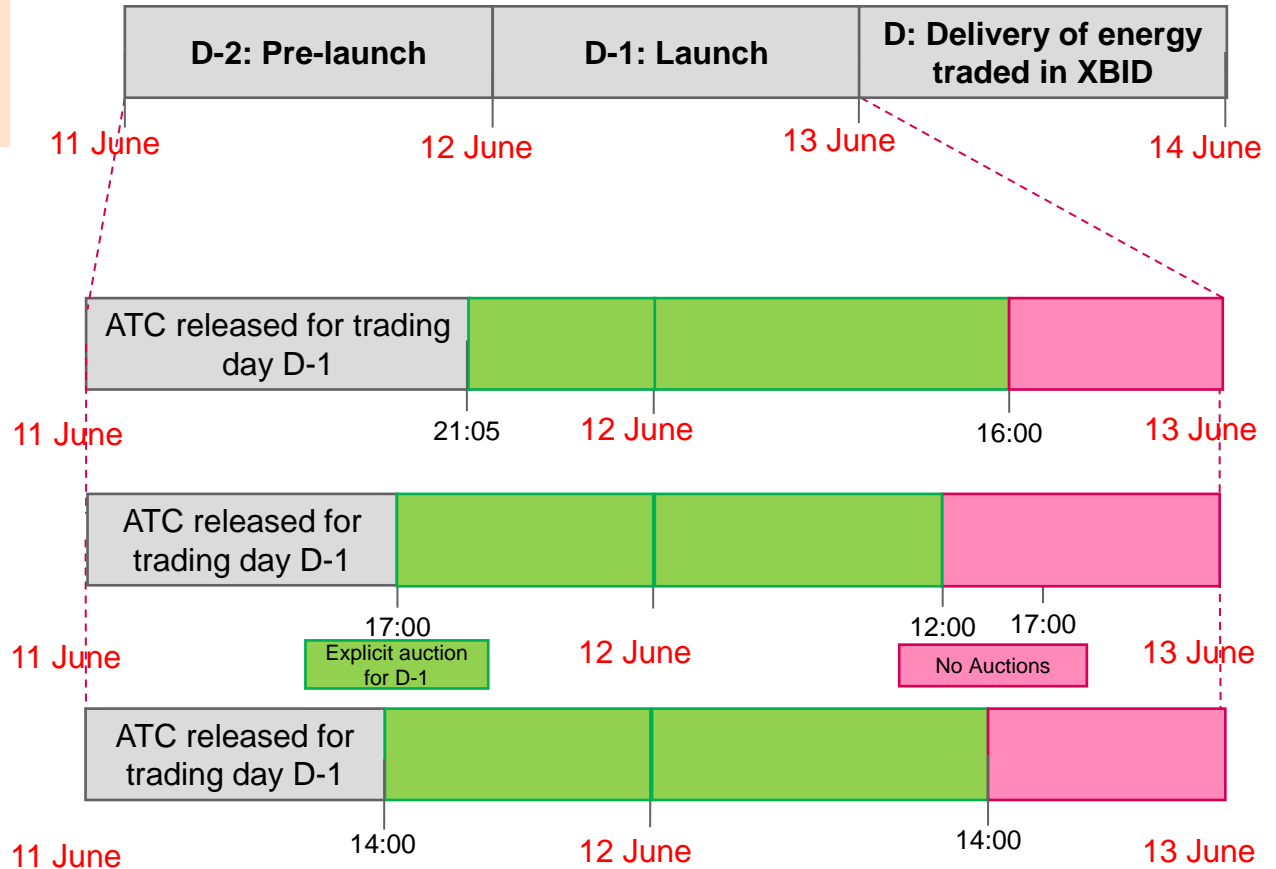
5.c) Cross-border trading possibilities for D-1 delivery (tentative)* 2/3

*Exact timing/sequence shall be properly confirmed shortly before the go-live through the usual market communication.



5.c) Cross-border trading possibilities for D-1 delivery (tentative)* 3/3

*Exact timing/sequence shall be properly confirmed shortly before the go-live through the usual market communication.



Trading for delivery day D-1	No trading for delivery D-1
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