



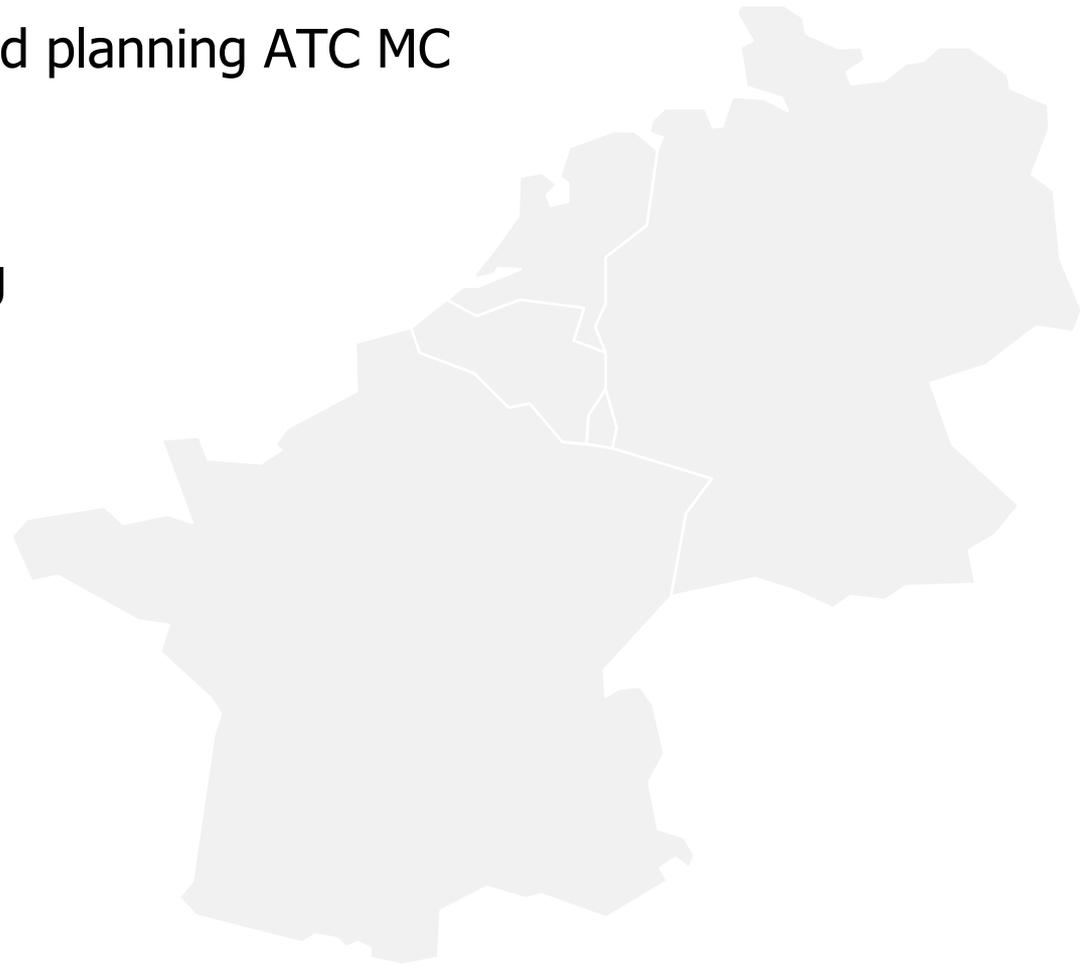
Project Report

CWE Market Coupling

PLEF SG1, April 27th 2010, Brussels
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Content

- ▶ General progress and planning ATC MC
- ▶ Regulatory Affairs
- ▶ Risks
- ▶ Flow based planning



General Progress and Planning

- ▶ Implementation phase has entered its final stage: applying rigorous test processes in order to deliver the necessary quality within the shortest time possible
- ▶ All internal tests should be completed by end of June: systems ready for operation.
- ▶ External simulation tests offered to market parties beginning of July, migration to production environment possible end of July
- ▶ However, the Project Parties propose to **launch** on September 7th 2010:
 - ▶ To ensure seamless transition with best possible preparedness of market parties and operators
 - ▶ To offer a second period of simulation testing to market parties, providing flexibility to the market parties in order to adapt their business processes
 - ▶ Subject to success of tests and regulatory approval
- ▶ Launch workshop will be organized for market parties to provide necessary operational information to prepare for go live: June 8th 2010 in Düsseldorf. REGs and Ministries will be invited.



General Progress and Planning

Activity	Timing
Full Integration Test (6 weeks)	Week 16 - 28 th of May
Internal Simulation Test (4 weeks)	31 st of May - 25 th of June
External Simulation Test (2 weeks)	28 th of June – 9 th of July
Extended simulation	July - August
External Simulation Test (1,5 week)	16 th of August – 25 th of August
Go live preparation (1,5 week)	26 th of August – 6 th of September
Proposed Go-Live ATC	Tuesday 7th of September 2010



Regulatory Affairs: process

- ▶ All local regulatory approval procedures launched
 - ▶ Regulatory package sent to REGs on February 15th
 - ▶ NL: Grid code sent to EK and is ready for approval
 - ▶ Be: global file sent to CREG for approval, including CWE auction rules
 - ▶ Fr: CWE auction rules sent to CRE for approval
 - ▶ Ge: ongoing discussions esp. regarding firmness and adaptation of FSV to market coupling
- ▶ All local procedures are on track



Regulatory Affairs: open issues

- ▶ Open issues: discussions are ongoing
 - ▶ Firmness: expert meeting on March 3rd (explanation of the solution proposed by the Project Parties and open discussion with REGs) and ongoing discussions in Germany, however no approval from REGs of solution yet
 - ▶ Coordinated ATC methodology & minimum capacities : open question to REGs but no formal decision yet
 - ▶ CWE Auction rules : UIOSI payments
 - ▶ EMCC Gap filling solution: implementation of amended business process requires discussion today. CEO meeting (REGs, TSOs, PXs) 4th of May for decision.
- ▶ Open issues must be solved quickly: discussion today necessary



Project risks and Issues table

Issue/risk	Status	Mitigation measure
Tight test planning	Stable with regard to proposed launch date	Close monitoring of testing

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External risks and issues table

Issue/risk	Status	Mitigation measure
<p>No formal regulatory approval. Specific issues: firmness, CWE auctions rules issues, minimum capacities, recovery of operational costs</p>	<p>Stable In regulator's hand</p>	<p>Documentation provided, local procedures ongoing. Common work between CWE Project Parties and regulators at central and local level</p>
<p>Business processes related to sequential volume coupling with Nordic region</p>	<p>Critical</p>	<p>CWE + Nordic TSOs and PXs are working on solution, CEO meeting 4th of May</p>



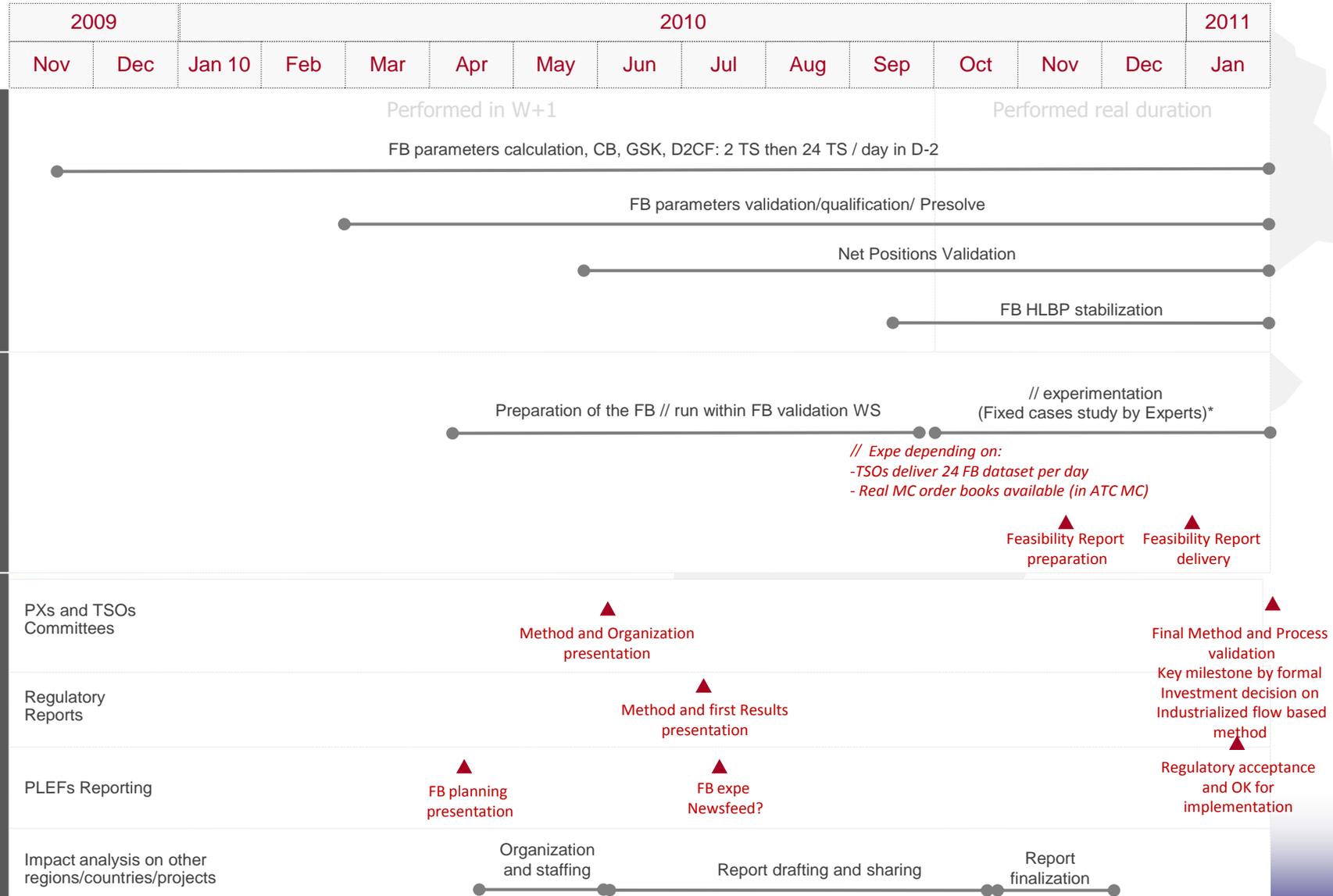
Flow based planning - Summary

- ▶ The planning is divided in 2 phases: experimentation and Implementation
- ▶ By the end of 2010/early 2011, a key decisional milestone is scheduled to formally take investment decision for FB implementation. This decision will be based on 3 main deliverables:
 - ▶ TSOs feasibility report based on 2010 Experimentation
 - ▶ Price/Market impact analysis performed jointly by PXs/TSOs
 - ▶ Analysis of the interactions with enlargement of coupling to other initiatives and development of Intraday
- ▶ This milestone shall be a clear GO for implementation, triggering investments and deployment in the organizations



Flow based planning

Phase 1 Experimentation



*: market impact analysis duration and amount of data to be validated

Flow based planning

Phase 2 Implementation

