



Stakeholder Forum London, June 14, 2013

NWE Day-Ahead Price Coupling

Project Status & Planning





NWE Price Coupling Project – status and planning

AGENDA:

- Finalized project deliverables
- Status of the testing until today
- Testing still to be performed
- The governance side of the project
- Overall planning



NWE Price Coupling – Finalized project deliverables

- On the technical side of the project following project deliverables have been finalized.
 - Functional architecture descriptions (generic and per region)
 - Fall back functional architecture description
 - Description of the shipping arrangements for all interconnectors
 - Inventory of all changes to systems and local testing to be performed.
 - Study on losses
 - Description of the partial coupling and full decoupling scenarios including the detailed timings
 - Description of the NWE Normal, backup and fallback procedures
 - Master Testplan
 - Entrance and integration test lists, scripts and planning
 - Ongoing: action points from the market consultation
 - Ongoing: simulation test scripts and planning
 - Ongoing: roll back organization and checklists



NWE Price Coupling – Finalized project deliverables

- On the legal/regulatory side of the project following project deliverables have been finalized.
 - 1st NWE Progress Report
 - 2nd NWE Progress Report
 - 3rd NWE Progress Report
 - Final Regulatory Report and Approval Package
 - APCA (All Parties Cooperation Agreement) design and implementation
 - Ongoing: Day-ahead Operations Agreement
 - Ongoing: Transition Agreement for Rollback



NWE Price Coupling – Status of the testing until today

- Testing of the NWE Price Coupling Solution is being performed jointly by the NWE and SWE parties since 29 April.
- The testing aims at validating:
 - Systems implemented at local level are consistent with each other and allow the correct processing of the price coupling.
 - Procedures designed by NWE/SWE are consistent with local procedures and realistic when applied in real conditions.
- Testing includes normal operations (normal scenarios) as well as backups and fall back (back up- and fall back scenarios) as well as special procedures (2nd auctions in CWE/GB, special procedures in Nordic-Baltic).



NWE Price Coupling – Status of the testing until today

Following test phases are foreseen:

1. Entrance test (finalized: 29 April – 31 May 2013)
 - Technical tests to ensure that data can be exchanged and integrated correctly through the NWE chain
2. Integration test (started June 3 2013)
 - Tests on the local and common systems to validate that they meet the requirements in terms of functionality in an integrated environment
3. Simulation test (will start August 5 2013)
 - Tests by operations to validate that the whole chain of systems meets the requirements in real time and is consistent with the designed procedures.
4. Member test (October 2013)
 - Tests with market participants to introduce them and to familiarize them to the future NWE operational process



NWE Price Coupling – Status of the testing until today

Results of the Entrance tests and Integration test until now:

- The Entrance tests focussed on automated data exchange and integration
- The normal process was tested successfully except for 3 manual workarounds being used in the overall chain.
- Backup processes were tested where automatic processes are not in place yet.
- Following partial coupling processes were tested:
 - Nordic-Baltic decoupled from NWE.
 - GB decoupled from NWE.
 - APX decoupled as PX
 - Internal CWE decoupling
 - Decoupling of BritNed and NorNed
- Issues found during the testing are followed up thoroughly. Parties need to provide delivery dates when issues / workarounds will be solved.
- The NWE processes should be fully automated and integrated by June 17. By that date all workarounds must be solved.



NWE Price Coupling – simulation test

Preparation of the simulation testing is ongoing:

- Simulation test list has been finalized.
- There are approx. 40 simulation test scenarios, of which some can be combined in one testing day.
- It still means that we need 9 weeks of simulation testing, so from August 5 till beginning of October.
- This is 2 weeks longer than foreseen in the initial planning.
- Simulation test scripts are now being drafted.



NWE Price Coupling – member test

- PXS will organize member tests for market participants who are interested to participate.
- Purpose is to familiarize with the NWE processes and timings.
- Member test will most probably take place in the 2nd week of October 2013
- Duration of the tests will be one week with the possibility to extend with one more week.
- Following scenarios will be tested:
 - Day 1: Normal process
 - Day 2: Second auction CWE and GB/ Special procedure Nordic - Baltic
 - Day 3: Partial coupling – Nordic decoupled from CWE and GB
 - Day 4: Partial coupling – GB decoupled from CWE and Nordic-Baltic
 - Day 5: Full decoupling
- Using the fall back solutions for borders/ interconnectors will be part of the test.
- Market participants will be informed in more detail about the testing in the course of September by the respective PXs.
- Market participants must subscribe beforehand to the member tests. Last minute participation will not be possible.



NWE Price Coupling – governance aspects

- There are no technical and contractual changes foreseen for the market participants.



NWE Price Coupling – go-live preparation

Go-Live preparation:

- Only after successful member testing the final decision for a Go-Live date can be taken.
- Elapsed time of the Go-Live preparation phase is approx. 2 to 3 weeks.
- Successful and timely implementation of the NWE Price Coupling Solution is further subject to:
 - Successful finalization of integration and simulation testing
 - Successful finalization of the member testing
 - Timely reception of all necessary regulatory approvals

