



**North-Western
Europe**



**Price Coupling of
Regions**



**South-Western
Europe**

SUCCESSFUL LAUNCH OF SWE COMMON SYNCHRONISED OPERATIONS WITH NWE PRICE COUPLING

4 February 2014. The South-Western Europe (SWE) and North-Western Europe (NWE) day-ahead price coupling project partners are pleased to announce the successful launch of common synchronised operations of NWE and SWE day-ahead markets. Full price coupling on the French-Spanish border will be launched at a later stage. This has been decided by the project partners, following common testing and alignment of Gate Closure Times. Both projects operate using the systems and procedures provided by the Price coupling of Regions (PCR) initiative. This launch is a significant step towards an integrated European power market.

In pursuit of European day-ahead Price coupling, NWE and SWE have designed a step-by-step approach to integrate the Iberian market and NWE.

Steps to integrate the day-ahead markets in the SWE and NWE regions have been underway since April 2013, addressing the joint testing of systems and operational procedures for the combined NWE and SWE regions.

Alignment of timings in the SWE and NWE day-ahead markets successfully took place on 15 October 2013, when the Iberian day-ahead Gate Closure Time was switched to 12h00 CET.

The penultimate step was achieved on 4 February with the go-live of common synchronised operations of the NWE and SWE projects for delivery on 5 February 2014. SWE uses the same PCR systems and operational procedures as NWE. For the time being, PCR will operate without offering capacity at the French-Spanish border to the price coupling, so the daily explicit auction on this border will be maintained as it is today.

The final step in SWE integration will take place when all legal, regulatory and IT conditions are satisfied. The daily explicit auctions will then stop and PCR will then offer the implicit day-ahead allocation for the French-Spanish border.

The achievement of price coupling, based on the PCR solution, between NWE and SWE regions, will be a significant step towards a harmonised European day-ahead electricity market. This will allow infrastructure to be used more efficiently and further increase market liquidity and social welfare.

About the projects:

North-Western Europe (NWE) Price coupling is a project initiated by the Transmission System Operators and Power Exchanges of the countries in North-Western Europe. The seventeen partners of this project comprise APX, Belpex, EPEX SPOT and Nord Pool Spot from the Power Exchanges' side; 50Hertz, Amprion, Creos, Elia, Energinet.dk, Fingrid, National Grid, RTE, Statnett, Svenska Kraftnät, Tennet B.V. (Netherlands), Tennet GmbH (Germany) and TransnetBW from the TSO side. This cooperation aims at establishing price coupling of the day-ahead wholesale electricity markets in this region, increasing the efficient allocation of interconnection capacities of the involved countries and optimising the overall social welfare. A single algorithm, calculating simultaneously the electricity market prices, net positions and flows on interconnectors between bidding zones will be used, based on implicit auctions and facilitated through the Price coupling of Regions solution.

Price coupling of Regions (PCR) is the initiative of seven European Power Exchanges (APX, Belpex, EPEX SPOT, GME, Nord Pool Spot, OMIE and OTE), to develop a single price coupling solution to be used to calculate electricity prices across Europe and allocate cross-border capacity on a day-ahead basis. This is crucial to achieve the overall EU target of a harmonised European electricity market. The integrated European electricity market is expected to increase liquidity, efficiency and social welfare. PCR is open to other European Power Exchanges wishing to join.

South-Western Europe (SWE) Coupling Project is a joint project between the French, Spanish and Portuguese TSOs, RTE, REE, REN, and the Power Exchanges OMIE in Spain and Portugal and EPEX SPOT operating the French market. This project aims to define the pre-coupling, post coupling and exceptional situations processes that are necessary to allow the implementation of Price coupling between NWE region and the Iberian day-ahead Markets.

To find out more about the PCR project and the regional price coupling implementation projects in NWE and SWE, visit the following websites:

NWE region:

www.apxgroup.com
www.belpex.be
www.epexspot.com
www.nordpoolspot.com
www.casc.eu

PCR project:

www.apxgroup.com
www.belpex.be
www.epexspot.com
www.mercatoelettrico.org
www.nordpoolspot.com
www.omie.es
www.ote-cr.cz

SWE region:

www.epexspot.com
www.omie.es