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Agency for the Cooperation
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Cross-Regional Roadmap for Intraday

DRAFT

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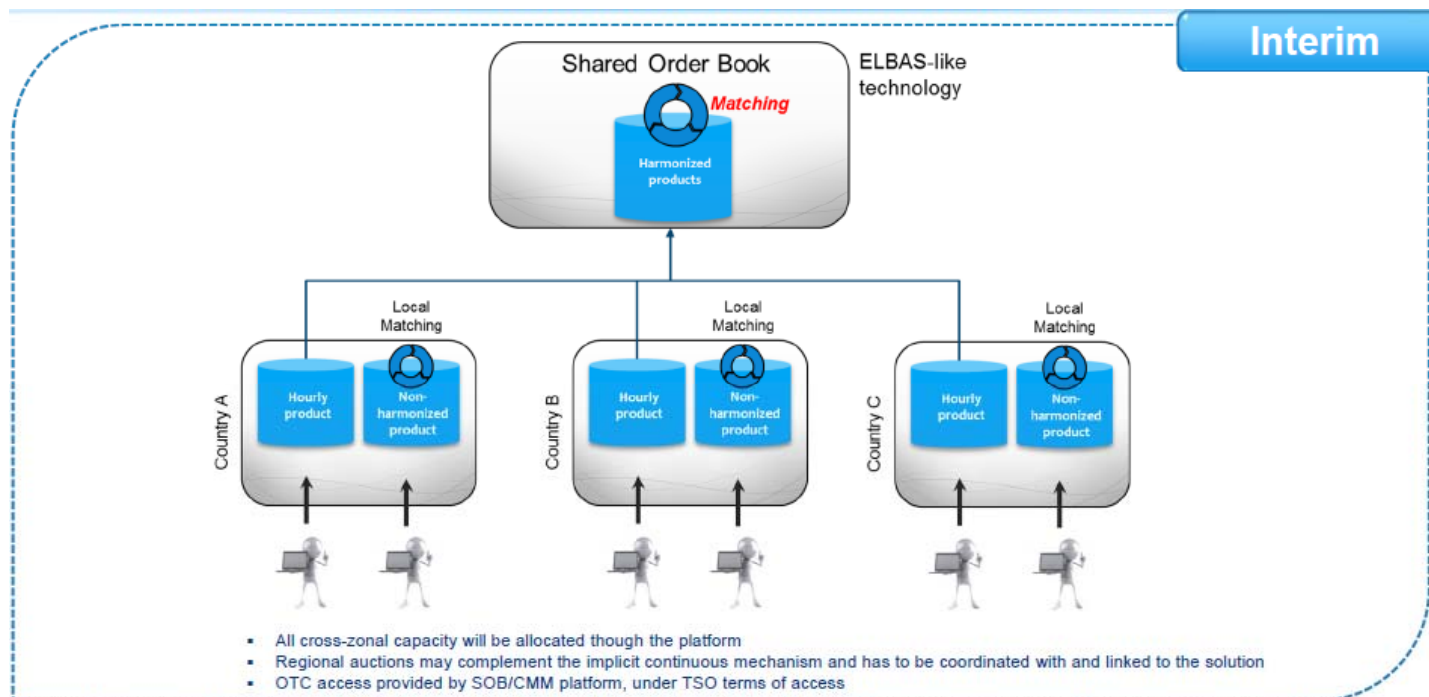


- **Cross-border intraday trading:**
Contents of cross-regional roadmap

- Description of interim model
- Description of target / enduring model
- Outline of the intraday implementation project
- Timeline for implementation of interim and target model
- Regional plans for progress towards 2012 interim and 2014 enduring solution

Intraday cross border trade: Interim model

- An “ELBAS-like” solution for the Shared Order Book (SOB) and Capacity Management Module (CMM), with hub-to-hub shipping and coordinated capacity determination
- Governance framework: Interim solution to be kept simple to avoid delay and reflecting simplicity of the interim solution
- Note:
 - » Implicit auctions may remain (nationally / regionally) if sufficient liquidity & adequate gate closures
 - » Explicit access allowed on some borders for OTC and TSO balancing actions



● Intraday cross border trade: Target model

Enduring

For the Enduring Solution all products should be matchable through the SOB, subject to consistent arrangements such as nomination, settlement and imbalance rules

- As agreed in the Capacity Allocation and Congestion Management (CACM) Framework Guideline
- Governance framework: Target Model possibly more complex and may be impacted by Governance Guideline
- SOB and CMM, plus an evolution of continuous implicit trading, featuring:
 - » reliable capacity pricing reflecting congestion
 - » automatic matching
 - » appropriate block bids and sophisticated products
 - » Note:
 - should avoid discrimination between products
 - OTC trading removed when sophisticated products capable of providing appropriate alternative

● The Intraday Implementation Project

- The intraday project was initiated by NWE TSOs to implement the European target model in NWE region, extendable to other regions
- The 20th Florence Forum supported the North West European project to establish a intraday market by the end of 2012
- The Forum urged the NWE project participants to actively coordinate with stakeholders from other regions
- NWE project is now extended to any other borders also ready to adopt the interim solution (subject to consultation with relevant parties)
- The interim intraday solution will go-live by the end of 2012

● Intraday Implementation: Timeline

Tasks	Deadline	Responsibility
INTERIM SOLUTION		
Complete TSO/PX MoU	September 2011	TSOs and PXs
Develop PX core arrangements*	June 2012	PXs
Develop TSO core arrangements	June 2012	TSOs
Local implementation in NWE	During 2012	TSOs and PXs
Go live of interim solution	End of 2012	
TARGET MODEL		
Develop Governance arrangements	Ongoing	NRAs, TSOs & PXs
Develop and consult on options for intraday capacity recalculation and pricing	During 2013	PXs and TSOs
Develop and consult on options and specifications for sophisticated products	During 2013	PXs and TSOs
Implementation of intraday capacity recalculation	Mid 2014	TSOs
Implementation of sophisticated products	End 2014	PXs
Implementation of pricing of capacity	End 2014	TSOs and PXs
Go live of Target Model / enduring solution	End of 2014	

* Features of the interim “Elbas-like” solution shall be discussed in a stakeholder workshop in Q4 2011

Project / region	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NWE project						*							**	✓
CWE region			1			✓								
Northern region			1			✓								
FUI region				2		3 ✓								
CS region			4			5								
SW region						✓	...							
CE region		6			7	8				✓				
Baltic region										✓	...			
SE Region													...	✓
CACM FG target model implementation														✓

Key:

* - NWE intraday 1 step; ** - NWE intraday 2 step; ✓ - implicit intraday solution; ... - unclear whether would join NWE

Milestone	Action
1	Implement intraday solution on NorNed
2	Implement intraday trading on SEM-GB interconnector
3	Develop options for extending the NWE solution to SEM (FUI GB-SEM border)
4	Implement explicit intraday allocation procedure on all borders
5	Finalise regulators' position on intraday and develop regional roadmap
6	Improve existing intraday allocation mechanism on CE borders
7	Propose options to implement an intraday solution in line with the CACM FG target model and NWE developments
8	Evaluate options and propose a solution to implement intraday solution in line with CACM FG target model in 2013

● CWE region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CWE region			1			✓								

Regional actions

- Mechanisms for implicit allocation of intraday capacity were launched on the France-German border in December 2010 and the Belgian-Netherlands border in February 2011
- A project has been established to implement intraday trading on the NordNed interconnector in Q1 2012
- CWE countries are active members of the NWE intraday project to introduce an implicit intraday solution by the end of 2012 and implement the CACM FG target model by 2014

● Northern region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Northern region			1			√								

Regional actions

- The Nordic intraday trading solution (ELBAS) facilitates continuous trading and is an integrated system with effectively a one-to-one relationship between CMM and SOBF
- Projects have been established to implement intraday trading on the NorNed interconnector in Q1 2012, on SwePol Link in Q4 2011, and to extend ELBAS to the Baltic region in 2013
- Northern region countries are active members of the NWE intraday project to introduce an implicit intraday solution by the end of 2012 and implement the CACM FG target model by 2014

FUI region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FUI region: GB-CWE border						√								
FUI region: GB-SEM border				2		3								

Regional actions

- The FUI region is an active member of the NWE intraday project to introduce an implicit intraday solution by the end of 2012 and implement the CACM FG target model by 2014
- The SEM market may face challenges implementing a purely continuous approach. Options for incorporating SEM into the NWE project to implement the CACM FG target model will be explored in Q4 2012.

● CS region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CS region			4			5	...							

Regional actions

- A project has been established to implement an interim explicit allocation process on all CS region borders in Q1 2012
- CS region will propose a roadmap to implement the CACM FG target model, which takes into consideration the NWE pilot project, in Q2 2012
- After checking coherence of the propose roadmap with existing intraday projects, the roadmap will be submitted for consultation in Q4 2012
- After the consultation is closed, the NRAs will decide on and commit to the necessary steps to implement the CACM FG target model

● SW region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SW region						✓	...							

Regional actions

- The SW region agreed on a process to implement the CACM FG target model at its Implementation Group meeting in Q1 2011
- A public consultation with the Stakeholder Group is planned for Q3 2011, and for the Implementation Group to undertake a feasibility study and simulation
- A testing phase is planned for Q4 2011 to identify the necessary systems and regulatory changes to implement continuous trading by Q4 2012
- Implicit auctions could be retained as a second layer in the SW interconnections.

● CE region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CE region		6		7	8					√				

Regional actions

- Improve existing intraday allocation mechanism on CE borders in Q4 2011
- A stepwise approach to implementing an intraday solution, compatible with the NWE intraday project will be proposed in Q2 2012
- The options for stepwise integration will be evaluated by regulators and a solution decided upon in Q3 2012
- An intraday solution, in line with the NWE project, will be implemented during 2013

● Baltic region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baltic region										✓				

Regional actions

- Implementation of intraday trading based on the ELBAS is planned for 2013

● SE region

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SE Region													...	✓

Regional actions

- Implement a step-wise approach with:

(i) sub-regional implementation of simple cross-border intraday capacity allocation mechanism;

(ii) pan-regional approach in line with the CACM FG target model



Thank you for
your attention

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