

CACM & FCA Implementation Subgroup
Tuesday 17 November 2015

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National Grid Interconnectors

Content

- 1. XBID Joint Project Update**
- 2. IFA LIP Progress**
- 3. CACM Compliance following XBID Go-Live**

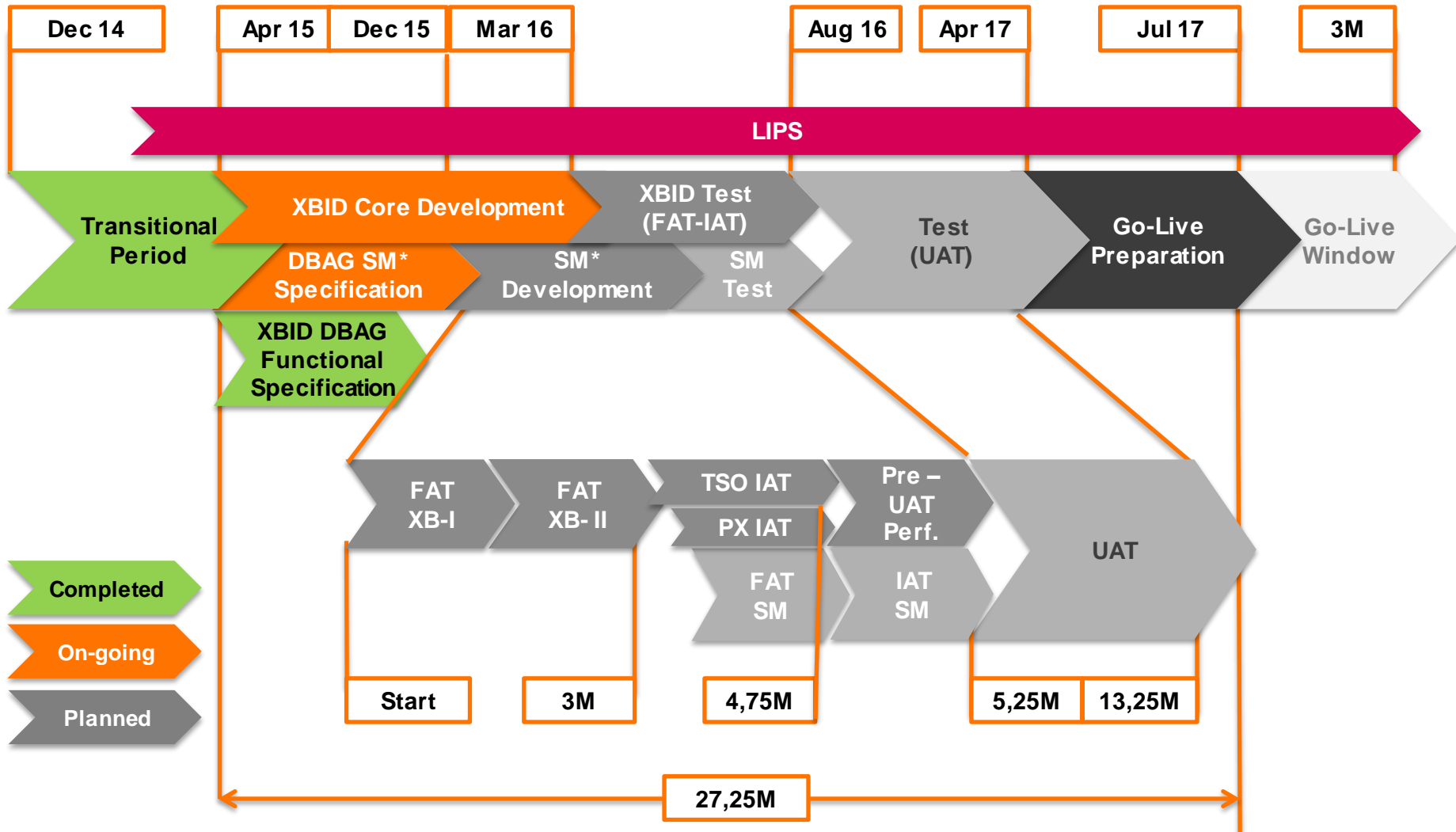
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Cross-Border Intraday Joint Project – Background

- **Project origins date back to 2010 – mandated by EC**
- **NWE TSOs invited the 6 PXs active in NWE on board**
- **Primary objective**
- **Intended benefits**
- **Tender process covering design/planning phase**
- **Original ‘letter of cost comfort’ provided by NRAs in January 2014**
- **Development contract between PXs and Deutsche Börse (DBAG) signed in June 2015**
- **Development due to be completed by Spring 2016 and to be followed by a period of testing**
- **Delivery of the solution into the market expected for Q3 2017**

Cross-Border Intraday Joint Project - Progress/Timeline

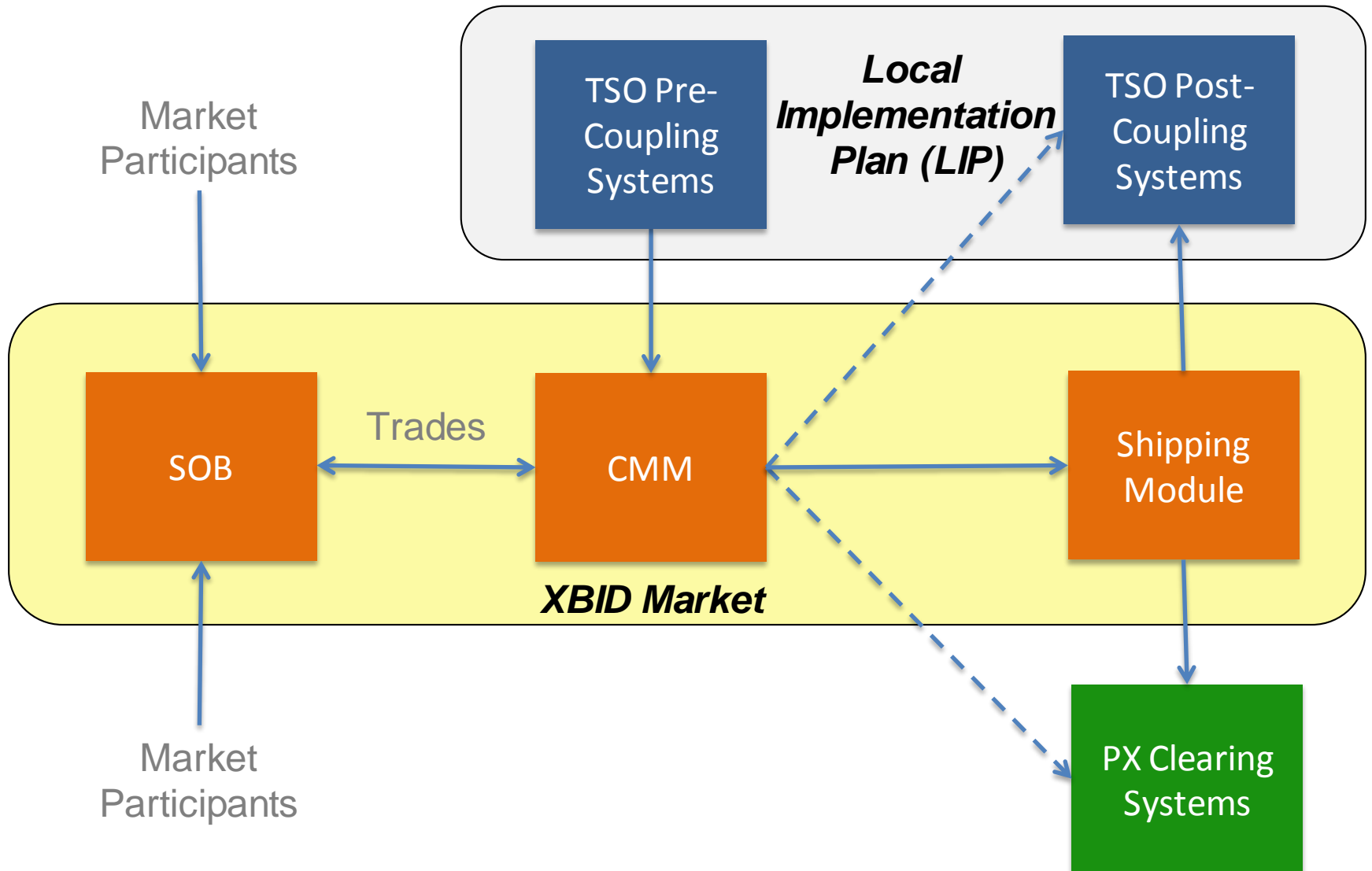


*SM – Shipping Module

Cross-Border Intraday Joint Project – Deliverables

- Target model (XBID solution) design contemplates:
 - efficient matching of bids
 - support of ramping constraints
 - market-based pricing of capacity in case of congestion ('interim'/pilot version excludes this)
 - compatibility with day-ahead allocation
- Functionality consists of:
 - capacity management module (CMM) for the TSOs
 - shared order book (SOB) for the PXs
 - shipping module (SM) for both
- **XBID Market project is widely recognised as being highly complex and challenging to deliver**

Cross-Border Intraday Joint Project – Schematic



Cross-Border Intraday Joint Project – Concerns for GB

- 1 hour gate closure – ready for go-live
- Losses change request – to be rolled out after go-live
- Capacity pricing – to be rolled out after go-live
- Market set-up via local implementation project (LIP)
- Scalability – integration of new GB interconnectors
 - NEMO
 - NSL
 - ElecLink
 - Other potential

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IFA LIP Progress (1)

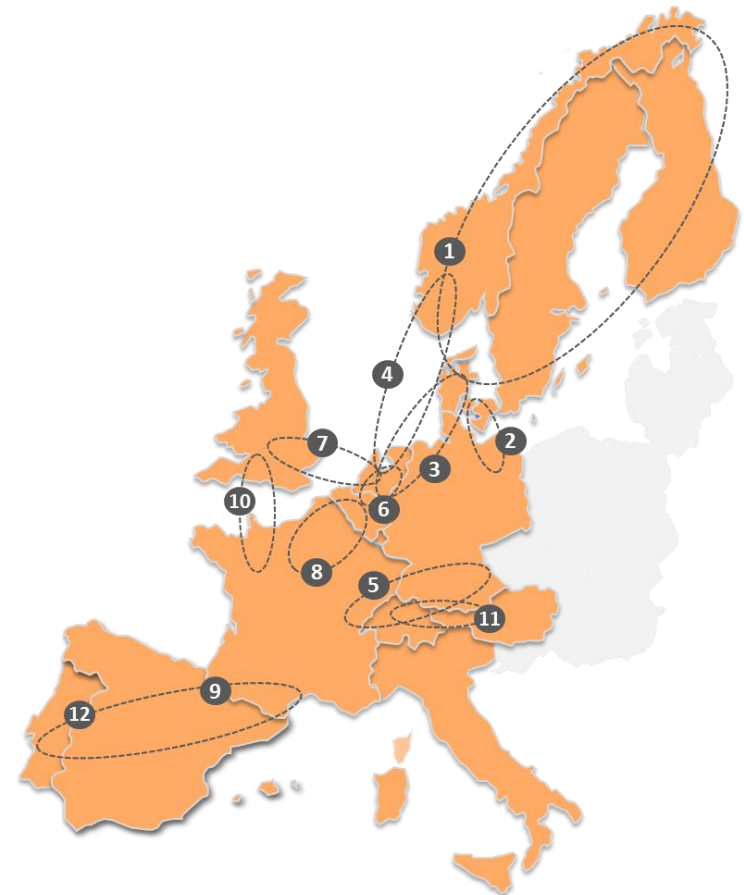
- **FR-GB LIP jointly managed by NGIC and RTE**
- **PXs invited to mandate NGIC/RTE to engage in bilateral discussions with DBAG**
- **PXs in GB Bidding Zone involved in LIP planning**
 - **IT systems design and development**
 - **Review of operating procedures**
 - **Access Rules review and consultation**
 - **Legal framework**
- **Impact assessment in progress**
- **“GB LIP” in the process of being set up**
- **At XBID Market project level, LIP subgroup created with SPOCs appointed from all NWE TSOs**

IFA LIP Progress (1) – Current Activities

- **FR-GB LIP jointly managed by NGIC and RTE**
- **PXs invited to mandate NGIC/RTE to engage in bilateral discussions with DBAG**
- **PXs in GB Bidding Zone involved in LIP planning**
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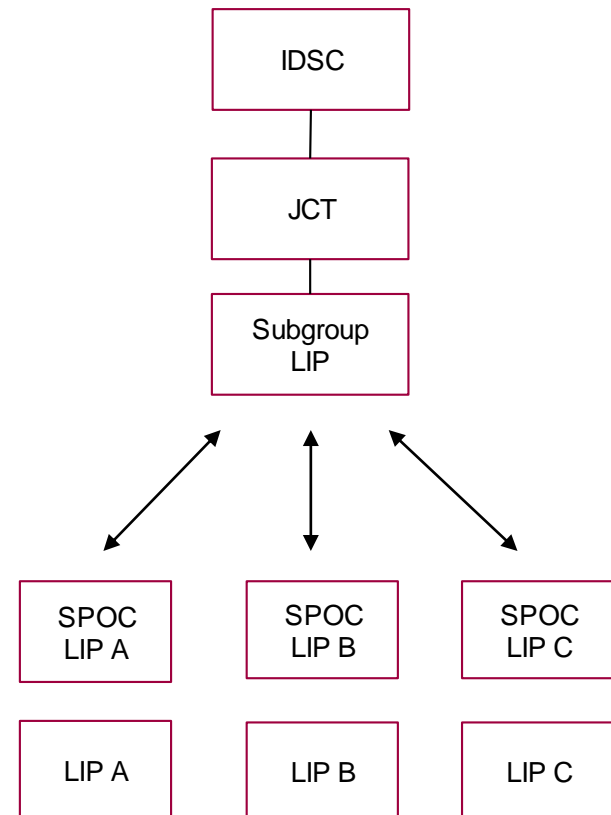
IFA LIP Progress (2) – Current LIP Demographic

	LIP	Participants	Impact analysis		
			Technical changes	Operational changes	Contractual changes and regulatory
1	Nordic	Fingrid, EnDK, SvK, Statnett, NPS	MAJOR	MEDIUM	MINOR
2	DK2/DE (Kontek)	EnDK, 50Hz, NPS, EPEX	MEDIUM	MINOR	MINOR
3	DK1/DE, DE/NL	EnDK, TenneT NL& DE, Amprion, EPEX, APX/Belpex, NPS	MEDIUM	MEDIUM	MEDIUM
4	NorNed	Statnett, TenneT NL, APX/Belpex, NPS	MAJOR	MEDIUM	MEDIUM
5	FR/DE, CH/DE, CH/FR, DE/AT	Amprion, TransnetBW, APG, RTE, Sw issgrid, EPEX, NPS, Tennes DE	MEDIUM	MINOR	MEDIUM
6	NL/BE	Ela, TenneT NL, APX/Belpex	MEDIUM	MINOR	MEDIUM
7	BritNed	BDL, NG, TenneT NL, APX	MAJOR	MAJOR	MEDIUM
8	FR/BE	RTE, Ela, APX/Belpex, EPEX	No feedback		
9 12	FR/ES& ES/PT	RTE, EPEX, OME, REE, REN	MEDIUM	MEDIUM	MEDIUM
10	IFA	RTE, NG, NPS, EPEX	MEDIUM	MEDIUM	MEDIUM
11	AT/CH	APG, Sw issgrid, EPEX	MAJOR	MEDIUM	MAJOR



IFA LIP Progress (3) – Governance Structure

- Subgroup LIP as part of JCT and only contact partner from XBID project for LIPs
- Subgroup LIPs to distribute/ensure that communication is happening in the most efficient way
- LIPs to dedicate SPoC
- ProjectPlace for each LIP
- LIP participants have access to XBID common ProjectPlace
- Monthly call with LIPs representatives
- Q&A register for LIP



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CACM Compliance

- **Market Coupling Operator function**
- **Proposed process for non-NWE PXs/TSOs accession**
- **Day to day operational issues (Art 10)**
- **Algorithm development (Art 17)**
- **Flow-based capacity calculation (Art 20)**
- **More than 1 NEMO in Bidding Zone (Art 45)**
- **Capacity pricing (Art 55.3)**
- **Cost sharing (Art 73.1) during the operational phase**
- **Cost reporting (Art 77.1) – to be set up and maintained by all NEMOs and TSOs**

Any Questions/Issues?