

3rd EU Stakeholder Committee Meeting

03.02.2016

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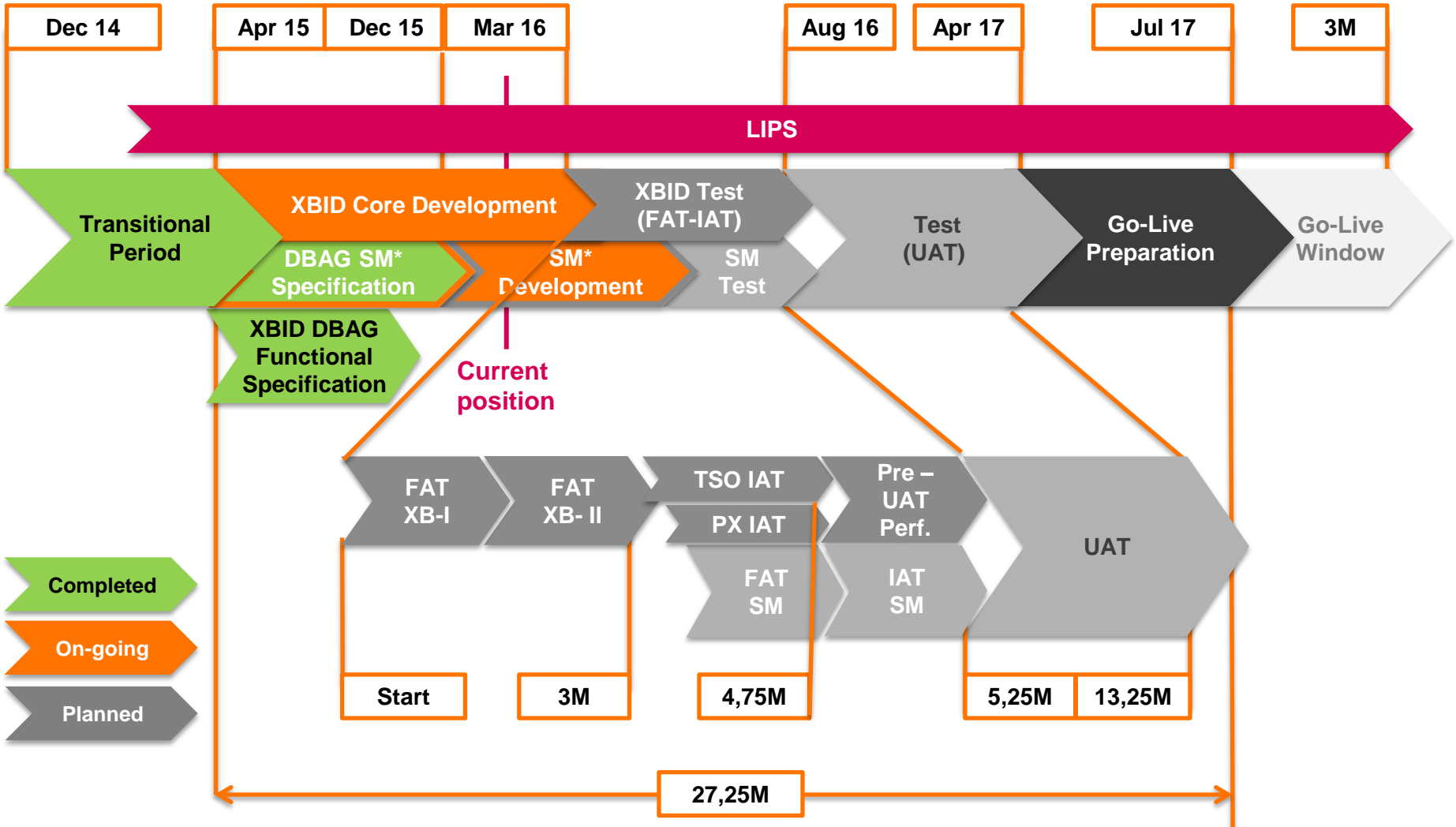
1. Project Progress – **Key achievements**

- **SOB and CMM Development is underway** and due to be completed by end February 2016 ✓
- The review of the **Functional Specifications for the Shipping Module** has been completed ✓
- Progress is being made in the negotiations for the **Hosting and Maintenance contracts** ✓
 - Agreement was reached on 18th December for the provision of 3rd party support for the PXs developing their Local Trading Solutions. This was a key milestone
- The hardware for the **Customer Test Environments** has been installed by DBAG ✓
- **Preparation is underway for the Testing Phase which** commences with Factory Acceptance Testing (FAT) in March ✓
- **Project financial control, review and audits** are in place ✓
- Following the EC's **formal confirmation and support** for the Accession Stream proposal: ✓
 - An invitation has been sent to non-NWE+ parties inviting them to join the Accession Stream (18th December)
 - A submission has been made to the NRAs for cost comfort for the first Elaboration Phase of the Accession Stream
- Steps continue to be taken to achieve a more **collaborative approach** between DBAG and the Project Parties ✓

1. Project Progress – Challenges

- Securing the conclusion of the **Hosting and Maintenance negotiations** without impacting the project timeline
- Continuing **challenge of resolving significant issues**. A recent one has related to the interface structure/fields between XBID and PX Local Trading Solutions which although now resolved may lead to a delay in the development timeline for the PX's Local Trading Solutions. This is currently being evaluated. PXs have also experienced challenges accessing the Customer Test Environments provided by DBAG.
- Ensuring that the **Shipping Module performance boundaries** are agreed with DBAG
- Balancing the needs **for TSOs to receive confirmed nominations soon after Gate Closure Time (GCT)** against processing queues wherever possible that may have built up prior to GCT
 - Also **co-ordinating with the needs of the balancing projects** (slides 9,10, 11&12)
- **MPLS (Communication Channel)** providing secure communication between XBID and PXs/TSOs).
 - Connections to DBAG is one of the key elements of the hosting negotiations, which combines several technology suppliers (COLT and Orange).
- DBAG have highlighted a risk relating to the **exposure of XBID CMM towards the open public Internet** by external parties securing explicit capacity. They have also highlighted the risk that internet access to the solution can be impacted by external events.
- Balancing the resourcing requirements for the **Accession Stream** against delivery of XBID as well as the strategic planning for future requirements.

2. Project Plan – High Level Delivery Plan until Go-Live



*SM – Shipping Module

3. Local Implementation Projects

- 10 LIPs have been established each with a lead (SPOC) and agreed members
- A LIP Sub Group has been established within the project to ensure that effective co-ordination, integrated planning and structured progress reporting is in place
 - The Sub Group is also responsible for developing the LIP Roadmap
- The LIPs continue to make progress in establishing individual project governance arrangements, structure (e.g. appointment of Project Managers), budget, planning and impact assessments.
- More detailed presentations on the current status of each LIP were presented to the User Group on 26/1
- Current key milestones are:

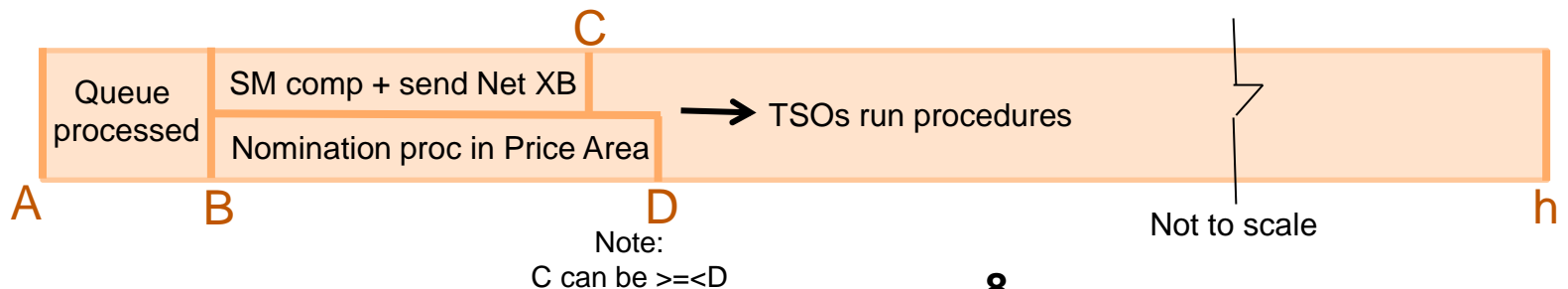
– LIP Testing requirements defined	20/1/16
– Agreement on LIP Test Environment	29/2/16
– Development commenced	LIP specific
– LIP Roadmap developed	Spring/summer 2016
– Readiness for LIP Testing	1/17
– Readiness for LIP Go-Live	4/17

3. Update on Belgian Borders Quick Wins

- The Quick Wins are being implemented in 2 steps
- Step 1 for BE-FR border
 - involves Modification of technical features
 - Improved pro rate => FCFS
 - Allocated = Nominated
 - Nomination on behalf
 - Neutralisation time of 1 hour instead of 2 hours
 - 12 Gates => 24 Gates
 - Go-live :
 - CREG and CRE final decision expected by end of January/beginning of February 2016
 - Go-live expected about approx. 2 weeks after regulatory decision.
- Step 2 for BE-FR and BE-NL borders involves:
 - For the BE-NL border a change from the Eurolight Trading System to the M7 release 4.2 Trading System.
 - Change from explicit capacity allocation to implicit capacity allocation on the BE-FR border using the same platforms as for the BE-NL border
 - Introduction of ICS 9.4 platform for the TSOs to enable implicit allocation for BE-NL and BE-FR borders through a common platform
 - Coupling of the BE and NL market with the EPEX markets in France and Germany, Austria, Switzerland
 - Go-live is expected around September 2016

4. Coordination between Intraday and Balancing Time Frames Post Gate Closure (I)

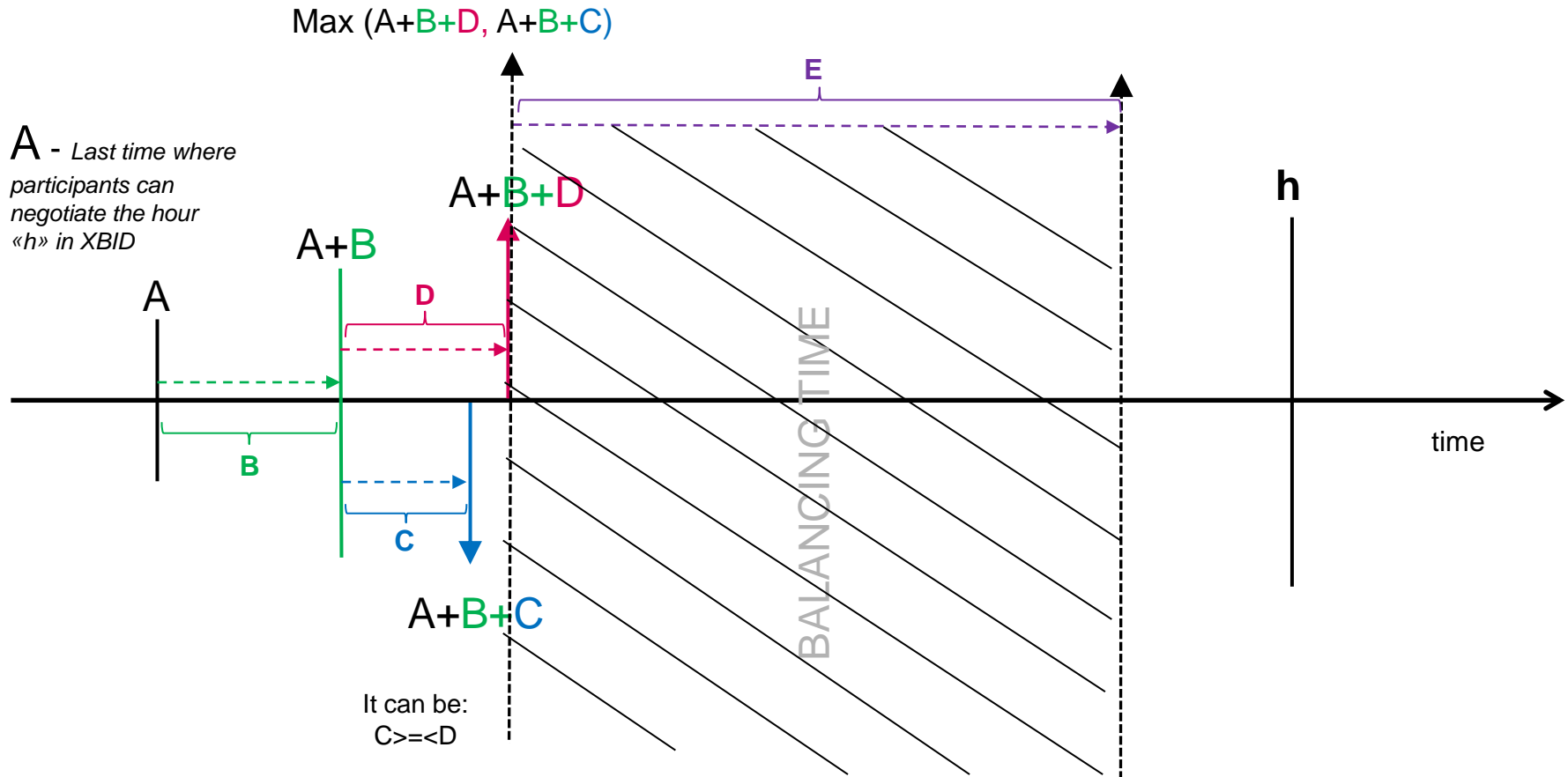
- Context:
 - The closing events of the ID market each hour need to be coordinated with the timing and requirements of the balancing markets to ensure the respective needs are satisfied
- Closing events for ID XBID each hour:
 - At moment 'A' PX Trading systems stop accepting orders and cross-border ID capacities cannot be changed any more for the delivery hour (h)
 - Any queue of pending orders is processed in the XBID system
 - At moment 'A+B' the XBID system stops processing the orders in the queue and drops the remaining orders, if they exist.
 - At moment 'A+B' the following two process start in parallel:
 - The XBID Shipping Module computes and sends net cross border positions and settlement information at moment 'A+B+C'
 - The responsible parties go through the nomination procedures within each price area which completes at moment 'A+B+D'
 - At moment 'Max (A+B+C, A+B+D)' the TSOs run their own procedures (see next slide)



4. Coordination between Intraday and Balancing Time Frames Post Gate Closure (II)

- After the closing events detailed on the previous slide, each TSO within each Price Area run their own procedures. This raises aspects such as:
 - How are all these steps coordinated with balancing?
 - Are there different timings for different price areas and/or borders?
- It also needs to be recognised that there are limitations to the variables in the closing events:
 - As an example, ‘A+B+C’ cannot exceed a certain number of minutes within the hour prior to delivery time
 - There are other limitations which must be respected
- As a consequence it is necessary to agree on the different variables to make sure that all requirements are respected
- The forum needs to be determined in which these two timeframes will be discussed amongst all parties
 - We wish to raise the issue at the EU Stakeholder Forum to discuss and agree the next steps

4. Coordination between Intraday and Balancing Time Frames Post Gate Closure (III)



B – XBID stops processing orders

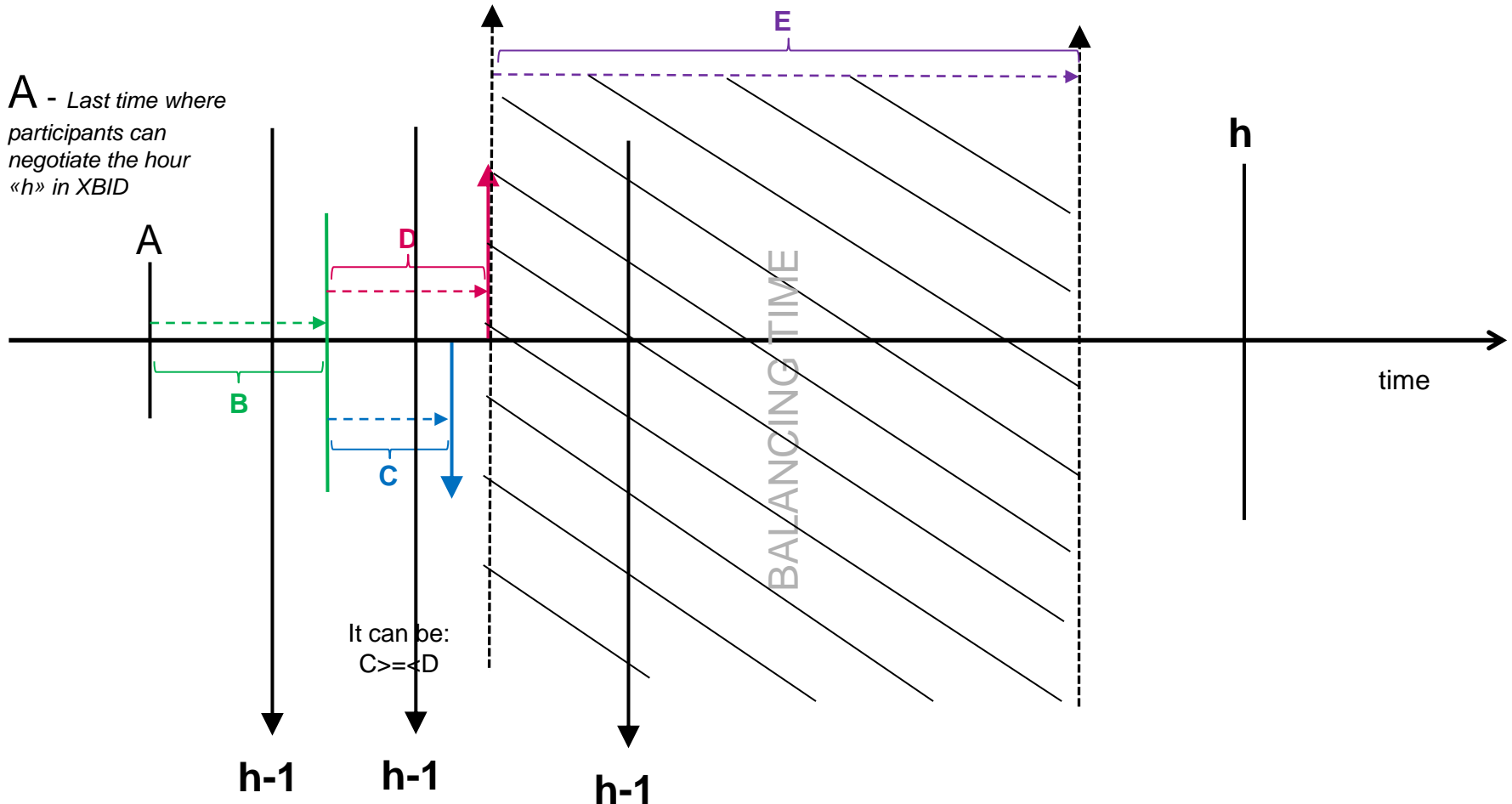
C – SM computes & sends net XB positions and settlement info

D – Nomination process in price area complete

4. Coordination between Intraday and Balancing Time Frames Post Gate Closure (IV)

$$\text{Max}(A+B+D, A+B+C)$$

A - Last time where participants can negotiate the hour «h» in XBID



h-1: it can be at any time depending on the agreement to make sure that all requirements are respected

5. Accession Stream Update

- Following EC approval in November of the proposal to create an Accession Stream for the Non-NWE+ parties a letter was sent in December to Non-NWE+ parties inviting them to join the Accession Stream
- Responses have been received from many parties. Some parties have expressed a view that the approach is not compliant with CACM and could create competition issues. This feedback is being discussed with the EC.
- A request for an adjustment to the XBID Budget has been made to the NRAs to cover the first phase (Elaboration) of the Accession Stream
- A first, management level, event for the Non-NWE+ parties is scheduled for 24th February
- Formal mobilisation of the Elaboration Phase is planned for beginning of March

6. Summary

- The project is now in the Development Phase with extensive preparations being made for Testing
- Progress continues to be made in the negotiation of the Hosting and Maintenance Contracts although the process is proving to be very lengthy. This remains a significant challenge and a risk to the project should the negotiation timeline become extended.
- The project continues to both resolve and manage a number of challenges and some of these have the potential to impact the project timeline.
- There is a continuing and increasing focus on LIPs. A project Sub group has been created and regular reporting introduced.
- The respective needs of ID and balancing must be respected and co-ordinated
- Following receipt of the EC's support for the Accession Stream proposal an invitation has been sent to Non-NWE+ parties to join this Stream
 - A meeting with the non-NWE+ parties is being arranged for 24th February