

11th MESC

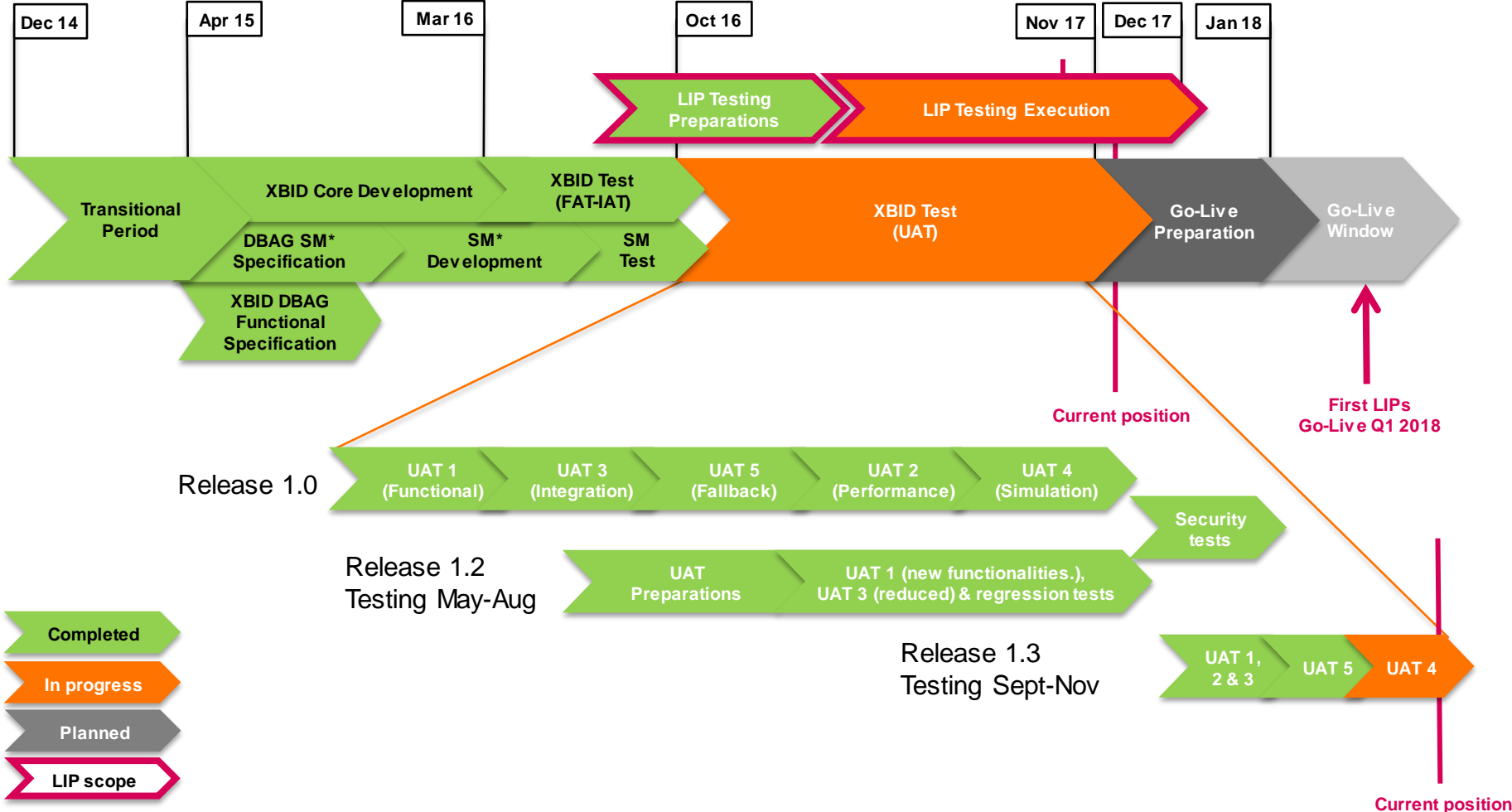
XBID Project Update

11th December 2017

Agenda

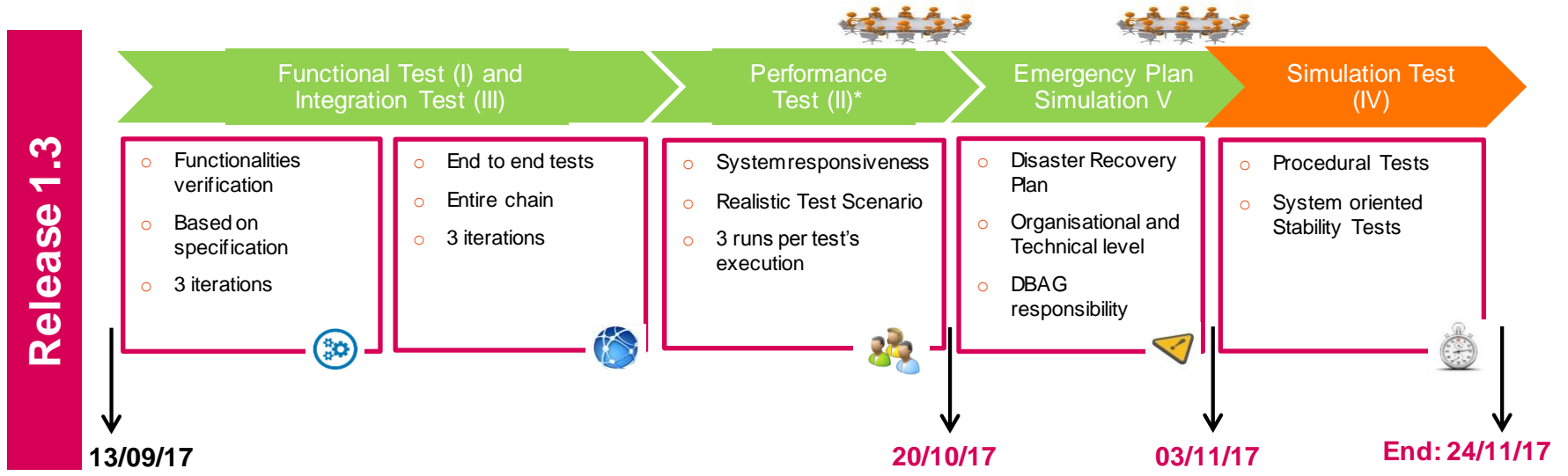
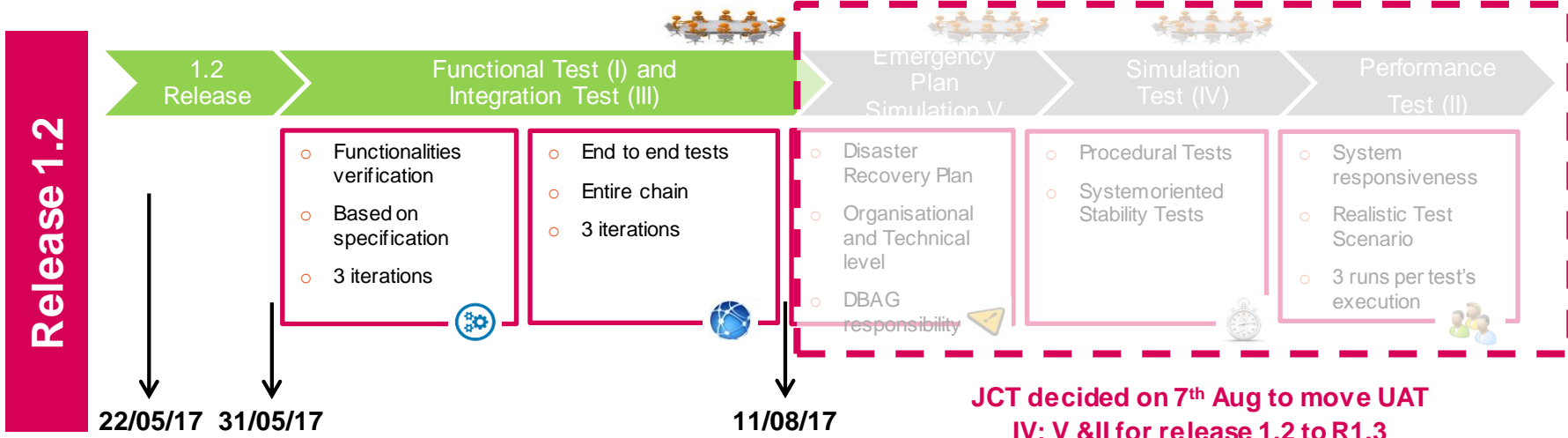
- 1. Project Timeline**
- 2. Project Progress**
 - Achievements**
 - Challenges**
- 3. Local Implementation Projects**
- 4. Go-live preparation**
- 5. Summary**

1. Project Timeline – Updated High Level Delivery Plan until Go-Live



*SM – Shipping Module

1. UAT phases for Release 1.2 and Release 1.3 – high-level timeline



Legend: **green** – completed
orange – in progress



2. Project Progress – Key achievements

• Technical

- **User Acceptance Testing (UAT) for Release 1.3 is on point of completion. This represents the finalisation of UAT for the XBID solution prior to go-live.**
- **The XBID solution has been deployed to the production environment and certification activities have commenced**
- **Daylight Saving Tests (DST)** have been undertaken
- **An independent service provider (PWC) has undertaken additional security tests** on XBID which are now complete and findings have been addressed/resolved
- The **Change Requests** identified as needed, to date, from LIP testing were incorporated in Release 1.3 or work arounds have been confirmed
- **Realistic Test Scenario 3 (RTS3) is being run** with a view to ensuring that service boundaries are fit for purpose for the go-live. Preliminary results are expected just before Christmas.

• Operational readiness

- **Critical business processes are finalized** with DBAG
- **Go live activities are agreed** (*assumption that all parties Go-Live at the same time*) and tracking is in place through the Go-live coordinator. The high level **Launch Plan** has been developed.

• Contractual

- **The IDOA has been sent to individual NRAs for their review.**
 - NRAs have verbally confirmed that the Project Parties' proposal to treat Shipping Module liabilities as common operational costs has been accepted by the NRAs for the period to the end February 2019
 - NB. NEMOs and TSOs IDOA signature is subject to NRAs' provision of open clarification points relating to cost sharing

• Budget

- **The project is currently within budget but is using foreseen contingencies**

• Accession Stream

- **2 Accession LIPs plan to be part of the first XBID go-live** (Baltics and Iberian Peninsula)
- **Several large LIPs are preparing for the 2nd wave go-live (planned for March 2019)** – many Accession Parties are involved – Poland, Czech Republic, Hungary, Romania, Croatia, Slovenia and Greece etc.

2. Project Progress – Challenges (1/2)

XBID continues to be a very complex and demanding project to deliver

• **Technical**

- **UAT for Release 1.3 was due to be completed on 24/11/17.** The contractual exit criteria have been met on 1/12/17 excluding those relating to failover which DBAG forecast to resolve by 6/12/17.
- **LIP Testing has proved challenging and multiple issues have been identified and managed.**
 - An additional 2 weeks of testing have been incorporated in parallel with the plan due to the time lost whilst issues have been resolved, including the central system being down. The LIP testing end date has had to be extended from 15/12/17 to 22/12/17 but remains at risk due to bugs identified.
- **Products for go-live.** XBID is being configured on the basis of 15/30/60 min products etc. as designed. Some project parties would prefer to go-live with just hourly products to ensure all performance requirements are met. However the project still intends to offer the currently available products to the market. Realistic Test Scenario 3, RTS3, is very important to provide the reassurance (or not) that a range of products can be used at go-live but the results will not be available until just before Christmas. This leaves a compressed timescale for communications with Market Parties before go-live which is a risk.

• **Contractual**

- **Finalising the Intraday Operational Agreement (IDOA).** Whilst the IDOA was ‘finalised’ for dissemination to NRAs by mid-October, **Exhibit 12 ‘Cost Sharing’ has not been finalised. The missing feedback from the NRAs prevents finalisation of IDOA which is a pre-condition for go-live.** Exhibits 3 and 16 (Change Control and Rollback Procedures) are also outstanding but nearing completion.
- **Finalizing the All Nemo Intra-Day Operational Agreement (ANIDOA) and TSO Co-operation Agreement for Single Intraday Coupling (TCID) in parallel with IDOA**
 - Progress is being made but the timeline remains challenging (including the internal approval process) as the equivalent of Exhibit 12 (Cost Sharing) needs to be incorporated in both agreements
- **Designing and agreeing the resettlement process for costs pre-financed by NWE+ TSOs for the period 14/02/17 to XBID go-live, as well as the enduring invoicing and settlement processes under CACM** (possibly involving a 3rd party to administer the resettlement processes).

2. Project Progress – Challenges (2/2)

XBID continues to be a very complex and demanding project to deliver

- **Cost issues**

- **Cost sharing and recovery.** As referenced on the previous slide **further clarifications from the NRAs are awaited** including, importantly:
 - 1) Sharing key between parties within Member States needs to be delivered by each NRA individually (these have been received for some MSs)
 - 2) Common decision by all NRAs on which Members States will contribute to the operational costs (all or only those benefiting from the operation – i.e. those operationally involved)
 - 3) Common decision by all NRAs on how to calculate Traded Volumes of the Member States in the period until all (or at least the majority) are involved in the SIDC operation - Without this it is not possible to calculate MS 'bill'
 - 4) The NRAs guidance on the LIP cost sharing framework
 - The Project Parties wrote to the NRAs on 15/11/17 requesting the outstanding information
 - There is also an overarching question as to how to make the sharing work if not all EU NEMOs and TSOs sign the IDOA agreement. This would essentially lead to pre/re-financing by other entities.
- **Project expenditure and forecast to end March 2018 is very close to budget**
- **Cost of DBAG services particularly with regards to Change Requests (CRs)**
 - Project Parties and NRAs remain concerned about the DBAG mark-up. DBAG have indicated that subject to confirmed levels of Change Requests, they may be able to provide an, as yet unquantified, reduction.
- **Budget for 2018.** Project parties have developed both the Operations and Development budgets for 2018 based on workload/activity/change request forecasts. Some project parties are concerned about the scale of the budget and it therefore has not been able to be signed off.

3. Overview of established LIPs

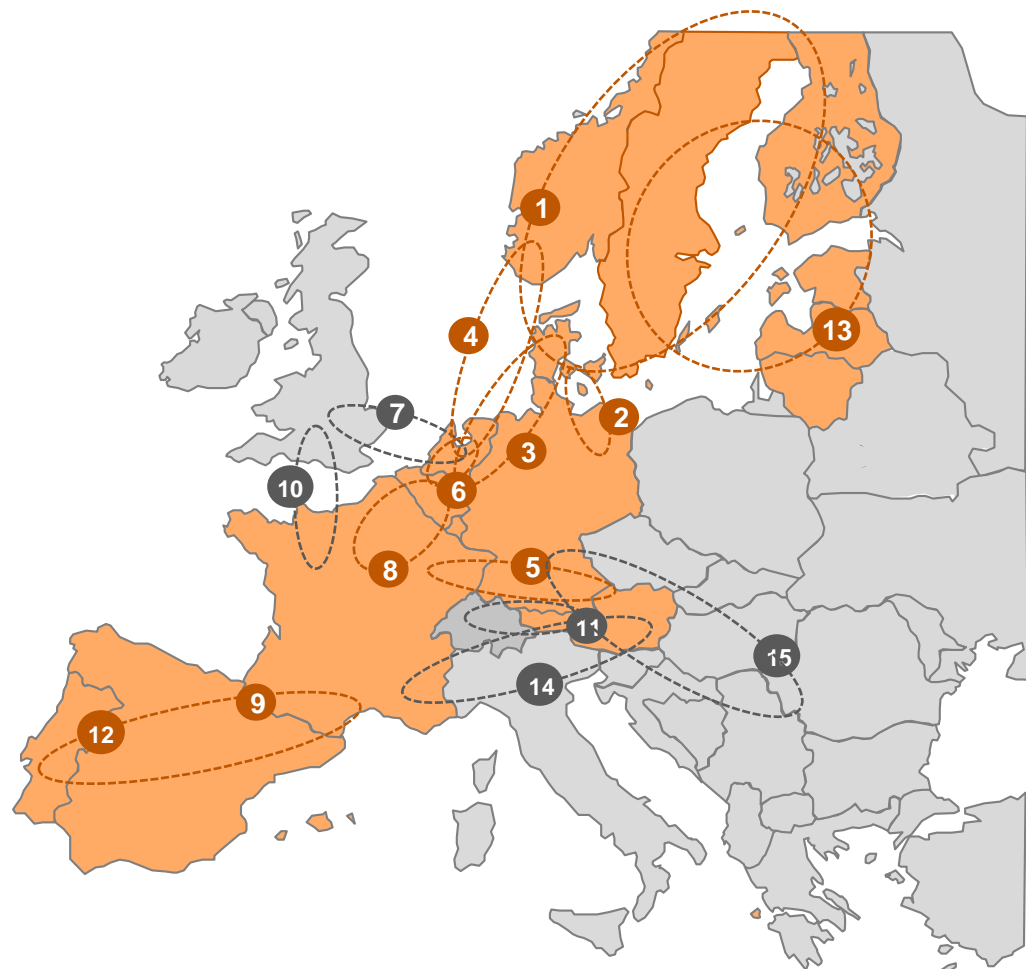


LIPs part of 1st go-live Q1/2018

LIP	Participants	
1	Nordic	Fingrid, EnDK, SvK, Statnett, Nord Pool, EPEX
2	Kontek	EnDK, 50Hz, Nord Pool, EPEX
3	DK1/DE, DE/NL	EnDK, TenneT NL& DE, Amprion, EPEX, Nord Pool
4	NorNed	Statnett, TenneT NL, EPEX, Nord Pool
5	FR/DE, DE/AT	Amprion, TransnetBW, APG, RTE, EPEX, Nord Pool, Tennet DE
6	NL/BE	Elia, TenneT NL, EPEX, Nord Pool
8	FR/BE	RTE, Elia, EPEX, Nord Pool
9 12	FR/ES& ES/PT	RTE, EPEX, OMIE, REE, REN, Nord Pool
13	Baltic	Elering, Litgrid, AST, Fingrid (Estlink) Svenska Kraftnät (NordBalt), Nord Pool

LIPs going live at a later stage

LIP	Participants	
7	BritNed	BDL, NG, TenneT NL, EPEX
10	IFA	RTE, NG, Nord Pool, EPEX
11	AT/CH	APG, Sw issgrid, EPEX
14	INB	ADMIE, APG, ELES, RTE, Sw issgrid, Terna, BSP, EPEX, EXAA, GME, LAGIE, Nord Pool
15	CZ-DE, CZ-AT, AT-HU, HU-RO, HU-HR, CR-HU	50Hertz, APG, CROPEX, ČEPS, EPEX SPOT, EXAA, HUPX, HOPS, MAVIR, Nord Pool, OPCOM, OTE, TenneT and Transeletrica.



NRAs have confirmed that explicit access will only be given on the DE/FR border. It will not be given on any other borders in the first go-live

3. LIPs for 1st Go-live – Testing Status Overview



LIP	On Track	End Date	Progress	Status	Test Cases
1	Yellow	13/10/2017	Blue bar	85	85% Passed, 15% Failed, 0% Blocked
2	Green	13/10/2017	Blue bar	100	100% Passed, 0% Failed, 0% Blocked
3	Green	03/11/2017	Blue bar	100	91% Passed, 0% Failed, 9% Blocked
4	Yellow	10/11/2017	Blue bar	95	95% Passed, 5% Failed, 0% Blocked
5	Green	13/11/2017	Blue bar	98	98% Passed, 2% Failed, 0% Blocked
6	Green	13/10/2017	Blue bar	100	100% Passed, 0% Failed, 0% Blocked
8	Green	13/10/2017	Blue bar	96	96% Passed, 4% Failed, 0% Blocked
9 12	Green	17/10/2017	Blue bar	100	100% Passed, 0% Failed, 0% Blocked
13	Green	10/08/2017	Blue bar	100	100% Passed, 0% Failed, 0% Blocked

■ Passed
■ Failed
■ Blocked

NB. The blue bar indicates the percentage of test cases performed. 100% of the test cases are executed by all LIPs except by LIP-3. LIP-3 has decided to de-scope 4 (out of 47) scenarios which will not be performed because of their low added value compared to the effort required to perform them. The number (%s) given in green indicate the number of test cases performed successfully

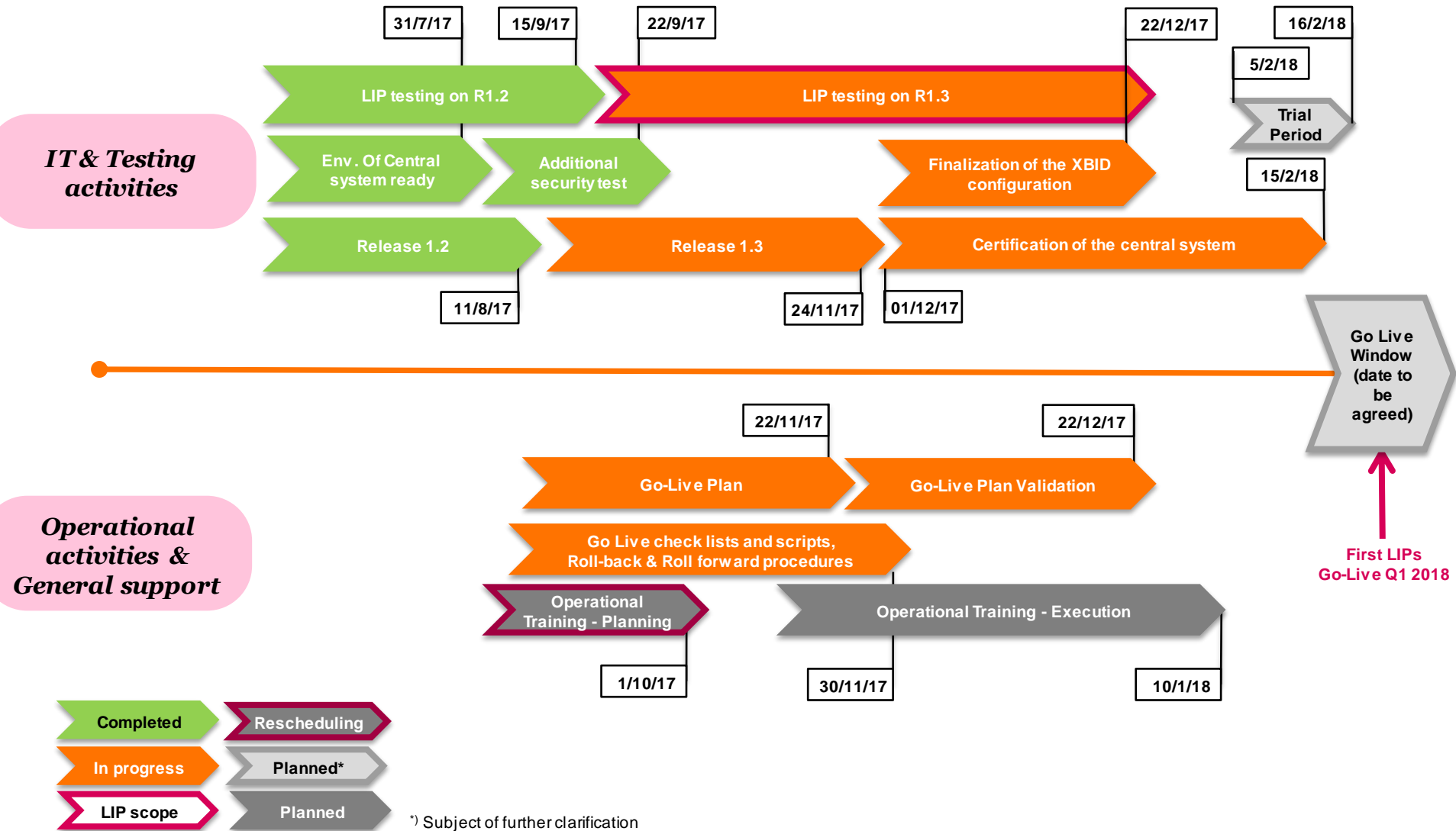
4. Go-live Preparation

- Significant focus is being dedicated to **go-live preparation** in order to ensure, as much as possible, a seamless transition and go-live
 - A high level **Go-live plan** has been developed
 - The closure and review process for **legal agreements** has been planned
 - The **Launch Approach** document has been developed and reviewed
 - A **Launch Matrix** is being finalised (under review) which identifies all activities to be considered during the launch as well as responsibility for each activity
 - The **Production Certification** process has been developed
 - The initial set of **Products** for the certification process was agreed. Further reconfiguration is subject of Realistic Test Scenario 3 (RTS3) results
 - A 2 week **Trial Period** is planned for February 2017 which will enable the Market Participants to undertake XBID testing through the NEMOs' LTSs. It is important that Market Participants (MPs), including explicit participants, become familiar with:
 - New/modified functionalities and features implemented in solutions
 - Configuration of the systems used at go-live which may impact the MP's approach to trading (e.g. setup of the products)
- NB. 1. Robotic trading will be allowed in the Trial Period
2. The period of time from the Trial Period to Go-live will be limited to approx 1 month
- A large scale **User Forum** is being arranged for the end of January to inform and help prepare stakeholders for the launch of XBID. Invitations are expected to be issued before the Christmas holiday period. The User Forum will be held at Brussels Airport.

4. High Level Go Live Plan



Planning for major activities with exception of legal tasks



5. Summary

- **Substantive progress continues to** made in delivering the XBID project - the successful completion of User Acceptance Testing (UAT) for Release 1.0, the progress in delivering UAT for R1.3 and the substantial finalisation of IDOA demonstrate this
- Technical readiness of XBID is planned to be achieved by the end of 2017 with the completion of Release 1.3 UAT and LIP testing both scheduled by the end of December.
- The first XBID LIPs are due to **go-live by the end of Q1 2018**.
- The **Accession Stream continues with all round positive collaboration** and with some Accession LIPs (Baltic and Iberian Peninsula) being part of the first go-live and a wide number of Accession Parties actively involved in the 2nd Wave LIPs (forecast for go-live March 2019)
- Extensive **Go-Live preparation** activities are underway
- **The project is very complex**. Current challenges include:
 - Completion of LIP testing (risk for completion by end December 2017)
 - Confirmation of Products for go-live/timing of RTS3 results
 - Finalization of IDOA Exhibit 12 (Cost sharing) with clarifications awaited from the NRAs
 - Agreement on the 2018 Development budget
- **We all continue to invest extensively to deliver a successful XBID Go-Live by the end of Q1 2018**