

XBID Update

**14th MESC
ENTSO-E, Brussels**

4th September 2018

Contents

- 1) General Overview**
- 2) Operational Performance and Statistics**
- 3) Update on Tick Size and Visible Order Book Depth Limitation**

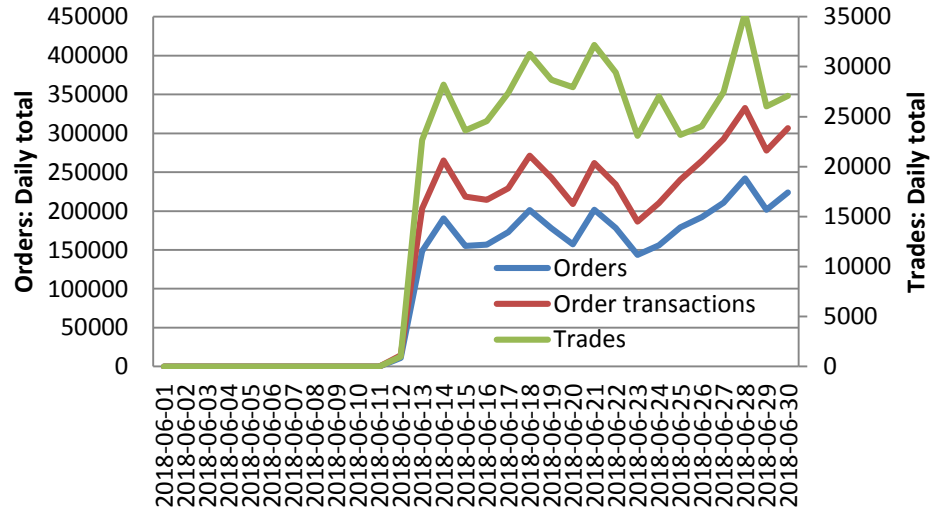
1) General Overview

- XBID went live on 12th June with first deliveries on 13th June
- Go-live was a significant success with all 1st go-live parties/Local Implementation Projects (LIPs) able to operate as planned
- XBID has been stable since go-live
- Average trading volumes of June and July confirm that XBID has been established as the ID trading platform
- Some minor incidents have occurred (as expected) but these have been managed/ resolved without significant impacts in the market
- Project Parties are focussing on 2nd wave go-live (planned for summer 2019) and future development of the XBID solution. Preparation for Release 1.5 testing is underway
- Analysis is also underway on performance improvements which are expected to result in developments to build on the successful 1st go-live
- OPSCOM – the body that monitors operational activities - is fully established. A fundamental revision of the current organisational structure is being implemented in September 2018 to reflect the move from project to operational/development status
- IDSC have recognised that XBID is running with stability and therefore, in line with IDOA, rollback systems do not have to be kept available anymore as more than 2 months have passed since go-live

2) Operational Performance and Statistics (1/2)

Based on Service Boundary report data, the following figures have been created:

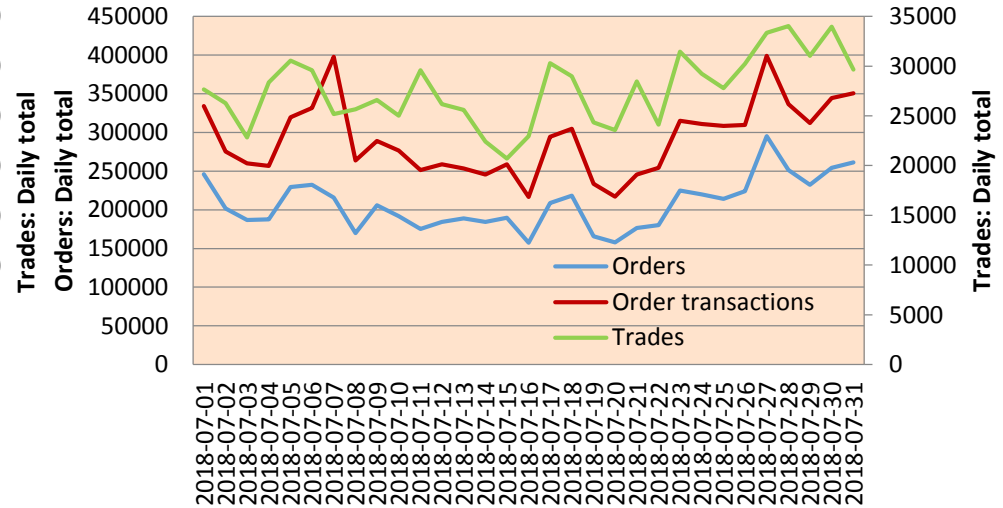
Orders and trades



June averages per day, since Go-Live

- 174 k orders
- 235 k order transactions
- 26 k trades

Orders and trades



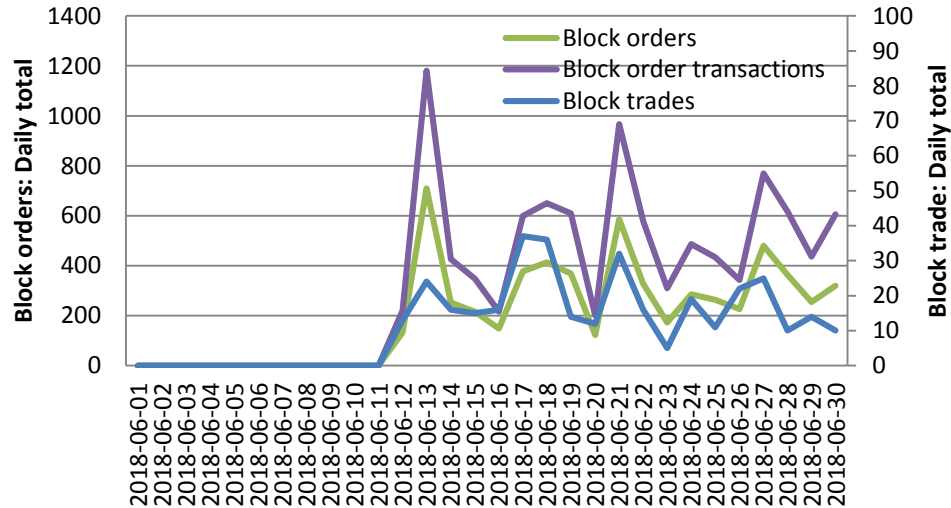
July averages per day

- 207 k orders
- 291 k order transactions
- 28 k trades

2) Operational Performance and Statistics (2/2)

Based on Service Boundary report data, the following figures have been created:

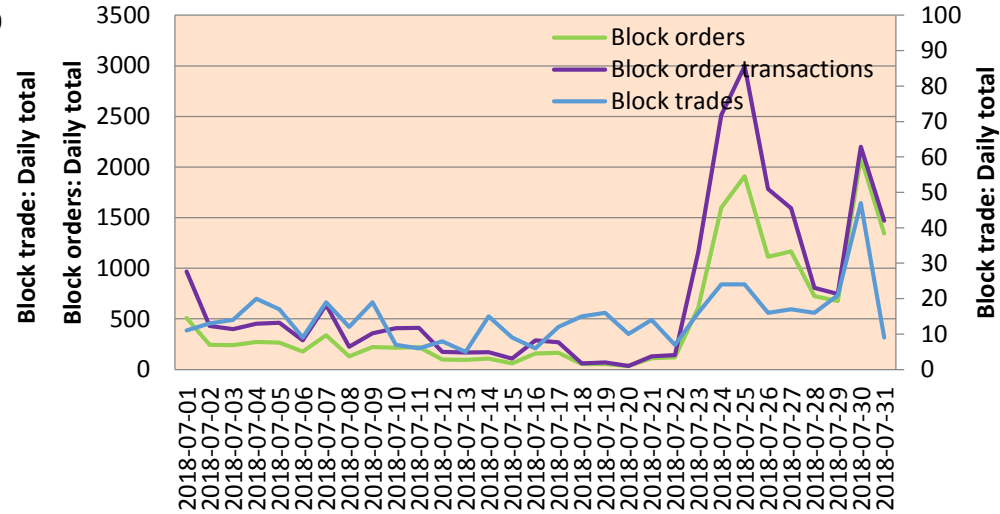
Block orders and trades



June averages per day, since Go-Live

- 317 block orders
- 526 block order transactions
- 18 block trades

Block orders and trades



July averages per day

- 488 block orders
- 707 block order transactions
- 31 block trades

DBAG’s definitions for terms used in slides 4, 5, and 6

Term	Description
Orders	Total daily number of Orders (incl. Block Orders) and total daily number of Order Transactions (including Block Order Transactions) per given day.
Block orders	Total daily number of Block orders and total daily number of Block Order Transactions per given day.
Trades	Total daily number of Trades (incl. Block Trades) per given day
Block trades	Total daily number of Block Trades per given day
Explicit cap. alloc. requests	Total daily number of Explicit capacity allocation requests per given day
Explicit cap. Alloc.	Total daily number of Explicit capacity allocation requests per given day

NB. Note on definition of Order Transactions: A party may submit one order but the party may activate/deactivate the same order which, from the matching point of view, behaves like a new order. This is defined as the order transaction.

2) Summary evaluation of first months of operations

XBID System

- **Stability: Good (system parameters: reference USM998)**
- **Performance: Good**
- **Alarms: Some are not in line with the expectations so adaptations will be made**

Local systems

- **ECP network remains a point of attention in production (as it was during testing)**

XBID procedures

- **Procedures for the most part are working well. Some improvements have been identified for 3 procedures**

Operators

- **Operations in general are running smoothly and issues are being handled well. In some instances operators are triggering an Incident Committee too fast. Also on other occasions the response time of some parties to attend Incident Committees needs to be improved.**

Risks

- **Further clarity is needed on the process, responsibilities, and resourcing related to out-of-office-hours testing and validation of urgent fixes. In order to mitigate this OPSCOM is working on a description of the process and responsibilities.**

3) Price tick – status and next steps (1/2)

- **Background:**
 - During a meeting with the EC in April 2018 the following decision was taken: *“XBID will undertake an interim assessment by mid-August to see if there are any significant detrimental impacts of the tick size on the single intraday market. In this case, the concerned NEMOs will take the necessary operational measures to mitigate those negative impacts”*.
- **Steps executed during analysis - Elaboration on the technical issues:**
 - Performance implication
 - NEMO ID SC (PX SC) agreed that the price tick would be analyzed **within the framework of overall XBID performance analysis**.
 - The analysis executed on the data for the 1st operational month shows that the **majority of the monitored parameters are within the agreed systems boundaries** though some measured parameters were breached and are the subject of further analysis (e.g. Order transaction peak load in 5 cases).
 - **None of the breaches** identified during analysis indicated a **need of immediate optimization of the XBID parameters** but are rather linked to improved the performance/service boundaries framework which is currently being studied.

3) Price tick – status and next steps (2/2)

- **Steps executed during analysis - Elaboration on the technical issues:**
 - Impact on the system in case of a change in Tick Size
 - NEMOs have executed an initial impact analysis on the XBID system as well as on Local Trading Solutions (LTSs)
 - There are certain changes which need to be adopted in the XBID System if the price tick is changed and **it will require retesting**
 - With regards to LTSs the situation differs per LTS with regards to the need of implementation. A modification in XBID will result in the need for testing of the LTS and therefore **it would need to be an integral part of the scheduled releases** (in case the change is required).
- **Conclusion (strategic view):**
 - **The technical elaboration shows that there are not detrimental impacts due to the tick size on the single intraday market.**
 - **Therefore, there is not a need to initiate a process to modify the price tick.**
 - **If subsequently it is decided to change the price tick, it shall be considered as any other change and incorporated in the strategic plan of XBID development.**

3) Relaxation of the visible orderbook depth

- **Background:**

- The market participants expressed **concerns related to the limitation of the visible orderbook** depth on various occasions as well as making those concerns explicitly in their communications to NRAs and the EC

- **Status and next steps:**

- NEMOs/TSOs and DBAG **are finalizing a detailed process** which focuses on identification of the limitations impacting the visible order book depth with indications of the **measures which may enable the relaxation of the orderbook depth** (the measures are mainly focused on the optimization of the XBID databases).
 - Note that the **level of the relaxation is still the subject of analysis** as well as other processes impacting the performance of the XBID Solution (e.g. performance optimization for the geographical extension of the XBID with the market areas foreseen for the 2nd go live)
- It is expected that the list of the potential measures should be known by no later than during **Q4 2018**
- NEMOs and TSOs consider this topic as a **priority** and are determined to put the viable orderbook depth relaxation options in praxis in the next release following determination of the solution.