

Update on XBID

15th MESC Meeting

CEER, Brussels

5th December 2018

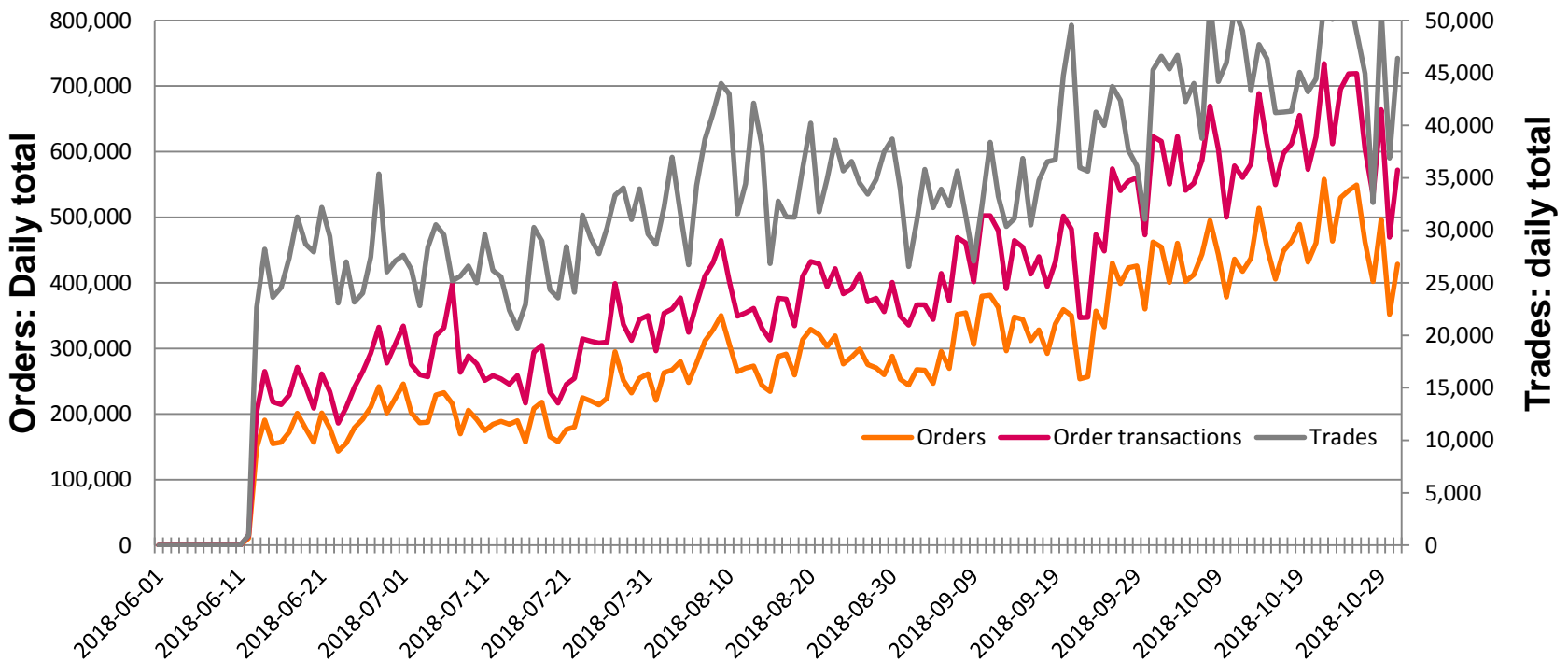
XBID Update

- 1. Overview, Trading Volumes, Recent Activity & Order Book Depth Relaxation**
- 2. Timing of Gate Opening from January 2019**
- 3. 2nd Wave Go-Live**

1. XBID General Overview

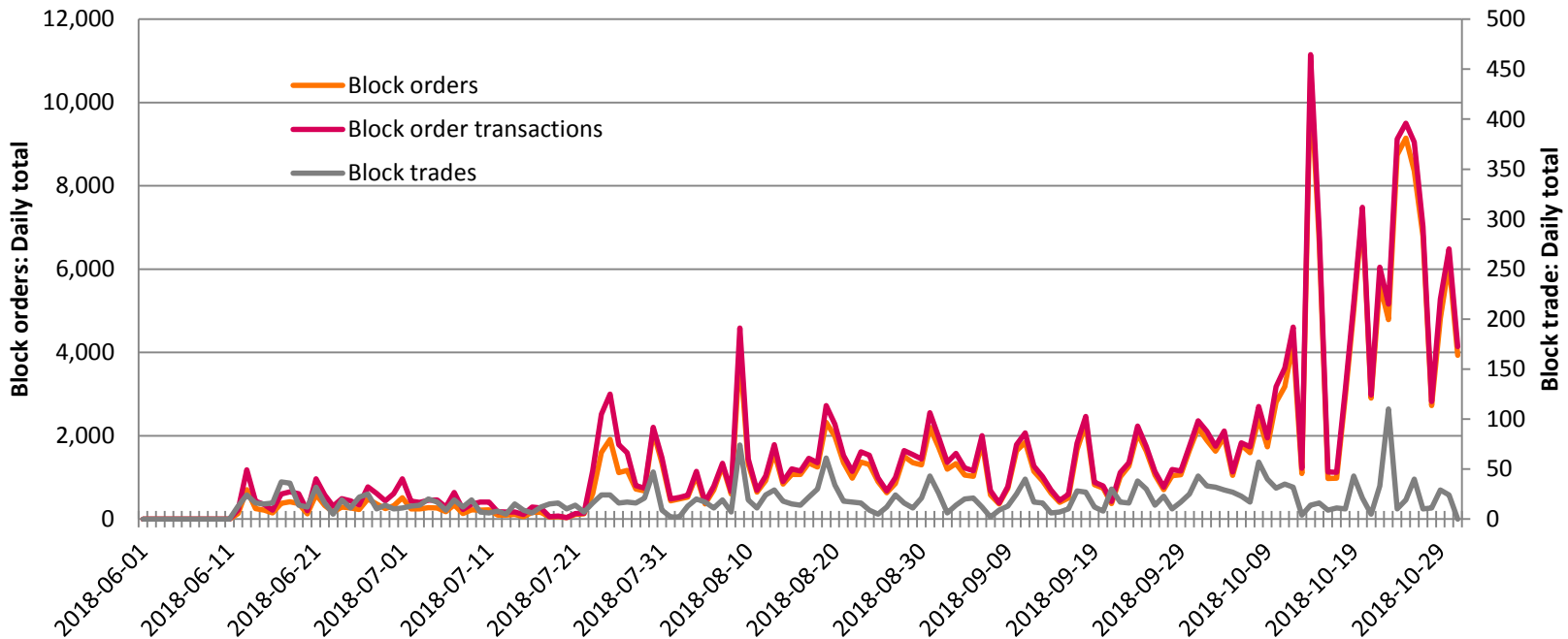
- XBID went live on 12th June with first deliveries on 13th June and has been in stable operation for nearly 6 months.
- Average trading volumes show growth from Go-Live to a new high of 1.4 million trades in the month of October 2018.
 - Approximately 5 million trades had been completed by the end of October.
- Project Parties are focussing on 2nd wave go-live (planned for 2019) and the future development of the XBID solution.
- Analysis is also underway on performance improvements which are expected to result in developments to build on the successful 1st go-live
- The Losses concept was presented to the Market Parties at the User Group meeting held on 21st November. No objections were received
 - The ACER clarification with regards to single sided trades and REMIT compliance is ongoing. Confirmation from ACER is needed by end of December in order to maintain the planned timeline

1. Development of orders and trades since XBID go-live



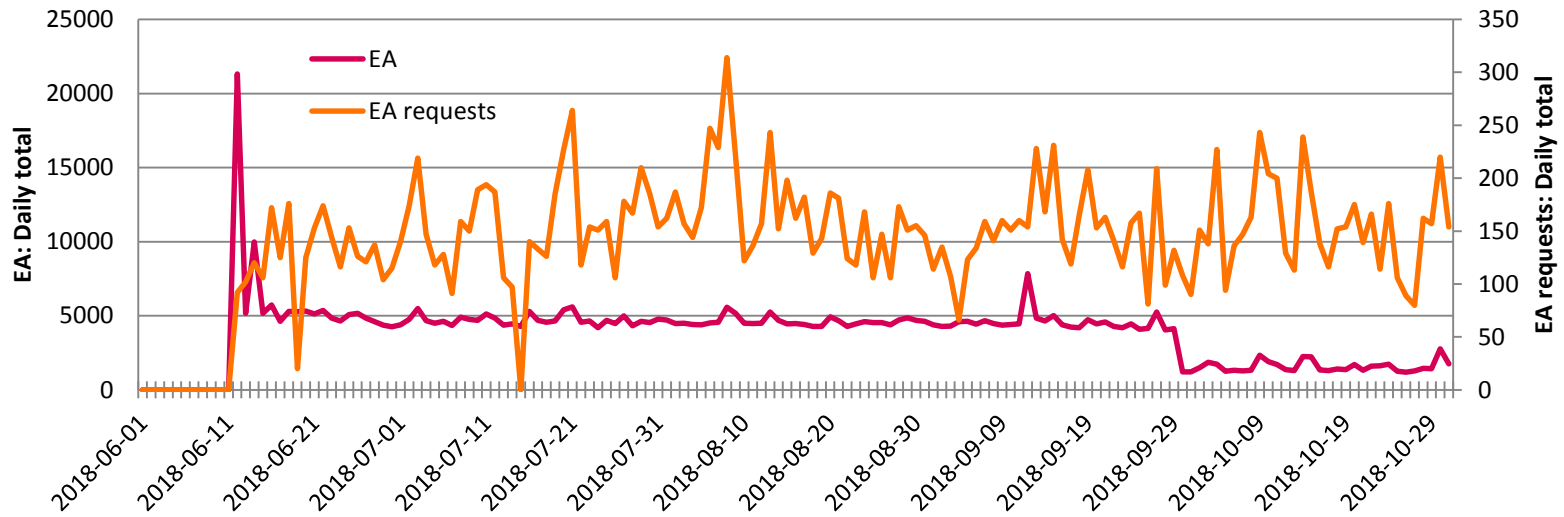
Term	Description	Definitions and computation details
Orders	Total daily number of Orders (incl. Block Orders) and total daily number of Order Transactions (including Block Order Transactions) per given day.	<ul style="list-style-type: none"> Order is defined as order entry. Order Transaction - means the Order entry (including activation of new iceberg slice), Order modification (including Order activation and deactivation) and Order deletion (excluding Order deletions due to contract expiration); partial matches as well as full Order executions are not to be considered as Order Transaction. Events triggered by or during MA/DA halt, Market Halt, Suspend user, activation of dispute state are not counted as Order Transaction;
Trades	Total daily number of Trades (incl. Block Trades) per given day as well as hourly number per given hour.	Daily Trades - means the Transactions concluded after the matching of two (2) Orders within one (1) Trading Day;

1. Development of block orders and trades since XBID go-live



Term	Description	Definitions and computation details
Block orders	Total daily number of Block orders and total daily number of Block Order Transactions per given day.	<ul style="list-style-type: none"> Block Order is defined as order entry placed on the Block Contract. Block Order Transaction means order entry, order modification (including order activation and deactivation) and order deletion (excluding order deletions due to contract expiration) for a Block Contract. Full and partial executions are not considered as Block Order Transaction; Events triggered or during MA/DA halt, Market Halt, Suspend user, activation of dispute state are not considered as Block Order Transaction;
Block trades	Total daily number of Block Trades per given day as well as hourly number per given hour.	Daily Block Trades means the Transactions concluded after the matching of two (2) Block Orders within one (1) Trading Day;

1. Development of explicit allocations since XBID go-live



Term	Description	Definitions and computation details
Explicit capacity allocation requests (EARs)	Total daily number of Explicit capacity allocation requests per given day as well as hourly number per given hour.	<p>EARs are basically any requests which are non-implicit, i.e. not coming from the SOB:</p> <ul style="list-style-type: none"> Allocation request made by an Explicit Participant (or TSO Admin acting on its behalf) via the GUI (entering the values in the fields) Special kind of such allocation requests are Balancing Mechanism and GenOutage <ul style="list-style-type: none"> Allocation request made by an Explicit Participant (or TSO Admin acting on its behalf) via the GUI by uploading an allocation request file (BG request file or BID file) Special kind of such allocation requests are Balancing Mechanism and GenOutage <ul style="list-style-type: none"> Allocation request made by an Explicit Participant (or TSO Admin acting on its behalf) via API – AllocationReq Submitting a valid CAS/CBS file (via a communication channel) which adheres to an existing file transfer configuration
Explicit capacity allocation	Total daily number of Explicit capacity allocation requests per given day as well as hourly number per given hour.	Explicit Allocations (EAs) are EARs which are granted, i.e. successfully carried out. Allocations from CAS/CBS files are specific kind of allocations counted as EAs.

1. Recent activities in the XBID Project

- Scoping, testing and deployment of Release 1.5
 - Entered into production on 30th October
 - This release implemented: Software Corrections; Third party software upgrades; An upgrade of the AlarmTILT software (automated notifications); A change to the RabbitMQ cluster setup; and Introduction of a dedicated mail server for XBID Production
- Introduction of the Austrian/German Bidding Zone Split in XBID
- Successful resettlement of historical and quarterly costs across all parties (IDOA signatories)
- Undertaking performance testing on a range of scenarios
- Testing in advance of the Long Clock change (no issues were experienced on 28th October)
- Evaluating aspects such as:
 - i) Tick Size. Analysis has shown that there is not an immediate need for change
 - ii) Orderbook depth. Supplier results of analysis on orderbook depth and SLAs validity, linked with the purchase of additional hardware for these tests, showed that full removal of the limitation is not possible. However considerable ‘relaxation’ (up to 100) can be implemented (see following slide)
- Scoping Release 2.0
- Agreeing 2019 budget and roadmap through to 2021

1. Order book depth limitations relaxation

- Summary table:

Products	Current order book depth limitations	Proposed relaxation of order book depth limitations*
All products but blocks	Max OBD 31 if \geq sum of 600 MW	Max OBD up to 100 orders
All products but blocks	Max OBD up to 50 orders, \leq sum of 600 MW	
Block products	Max OBD up to 2 block orders	Max OBD / contract length rounded down (reflecting limit of 100), Examples: <ul style="list-style-type: none"> • 2-hour block =>Max OBD is 50 orders • 10-hour block =>Max OBD is 10 orders • 24-hour block =>Max OBD is 4 orders

- At the User Group on 21st November Market Parties confirmed that this relaxation of the Order Book Depth would be acceptable to them and meet their needs
- Discussions will take place with the Supplier on the implementation date and testing

* Parameters specified in the Proposed relaxation of order book depth limitations are subject of the implementation and XBID performance retest.

2. Timing Gate Opening Time (GOT) as of 2019

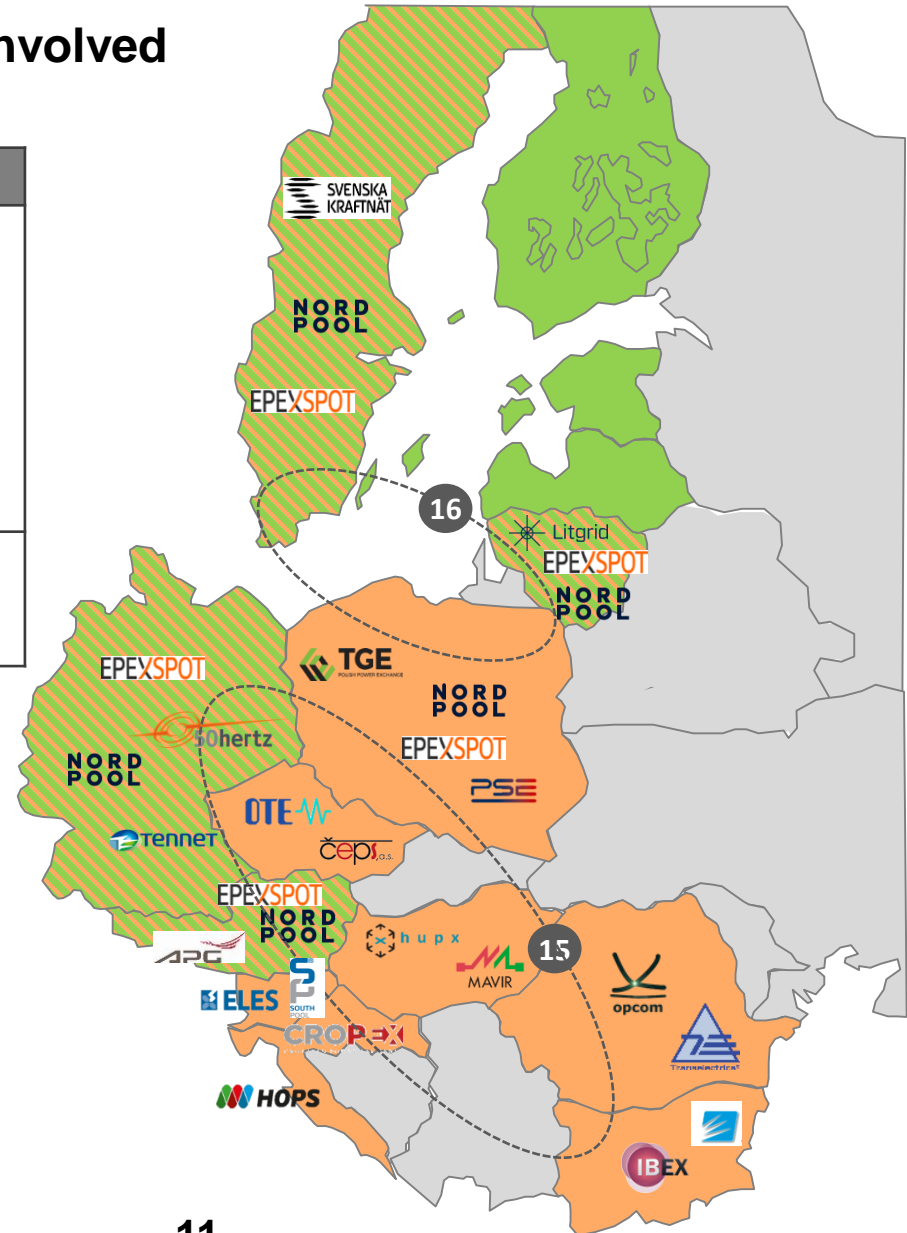
- ACER's decision of April 2018 defines IDCZGOT as 15:00 D-1 from 01.01.2019 onwards
 - Deadline postponed until 30 days after approval of intraday capacity calculation methodology for CCRs where such approval isn't made before 30.11.2018
- Effective implementation is managed on each relevant border
- XBID project has provided Market Parties with a detailed overview on GOT timings for borders in operation (at User Group on 21st November)
 - *Effective GOT* in place as of 01.01.2019 and application of ACER's decision
 - Corresponding capacity available, especially for borders where no cross-border capacity can be published at *Effective GOT*

3. Objectives and tentative timing of the 2nd wave

- So far the XBID platform has been a stable and reliable tool for traders
- Trading participation as well as trading values are constantly increasing on XBID platform
- **General aim of the 2nd wave is to:**
 - further integrate Member States in order to achieve single integrated intra-day market
 - increase liquidity of ID volumes in single markets
 - improve ID trading opportunities across Europe
- Timing of the 2nd Wave Go-Live is tentatively scheduled for summer 2019. However, this is dependent on a range of factors including implementation of Release 2.0 and the readiness of all parties
- 2nd Wave LIP Testing is in progress with Connectivity and Integration Testing having been completed for nearly all parties

3. Overview 2nd wave LIPs and parties involved

LIP	Participants	Foreseen allocation
15	AT-CZ, AT-SI, AT-HU, BG-RO, CZ-DE, CZ-PL, DE-PL, HR-SI, HR-HU, HU-RO NEMOs: BSP, Cropex, EPEX, HUPX, IBEX, Nord Pool, OPCOM, OTE TSOs: 50Hertz, APG, CEPS, ELES, ESO, HOPS, MAVIR, PSE, Tranelectrica, TTG	Implicit Implicit & Explicit for HR-SI border
16	LT-PL, PL-SE NEMOs: EPEX, Nord Pool, TGE TSOs: Litgrid, PSE, Svk	Implicit



- Confirmation of the borders which will be part of the 2nd Wave Go-Live will take place once further progress has been made in testing - expected by March 2019

- Operational
- Operational, part of 2nd wave
- 2nd wave