



Enduring Intraday Initiative TSOs of NWE Region

**Florence Forum
13-14 December 2010**



Content

Part 1: 2010-11 NWE XB ID developments

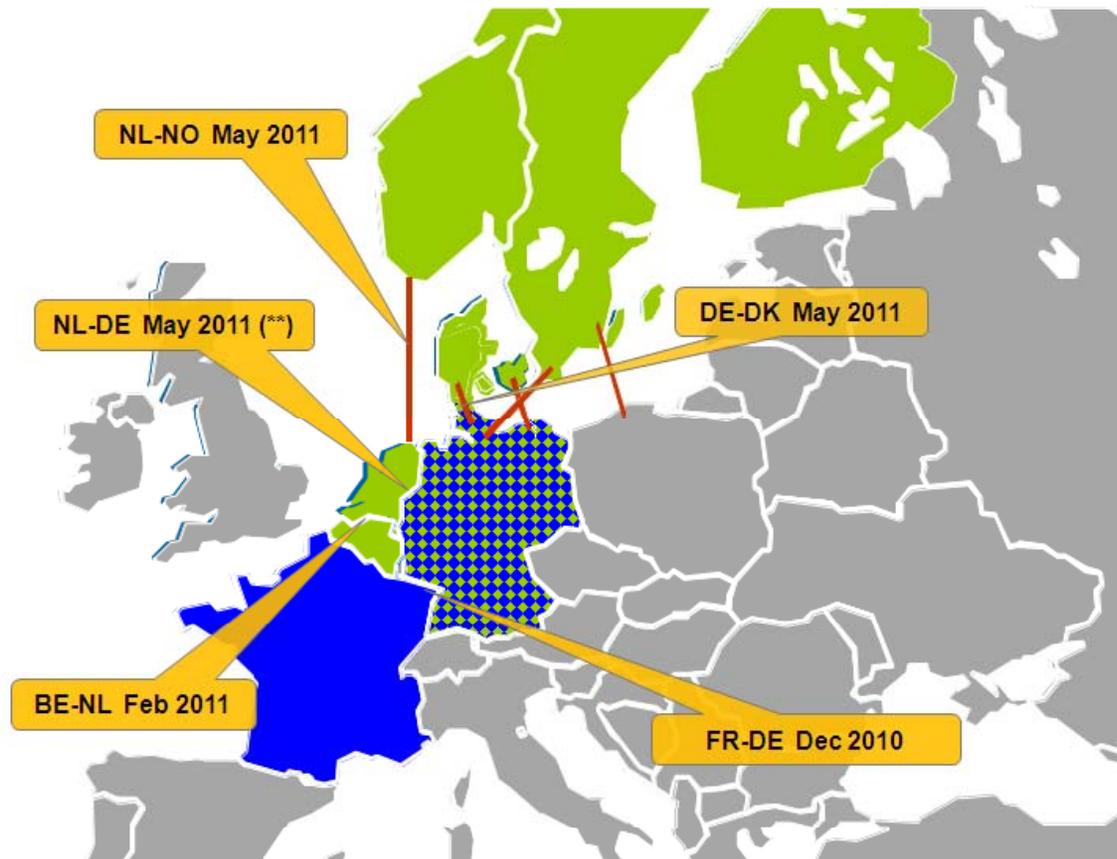
Part 2: Target Model

Part 3: Status NWE Intraday Project

Part 4: Conclusions



2010-2011 NWE expected XB Intraday developments (*)



- NWE XB Intraday business landscape evolving in 2010-2011
- Continental part of NWE region to be covered mid-2011 by two different continuous Intraday platforms
- The two platforms coexisting in Germany
- First step for the implementation of the target model in NWE region

(*) Implementation dates as communicated by project partners

(**) Subject to confirmation



NWE Enduring Coupling Initiatives

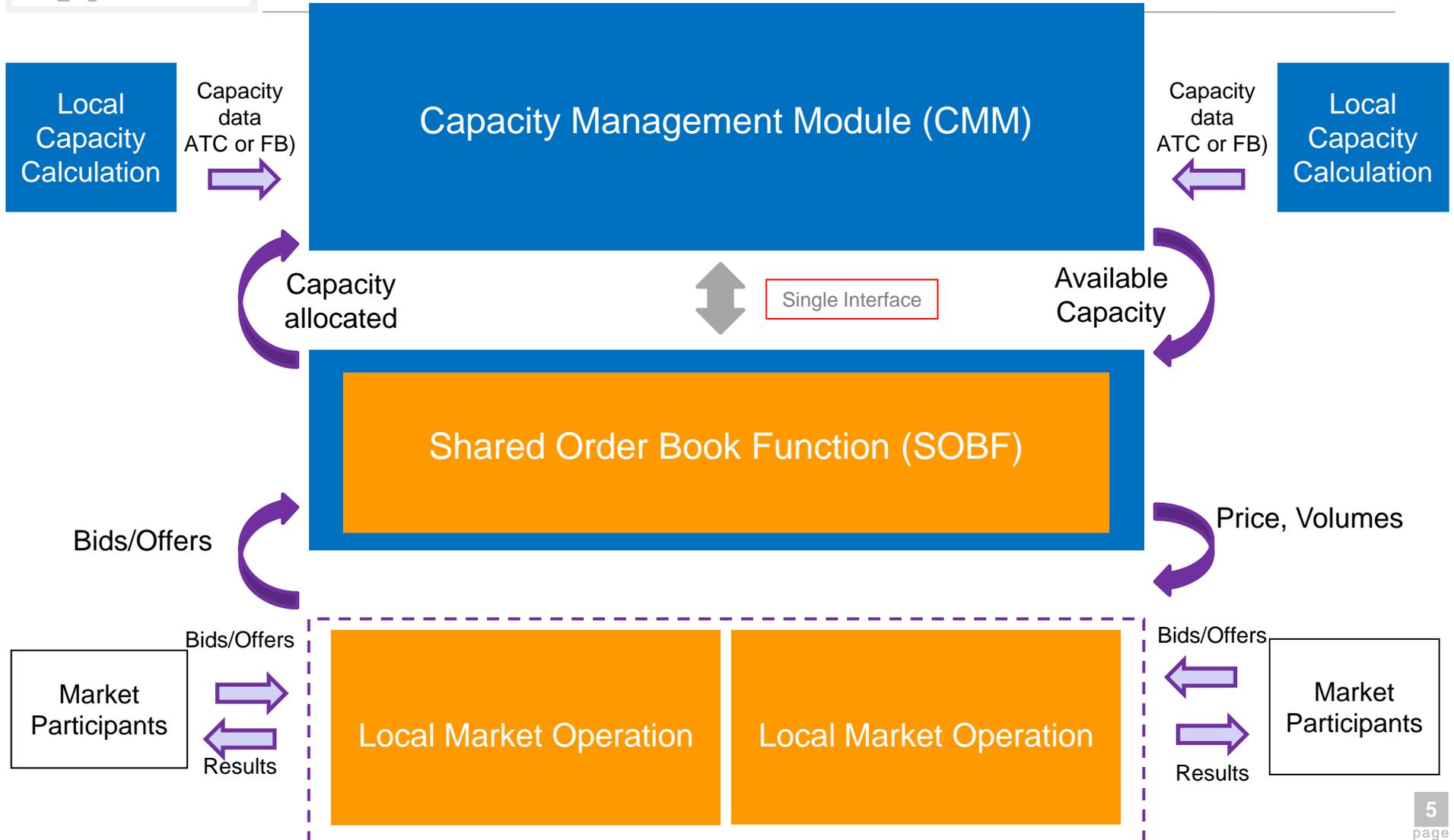
Day-Ahead and Intraday in parallel

- ENTSO-E NWE launched 2 enduring project initiatives:
 - Day-Ahead (DA) project
 - Intraday (ID) project
- ENTSO-E NWE published position papers on DA and ID
- TSOs support parallel development of both initiatives due governance synergies and similarities
- NWE Intraday project aim at the implementation of the intraday trade target model for the NWE area (launched in May 2010 under the AHAG framework)
- On-going discussions with PXs on principles and framework to pave the way to concrete implementation projects



1. Target model Intraday solution

Key Functional blocks





2. Status Intraday Project (i)

- **Concept:** Pooled liquidity for the whole of NWE, based on
 - continuous implicit allocation
 - 1-to-1 relationship between CMM and SOBF
- **Consultations between TSOs and PXs**
 - Consensus on target model (Shared Order Book Function)
 - NWE TSOs and PXs agree in principle to progress in line the target model
 - On-going discussion with PX as to how to implement the SOBF.
 - TSOs (in line with AHAG conclusions) advocate the need for a single interface between the SOBF and the CMM as this is the only way to guarantee full liquidity pooling, smooth geographical extension and capacity pricing.



Status Intraday Project (ii)

Main challenges

- Acceptance to start implementation of a single SOBF with one-to-one interface to the CMM
- NWE TSOs acknowledge at this stage the need for keeping direct OTC access capability, in the interim and where applicable
- Capacity pricing model



3. Conclusions on NWE ID

- Although in agreement on target model (SOBF), to date not all PXs want to go for implementation.
- Some prefer competition of platforms instead of cooperation
- TSOs
 - ready to start building CMM
 - convinced of the merit of single one-to-one approach

➤ Lack of PX agreement on SOBF implementation is delaying the progress in NWE and Europe