



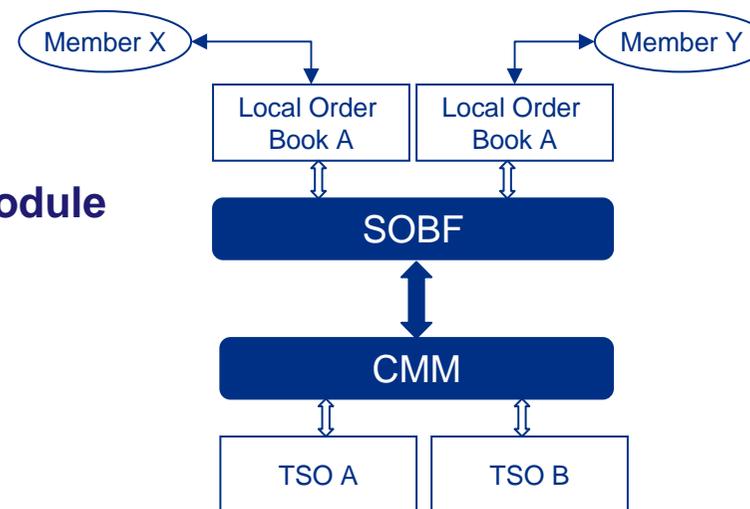
**Intraday
Road maps towards target
model**

12 May

European target model for Intraday

Pooling of all liquidity to maximize economic benefit in capacity allocation

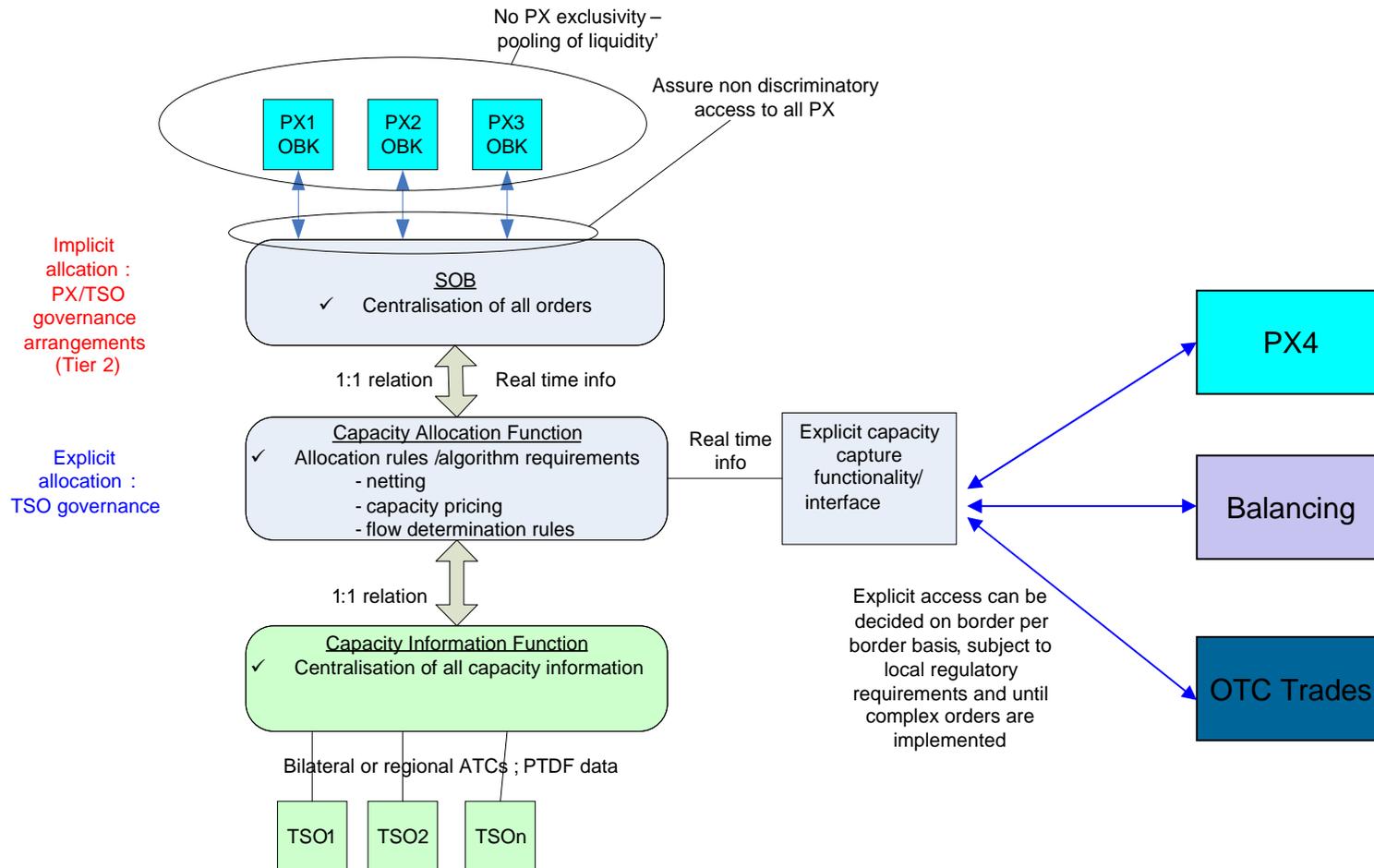
- Aim is to use a single shared order book function (SOBF) and capacity management module (CMM) for Europe based on:
 - Continuous implicit allocation
 - 1-to-1 relationship between CMM and SOBF



Coordinated matching will be performed by a unique centralized algorithm

Cooperation of PXs is needed to allow their respective ID liquidity to match between them, irrespective of the exchange it was submitted to, but taking into account the available cross-border capacity

The interim model from 16 February meeting with EC, ACER, EuroPEX and ENTSO-E



Key issues to ensure a EU-wide implementation of the Intraday solution

NWE is recognized as the **pilot project** for Intraday (launched May 2010 under the AHAG framework)

- NWE project aims at the implementation of the interim and then enduring solutions in the NWE region (CWE+Nordic+GB)

ENTSO-E to ensure **further extendibility** to other European regions

- A monitoring group of NWE ID (with non NWE TSOs) project has been created in March 2011

FG CACM and CACM NC to provide the required **top-down approach** to ensure a Pan-EU implementation of the ID target model

Agreed milestones - 12 May meeting with EC, ACER, EuroPEX and ENTSO-E

24 June: NWE PXs will propose a sufficiently clear and detailed solution for building the SOBF at NWE level

27 June: NWE Implementation Group meeting

4 July: ENTSO-E internal workshop on DA & ID developments in the NWE region in order to discuss with non NWE TSOs about progress in the NWE region

Sept.: Joint workshop in September 2011 for NWE partners to present common proposal for implementation

21 Sep: Third meeting on Intraday with EC, ACER, EuroPEX and ENTSO-E



Regional roadmaps and challenges

Note: The information on these slides is based on the best input provided at this stage by ENTSO-E TSO members about the ongoing and foreseen regional implementation projects and intends to provide an overview of the intraday developments in Europe. Coherency and consistency of the different regional inputs need to be ensured

NWE Interim model (I)

- The goal of the NWE Intraday project is to implement the European Target Model within the NWE region extendable to other regions and/or countries
- This implementation will follow a two steps approach to deliver successively an interim solution (interim model from 16 Feb meeting) and an enduring solution meeting the European Target Model requirements
- The interim solution will allow an explicit access to cross border capacity:
 - For Market Participants for their pre-arranged cross border OTC deals
 - Upon regulatory request (and subsequent approval) and under some given preconditions, for some PXs
 - For cross border balancing mechanism where allowed

Prerequisites to move from the interim solution to the enduring solution



- Complex products in the SOBF to replace the need for explicit capacity access for OTCs
- A transition path to be defined in order to remove other explicit access for Authorized PXs
- Explicit access for capacity is subject to concerned NRAs request and approval for Balancing mechanisms.
- The design of the CMM shall ensure compatibility with the target model for cross border balancing (at the target, a multiborder mechanism should be put in place). Balancing will occur after intraday gate closure.
- Explicit access to the capacity is needed to allow a fallback solution in case of problems
- If capacity pricing is not activated in the interim solution, it will be used in the enduring solution
- Find technical and governance arrangements that enable smooth and efficient transition towards enduring model

NWE ID roadmap until 2015



	2010	2011	2012	2013	2014	2015
Bilateral Initiatives						
• Regional developments	█					
Continouse implicit trading – Step 1		█				
• Roadmap and requirements		█				
• Design and Implementation						
• Testing and training			█			
Continouse implicit trading – Step 2			█			
• Design Phase				█		
• Implementation Phase and Testing						█
Joining other regions				█		

NWE: Challenges to meet target dates

- European governance approach is under development
 - Network Code and Governance Guideline
- Common understanding of the target model on PX side is required
- Regulatory issues:
 - confident efficient cost recovery
 - regulatory review and market consultation may delay the project
 - national vs. European legislation / rules /agreements
- Implementation risk
 - systems / IT interface / performance of the solution
 - conflict of planning between implementation of the intraday solution and extension of flow based solution
 - Resources has to be ensured
- Step 2 of the enduring solution has to be detailed
 - Sophisticated products
 - Pricing of intraday capacity
 - Recalculation of intraday capacity

Baltic Sea Area: ID Roadmap until 2015

	2010	2011	2012	2013	2014	2015
Regional developments						
Estonia integrated with NPS ID market						
Poland into NPS ID market						
Latvia and Lithuania into NPS ID market						

Baltic Sea Area: Challenges to meet target ID dates



- Poland (Swe Pol Link) into NPS intraday market, target 2011
 - After the day-ahead market in Poland is well established.
- Latvia and Lithuania into NPS intraday market, target 2012
 - After the day-ahead market in these countries is well established.

CSE Region – Intraday market State of play



High-level roadmap on the Italian borders

2011 / 2012

- interim phase with explicit auctions

End 2011/2012

- Start up Interim solution at least on one border

Mid 2012

- extension of Interim solution to the other borders

Beginning 2013

- start up continuous trading at least on one border

During 2013/
2014

- Extension to other borders