

Florence Forum

XBID Project Update

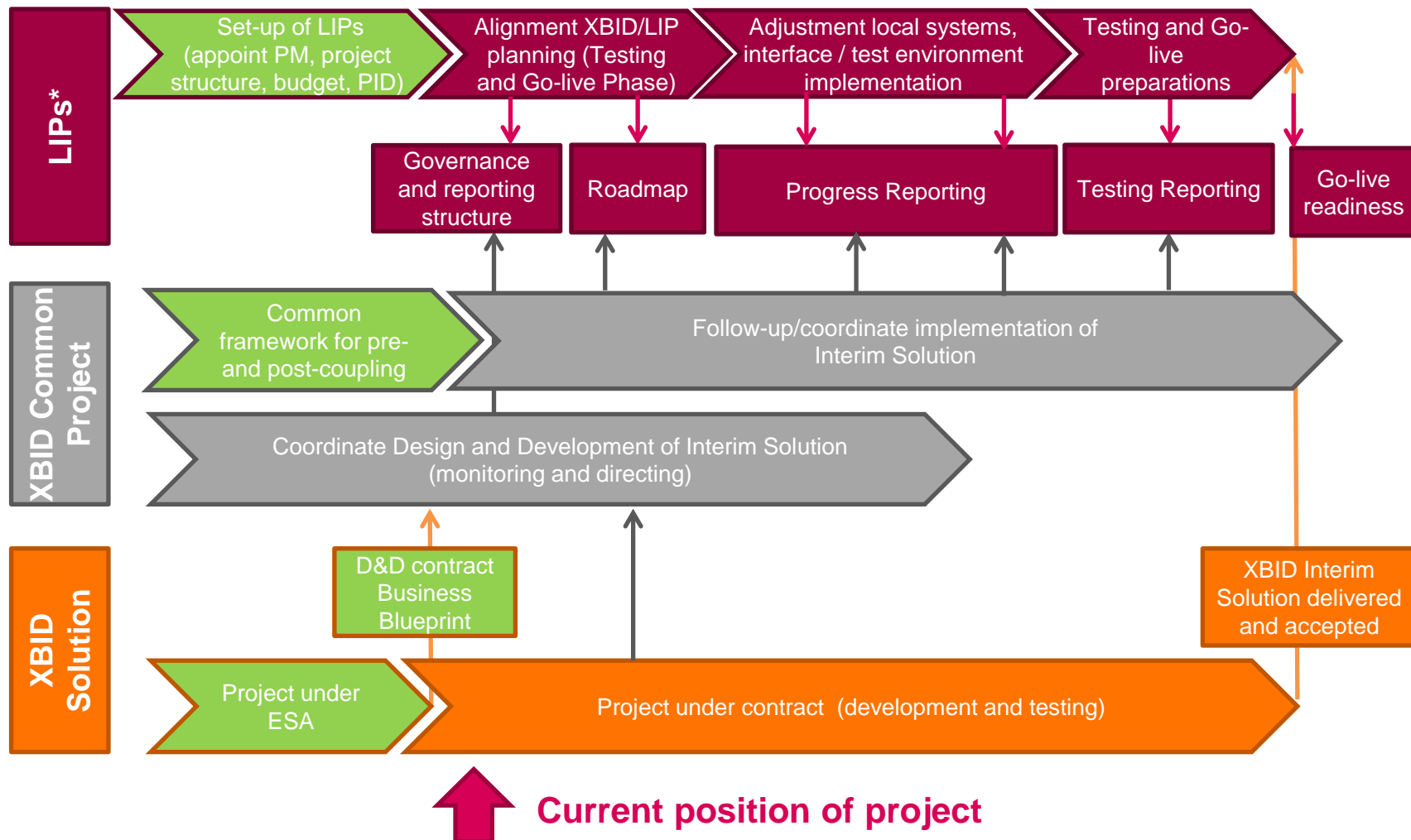
9th October 2015

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and
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- 1. Project Approach**
- 2. Project Progress**
 - Achievements**
 - Challenges**
- 3. Accession of Non-NWE+ parties to XBID**
- 4. Project Timeline**
- 5. Quick Wins and Local Implementation Projects**
- 6. Summary**

1. Project Approach

Delivery of XBID involves 3 areas of distinct focus



*Existing LIPs under APCA

2. Project Progress

Key achievements:

- **Physical contract signature by DBAG and Power Exchanges is complete** (Master Service Agreement - MSA, and License & Development Deliverable Service Agreements - DSAs). ✓
- The **Functional Specifications phase of the project has been successfully completed** (April to June) in line with the plan. This is a very significant achievement. ✓
- The **requirements for the Shipping Module have been finalised** with consensus having been reached amongst all parties. ✓
- **Agreement has been reached on a new performance improvement option** ('NextGen') proposed by DBAG. ✓
- The negotiations for the **Hosting and Maintenance contracts** are underway. ✓
- All PXs have confirmed their position with regards to using a **Local Trading Solution (LTS)**. ✓
- The hardware for the **Customer Test Environments** has been ordered by DBAG. ✓
- **Governance and monitoring** has been established for the **LIPs**. ✓
- A proposal has been developed for the **accession of non-NWE+ parties** to join XBID. This has been submitted to the EC for approval. ✓

2. Project Progress

Challenges:

With the complexity of the XBID project challenges are being managed continually. These currently include:

- Securing the timely conclusion of the **Hosting and Maintenance (H&M) negotiations** without impacting the project timeline.
 - Constructive progress is being made but there is a risk that they may take an extended period (with a potential impact on the project plan). A joint mitigation has been put into place
- **Communication Channel** (MPLS) Connections from PX and TSO systems to DBAG data centres.
- **Risks** from the internet connections needed to enable explicit allocation capacity requests. A potential solution for this risk includes requesting DBAG to extend security for an explicit client.
- Evaluation of **future requirements** which need to be implemented after XBID go-live and cover areas such as **Capacity Pricing, Scheduling in net positions and Losses** on DC cables.
- Managing the accession of **Non-NWE+ parties to XBID** without impacting the project timeline

3. Proposal for Accession of Non NWE+ parties to XBID

- Under CACM all **non-NWE+ parties** need to prepare for the **implementation of XBID**
 - It is important that this is done in the most efficient and effective way **without impacting the existing XBID timeline**
- XBID is under Development with the **hardware ordered and due for imminent delivery**.
 - Evaluating and assessing the requirements of the Non-NWE+ parties could mean a significant NWE+ XBID delay
- A proposal has been submitted to the EC for the creation of an **Accession Stream** for Non-NWE+ parties to join XBID
- This **Accession stream** would work to achieve, in collaboration with DBAG, the **earliest possible implementation of XBID across Non-NWE+ Europe** without impacting delivery of the current XBID NWE+ plan
- Project Managers would be appointed to lead this stream and all Non-NWE+ parties would join a **Co-ordination Committee** to oversee it. They would also be **Observers** to the XBID project
- The EC are validating the proposal for legal (competition) and CACM compliance

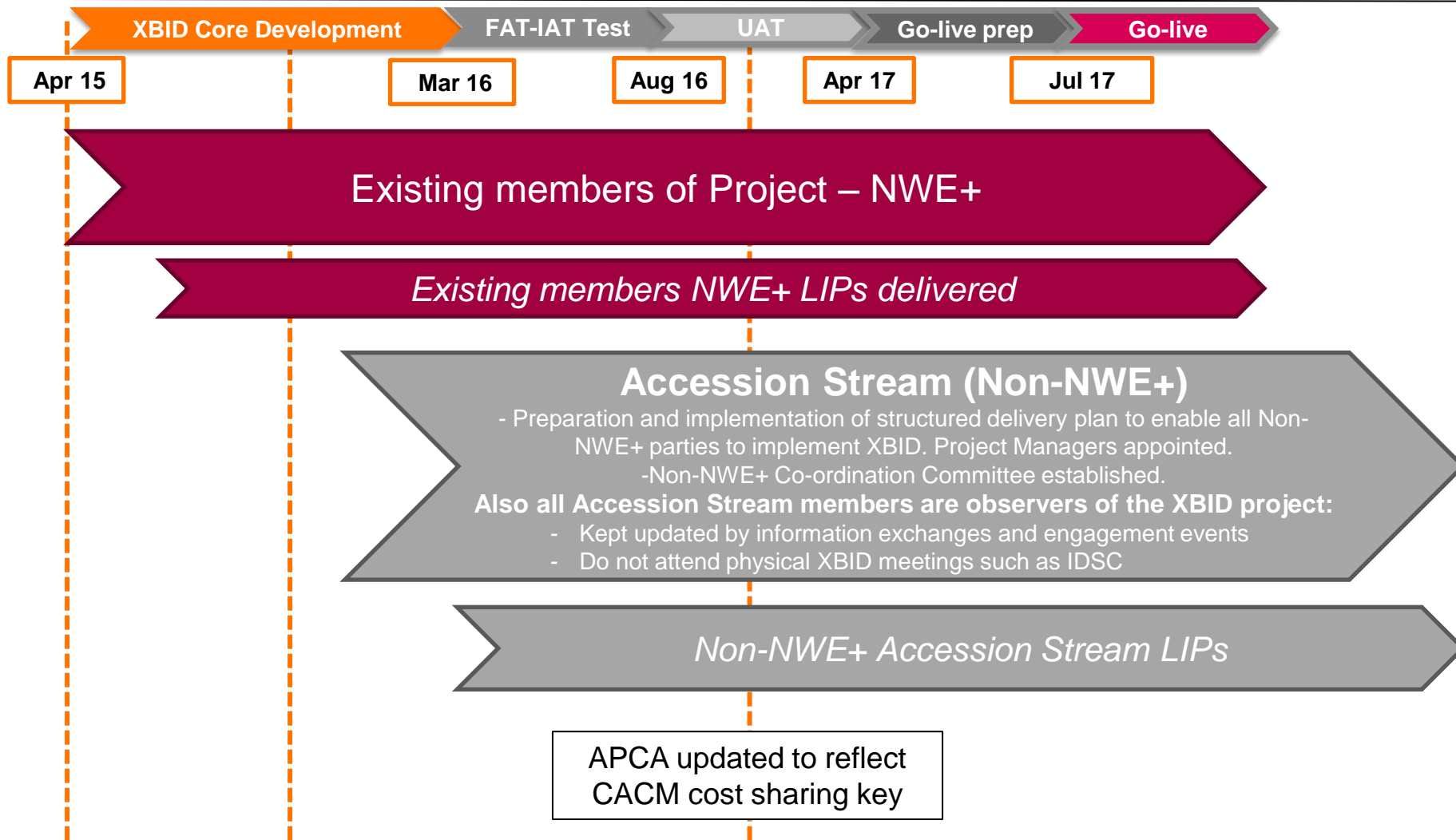
3. Proposal for Accession of Non NWE+ parties to XBID

ACER Letter of
Cost comfort
1/4/15

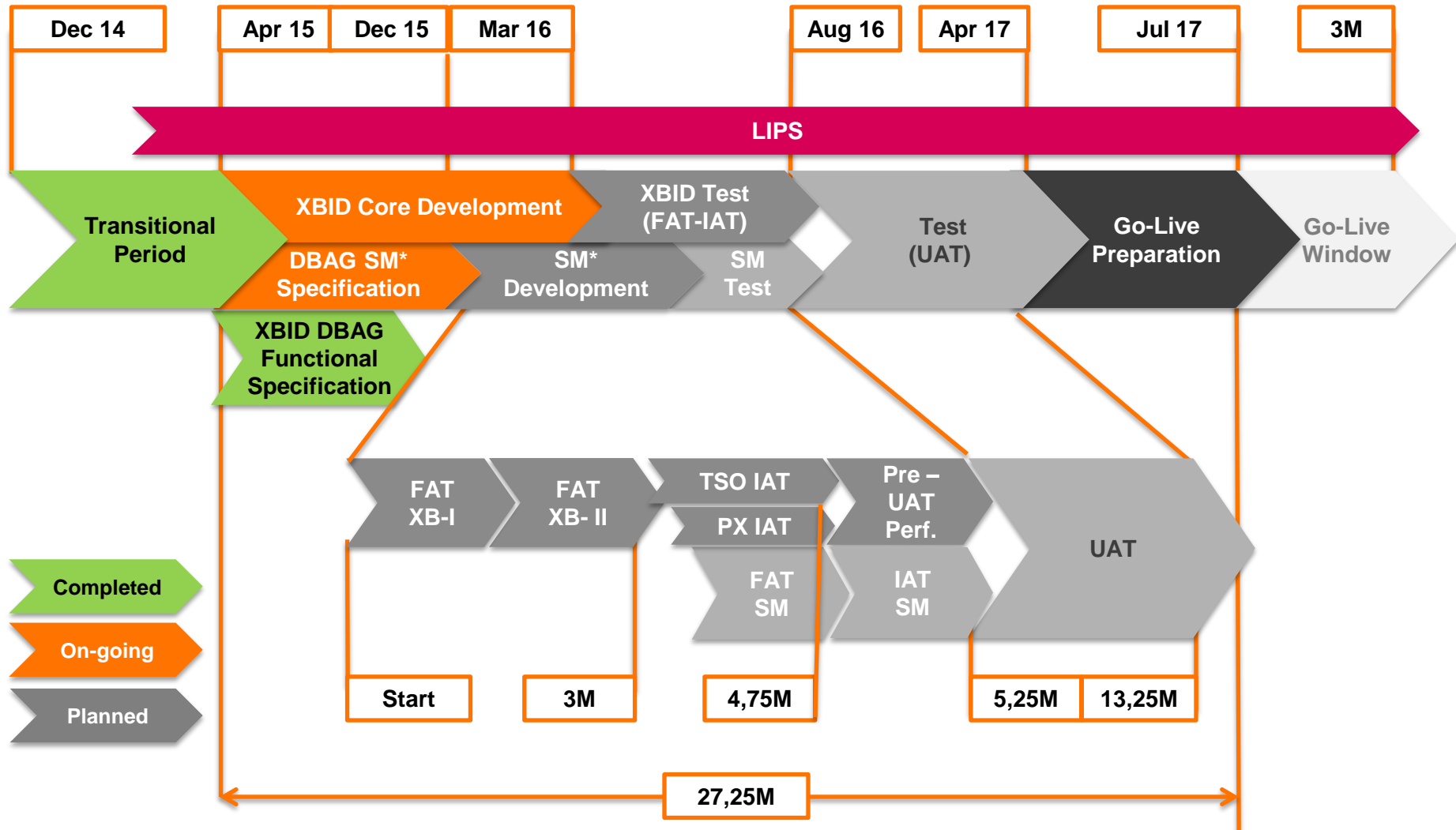
CACM enters
Into force
14/8/15

CACM +14
months
14/10/16

XBID Go-live
window
Jul-Sep 17



4. Project Plan – High Level Delivery Plan until Go-Live



*SM – Shipping Module

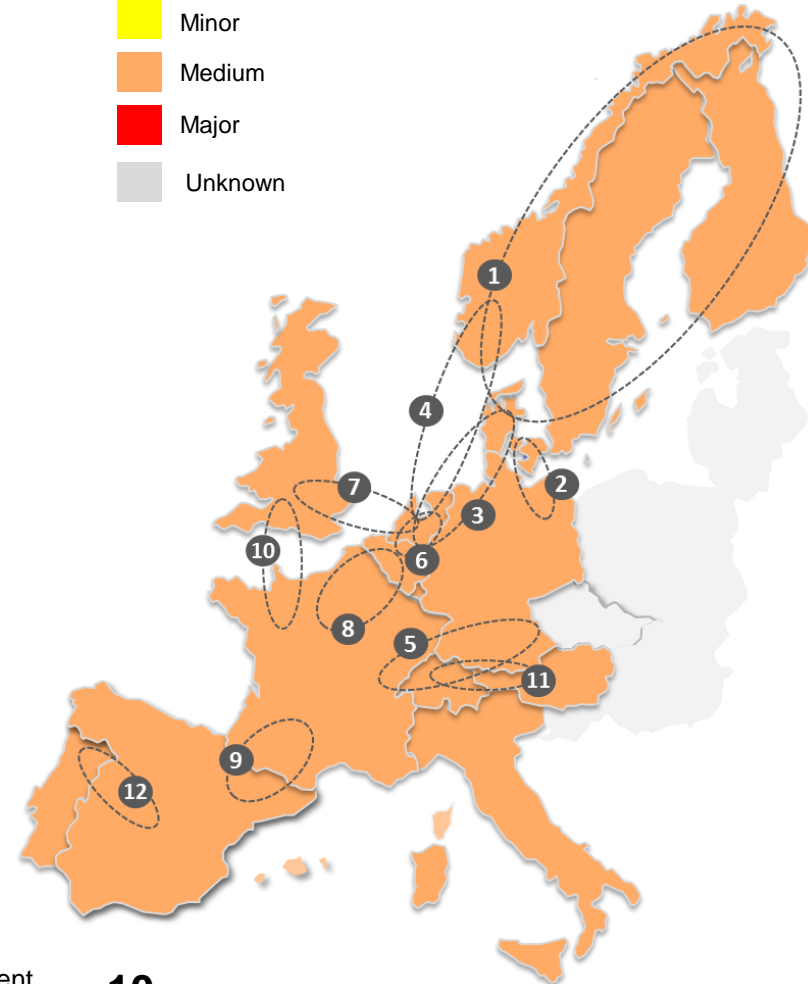
5. Quick Wins and LIPs

- The **Quick Wins for the Belgian borders** are being progressed:
 - All specifications of the intermediate solutions for the BE-NL and BE-FR borders have been finalised with the service provider.
 - The developments for the intermediate solutions have been ordered from the service provider.
 - Submission of proposal by the relevant TSOs and ensuing decisions from NRAs will be forthcoming during autumn 2015
 - Communication towards the market participants will be done as soon as possible.
- The **LIPs continue to make progress** in establishing individual project governance arrangements, structure (e.g. appointment of Project Managers), budget and planning.
- The next milestone on which the LIPs and the XBID Project have to closely align is the plan for the testing phase. Preparations have commenced.
- The Joint Co-ordination Team have established a LIP subgroup and are implementing a common governance structure between the LIPs and XBID as well as a LIP regular progress reporting structure. They will also address the Information Packages required by the LIPs and the LIP road map.

Impact assessment (technical & operational) for each LIP

	LIP	Participants	Technical	Operational
1	Nordic	Fingrid, EnDK, SvK, Statnett, NPS	Medium	Medium
2	DK2/DE (Kontek)	EnDK, 50Hz, NPS, EPEX	Medium	Minor
3	DK1/DE, DE/NL	EnDK, TenneT NL& DE, Amprion, EPEX, APX/Belpex, NPS	Medium	Medium
4	NorNed	Statnett, TenneT NL, APX/Belpex, NPS	Medium	Medium
5	FR/DE, CH/DE, CH/FR, DE/AT	Amprion, TransnetBW, APG, RTE, Swissgrid, EPEX, NPS, Tennet DE	Medium	Medium
6	NL/BE	Elia, TenneT NL, APX/Belpex	Medium	Minor
7	BritNed	BDL, NG, TenneT NL, APX	Major	Major
8	FR/BE	RTE, Elia, APX/Belpex, EPEX	Medium	Minor
9	FR/ES	RTE, REE, EPEX, OMIE, REN	Unknown	Medium
10	IFA	RTE, NG, NPS, EPEX	Major	Medium
11	AT/CH	APG, Swissgrid, EPEX	Major	Major
12	ES/PT	REE, REN, OMIE, RTE, EPEX	Unknown	Medium

Legend:



6. Summary

- **Constructive progress** is being made in the negotiation of the **Hosting and Maintenance Contracts**. This remains a significant challenge and risk to the project should the negotiation timeline become extended.
- The **project continues to manage a number of challenges** some of which may necessitate Change Requests and additional expenditure. Project parties are working to mitigate the impacts.
- A proposal has been developed and submitted to the EC for the **Accession of all non-NWE+ parties to XBID**. An Accession Stream would be established to enable roll out of XBID across Europe.
 - Subject to approval by EC
- Progress continues to be made with the **Belgian Borders Quick Win**
- There is a **continuing focus on LIPs** with project structure, governance, plans and teams reaching an increasing level of maturity. Status reporting has been introduced and the scale of impacts assessed.