

Florence Forum

XBID Project Update

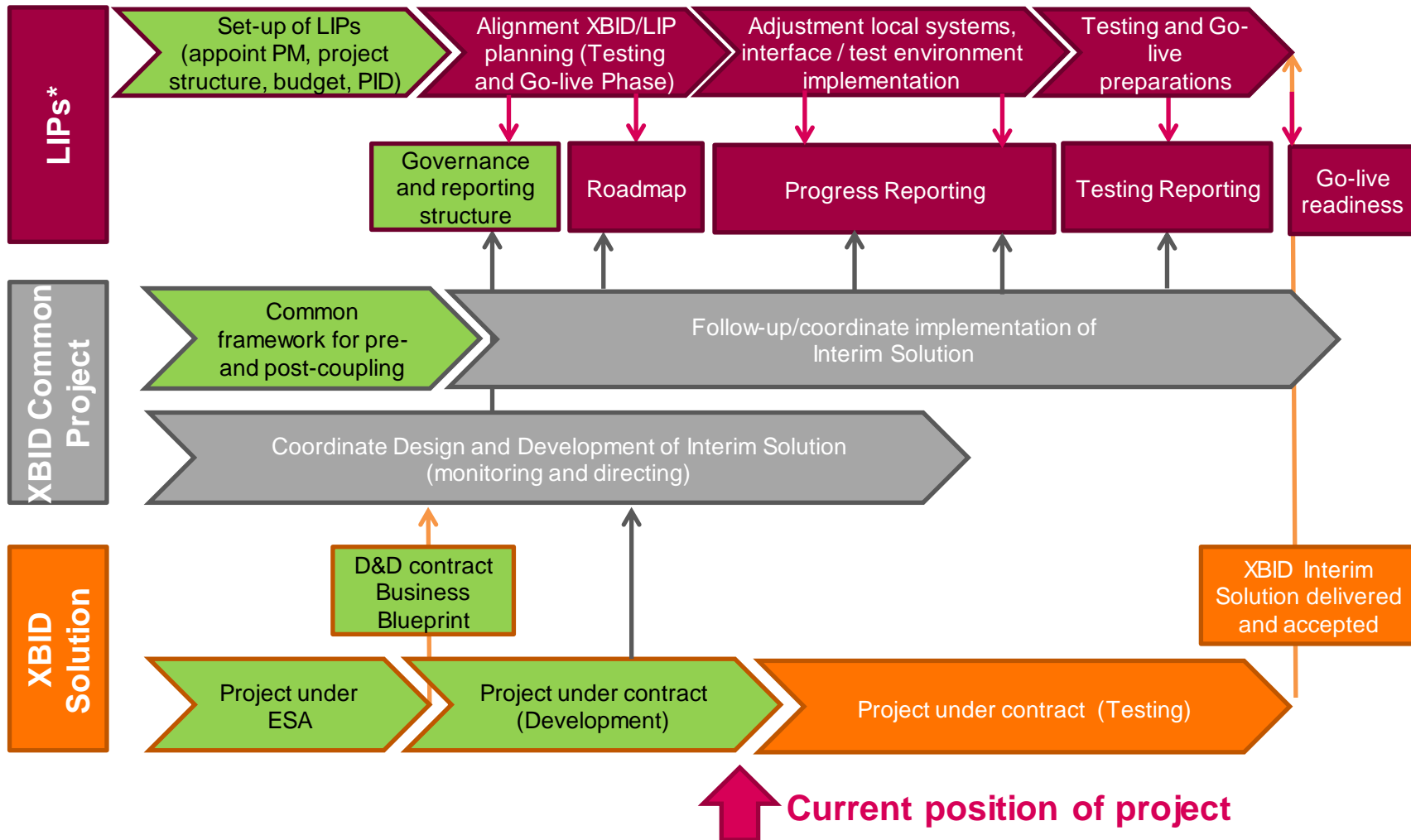
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1. Project Approach

Delivery of XBID involves 3 areas of distinct focus:



*Existing LIPs under APCA

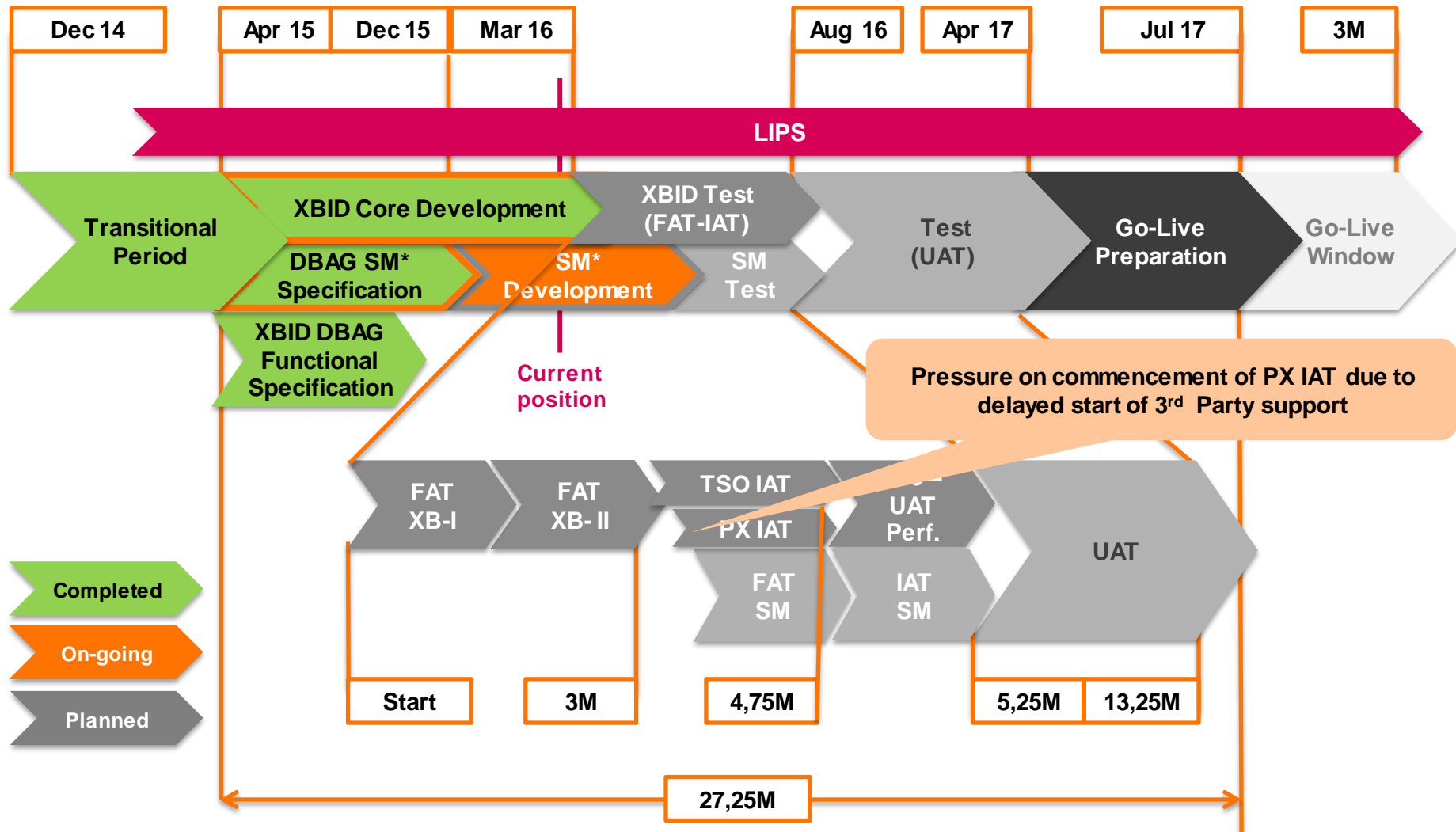
2. Project Progress – **Key achievements**

- **SOB and CMM Development** has been largely completed and the first phase of testing has commenced (**Factory Acceptance Testing**) ✓
- Completion of the **Functional Specifications for the Shipping Module** ✓
- Progress is being made in the negotiations for the **Hosting and Maintenance contracts** (ideally to be agreed by end March) ✓
- The hardware for the **Customer Test Environments** has been installed by DBAG ✓
- **3rd party support** is being provided to the PXs developing their Local Trading Solutions ✓
- The **3rd User Group was held** on 26th January. Presentations were made by each LIP as well as an update on Project progress and plan ✓
- **Extensive preparation has been made for the Testing Phase** ✓
- **Project financial control, review and audits** are in place ✓
- The **Accession Stream has been mobilised** with a 'launch' Management Event which took place on 24th February with Non-NWE+ parties ✓
- **GME is in the process of adhering** to the APCA ✓
- **10 Local Implementation Projects (LIPs)** are in place ✓

2. Project Progress - Context

- **XBID continues to be a complex project to deliver.** Progress is being made. The impacts of challenges which have arisen are being mitigated where possible and we maintain a strong discipline in Project Planning
- **Negotiating the Hosting and Maintenance contracts** is intensive and time demanding. It seems unlikely that these will be concluded by the end of March but additional steps are being taken to secure this.
- Negotiations with the providers of the **secure communication (MPLS) channels** have been challenging but contract closure is in progress.
- We need to ensure that balancing the resourcing requirements for the **Accession Stream** in relation to delivery of XBID is managed carefully.
- We are **managing pressure in the plan** that has arisen through additional testing activities (e.g. the Shipping Module) and delays in the commencement of 3rd party support for PXs developing their Local Trading Solutions
- Although out of the scope of the project for the first delivery, we also need to **carefully develop the roadmap for implementing future (CACM) requirements** including Losses, Capacity Pricing, Complex Products, Flow Based Capacity Allocation, and enduring Shipping and Nomination solution.

3. Project Timeline – High Level Delivery Plan until Go-Live



*SM – Shipping Module

4. Update on Belgian Borders Quick Wins

- The Quick Wins are being implemented in 2 steps
- Step 1 for BE-FR border
 - Involves Modification of technical features
 - Improved pro rate => FCFS
 - Allocated = Nominated
 - Nomination on behalf
 - Neutralisation time of 1 hour instead of 2 hours
 - 12 Gates => 24 Gates
 - Go-live:
 - CREG and CRE final decision was given 18th February 2016
 - Target go-live second half of March 2016
- Step 2 for BE-FR and BE-NL borders involves:
 - Change from explicit capacity allocation to implicit capacity allocation on the BE-FR border using the same platforms as for the BE-NL border
 - Introduction of a new platform for the TSOs to enable implicit allocation for BE-NL and BE-FR borders through a common platform
 - 24 gates and 1 hour gate closure time
 - Coupling of the BE and NL market with the EPEX markets in France and Germany, Austria, Switzerland
 - Go-live is expected around September 2016

4. Local Implementation Projects (LIPs)

- The 10 LIPs are all established each with a lead and agreed members
- The LIP Sub Group is meeting regularly to ensure that effective co-ordination, integrated planning and structured progress reporting is in place
 - The Sub Group is also responsible for developing the LIP Roadmap. Feedback was requested from the User Group and the draft proposals will be ‘tested’ with the next User Group meeting (May/June)
- The LIPs continue to make progress in establishing individual project governance arrangements, budget, planning and impact assessments.
- TSOs and NEMOs are developing a framework proposal on cost sharing guidelines for LIPs. There are complex issues such as those relating to multiple NEMOs in LIPs and recovery of LTS development costs etc.
- Market Parties asked questions at the User Group about the role in the LIPs of some NWE+ parties who are observers in the XBID project. Actions have been taken to address this
- The LIPs have committed to give the Market Parties visibility of their local communication plans and member testing plans
- Work is underway between the LIPs and DBAG to agree the approach and infrastructure needed for LIP testing
- For Italian Northern Borders, even though the LIP has not yet formally started, the first kick-off call among all involved PXs and TSOs was held on 15th February

5. Accession Stream Update

- Following EC approval in November of the proposal to create an Accession Stream for the Non-NWE+ parties a letter was sent in December to Non-NWE+ parties inviting them to join the Accession Stream
 - The first Accession Stream Management Event was held on 24th February with the Non-NWE+ parties
 - There was open and collaborative discussions on key points which will be further discussed with EC, ACER and NRAs leading to confirmation that this is the right approach. The Event provided the platform for further mobilisation of the Accession Stream
- A request for an adjustment to the XBID Budget has been made to the NRAs to cover the first phase (Elaboration) of the Accession Stream
- A detailed proposal on governance/structure/reporting has been developed
- An Accession Stream Project Manager has been appointed and DBAG have also appointed a lead manager in their team
- Formal mobilisation of the Elaboration Phase is planned for beginning of March
 - It is important for all parties to sign the recently concluded Global Non-Disclosure Agreement
 - First phase is Knowledge Transfer with Non-NWE+ parties
 - Second phase is scoping out all of the areas of impacts that need to be managed (both in the central project and in all the Accession Parties)
 - The Accession Stream Working Group comprising all the Non-NWE+ parties is being mobilised with the next meeting being scheduled in April

6. Summary

- The project is now moving from the Development Phase to Testing
- Progress continues to be made in the negotiation of the Hosting and Maintenance Contracts and the resolution of complex challenges
- Impacts are being mitigated wherever possible, recognising that there is some pressure on the project plan
- The 10 LIPs are all established with an increasing level of focus, planning and preparation for go-live
- Following receipt of the EC's support for the Accession Stream proposal:
 - The Non-NWE+ parties have been invited to join
 - The first management event has been held on 24th February
 - The Elaboration Phase is being mobilised
- There remains a lot of work and activity to be completed but progress has been achieved and we all continue to invest extensively to deliver a successful XBID Go-Live in 2017