



NWE Day-Ahead Project Progress report from the TSOs

21st Florence Forum 5. - 6. December 2011



Introduction

- 19th European Electricity Regulatory Forum (December 2010), the Forum agreed that price coupling in north-west Europe (CWE, Nordic regions and GB) should be developed and implemented by end 2012, as a first step for pan European price coupling.
- 20th European Electricity Regulatory Forum (May 2011), the Forum supported the continuation of the NWE project for both day-ahead and intra-day markets, in order to meet the target date of 2012.



Towards a Pan-EU Market Coupling

Extendibility to other regions

- ENTSO-E is fully committed to promote the completion and functioning of the internal electricity market according to its legal duties
- ENTSO-E is ensuring further extendibility of day-ahead price coupling to other regions through the work of the Day-Ahead Monitoring Group (DAMG) where non-NWE TSOs are widely represented
- ENTSO-E is working to deliver the assessment of the suitability of the starting point of the PCR algorithm by January 2011



Milestones in the NWE work

- NWE TSOs have signed agreement with CASC as TSO's administration and project manager
- NWE TSO organization is in place with Steering Committee and Working Groups
- NWE TSOs delivered their basic requirements for PCR, and checked how far their algorithm requirements are met and to which extent further development work is needed to create the prototype for the NWE region
- Monthly coordination meetings between the TSOs and PXs to achieve:
 - A joint project with a common Steering Committee
 - Develop and sign agreement (All Party Cooperation Agreement (APCA)) to handle cost sharing, governance etc. between the TSOs and PXs.
 - Development and implementation of a NWE market coupling solution



Status on the NWE work

- Little progress has been made in the cooperation with the PXs the last months. The joint project would require:
 - A joint PX proposal for a complete NWE market coupling solution
 - A joint PX budget for the design and implementation phase
 - A detailed joint project plan
 - A common view on major governance issues
- NWE TSOs are still waiting for a common proposal from the NWE PXs
- TSOs acknowledge their responsibility of the project, but cannot move ahead without the PXs to be in agreement and coordination regarding the implementation