

## Status of Implementation of PCR for Day-Ahead Price Coupling

Florence Forum  
5 December 2012

### Price Coupling of Regions (PCR)

- PXs are fully committed to achieving the European Price Coupling and to the targets in the Cross-Regional Day-ahead Roadmap
- PCR project established in 2009 aims to deliver the core matching function required for the EPC
  - Now involving all PXs in Europex operating day-ahead markets
- Design phase nearing completion; implementation to start early 2012 pending resolution of alternative implementation options and necessary validation/ approval by TSOs/NRAs/ACER

## PCR: the target solution for coordinated matching

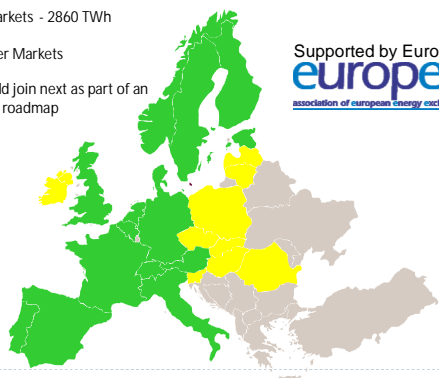


### Price Coupling of Regions (PCR) Initiative

Core Member Markets - 2860 TWh

Associate Member Markets

Markets that could join next as part of an agreed European roadmap



Supported by Europex  
**europex**  
association of european energy exchanges

3

**europex**  
association of european energy exchanges

## Europex supports the challenging Day-Ahead ACER's Roadmap

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Procedural steps	1	2	3	4	5	6	7	8	9	10	11	12	13	14
NWE price coupling (CWE, NE, GB borders)						✓								
Integration of SWE borders						*								
Integration of CEE borders						*								
Integration of remaining Baltic borders										✓				
Integration of CSE borders											✓			
Integration of remaining FUI borders													**	✓
Single European Price Coupling (EPC)														★
Integration of ECRB	Integration of ECRB not later than 2015 ⇨													

MIBEL, Hungary, Slovakia, and the Czech Republic are willing and committed to join EPC by end of 2012

SEM may provide for transitional arrangements which are defined in section 1.2 of FG CACM.

PCR is a key element of the EPC but not the only one!

**europex**  
association of european energy exchanges

4

## Progress report on PCR

- Design phase near completion

### Algorithm (the mathematical solution)

1. Cosmos chosen as PCR starting point to evolve in to the PCR algorithm
2. Good progress on development of PCR Algorithm prototype, able to support all known PCR requirements

### Decentralised solution design

1. Simplified high-level architecture agreed
2. Procedures progressed (normal and fallback scenarios)
3. Quotes from system providers to develop the “broker/matcher” coupling systems are currently being requested, based on existing PCR specifications

### Joint PX agreements nearing finalisation:

1. Co-ownership of common assets (i.e. algorithm)
2. Enduring co-operation agreement

## Next Steps

- The PCR parties are fully committed to the PCR complete solution development and implementation, and will do necessary efforts for its success
- The PCR parties fully support the ACER European roadmap objectives, where implementing the European price coupling (EPC) in NWE, with a target date of end 2012, is an important milestone
- The Roadmap targets are demanding and require a coherent and realistic plan with the full support of all involved PXs
- The PCR parties may put in place suitable temporary de-scoping arrangements of PCR, to avoid any risk of delay in the roadmap milestones (NWE and other implementations). The situation will be reviewed in January, as far as the systems procurement is concerned, when the quotes are received.
- Proposals for the sharing of PCR costs across European regions/countries are also being progressed

**Clear commitment that the PCR solution will be the day-ahead coordinated matching solution for Europe**

Thank you for your attention!

[www.europex.org](http://www.europex.org)