

Continuous Implicit Intraday Trade Status update

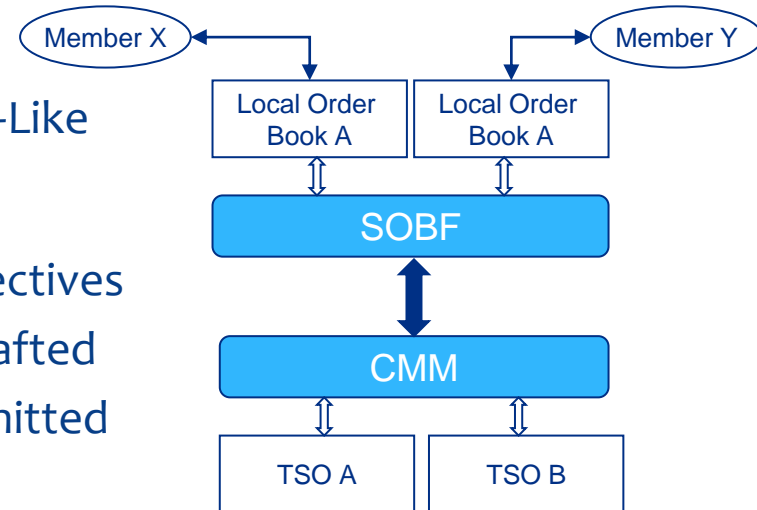
Florence
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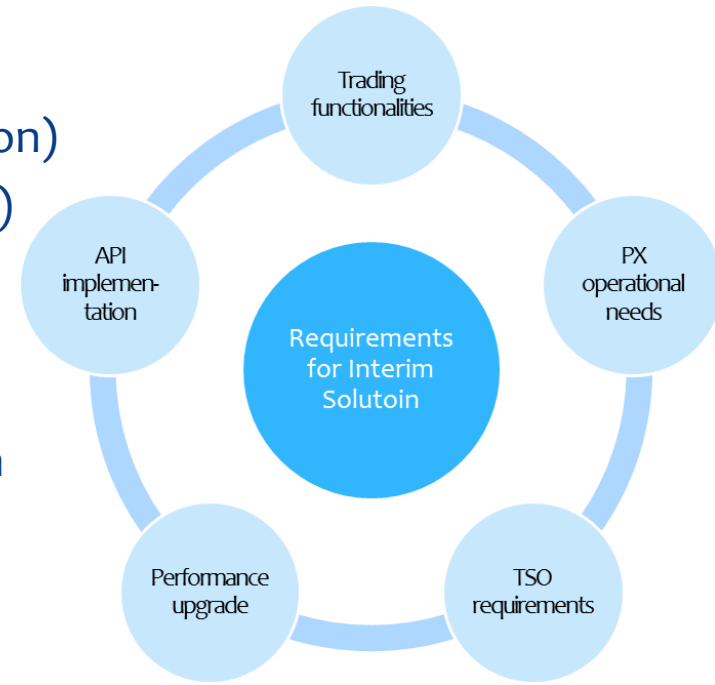
1. Recap

- Europex and ENTSO-E started intensive cooperation to provide a solution for the Interim Model and a clear path for a smooth transition towards the Target Model
- Unique SOB/CMM for Europe based on an ELBAS-Like trading system as a starting point
- Joint MoU including technical and functional objectives and high level governance principles has been drafted by Europex and ENTSO-E in April and will be submitted to approval process soon.
- MoU allows for efficient and stable cooperation framework between European TSOs and PXs
- PX-PX Cooperation agreement is being drafted and will serve as a cornerstone for the development and use of an ELBAS –Like system

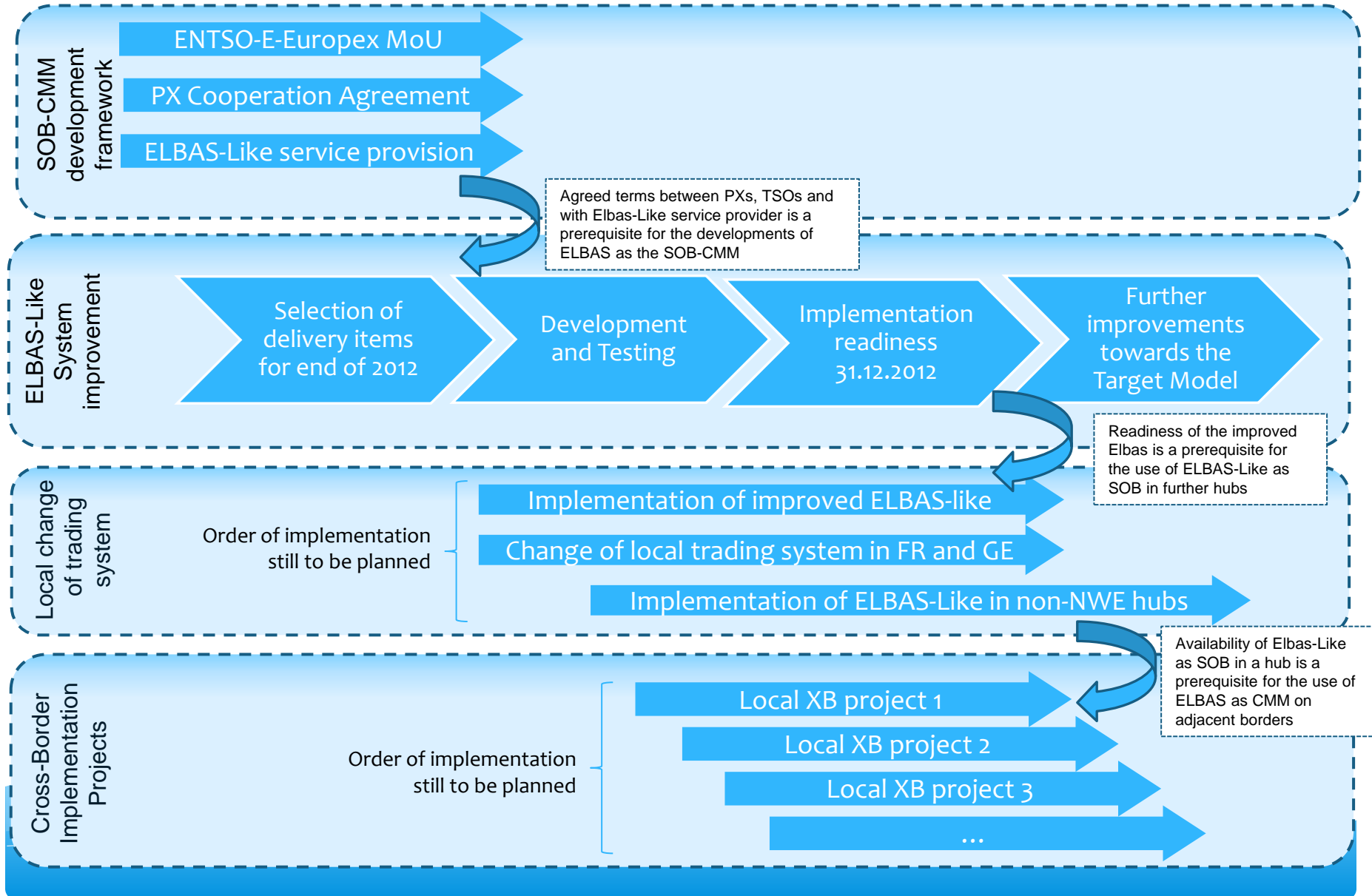


2. Status on the Interim system and the local implementation in NWE

- Requirements for the Interim Solution have been mapped by NWE TSOs and PXs (local implementation) as well by non-NWE TSOs and PXs (Interim solution)
- The preliminary outcomes of this technical gap analysis between ELBAS and the requirements in terms of costs and implementation time appear more challenging than expected if all requirements are taken into account
- Phased development of the ELBAS-Like system is required to
 - Ensure robustness of the solution
 - Enable a timely implementation in NWE without delaying other regions and projects
 - Secure market integration



3. Roadmap



4. Conclusions

- The **phasing approach** will ensure a timely implementation of the cross-border continuous implicit trading in NWE and other local projects and ensure full compliance with market needs
- On the critical path, there is the **technical readiness of the ELBAS-like SOB/CMM**, and its availability for the French and German borders local projects implementation
- **Full transparency** towards stakeholders will be ensured in the process of implementing the continuous intraday trading
- Keep up a **single and unique shared European Intraday order book** and the underlying pooling of liquidity as target for the interim stage

Thanks for your attention!

Detailed requirements

* Trading functionalities (60%)

- * **Trading tools & products:** 15mn contracts; Iceberg orders, Fill-or-Kill, Fill-and-Kill order restrictions; Good-till-Date/Time; OTC-clearing...
- * **Monitoring tools:** Internal trade warning; Automatic orders deactivation in case of connection loss; Configurable order submission check for facilitated trading...
- * **Trading interface:** Design and screen display improvements to facilitate trading (e.g. blocks display...)

* PX operational needs (10%)

- * **Connection & access:** Clearing interfaces; post-trading system interfaces...
- * **Monitoring tools:** Chinese wall between PXs Market Operation access; Sales & MO monitoring interface upgrades; use of certificates access instead of digipass; Trading limits based on collateral control...

* TSO high level requirements (~10% - to be confirmed after TSOs review)

- * **Explicit capacity access for OTC trading and XB balancing**
- * **H2H Matrix display**
- * **Market notification in case of capacity updates**
- * **“Halt/un-halt” capacity allocation functionality per TSO/border**

* Performance upgrade (20%)

- * **Improve real-time performances to increased number of orders, trades and concurrent logins**
- * **Increase system availability rate and stability / modularity**
- * **(implies renewal of the hardware architecture and further development of the system software)**

* API implementation (to be evaluated during May 2012)

- * **Access for PX:** to retrieve and submit trades, orders, flows, capacities
- * **Access for traders and other customers:** to submit orders, retrieve market trades, data, messages...