



NEMO Committee and the MCO Plan

MESC

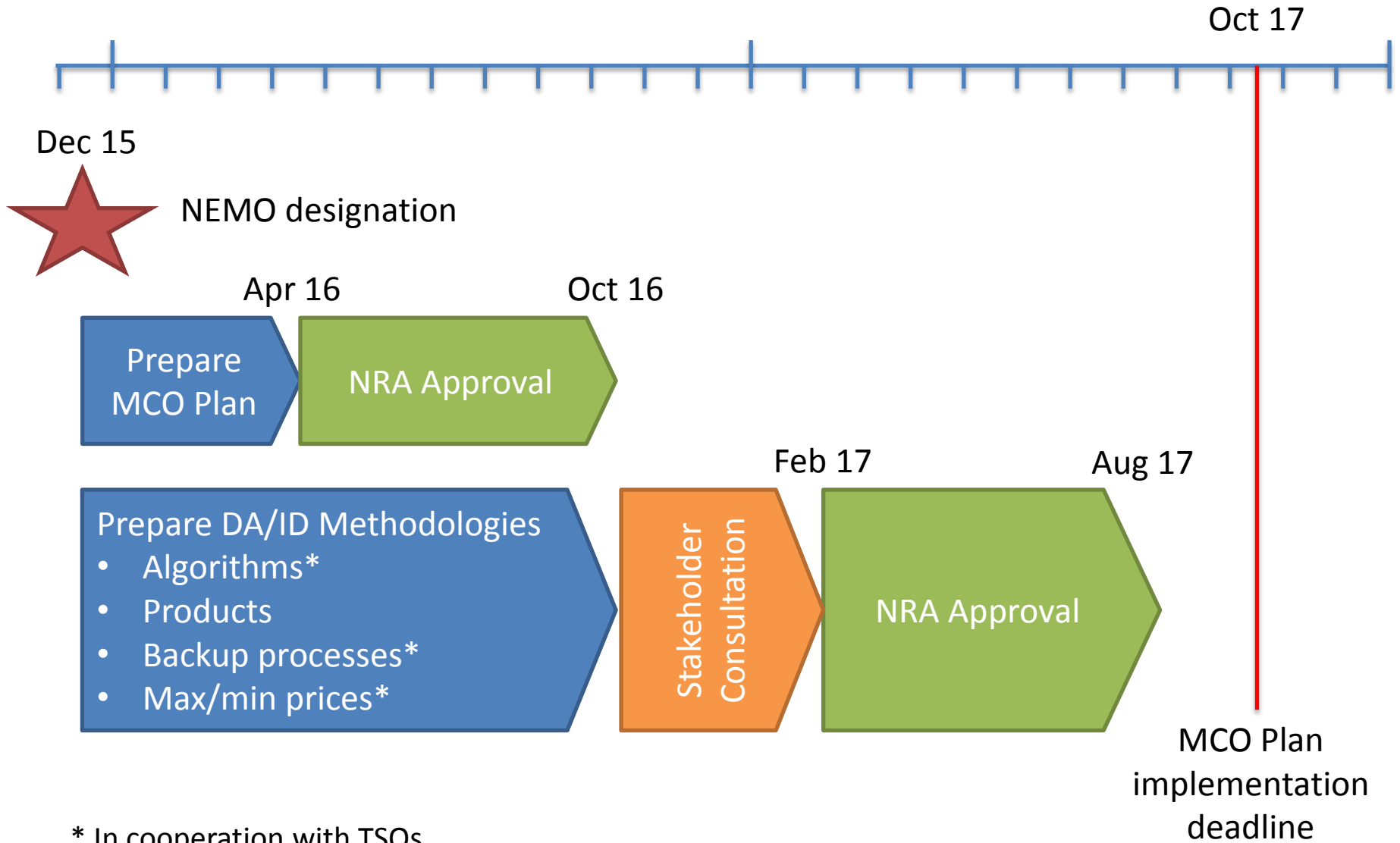
11 May 2016

Interim NEMO Committee

- On 3 March 2016 the Interim NEMO Cooperation Agreement (INCA) entered into effect, signed by all 19 designated NEMOs*
- The INCA establishes:
 - An Interim NEMO Committee
 - Decision making based on Article 9(2) of CACM
 - A framework for NEMOs to develop and propose the MCO plan and other Article 9(6) methodologies
- The interim governance arrangements established by the INCA will be replaced by enduring arrangements to be proposed in the MCO plan

* APX Commodities Ltd., APX Power B.V., Belpex SA, BSP Regional Energy Exchange LLC, Croatian Power Exchange Ltd., EirGrid plc, EPEX SPOT SE, EXAA Abwicklungsstelle für Energieprodukte AG, Gestore dei Mercati Energetici S.p.A., HUPX Hungarian Power Exchange Company Limited by Shares, Independent Bulgarian Energy Exchange EAD, Operator of Electricity Market S.A., Nord Pool AS, OKTE a.s., OMI - Polo Español S.A. (OMIE), Operatorul Pieței de Energie Electrică și de Gaze Naturale “OPCOM” SA, OTE A.S., SONI Limited and Towarowa Gielda Energii S.A.

NEMO Deliverables



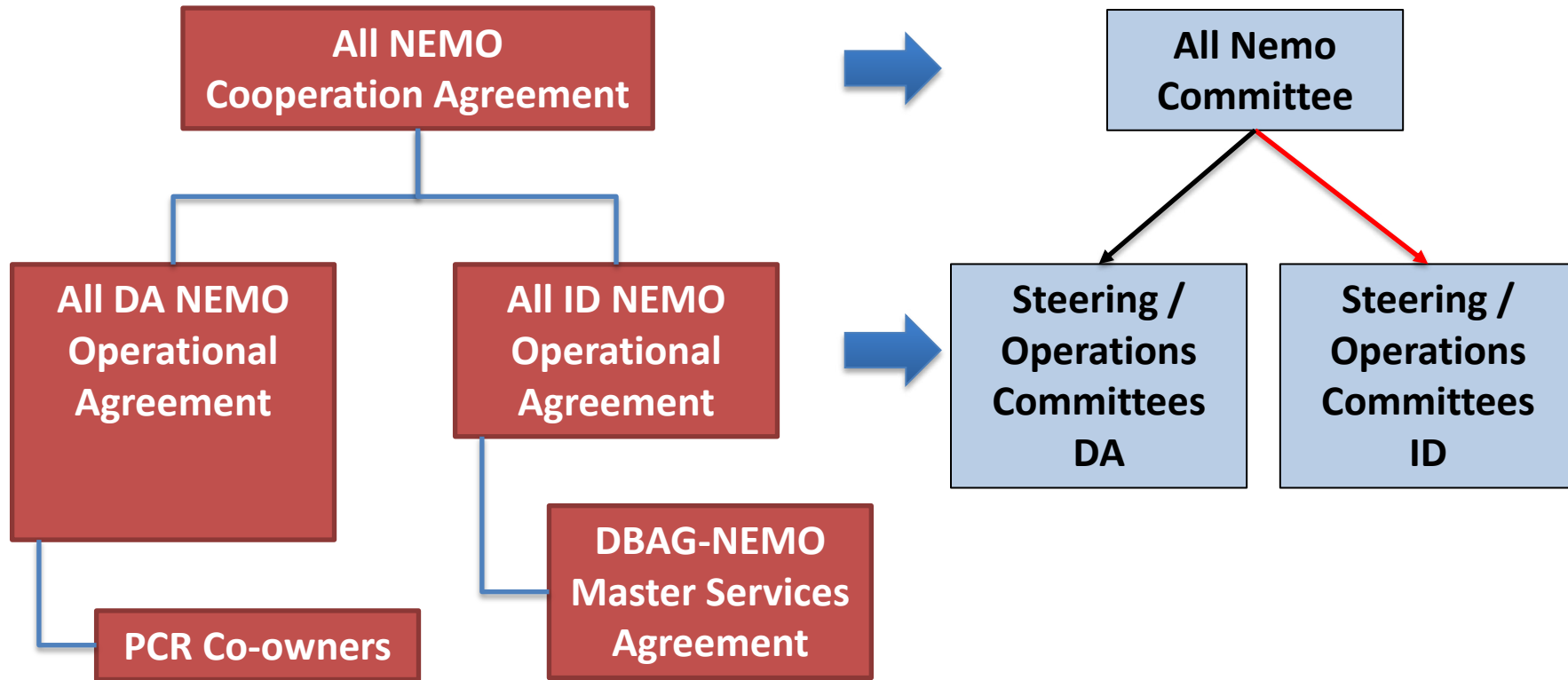
The MCO Plan

- The MCO Plan is about the implementation of the MCO Function under CACM
 - It does not directly address pre- and post-coupling nor local specificities
 - It does not cover joint NEMO-TSO governance issues in relation to Art. 10 of CACM. This will be dealt with in a separate process, together with the TSOs
- It builds on the existing PX governance arrangements for the implementation of the MCO functions for the Single Day Ahead Coupling (SDAC) and the Single Intraday Coupling (SIDC)
 - Since DA Coupling is operational already for over 85% of Europe, the same structure of a decentralised MCO function/individual NEMO liabilities but with a rotating coordinator has also been adopted in the MCO Plan
 - The existing DA/ID governance shall be opened to all NEMOs designated for DA or ID respectively, and is mandatory for all Operational NEMOs
- The INCA will be transformed into an All NEMO Cooperation Agreement (ANCA) establishing an All NEMO Committee with ultimate responsibility for the DA and ID MCO Functions and to facilitate cooperation between NEMOs for all common European tasks necessary for the efficient and secure design, implementation and operation of single day-ahead and intraday coupling
- NEMO cooperation for operation of the DA and ID MCO Functions will be based on:
 - NEMO Day-Ahead Operational Agreement, based on the current PCR Cooperation Agreement used in MRC and 4MM DA Couplings, including PCR Assets and Procedures
 - NEMO Intraday Operational Agreement, based on the current XBID PCA in place for the XBID development phase and to be added to with operational agreements by time of XBID go live.
- Categorisation of NEMO Common Costs is proposed. The Plan assumes that cost sharing and cost recovery are addressed by NRAs in parallel with the MCO Plan's approval

Contents

No	Chapter	Subject
3.	General principles for the NEMO Cooperation	<ul style="list-style-type: none">- Overall contractual structure- Limits NEMO cooperation to CACM requirements- Identifies tasks and decisions to be managed by All NEMOs (key decisions, budget approval), Operational NEMOs (budget proposal, development proposals, ...) and NEMOs responsible for operating the MCO Functions (day-to-day management, operational decisions, support for decisions)
4.	All NEMO Committee	<ul style="list-style-type: none">- NEMOs must sign the All NEMO Cooperation Agreement to participate in SDAC & SIDC- The ANCA establishes a NEMO Committee with ultimate responsibility for defining, agreeing and getting approval of ID/DA MCO Functions (including resolution of disputed decisions)
5.	Day-ahead Cooperation	<ul style="list-style-type: none">- The DA MCO Function will be based on PCR- Explains the current PCR arrangements (governance, systems, procedures) in operation in MRC and 4MM DA Couplings and how they will be amended for SDAC operation
6.	Intraday Cooperation	<ul style="list-style-type: none">- The ID MCO Function will be based on the XBID Solution- Explains the full XBID arrangements (governance, systems, procedures) and how they will be amended for SIDC operation given that the XBID project is still only in the development phase

Proposed NEMO organisation

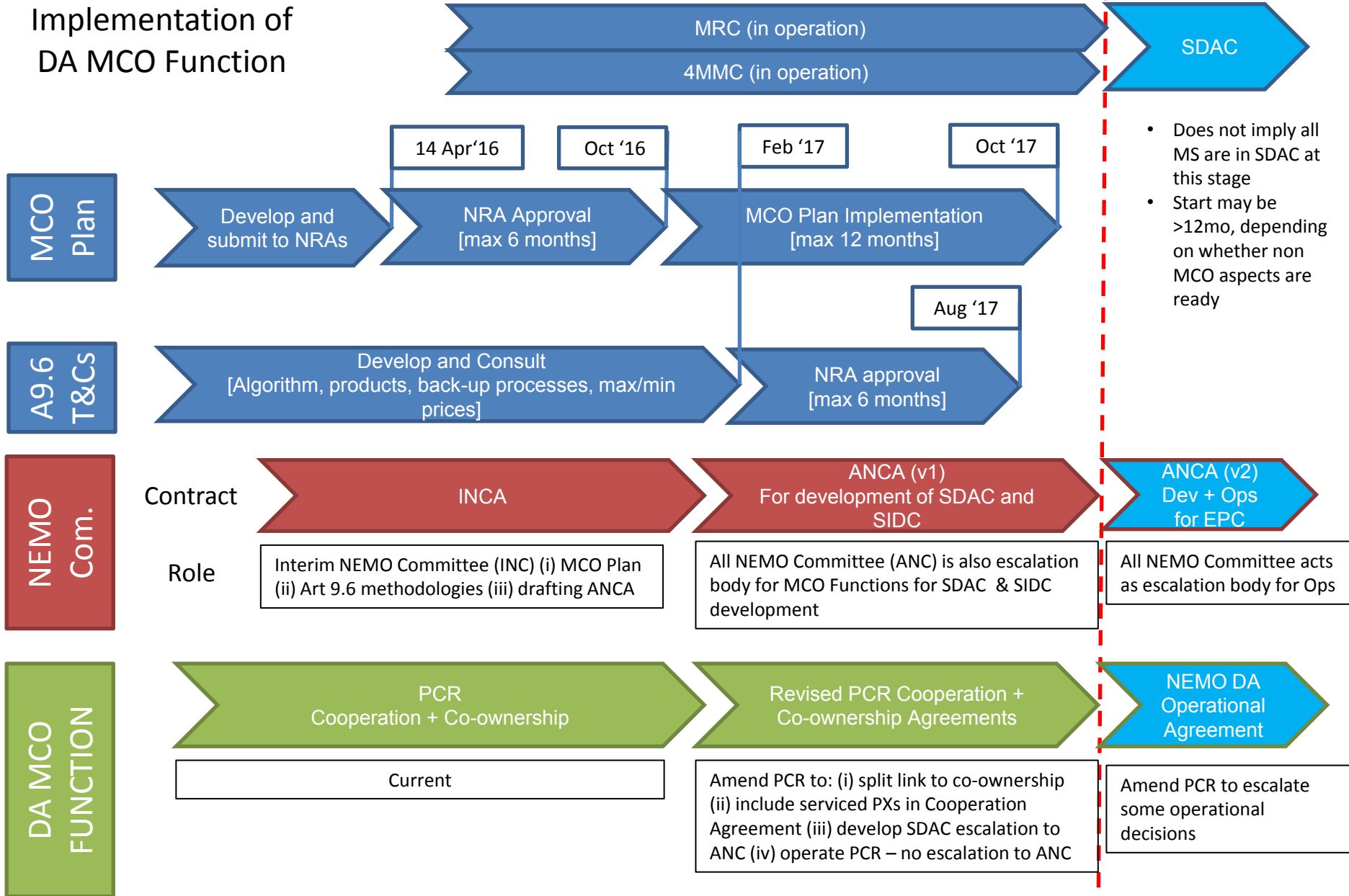


The MCO Plan explains how NEMOs will manage the transition to the DA and ID MCO Functions for SDAC and SIDC

MCO Plan Implementation of DA MCO Function

Transition Phase

Operational*



MCO Plan Implementation of ID MCO Function

Development Phase

Operational*

