

6th Market European Stakeholder Committee

Agenda item 2.6: Update on XBID and LIPs

CEER, Brussels

09.12.2016

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- Challenges

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6. Summary

1. Project Progress – Key achievements

XBID Development and Testing

- **Development of the Capacity Management Module (CMM), Shipping Module (SM) and Shared Order Book (SOB) is complete.** ✓
- **All phases of Factory Acceptance Testing (FAT) have been successfully completed for CMM, SM and SOB.** ✓
- **TSO Integration Acceptance Testing (IAT), PX IAT, SM IAT and the Pre-UAT Performance Test phases have also been completed.** ✓
- **User Acceptance Testing (UAT) commenced on 11/10.** ✓
- **Implementation of the MPLSs (secure communications channels) has been successfully completed with COLT and Orange.** This proved to be very complex. ✓

Contractual

- **After extensive and challenging negotiations the Hosting contract was agreed and signed** ✓
- **The negotiation process for the DSA Maintenance is underway.** A Lock-In was held 21st & 22nd November with progress made in securing important aspects of the negotiations. ✓

Accession

- **The Accession Stream is mobilised with regular Management Events. Knowledge Transfer has been managed through a series of 5 workshops.** ✓
- **Some Accession parties plan to go-live in first XBID launch – End Q3 2017** ✓

Contextual/Procedural

- **Positive progress has been achieved with the drafting of operational procedures.** ✓
- **An Implementation Group was held on 8th September covering both NWE+ and Accession Parties & the 5th User Group was held on 8th November** ✓

1. Project Progress – Context

XBID continues to be a complex project to deliver

Current challenges include:

Contractual

- Complete **DSA Maintenance negotiations before end December**
- Complete negotiations on the **ECP Endpoint Hosting and Maintenance Contract (TSOs) before end December**

Local Implementation Projects Readiness for Testing

- **Entry Criteria have been agreed for Local Implementation Projects (LIPs)** who intend to join the first phase of LIP testing for go-live in Q3 2017. It is possible that not all LIPs will meet these criteria by February 2017. They are tracked monthly.

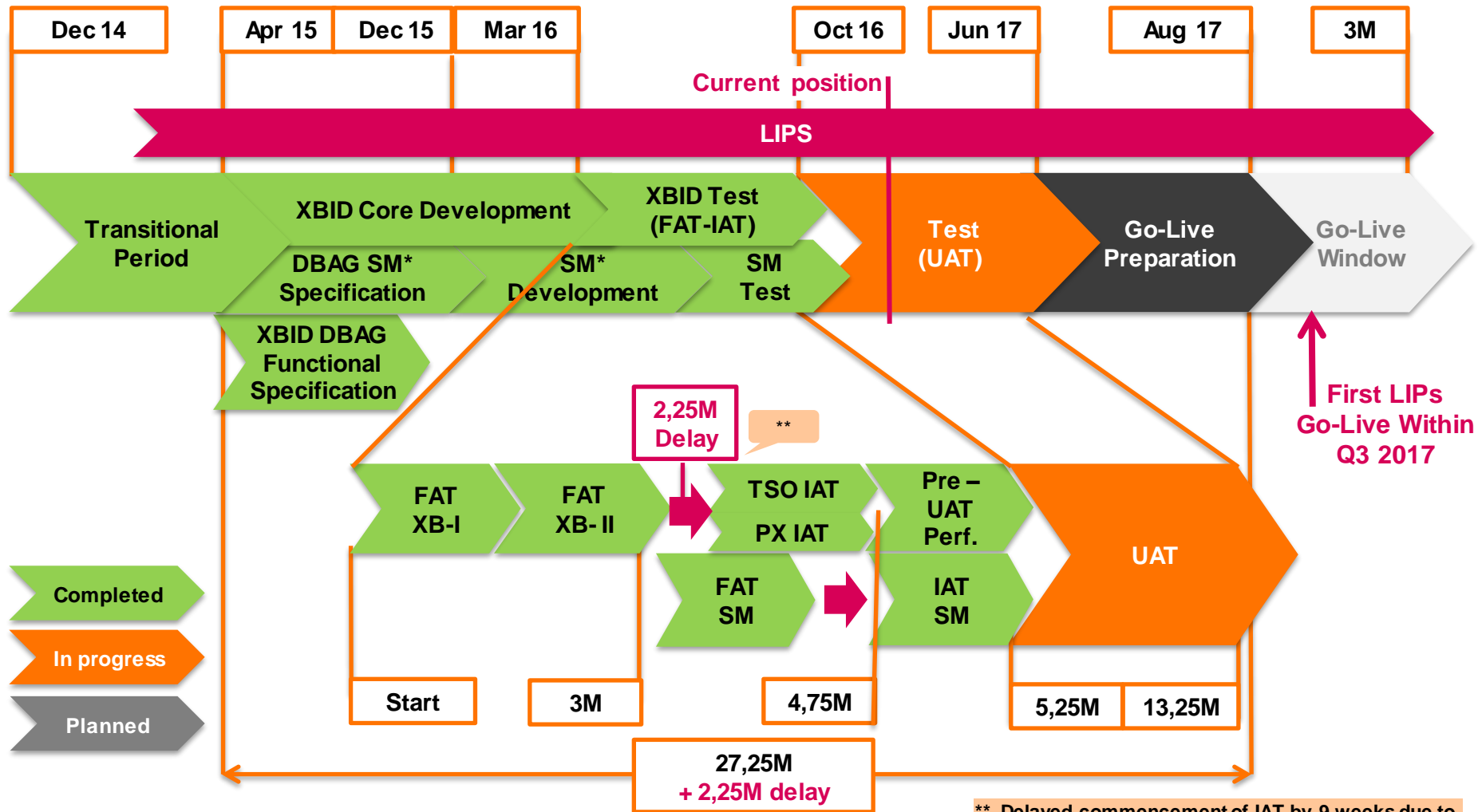
Context and Complexity

- Aligning on the roles for **Central Admin for each of the 3 modules – CMM, SM & SOB**. Questions such as how the service should be provided and how liabilities are covered are proving complex
- **Multiple NEMOs and Shipping Arrangements**. TSOs decided that **Preferred Shipper** will be used as the interim shipping model which NRAs confirmed their support for. Modifications to the model need to be made in respect to the shipping for LIPs where there is just one PX/CCP (e.g. Italian Northern Borders and Iberian Peninsula). Some LIPS are assessing if they can find an interim solution in order to mitigate the risk of the delay their go-live.
- There remain some **Change Requests which need to be implemented including Data Intermediaries and PMI Logging**. There is a challenge to incorporate the testing of these CRs in the project timeline before go-live. The prices of the CRs are also bringing financial pressure on the budget.

Organisation

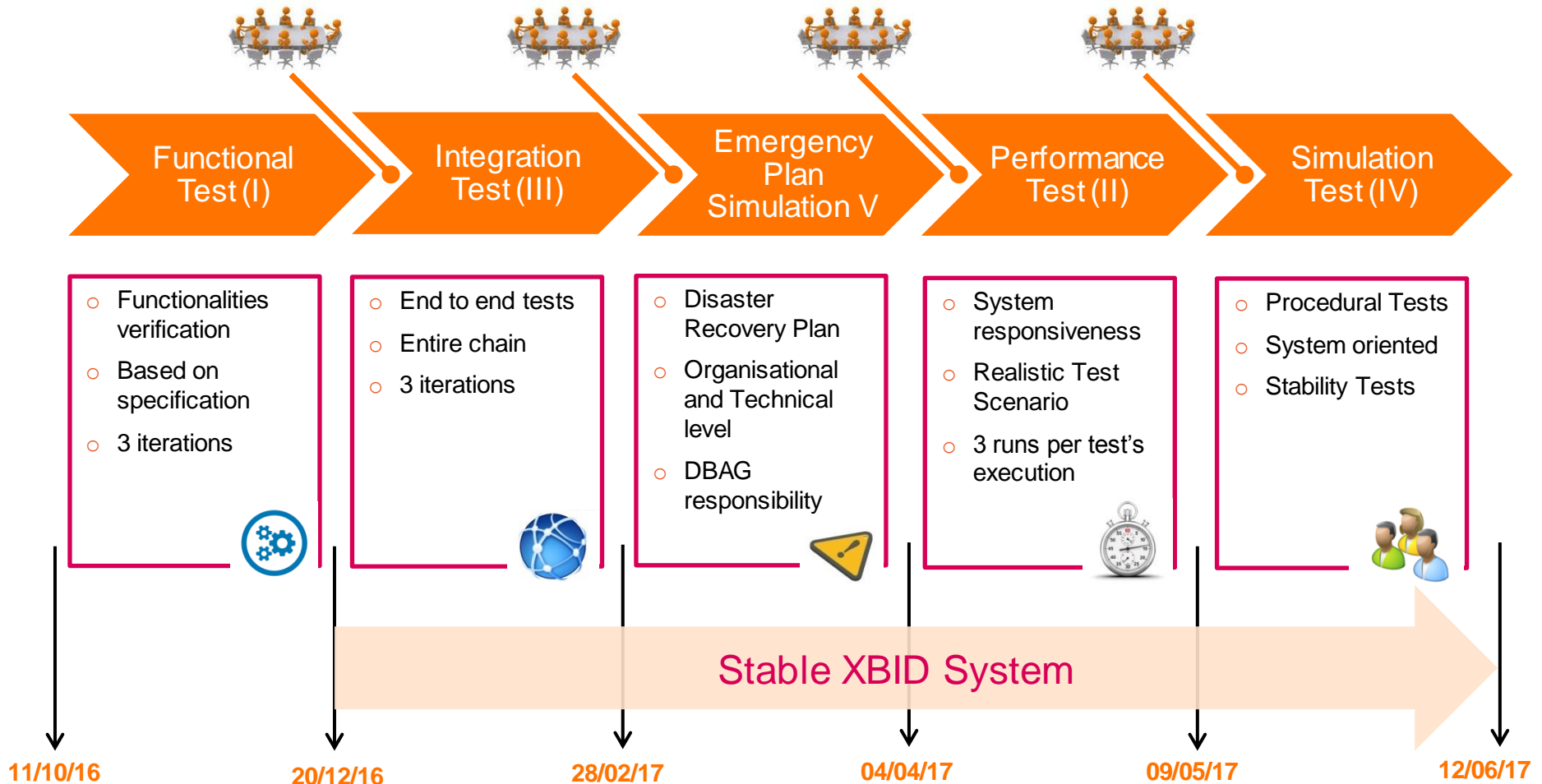
- **Resourcing conflicts** due to the continued intensity of project activities, balancing the needs of AS parties and focus on future requirements such as Losses on DC cables.
- Maintaining the testing timeline while identified bugs are fixed and retested

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

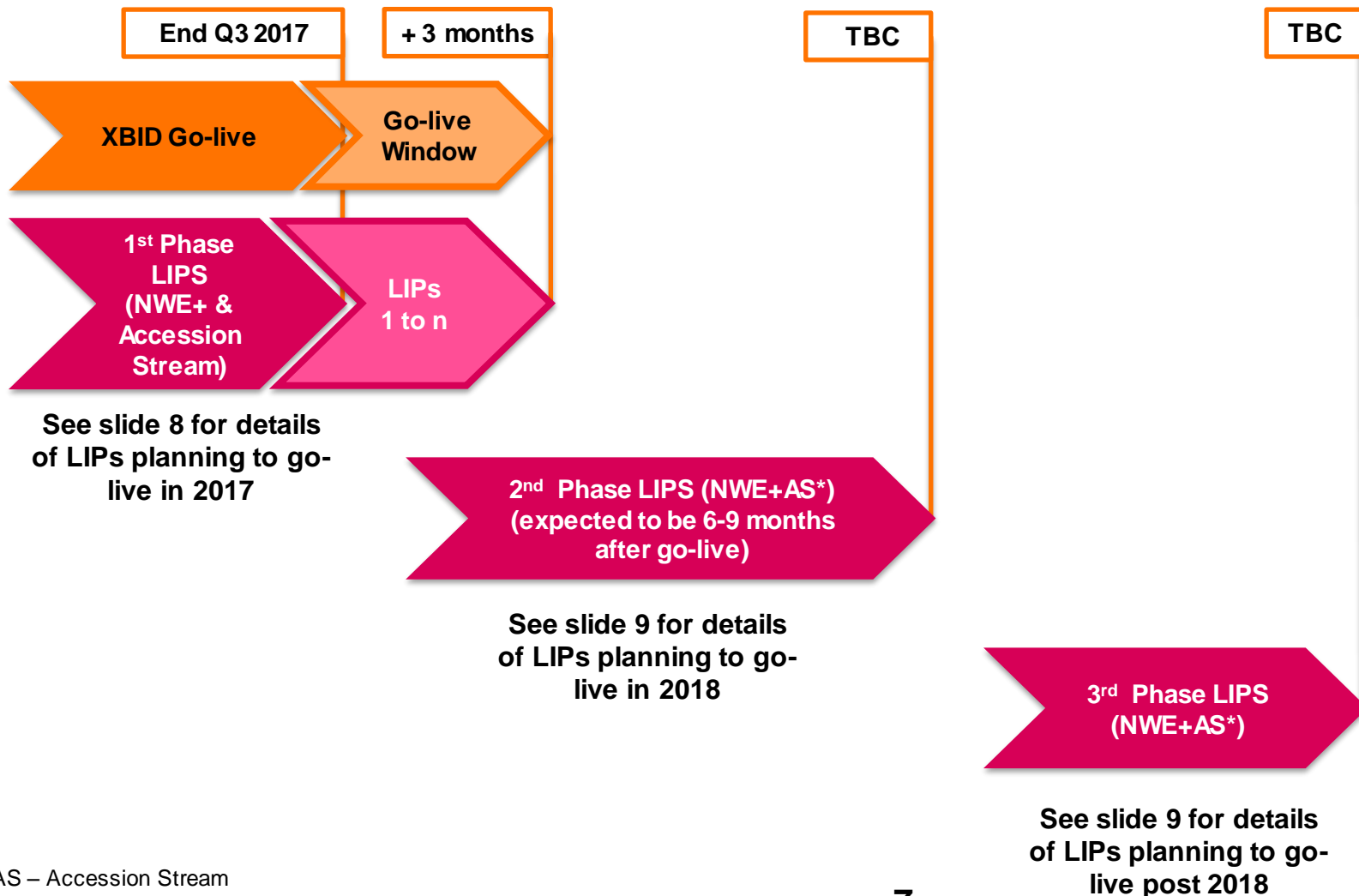


*SM – Shipping Module

2. Plan detailing User Acceptance Test (UAT) phases

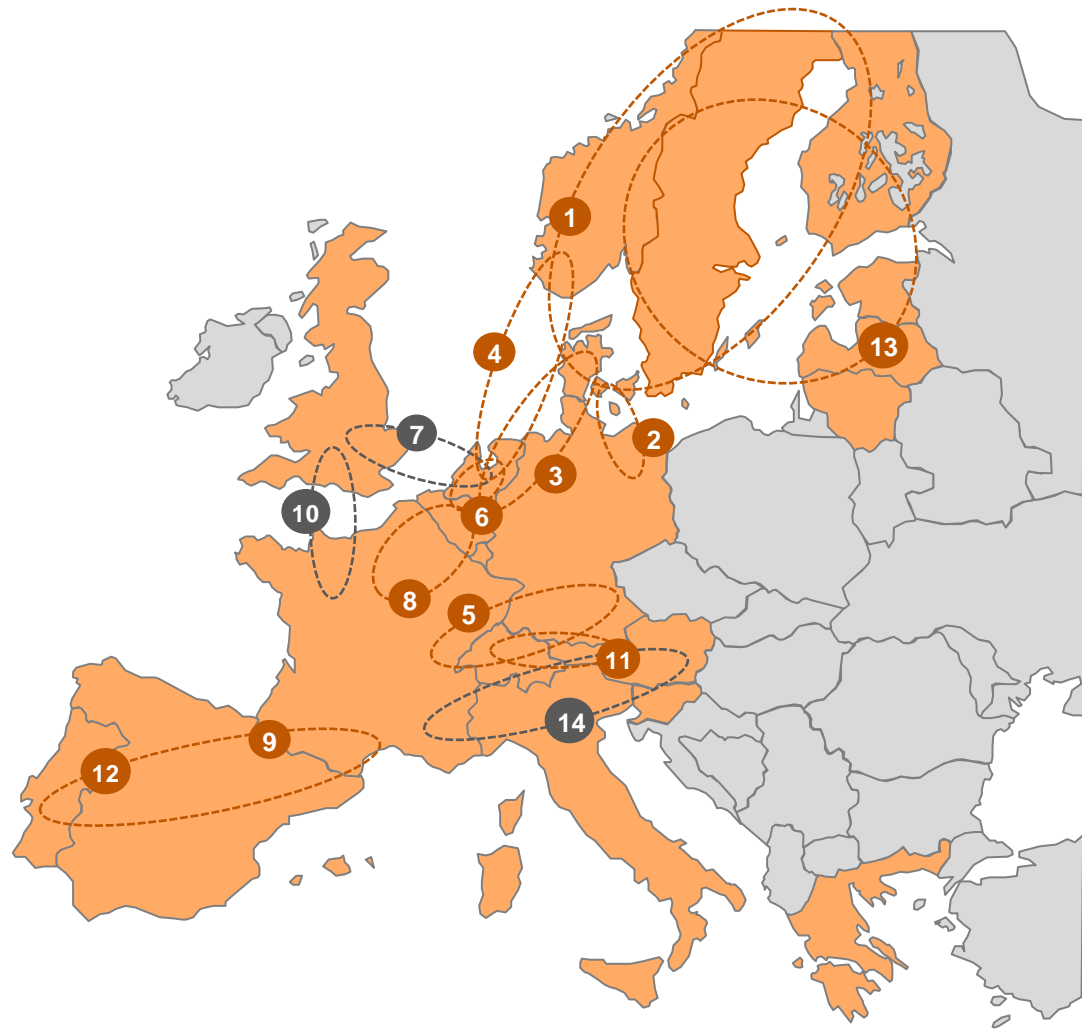


2. XBID Strategic Roadmap – Illustrative of ‘Go-Live’ for NWE+ and Accession Stream LIPs



2. LIPs Planning to Go-Live 2017

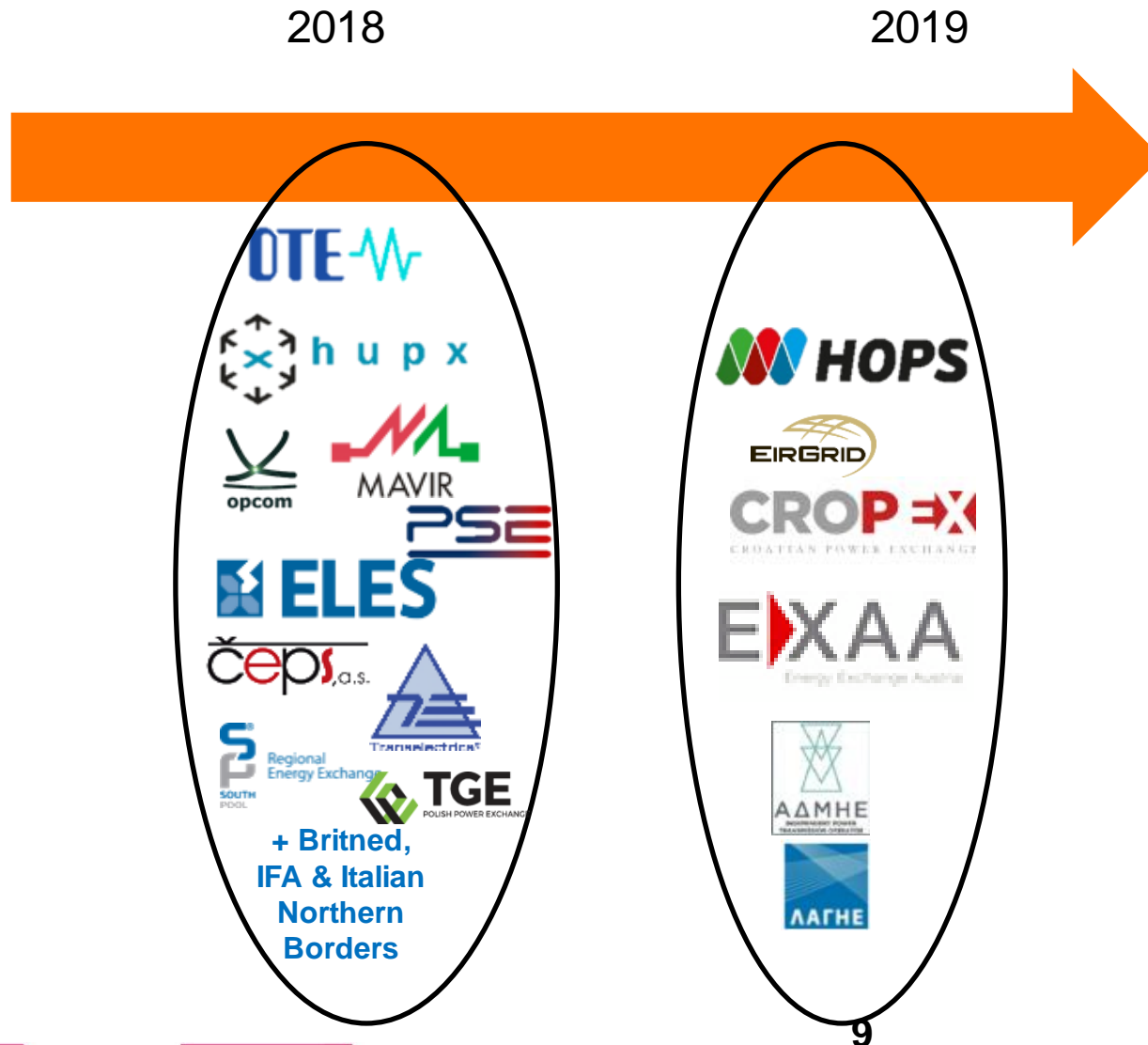
LIP	Participants
1	Nordic
2	Kontek
3	DK1/DE, DE/NL
4	NorNed
5	FR/DE, CH/DE, CH/FR, DE/AT
6	NL/BE
8	FR/BE
9 12	FR/ES&ES/PT
11	AT/CH
13	Baltic



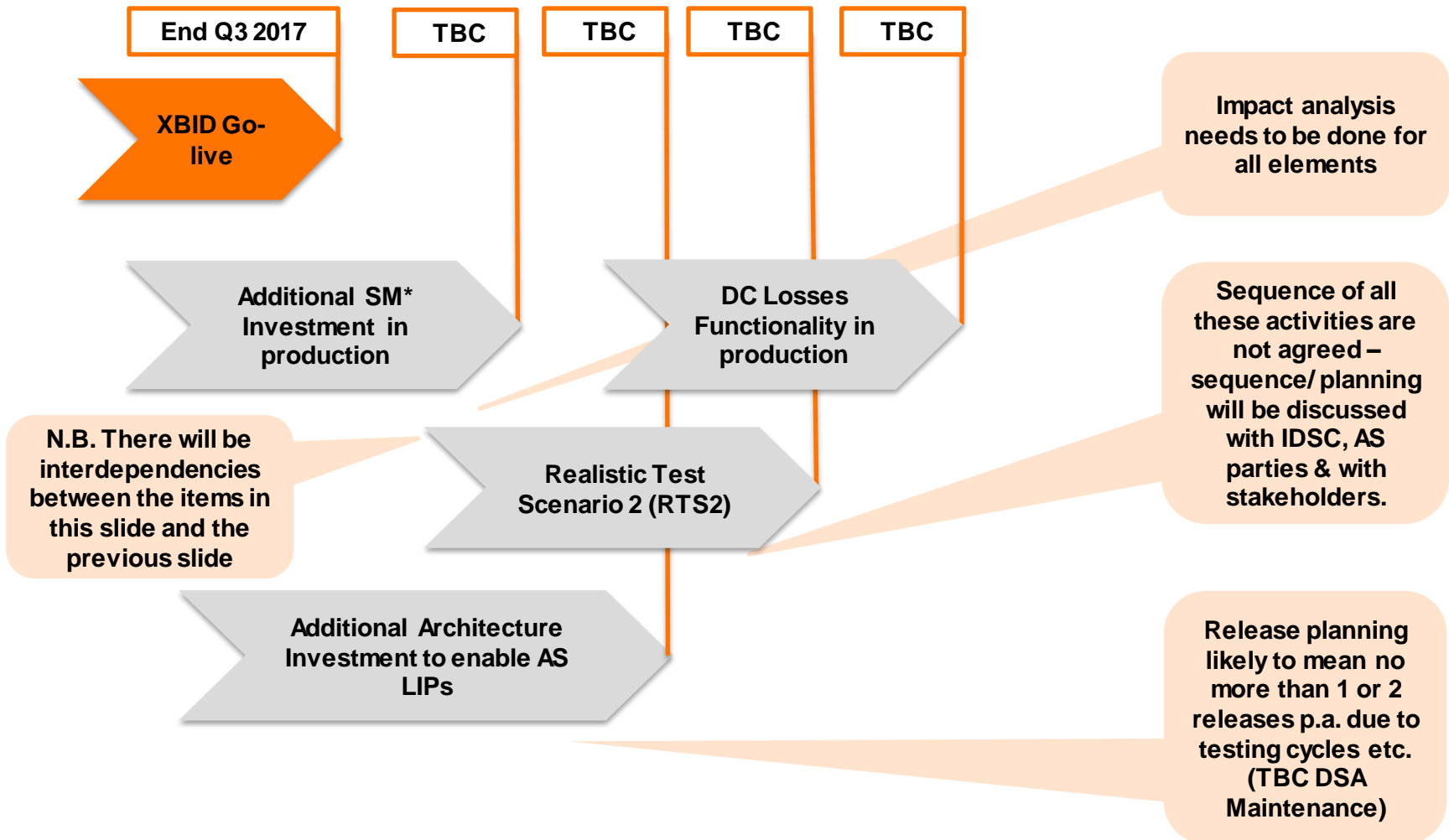
7 10 14 LIPs plan to go-live 2018

5 11 Please note integration of Swiss borders is dependent on the decision to be taken by the EC

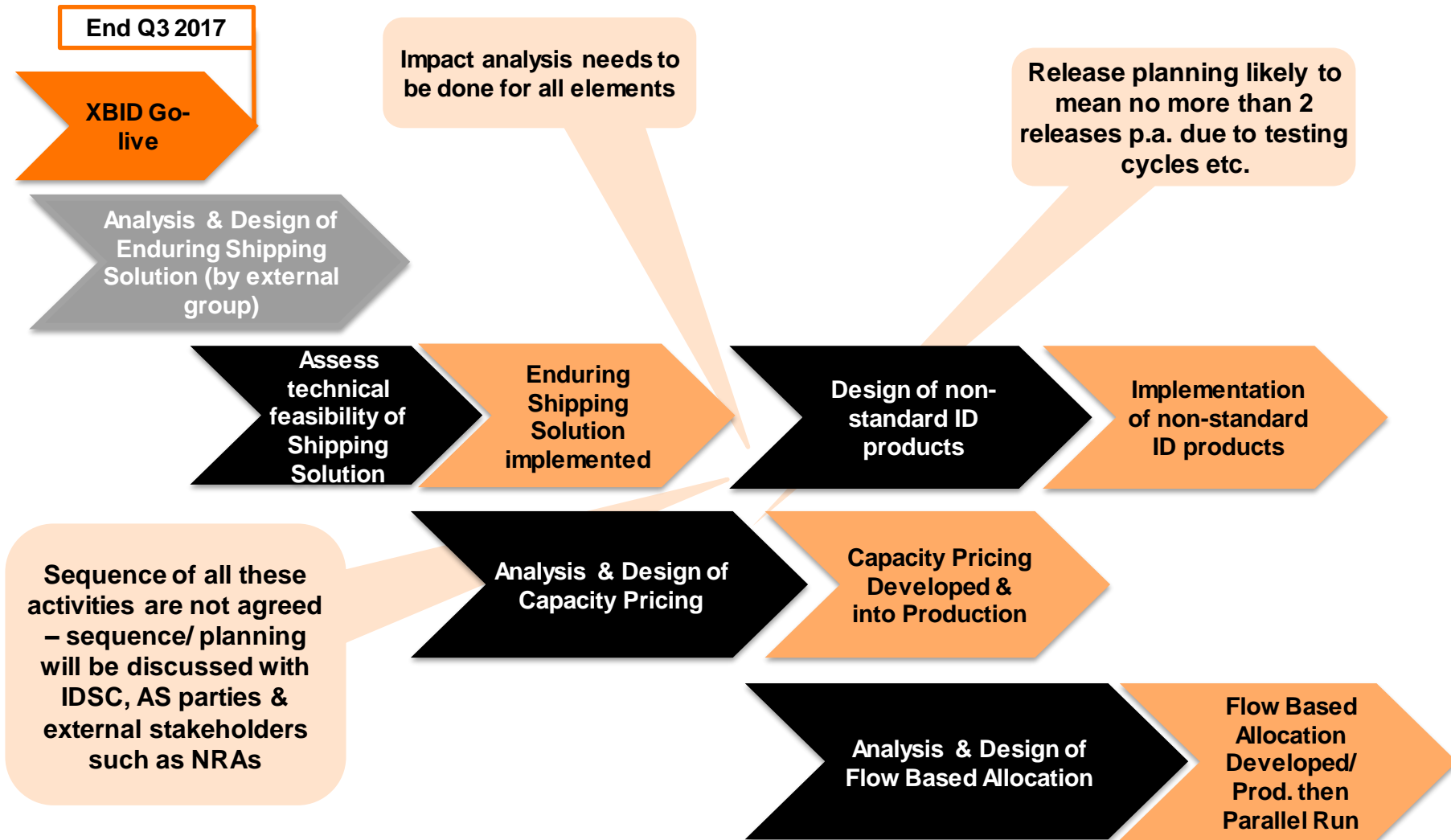
2. LIPs planning to go-live 2018 and beyond – Indicative (only actual responses submitted included)



2. XBID Strategic Roadmap – Illustrative “Shorter Term” sequence from Go-live - Speculative and must be prioritised/agreed with stakeholders



2. XBID Strategic Roadmap – Illustrative “Longer Term” sequence of design and implementation to be prioritised/agreed with stakeholders



3. Indication of borders planning to offer explicit access to capacity



4. Quick Win Step 2 for BE-FR and BE-NL bidding zone borders

- The Quick Win went live on 4th October for first deliveries on 5th October 2016
- Explicit capacity allocation was replaced by implicit capacity allocation on the BE-FR bidding zone border keeping the same platform provided by DBAG and using the same platform as for the BE-NL bidding zone border
- Introduction of a new platform for the TSOs to enable implicit allocation for the BE-NL bidding zone border, the same platform as used for the BE-FR bidding zone border.
 - BE-NL border: EUROLIGHT platform => « Intraday Capacity Service » (ICS) allocation platform provided by Deutsche Börse AG (DBAG)
- 24 gates and 1 hour of neutralisation lead-time instead of 12 gates and up to 150 minutes lead-time
- Belgium and Dutch continuous markets operated on Eurolight system were migrated to EPEX trading platform M7. Coupling of the BE and NL markets with the EPEX intraday continental markets in France and Germany, Austria and Switzerland, already operated with M7. Trading system harmonized for market participants.
- The comparison between the two periods [20/09-03/10] and [05/10 – 18/10] shows an 41% increase of BE ID volumes and 79% increase of NL ID volumes (both local and cross-border volumes aggregated). Local OTC NL product also shows a great success.

4. Status organisational set-up of LIP projects

- Progress: answers marked with * have changed their status from “No” to “Yes” compared to last presentation to ESC on XBID
- New: progress on shipping arrangement decision and LIP Baltic were added to this overview

LIPs part of go-live Q3/2017

LIP No	Countries involved	The project...							
		has already started ?	has a governance structure ?	has a finalized top-level planning ?	has agreed milestones?	has agreed on deliverables?	has agreed responsibilities amongst all parties?	has approved cost sharing and cost recovery principles according to CACM?	has made for each border within the LIP a decision on shipping arrangements?
1	DK-FI-NO-SE	Yes	Yes	Yes	Yes	Yes*	Yes	No	No
2	DE-DK Kontek	Yes	Yes	Yes	Yes	Yes*	Yes	No	Yes*
3	DE-DK-NL	Yes	Yes	Yes	Yes*	Yes*	Yes*	No	Yes*
4	NL-NO	Yes	Yes	Yes	Yes	Yes	Yes	No	No
5	AT-CH-DE-FR	Yes	Yes	Yes	Yes*	Yes*	No	No	Yes*
6	BE-NL	Yes	Yes	Yes	Yes	Yes	Yes	No	No
8	BE-FR ¹	Yes	Yes	No	No	No	No	No	No
9&12	ES-FR-PT	Yes	Yes	Yes*	Yes*	Yes*	Yes*	No	No
11	AT-CH	Yes	No	No	No	No	No	No	No
13	Baltic	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	No	No

¹ LIP concentrated on the successful implementation of the quick win and as of now the focus will be on XBID implementation.

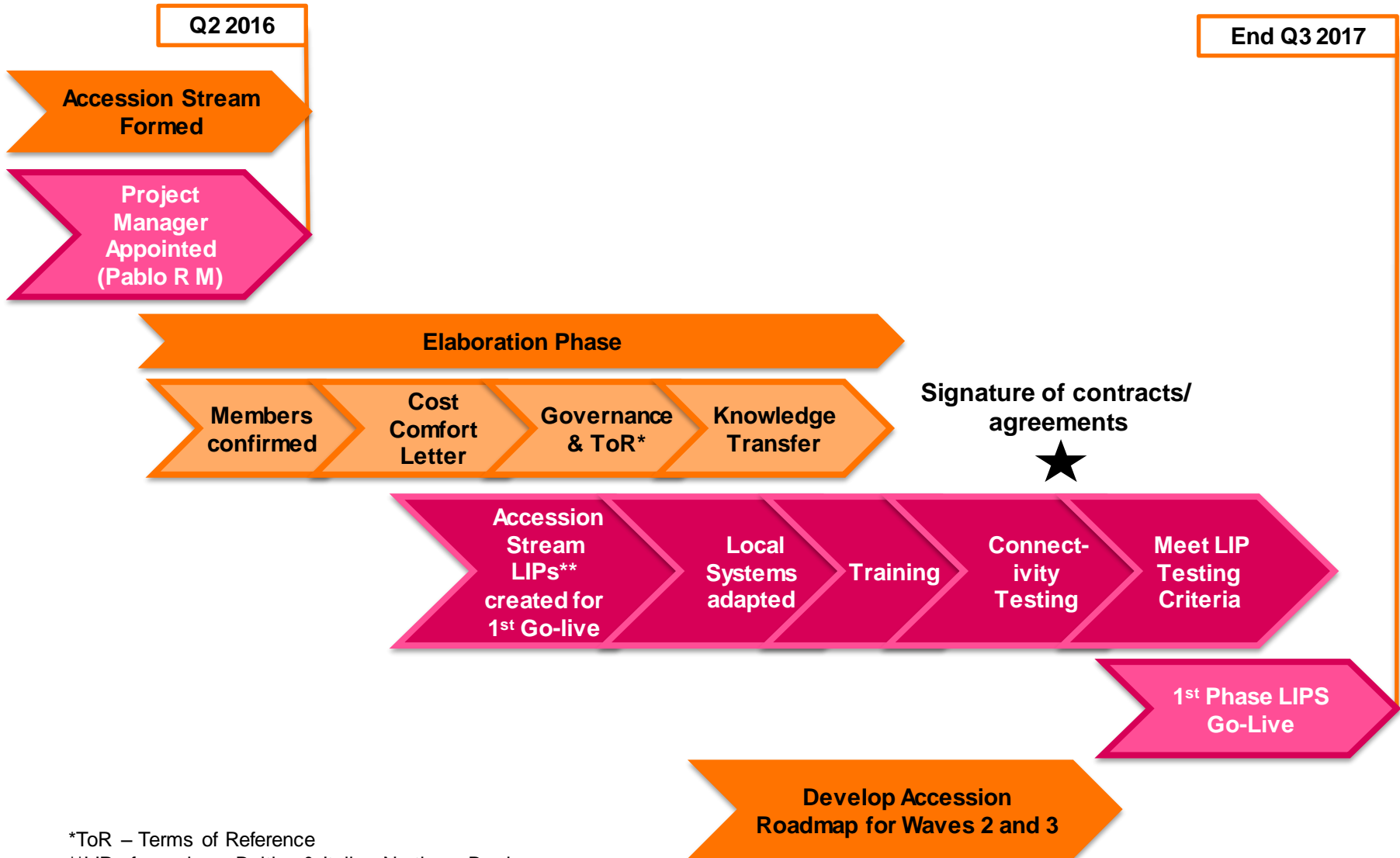
4. LIP Testing

- XBID project tests the XBID solution (CMM, SOB, SM) whereas it is the responsibility of LIPs to organise for the end-to-end testing (i.e. pre-coupling and post-coupling)
- Progress since last ESC meeting:
 - LIP Testing Coordinator has been appointed and is coordinating LIP testing with LIP test leads and managing the required technical and commercial arrangements with DBAG:
 - Entry criteria for LIP testing agreed:
 - Minimal set of criteria to be fulfilled and proofed in order to start testing on the LIP Testing environments.
 - Purpose of the criteria is to establish well prepared and effective way of testing.
 - Main focus of LIP Testing is to validate the End-to-End readiness of the borders/interconnectors for which the LIPs are responsible.
 - Based on internal readiness (i.e. back-end systems ready, meeting defined defect criteria, test sets ready), a LIP will start testing on the LIP Testing environments; not all the LIPs will start at the same moment with LIP Testing.
 - LIP testing plan is under review and discussion
 - Additional test environment ordered and DBAG test support agreed
 - Agreement has been drafted to allow Accession Stream parties to join testing who are part of the first go-live (relevant for Iberian and Baltic TSOs)

4. Accession Stream Update

- The focus over the summer/autumn has been on Knowledge Transfer for the Accession Stream parties.
 - Five workshops have been held covering PXs, TSOs, LIPs knowledge transfer and Shipping Arrangements.
- Members of the Accession Stream have confirmed membership/or mobilisation of LIPs that plan to go-live in the first implementation of XBID (Q3 2017):
 - Baltics – 3 TSOs (Elering, AST and Litgrid) with Nord Pool
 - REN in Iberian LIP with OMIE and REE
- Regular Management Meetings continue to be held with the Accession Parties
 - One recent focus has been on starting to understand the XBID go-live timing preferences for Accession Parties. Many parties would like to be part of the foreseen second wave of go-live in 2018
- Terna has joined the Accession Stream and agreed the Terms of Reference

4. Accession – Steps to Implement XBID



*ToR – Terms of Reference

**LIPs formed are Baltics & Italian Northern Borders

5. Shipping solutions/arrangements

Shipping arrangement = assignment of Shipping Agent (SA) to Interconnector (IC)

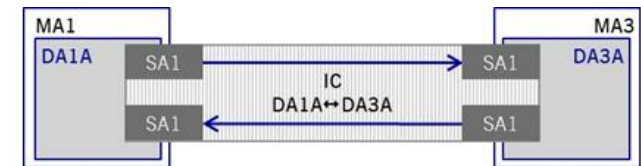
Each IC is linked to two Delivery Areas* (DA)

There is one IN- and one OUT-shipping agent per direction of an IC

Two main options have been considered to enable XBID go-live:

• Single shipper

- The same shipper exports and imports on one interconnector in both directions
- The timeline for tendering, selecting and implementing the single shipper is not possible to achieve in the project timeline. The legal basis under CACM of which party(ies) is (are) responsible for selecting the single shipper is also considered to be unclear.



• Preferred shipper – selected as the interim solution and supported by NRAs

- Each CCP has a preferred shipper. The preferred shipping agent of the selling PX is used when no other shipping arrangement is specified for an interconnector or a trade between two PXs in the same DA is performed.
- There is a challenge with implementing the Preferred Shipper model in a Regional/Single NEMO area. Project parties have agreed that if possible an interim solution will be used until the Shipping Module can handle that scenario (envisaged within 6 months after go-live).

*Delivery Area = scheduling area
Market Area (MA) = bidding zone

6. Summary

- The Development Phase is completed and following completion of the initial Testing Phases User Acceptance Testing (UAT) is underway
- The results from the first testing phases are generally positive
- The Accession Stream is mobilised with the first phase (Elaboration) having been largely completed
- The first XBID Go-live is planned to be at the end of Q3 2017
- Some Accession LIPs have been formed with plan to be part of first go-live
- The project is complex and proves to be continually challenging including being able to maintain the testing timeline whilst bugs identified are fixed and retested as well as implementing/testing some Change Requests.
- There remains a considerable amount of strategic work and activity to be completed in an environment complexified by the implementation of CACM provisions (multiple NEMOs, cost sharing /recovery principles)
- **We all continue to invest extensively to deliver a successful XBID Go-Live in Q3 2017 and support Accession parties build their knowledge and plans to achieve successful XBID implementation**