

## Minutes

<b>Project Title</b>	XBID Market
<b>Title of Meeting</b>	4 <sup>th</sup> User Group Meeting
<b>Date / Place</b>	29/06/16, 10:00 – 16:00 CET, Brussels

Status	Version	Date	Comment
Draft	1	29/06/16	Draft provided to PP for review
Draft	2	07/07/16	Draft provided to MP for review
Final	3	14/07/16	Agreed minutes

### PRESENT MARKET PARTIES (MP)

Name	Company
Christophe Cesson	ACER
Anne Sofie Amstrup	Danske Commodities
Jerome Michel	EDF
Paul-Erik Vermeulen	EFET
Irina Nikolova	EFET
Andrea Stengel	Energy Norway
Hélène Robaye	Eurelectric
Charlotte Renaud	Eurelectric
Yannick Phulpin	Eurelectric
Michael Beienburg	RWE Supply and Trading
Benjamin Karsten	Statkraft Markets
Johan Hagsten	Svensk Energi
Carlos Valverde	Wind to Market

### PRESENT PROJECT PARTIES (PP) AND LIP REPRESENTATIVES

Name	Company
Tjitske Kramer	APX, LIP 6
Yvonne Visser	BritNed, LIP7
Jakub Pilecky	BritNed, LIP 7
Susanne Dornick	E-Bridge
Mike Hopmans	E-Bridge
Viviane Illegems	Elia, LIP 8
Katja Birr-Pedersen	Energinet.dk, LIP 2, LIP 3
Martin Vančura	Indra
John Twomey	National Grid
Mark Pickles	Communications Task Force Convenor, National Grid
Andy Paton	National Grid Int., LIP 10
Hayley Marks	National Grid Int.
Igor Honhoff	Nord Pool, LIP 1, LIP Baltic
Julius Schwachheim	Swissgrid, LIP INB
Roelof de Vries	TenneT NL, LIP 4
Jens Axmann	TransnetBW, LIP 5

## AGENDA

TIME	AGENDA ITEM	PRESENTER
10:00 – 10:05	1. Welcome, Agenda	Mark Pickles
10:05 – 11:15	2. Project Status Overview and follow-ups from last UG	Mark Pickles
11:15 – 12:00	3. Implementation of the XBID Solution a) Overview of NEMOs per BZ b) Timeline to define XBID products	Martin Vančura
12:00 – 12:30	4. Go-live scenarios a) Proposal by XBID parties b) Feedback from UG	Katja Birr-Pedersen
12:30 – 13:15	Lunch Break	
13:15 – 13:45	5. LIPs – general status overview	Katja Birr-Pedersen
13:45 – 15:45	6. LIPs individual status and progress reports a) LIP Baltic b) LIP at Italian Northern Borders c) LIP 7 and LIP 10 d) LIP 1 e) LIP 2 f) LIP 3 g) LIP 4 h) LIP 5&11 i) LIP 6 j) LIP 8	Igor Honhoff Julius Schwachheim Several Igor Honhoff Katja Birr-Pedersen Katja Birr-Pedersen Roelof de Vries Jens Axmann Tjitske Kramer Viviane Illegems
15:45 – 16:00	7. Closing remarks, reflections on the day	Mark Pickles

The questions (Q) received from the market parties (MP) and the respective answers (A) given by the project parties (PP) during and after the presentation are listed in the minutes.

### 1. Welcome, Agenda

The participants of the User Group meeting are welcomed. A brief round-the-table introduction is made and the agenda of the meeting is introduced.

### 2. Project Status Overview and follow ups from last UG

The project timeline, project progress including key achievements and emerging risks are presented. Go-live is still planned to be within Q3 2017 although the first LIP ‘go-live’ will be 9 weeks later than originally planned due to the late start of 3rd party support. The 9 week period will be used to focus on important gaps and Change Requests. The development of the XBID solution is almost completed: SOB and CMM were delivered for testing and factory acceptance test have been successfully completed. The shipping module will be delivered beginning of July. An update from the Accession Stream is given. Further the outcome of the system performance tests undertaken during Factory Acceptance Testing is presented. Follow-ups from the last User Group meeting are addressed.

### 3. Implementation of the XBID Solution

The process for implementing XBID products is presented.

### 4. Go-live scenarios

The project aims at a simultaneous go-live of all LIPs that fulfill the certain readiness criteria agreed by the XBID project. It is LIP responsibility to ensure to be ready for go-live, the XBID project will monitor and coordinate.

**Q:** Which project will involve and consult with market participants – the central XBID project or the LIPs?

**A:** Involvement of and consultation with market participants will be taken care by the LIPs. That all relevant market participants were informed about the foreseen changes (for example

via user forums, user groups, this includes that market participants were given sufficient time to make necessary changes to IT systems, procedures at their side) was set as one requirement by the central XBID project to be fulfilled by the LIPs to be part of the first go-live.

## 5. LIPs – general status overview

A general introduction to the LIPs and their current status is presented.

**Q:** On slide 41 the outcome of the impact assessment made is presented. Which systems/procedures does this impact assessment compare?

**A:** This impact assessment looked into the changes required to go from the current ID arrangements to the XBID solution.

**Q:** There is regulatory approval mentioned on slide 41. What regulatory do you refer to?

**A:** Here the PP refer to local regulatory approval required for example when allowing explicit access to capacity or approving shipping arrangements.

**Q:** On slide 41 only one out of eleven LIPs has a budget. How does not having a budget impact the other LIPs?

**A:** This is a question asking if the project has a budget that allows only yes or no as an answer. It does not mean that the project parties do not have an internal budget and do not progress in their project.

**Q:** Slide 42: by when it is expected that the table is green – i.e. all steps are completed?

**A:** For LIPs who want to be part of the first go-live the expectation is that the first six columns turn green as soon as possible but at the latest by the end of this year.

**Q:** For those borders where explicit access is foreseen, when will regulatory approval be granted?

**A:** This question can be only answered by the NRAs.

**Q:** For those borders where no explicit access is foreseen, is there any framework in place to regulate NEMO's fee structure as market participants are exposed to the NEMOs?

**A:** The CACM target model is implicit capacity allocation. There is competition between NEMOs as there are several NEMOs in many bidding zones.

## 6. LIPs individual status and progress reports

### a) LIP Baltic

An introduction is given to the Baltic LIP project.

**Q:** What happens if a second NEMO enters the Baltic bidding zones – will this mean that there will be a delay?

**A:** It is expected that the timeline will have to be adjusted.

**Q:** What is the impact on the timeline for if the SwePol link enters the project?

**A:** The SwePol link is not part of this LIP.

### b) LIP at Italian Northern Borders

An introduction is given to the LIP at Italian Northern Borders (INB).

**Q:** Terna is not a member of the project and is also not an Accession Stream member. Please clarify their status?

**A:** Terna is part of the LIP INB. The XBID Project will seek to clarify with Terna their status in the project and plans.

**Q:** There is an ID project for the border SI-IT ongoing already. How does this relate to the LIP INB?

**A:** The project at the SI-IT will be probably integrated in LIP INB. The SI-IT project may serve as a role model – however, this is a very preliminary statement as the technical implementation analysis of LIP INB still needs to be conducted.

c) LIP 7 and LIP 10

BritNed, IFA and the new link Nemo Link looked at the system changes to be implemented due to the new EU codes (FCA, CACM) in a coordinated way. The decision was made to implement a completely new joint platform for all market interfaces, i.e. for DA, ID, balancing, to TSOs etc. For the market parties this will be a single interface for all three interconnectors.

The new regional platform is estimated to be delivered for 2018. The XBID Market system will be integrated in 2018. BritNed and IFA will as a consequence not join XBID at the expected go-live in Q3 2017.

Eurelectric and EFET expressed their disappointment that IFA and BritNed will not be part of the first XBID go-live - not having UK joining is a loss.

**Q:** Could you please explain the reasoning for implementing the new platform and not being part of the first XBID go-live.

**A:** This is a combination of many factors which led to this decision. First, the current allocation platforms are approaching their end of live and will have to be replaced latest in 2019. Second, the current platforms require changes to implement codes. Third, if integrating the current platform with XBID for go-live in Q3/2017 subsequent efforts have to be made to integrate XBID with the new platform in 2019. This is inefficient. Fourth, the losses functionality is missing in first XBID release and the plan is that when the new joint platform is ready the losses functionality will be available in XBID as well.

**Q:** Does it impact the development of the new joint platform that BritNed knows already that it will not offer explicit access whereas this decision has not been made for IFA yet?

**A:** No, this will not have an impact as the explicit functionality is offered by the XBID solution.

**Q:** Why did you discover all of this only now and not already much earlier?

**A:** As a commercial interconnector we had to have reasonable certainty of what will be required by the codes. For example the decision to have a single LT allocation platform (JAO) was only taken in the past month.

**Q:** (asked at end after NorNed LIP presentation) Why can NorNed operate without Losses functionality in XBID and yet Britned/IFA cannot?

**A:** Britned and IFA are small businesses and essentially independent of TSOs. This makes losses and capacity pricing important factors. For NorNed the interconnector is effectively considered as an extension of the grid for Norway and Netherlands and losses are not implemented for day ahead. They are implemented for day ahead on BritNed and IFA and we wish to ensure consistency across the timeframes.

d) LIP 1

The status of the Nordic LIP is presented. The LIP is on schedule and plans to go-live in Q3/2017.

**Q:** How is EPEX integrated in NOIS?

**A:** NOIS is a system the Nordic TSOs use to align on capacity per interconnector. Both TSOs of a border send their calculated capacity values and the minimum capacity per border is sent to ELBAS today. This will be sent in future to the XBID CMM. Therefore there is no need for PXs to connect to NOIS. This also means that NOIS cannot be used as a fall back for intraday trading in case XBID is down as NOIS is only a capacity calculation platform.

e) LIP 2

The status of the Kontek LIP is presented. The LIP is on schedule and plans to go-live in Q3/2017.

f) LIP 3

The status of LIP 3 is presented. The LIP is on schedule and plans to go-live in Q3/2017.

g) LIP 4

The status of the NorNed LIP is presented. The LIP is on schedule and plans to go-live in Q3/2017.

**Q:** How are losses covered?

**A:** Losses will not be covered for in ID. The same principles will apply as today.

h) LIP 5&11

The status of LIP 5 is presented. The LIP is on schedule and plans to go-live in Q3/2017.

**Q:** On the first slide 30 minutes products are mentioned. Why is this mentioned – does this mean they will not be available in XBID?

**A:** 30 minutes products will be also offered when the XBID solution is in place.

i) LIP 6

The status of LIP 6 is presented. The LIP is on schedule and plans to go-live in Q3/2017.

Congratulation for implementing the quick wins on NL-BE border from Eurelectric and EFET.

j) LIP 8

The status of LIP 8 and the timeline for implementing quick win “step 2” is presented. The LIP is on schedule and plans to go-live in Q3/2017.

The MPs raise that it is difficult to understand why the German–Dutch border cannot implement the same quick win as done for the Belgian borders. Clarification is made that implementing quick wins is not in scope of the LIP project but that these are separate projects with dedicated resources. The PP refer to the official statement provided by TenneT: *“Given the fact that XBID is expected in 2017-Q3 and that the requested implicit allocation will be available from that moment, it is not efficient to set-up another parallel project which will only deliver shortly before the final solution. Such DE-NL quick-win has to be done with same set of involved experts, who then need to spend their precious time, attention and budget on something only in place for a limited period. This also creates extra delivery risks for the primary goal of XBID delivery 2017-Q3. This is overall considered as non-desired for a solution that will only be there temporarily, for limited time period.”*

## **7. Closing remarks, reflections on the day**

The progress with the project is summarised and how that it is moving forward although there remain significant challenges.

MP requested additional clarification on what exactly the issue with the shipping arrangements is and their implication on the go-live target. PP explained that currently there are single shipper arrangements in place at many borders. With CACM entry into force competition amongst NEMOs needs to be regarded and these existing shipping arrangements cannot be used for XBID. Instead, if continuing with the single shipper model in ID, tenders need to be made which require time and the shipper will not be identified in time for LIP testing. TSOs were looking at several alternative shipping arrangements which are currently under discussion between TSOs, between NEMOs and TSOs and between NRAs and TSOs. The XBID shipping module is capable of dealing with different shipping arrangements border per border. The MP suggested that the TSOs could take care of the physical shipping which is indeed one alternative that is being looked into. However, the feasibility needs to be checked especially as besides physical also financial shipping needs to take place. In this respect it was clarified that the SOB only records the two end points of a trade, not the path in between and Central Clearing Parties (CCPs) need to know the path such that they can locate the potential source of an imbalance at the buying end of a trade. This information is for example also important to follow different VAT rules along the path.

Points on which the PP shall follow-up and get back to the MP:

- Provide feedback from LIP 9&12 if the LIP will be ready with all deliverables outlined on slide 42 (first six columns) by end of this year – i.e. will the LIP be part of the first XBID go-live?
- Liaise with Terna if they – being member of the LIP INB – will become an Accession Stream member/what is their status.

The next meeting shall be scheduled for early October and a shipping expert shall be present – as this topic was intensively discussed at the end of the meeting but PP were not able to answer all MP questions sufficiently.