Minutes

Project Title	XBID Market
Title of Meeting	3rd User Group Meeting, Brussels
Date / Place	27/01/2016, 10:00 – 17:00 CET

Status	Version	Date	Comment
Draft	2	05/02/16	Provided to User Group members for review
Final	3	15/02/16	Final

PRESENT MARKET PARTIES (MP)

Name	Company
Christophe Cesson	ACER
Patrick Luickx	CREG
Lars Kristensen	Danske Commodities
Jerome Michel	EDF Trading
Paul-Erik Vermeulen	EFET
Jérôme Le Page	EFET
Andrea Stengel	Energy Norway
Marta Krajewska	Energy UK
Francisco García Lendínez	ENÉRGYA VM
Ruud Otter	Eurelectric
Pierre Castagné	Eurelectric
Hélène Robaye	Eurelectric
Alexander Kronimus	IFIEC Europe
Thomas Nilsson	NAET
Michael Beienburg	RWE Supply and Trading
Johan Hagsten	Svensk Energi
Martijn van Gemert	Vattenfall

PRESENT PROJECT PARTIES (PP) AND LIP REPRESENTATIVES

Name	Company
Tjitske Kramer	APX, representing LIP 6
Nils Teipel	BritNed, representing LIP 7
Viviane Illegems	Elia
Katja Birr-Pedersen	Energinet.dk, representing LIP 2 and LIP 3
Stefano Alaimo	GME
Andy Paton	National Grid Interconnectors, representing LIP 10
Jan Rönnback	Nord Pool, representing LIP 1
José Javier Gonzalez	OMIE
Nicolas Thierry	RTE, representing LIP 5&11, LIP 8, LIP 9&12
Roelof de Vries	TenneT BV, representing LIP 4
Mark Pickles	TSO Project Manager
Susanne Dornick	XBID PMO

AGENDA

TIME	AGENDA ITEM	PRESENTER
09:45 – 10:00	Registration, Coffee	
10:00 – 10:05	1) Welcome, Agenda	Mark Pickles
10:05 – 10:45	2) Project Status Overview and follow ups from last UG	Mark Pickles
10:45 – 11:00	3) Quick wins Belgian borders	Viviane Illegems
11:00 – 11:15	4) LIP 6 (BE-NL)	Tjitske Kramer
11:15 – 11:35	5) LIP 8 (BE-FR)	Nicolas Thierry
11:35 – 12:00	6) LIP 5&11 (FR-DE, DE-CH, FR-CH, AT-DE, AT-CH)	Nicolas Thierry
12:00 – 12:20	7) LIP 3 (DE-DK, DE-NL)	Katja Birr-Pedersen
12:20 – 12:35	8) Q & A session	Viviane Illegems
12:35 – 13:15	Lunch Break	
13:15 – 13:45	9) Accession Stream for non-NWE+ parties	Mark Pickles
14:05 – 14:25	10) LIP 1 (Nordic internal borders)	Jan Rönnback
14:25 – 14:35	11) LIP 2 (Kontek)	Katja Birr-Pedersen
14:35 – 14:55	12) LIP 9&12 (FR-ES, ES-PT)	Nicolas Thierry
14:55 – 15:10	13) Q & A session	Katja Birr-Pedersen
15:10 – 15:25	Coffee Break	
15:25 – 15:45	14) LIP 7 (BritNed)	Nils Teipel
15:45 – 16:05	15) LIP 10 (IFA)	Andy Paton
16:05 – 16:25	16) LIP 4 (NorNed)	Roelof de Vries
16:25 – 16:50	17) User Group perspectives on XBID Project (e.g. LIP roadmap)	Mark Pickles
16:50 – 17:00	18) Closing remarks, reflections on the day	Mark Pickles

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 projects progress, key achievements and challenges made since the last User Group meeting are presented. The development of the XBID solution is now under contract with DBAG. An overview of and introduction to the Local Implementation Projects (LIPs) is given. With regard to the co-ordination between the XBID and balancing timeframes post gate closure it is proposed to raise this at the upcoming EU Stakeholder Forum to discuss and agree next steps.

Subsequently 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:

Q: Which of the challenges listed on slide 9 are critical?

A: They are all "critical" in different aspects. Taking MPLS, this is now on the critical path and at the moment PXs are working intensively on finalising the respective contracts.

Q: In terms of the Accession Stream, what is the exact challenge – is it the IT, i.e. changes to the systems?

A: No, this is a resource and timing challenge: the same key resources being busy with delivering the XBID solution will have to get involved in parallel in the Accession Stream.

Q: Why is in the plan regulatory approval not highlighted?

A: Consultations and regulatory approval will be mainly done on LIP level. Further, all regulatory approval required by CACM will be taken care of at all TSOs and all NEMOs level.

Q: Do you envisage any harmonisation on the gate-closure between the TSOs?

A: We reached consensus on an XBID level on how much time is needed for post coupling after gate closure.

In subsequent discussion one MP view is that harmonisation across Europe is needed. Contrary another MP expresses the view that if harmonisation means the slowest sets the gate-closure time harmonisation is not required and markets that have a later gate closure time should be allowed to close their markets closer to delivery.

Q: Will there be a single point of contact (SPOC) for the users for each LIP?

A: Indeed, this would make sense. LIPs covering many borders may first have to address specific questions to one border within their project and the SPOC can circulate the answer to the users.

3) Quick wins Belgian borders

The quick wins for the intraday allocation at the Belgian borders are introduced. Step 1 being the implementation of 24 h first come first serve capacity booking for the BE-FR border is targeted for February 2016. Step 2 being the introduction of ICS 9.4 platform for the TSOs to enable implicit allocation for BE-NL and BE-FR borders through a common platform will be implanted in September 2016. The market parties will be informed by Elia soon about which changes are required and what MPs have to do to take part in the enhanced intraday trading.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Why is the explicit allocation at the BE-NL border not added as a quick win?

A: TSOs are neutral to this and this is technically possible. It is not foreseen today.

Q: Why is there no quick win at the NL-DE border?

A: First, it is not the XBID project being responsible for quick wins but the respective parties at those borders. The XBID project asked a year ago all parties to look into implementing quick wins. The outcome of this analysis was a trade-off for most parties: either to let their teams work on XBID or to introduce quick wins. Some of the quick wins would require a long lead time and could only be implemented a couple of month prior XBID go-live making such investment a stranded one.

The MP noted that it is not efficient to have the DBAG-M7/DBAG24 at the DE/FR, FR/BE and BE/NL border and not between NL/DE. MP stated it may be easy to implement. The PP will inform the NL/DE parties.

Q addressed to CREG: When will CREG and CRE publish their decision on the implementation of Quick win Step 1?

A of CREG: The responses to the consultation are currently reviewed and it is expected to publish the decision within 2-3 weeks.

4) LIP 6 (BE-NL)

The LIP for the BE-NL border is introduced and the status, what is planned for 2016 and the changes for the MP are highlighted.

5) LIP 8 (BE-FR)

An overview of the LIP, the scale of impact, the planning, challenges and risks are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: The expected technical changes are marked with medium – is this related to capacity calculation or is this an interface issue (slide 43)?

A: This evaluation relates to the interface. For RTE it is the update from ICS to XBID. With regard to capacity calculation – this is tackled outside of this LIP and also outside of the quick wins at Belgian borders.

Q: When do you foresee member testing?

A: Member testing will have to be organised in coordination with all other LIPs in the framework of the XBID testing. This is currently under investigation.

Q: Could you clarify what is meant by "*Definition of the complete target model*" (slide 45)?

A: This refers to how XBID will be used on this border to implement the final target solution.

Q: Does the LIP take into account that more than one NEMO will be active in the bidding zone, i.e. does Nord Pool entrance to the project lead to modification of the project?

A: The LIP is currently looking into this. In any case the governance needs to be updated with a new NEMO entering the project.

6) LIP 5&11 (FR-DE, DE-CH, FR-CH, AT-DE, AT-CH)

An overview of the LIP, the scale of impact, the planning, challenges and risks are presented. As AT and CH are already parties to LIP 5 the plan is that the DE-AT border (currently LIP 11) shall be integrated in the LIP 5 with the reservation that LIP 5 and LIP 11 work against the same target model and combining both projects remains efficient.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Why is 50Hertz not a member of this LIP?

A: The position of the German TSOs is that they take care of the information exchange and alignment within Germany before proposing/agreeing any changes in the LIP project.

Q: What happens, if Swissgrid is not allowed to participate in this LIP?

A: This will have to be analysed by the LIP parties and the Swiss NRA.

Q: Did the border AT-CH analyse already the necessary steps for going from explicit to implicit trading, and if yes, what challenges are expected?

A: According to RTE's knowledge they did not look into this by now. Nevertheless, challenges and necessary steps might not be fully listed, but both TSOs (& PXs) are experienced in implicit trading.

Q: Does the implementation of explicit allocation in parallel to implicit allocation pose a challenge to the LIP?

A: For the moment, it is not seen as a huge challenge from the technical perspective. It will also have to be formally approved/ confirmed by the NRAs.

7) LIP 3 (DE-DK, DE-NL)

An overview of the LIP organisation, the scale of impact, the planning and challenges are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Is this a combined project or can it be expected that if a border is faster it will it go-live earlier?

A: The assumption at this point of time is to go-live together.

Q: Do you envisage consultation within this project?

A: Yes, this is planned but the consultation time frame is not decided yet.

The MP recommends consulting earlier than beginning of 2017.

8) Q & A session

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: CACM cost sharing and recovery has been mentioned by several LIPs. Is this dealt LIP by LIP or is there an overarching process.

A: This will be picked up as something that needs to be done across LIPs. The discussions on this are currently at an early stage. Further ENTSO-E is looking into this and the topic will also have to be picked up with the NRAs**.**

Q to ACER: Does ACER have an opinion on this?

Answer ACER: The discussion on fees on local level is ongoing. With regard to sharing of common costs CACM is clear. Cost sharing at regional level and local level will be subject to an open to discussion.

Q: Are there guidelines on what is considered as common, regional, and local costs?

Answer ACER: No, such guidelines do not exist yet. There is some room for discussion.

Answer CREG: This topic is quite high on the NRA's agenda and will be discussed beginning of February at the next meeting.

Q: Will the limited intraday capacity at some borders such as DE-DK and also within CWE lead to problems with member testing?

A: Testing can take place on fictive data.

Q: There is a concern that the XBID project cannot cope with flow-based capacity calculation. Can you elaborate on this?

A: Flow-based capacity calculation is not in scope of the XBID solution go-live. This will be looked into after the first go-live. The project parties fully concentrate on the delivery of the XBID solution and the upcoming Accession Stream which are a challenge in itself. Once go-live is stabilised the project will look into flow-based capacity calculation, pricing of ID capacity, losses which are all challenging topics as well. For the time being the Accession Stream needs to be secured. Once this is done, the plan will be made for tackling these topics.

Q: Why can the current XBID solution not handle PTDFs?

A: The initial answer is that it is difficult to extract from a PTDF matrix the information on available capacity per border that is needed to show market participants which bids are available. The PP will take this question with them and will provide the PP with a technical explanation.

Q: Is there a go-live order for LIPs?

A: The XBID project message to the LIPs was that they have to be ready for the XBID go-live window in Q3/2017 to be regarded in the first go-live round. This is the reason for the LIP's statements today that they aim at being ready in line with the XBID delivery date. However, the XBID project and the LIPs still have to develop the go-live roadmap.

PP recommendation to all LIPs: Provide a so called "Communication package":
- To communicate as soon as possible IT-system changes to the MP to allow them to adapt their IT
- Provide information on member's testing, planned user information meetings, products that will change, etc.

This recommendation will be taken up by the LIPs.

Statement made by IFIEC Europe: In the past IFIEC was concerned that the overall target model gets lost in the detailed LIP project plans. However, the LIP's presentations today give confidence that all of them aim at implementing the target model.

9) Accession Stream for non-NWE+ parties

It is important, in line with CACM, that non-NWE+ parties are able to prepare for the implementation of XBID in their own geographic areas. Recognising the current status of the project (Development phase underway, hardware ordered etc.) and in order not to delay the existing planned go-live it has been proposed that an Accession Stream is established for the accession of all non-NWE+ parties. This Accession stream will work to achieve, in collaboration with DBAG, the earliest possible implementation of XBID across Non-NWE+ Europe without impacting delivery of the current plan for implementation of the XBID solution to NWE+ . The XBID project made a submission to the European Commission on the creation of this Accession Stream for formal confirmation that the recommended approach is in line with the CACM regulations and complies with Competition Law. Confirmation was received from the EC on 16th November. It is important to prepare for the Accession Stream by means of an Elaboration phase. The XBID Co-Chairs wrote to the Non-NWE+ parties (both NEMOs and TSOs) on 18th December inviting them to join the Accession Stream.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Do you envisage some involvement of the market when establishing the Accession Stream plan?

A: It is planned that the User Group meetings will be used to discuss Accession Stream topics as well.

Q: Will non-NWE+ members be included in XBID go-live?

A: This is currently discussed on SC level and a proposal is expected within the next couple of months.

Q: It is welcomed that an Accession Stream was put in place. Do you see it as a risk that those countries being currently outside of XBID could put core elements into question? Is this considered as risk by the XBID project and if so, how this is mitigated?

A: It is likely to arise that elements of the XBID solution are questioned. Project management is about defining scope. The NRAs wish the XBID project to secure the go-live and the XBID solution that has been designed over the past years and month is the solution to be used.

10) LIP 1 (Nordic internal borders)

The LIP, its planning, current project status, the high level architecture, the activities for 2016 and key changes and impact on market participants are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: During another information meeting we saw that the expected technical changes were highlighted with red traffic lights. Do you expect not to be ready in time?

A: No, this is not the case. The traffic lights should indicate that the expected technical changes are major – not that their implementation is at risk. The project is on track.

11) LIP 2 (Kontek)

An overview of the LIP, the foreseen changes and the planning are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Will LIP 1 and 2 go live at the same time?

A: Yes, this would be an advisable thing to do, but yet not discussed.

12) LIP 9&12 (FR-ES, ES-PT)

An overview of the LIP, the scale of impact, the planning, challenges and risks are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: What are the consequences of REE and REN being observers only?

A: RTE has an impact on the XBID solution's design and planning as its employees take part in all discussions and decision making. REE has only an observer status and therefore can access documentation but is not involved in discussions and decision making. REN does only have restricted information. Stating this, the starting point is not the same but it doesn't mean that the implementation is not feasible. A realistic timeline has yet to be evaluated.

Q: What does the status of REE and REN mean with regard of the Accession Stream participation?

A: They can join the XBID project provided this does not cause any delays to the planned go-live.

During the subsequent discussion MPs raise the concern that the situation, that REE and REN are not full members of the XBID project does not sound very comfortable. The request is raised that REE and REN should join the next UG meeting and that the XBID project provides an answer what does it mean that REE and REN are not members of XBID and if, how this will impact the XBID project.

13) Q & A session

Q: What is the status of the Italian borders?

A: The TSO, Terna is not part of the XBID project and the situation is similar to the Spanish-Portuguese border. Also, in Italy intraday trading is currently auction based and will need to change to continuous trading – which is similar to Spain and Portugal as well.

Q: Will Italy be part of the Accession Stream?

A: The aim is that the Italian LIP is part of the first XBID go-live round.

14) LIP 7 (BritNed)

An overview of the LIP, scale of impact, current status, a LIP plan, challenges and opportunities are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: We see here the same issue as for LIP 9&12 – National Grid is not a XBID project member. Could you please elaborate?

A: National Grid Interconnectors – although being a separate company from National Grid is an XBID project member and takes care of the respective information exchange and changes needed.

Q: Will the BritNed delivery area be different from the IFA one?

A: Yes, same as in day-ahead there will be two delivery areas, but this will not impact the market.

Q: Will the market parties have to choose the delivery area?

A: The separate delivery areas are simply an operational set-up behind the scenes which will not be visible to the market. The market is free to choose whether to trade on APX or N2EX – these will be matched with each other – the same set-up as for DA.

15) LIP 10 (IFA)

An overview of the LIP, scale of changes, a LIP plan and the anticipated high level architecture are presented.

16) LIP 4 (NorNed)

The project, its high level plan, the current status, the scheduled activities for 2016 and the impact on the members are presented.

Subsequently the questions (Q) received from the MP and the respective answers (A) given by the PP are listed:

Q: Is the LIP coordinated with the bidding area NO2?

A: At the moment there is no formal way of coordinating in place, but yes, LIP 4 and LIP 1 will coordinate. This is done informally at working level already today via the companies that are members of both LIPs.

Q: What is the intention of the sentence "T*he market parties will gain access through the shared order book to all intraday liquidity <u>at the PXs implementing the XBID solution</u>.*"?

A: To avoid any misunderstanding, NPS and APX will of course implement the XBID solution.

Triggered by the information that in December 2015 the gate closure time was reduced to 60 min the MP state that the project's philosophy should be implementing improvements that are ready before XBID go-live immediately and not waiting for the XBID go-live to do so.

17) User Group perspectives on XBID Project (e.g. LIP roadmap)

Final feedback from the MPs:
- Thanks for quick win at Belgian borders.
- With regard to the frequency of the User Group meetings the next meeting shall be arranged before summer 2016 to confirm that LIPs are on track
- Concern about REE and REN not being part of the XBID project
- Implement quick wins – seems to be question of philosophy – as Belgian borders and NorNed can implement quick wins – others not. During the next User Group meeting reasoning shall be provided why at some borders no quick wins can be implemented.
- The LIP plans do not show how market participants will be included and informed. The LIPs shall give MP time to make necessary IT changes at their side and to adapt to new products.
- Some of the LIP's planning seems not to be realistic, i.e. it is just stated "*ready for go live*". For the next User Group meeting a realistic and more detailed plan shall be provided.

Sequencing of LIP's go-live:
- LIP 1, LIP 2, LIP 3 and LIP 4 should go-live at the same time
- LIP 6 and LIP 8 (BE borders should go-live at the same time)
- Launch an iterative process with the market participants to find the sequence

Suggested topics for next User Group meeting:
- Performance figures
- Review progress on LIPs plan – confirm that LIPs are on track
- Proposal on LIP's sequenced go-live roadmap
- XBID project/LIPs to ask market parties questions
- Products, order types, etc. supported by XBID/implemented by the LIPs

Q: Could you outline the details of stakeholders' involvement in the algorithm elaboration process?

A: First of all, the algorithm for intraday is very different to the one for day-ahead. With regard to the stakeholder involvement - TSOs will take this up via ENTSO-E who will follow the consultation process set up.

18) Closing remarks, reflections on the day

The PP thanked the MP for attendance.