

12-09-26 NWE stakeholder forum: introduction speech elements

1/ Welcoming the parties

- Ladies and gentlemen, welcome to the North-Western Europe Price Coupling stakeholder forum!
- I am Jean-François Conil-Lacoste, Chairman of the Management Board of the European Power Exchange EPEX SPOT, and I have the pleasure of Co-Chairing the North-Western European – or NWE – Price Coupling project together with Bente Hagem and
- I am very pleased to welcome you here in Brussels on behalf of the 16 NWE Price Coupling project partners.
- Today, we have 176 market participants from all over Europe in this room
- And we have a quite diverse audience today:
 - Traders and regulators, TSOs and Power Exchanges
 - People coming from Central Western Europe, the Nordics and UK, and even guests from South and Central East Europe – welcome to all of you!
- Your presence is proof of the immense impact of the NWE Price Coupling on the European power market.

2/ Purpose of this meeting

- The Price Coupling in North-Western Europe is the reason why we all are here today in Brussels. For the ones that are not too familiar with the topic I would like to summarize the **key facts in one sentence: Our project aims ...**
 - to couple the day-ahead power wholesale markets
 - of Central Western Europe, the Nordic countries and Great Britain
 - by using one single algorithm for the optimal usage of the existing interconnectors between these markets.
- At the moment, the markets of Central Western Europe as well as the Nordics are coupled by different solutions. With the implementation of the NWE Price Coupling, we will facilitate the operation, improve robustness and efficiency and expand the scope of the existing market coupling initiatives in this region.
- In the end, it will lead to a better use of existing infrastructure, increased liquidity of the markets and less price volatility.

3/ Bigger picture

- There is a bigger picture behind this initiative.
- We are merely two years away from the 2014 target set by the European Commission to integrate the European power market, to create a **“Euro of electricity”**.

- NWE is the **decisive step towards this goal**. It integrates two highly developed regions: the historic Nordics on the one hand and, if I daresay, the coupling “newcomers” in Central Western Europe. At the same time, it adds the UK. Once NWE is coupled by one single algorithm, the involved markets will comprise an area of approximately 2000 TWh of yearly consumption – almost two thirds of Europe’s total consumption.
- NWE, **just by its geographical size, will naturally be a blueprint for Europe**.
- The impact of NWE does not stop here. By relying on the Price Coupling of Regions solution, created by six Power Exchanges to facilitate the integration of the European power market, NWE paves the way for other regional coupling initiatives in Europe.
- The challenge here is to launch NWE as a first-of-its-kind price coupling solution based on PCR. PCR is designed for a pan-European implementation. It is designed for Spain and Portugal, Switzerland and Italy, Eastern Europe and Northern Europe – European from scratch. This will help to accomplish the 2014 target quickly and efficiently. NWE will be the premiere of PCR – with its launch **end of Q2-2013**.
- We sincerely hope that the work accomplished by our teams will not only help to increase the efficiency of the involved markets, but also deliver a how-to for the rest of Europe’s power markets.
- I would like to use this moment to express my gratitude to the several dozens of people who are working closely together across companies and countries to make the NWE Price Coupling real.

4/ End of speech

- Today we want to outline details and impacts of the price coupling solution on our daily work.
- In the morning session however, we will have now one slot on flow-based market coupling in Central Western Europe. Let me underline that flow-based market coupling has originally nothing to do with the NWE price coupling initiative. But as it concerns most of you, we decided to seize the opportunity of the NWE forum to have so many interested market participants in one room and to add a slot for the CWE Flow-Based Market Coupling project.
- After lunch, we will then fully concentrate on the NWE Price Coupling solution.
- The contributions might be quite technical from time to time
- But we called this event a “forum” for some purpose, so please feel free to ask questions and to discuss whenever needed.
- Personal advice: Today is an excellent opportunity to shake hands, to connect, to exchange points of view. **I think that communication is the key for the integration of the European Power market**. The integration of power markets necessitates integration on personal level first. So please: Talk to each other.
- Enjoy the forum and have a nice day!