



## New Sharing of the Auctioning Activities on IFE

Madrid, November 3 rd 2011





# Lasts meetings and recent developments in SWE and EU

#### > 8<sup>th</sup> IG Meeting (12/04/2011):

CNE and CRE support TSOs' proposal to transfer the IFE long term PTRs auctions to CASC.EU but foreseeing the evolution towards financial treatment (linked to market coupling in IFE)

#### **FWGL CACM:**

For the long term timeframes, draft FWGL CACM establish that the harmonization of the long-term auctions will be reached through the integration of the auctioning process in a single auction office

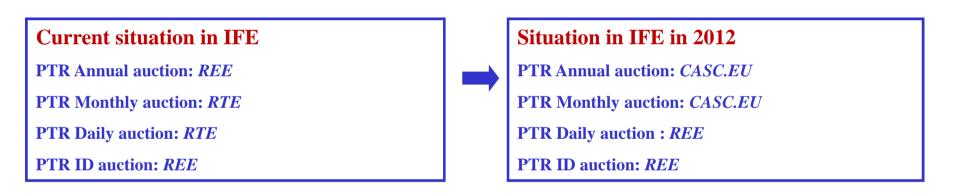


#### **Towards a LT auction platform for IFE**

Scenario decided by RTE and REE:

Rie

- Transfer of the Yearly and Monthly auctions to CASC-EU,
  - with at the same time
- Transfer of the Daily auctions to REE



- Daily Auction will be replaced by Market Coupling MIBEL-CWE/NW
- PTRs + UIOSI may be replaced by FTRs after Market Coupling MIBEL-CWE/NW





## **Pending issues (I)**

- Transferring the long term auctioning to CASC.EU and the Daily auction to REE requires:
  - Regulatory changes:
    - New IFE Rules
      - ✓ IFE Rules for long term auctions and secondary market signed by CASC.EU with market participants (LT IFE Rules)
      - ✓ IFE Rules for Daily and Intraday auctions signed by RTE and REE with market participants (ST IFE Rules)
    - Spanish Operational Procedure 4.1 modification
    - **\*** High level Spanish regulation may also need to be modified (under analysis)
    - French Import/Export Rules modification for the nomination in France
  - Organizational modifications
    - New Perimeter of activities for CASC.EU, RTE and REE
    - Impacts on the organization of the TSOs

SW ERI, 9<sup>th</sup> IG Meeting





## **Pending issues (II)**

- Transferring the long term auctioning to CASC.EU and the daily auction to REE requires:
  - Contractual agreements
    - **New agreement between RTE and REE with CASC.EU (Service Provision Agreement SPA LT)**
    - New agreement between RTE and REE for the operation of the Daily and ID Auctions (Service Provision Agreement SPA ST)
    - **Revision of the current IFE Cooperation Agreement (CA) between REE-RTE**
  - > IT modifications:
    - **Related to CASC.EU auctioning tool (EXAU) to take into account the IFE border**
    - Daily auctions to be implemented in REE's IT tool
    - **New IT exchanges between RTE and REE with CASC.EU to be implemented**



## **Project Status (I)**

IT impacts:

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- CASC.EU, RTE and REE are currently working on two Implementation Guides to define the IT flows and mapping of the files:
  - Finalization of these Implementation Guides foreseen by mid November
- Features of the LT IFE Rules have to be defined to evaluate the potential impacts on CASC.EU IT systems
- Organizational impacts and fees for outsourcing the activities:
  - Agreement on the perimeter of activities reached during summer 2011
  - Agreement between TSOs and CASC.EU regarding the amount and sharing of the fees
- A MoU between REE, RTE and CASC.EU is under analysis
  - Will enable each Party to officially launch the implementation phase

#### Rte Project Status (II)



- IFE Rules:
  - Two set of Auction Rules are necessary:
    - **Workshop foreseen on the 16th / 17th of November in Paris**
    - Possible option under analysis: Use the Harmonized Auction Rules (HAR) (CWE-CSE-Switzerland)
    - **\*** Target: Finalization of the ST and LT Auction Rules before the end of 2011
    - Consultation of MPs and Forum in January
    - Regulatory approval would be necessary at the end of March 2012 to reach the target of May
      2012

#### Implementation phase:

- > On RTE and REE sides, the implementation starts in November
- In February, TSOs would confirm the original target date (May 2012), taking into account the approval process of new regulation. Otherwise, the projects "go-live" would be postponed until October 2012.
- > Any delay in the regulatory approval would have to be studied from a technical point of view



#### **Next steps**

Rie

- A first estimated schedule for the "go-live" could be:
  - Beginning of June 2012: IFE daily auction to be performed by REE
  - At the end of May 2012: IFE monthly auctions to be performed by CASC.EU
    - First provisional planning
- Potential Risks on the project
  - Possible delays on the approval of the IFE Rules and Operational Procedure 4.1
  - Other projects at TSOs and CASC.EU level are currently on-going
- Market Participants will be deeply involved in the process:
  - Q4 2011: Information regarding the IT evolutions (impacts on the mapping) and on the new Business process
  - **Forum in January:** For the consultation of the MPs on the IFE Rules proposals
  - Training: CASC.EU will organize training sessions for MPs
  - Registration of MPs in the new auctions system from beginning of April 2012

SW ERI, 9<sup>th</sup> IG Meeting