

Minutes

Project Title	XBID Market
Title of Meeting	8 th User Group Meeting
Date / Place	17/04/18, 09:30 – 12:30 CET, Brussels

Status	Version	Date	Comment
Draft	1	18/04/18	Draft provided to PP for review
Draft	2	24/04/18	Draft provided to MP for review
Final	3	27/04/18	Final

PRESENT MARKET PARTIES (MP)

Name	Company
Anders Damm Johansen	Danske Commodities
Jerome Michel	EDF
Eloisa Porras	Enel
Bert van Cleemput	Engie
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Yannick Phulpin	eurelectric
Hélène Robaye	eurelectric
Petri Evasoja	NAET
Frank Gerkmann	Vattenfall
Markus Bäck	Vattenfall, Svensk Energi
Carlos Valverde	Wind to Market

PRESENT PROJECT PARTIES (PP) AND LIP REPRESENTATIVES

Name	Company
Dirk Rauschenbach	Amprion (by phone for topic 3)
Susanne Dornick	E-Bridge, PMO
Viviane Illegems	Elia
Christoffer Bolding Christensen	Energinet
Pierre Milon	EPEX
Pietro Rabassi	Nord Pool
Sami Oksanen	Nord Pool
Nuria Trancho	OMIE
Vladimir Satek	PX Project Manager
Bruno Lemetayer	RTE (by phone for topic 3)
Mark Pickles	TSO Project Manager
Paul Pottuijt	TenneT B.V.

AGENDA

TIME	AGENDA ITEM	PRESENTER
09:30 – 09:40	1. Welcome, agenda	Mark Pickles
09:40 – 10:15	2. Project status update incl. matters related to EFET and eurelectric letters	Mark Pickles
10:15 – 10:45	3. Extended trial period a) Feedback market parties b) NEMO's view (implicit trading) c) RTE's/Amprion's view (explicit trading)	Vladimir Satek
10:45-11:15	4. Preparations 2nd trial period	Vladimir Satek
11:15 – 12:15	5. Go-live preparations and process a) Go-live readiness and road-map b) Overview products and GOT&GCT c) Cross-border trading possibilities for D-1 delivery	Vladimir Satek Pietro Rabassi Viviane Illegems
12:15-12:30	6. Wrap up	Mark Pickles

Some of 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 are welcomed and the agenda of the meeting is introduced. A brief round-the-table introduction is made.

2. Project status update incl. matters related to EFET and eurelectric letters

Project timeline, key achievements and the outcome of the Lock-in with the EC on 16/04 are presented. From the Lock-in outcome the following two topics are discussed in detail:

- **Local order book/parallel trading:**
 - Products offered on XBID will not be offered in parallel in the local trading systems during cross-border allocation.
 - Pre-defined blocks as described by EPEX in the rulebook will not be available on XBID at go-live. Such products are defined as hourly block orders covering multiple hours that are pre-defined in the trading system by EPEX.
 - If it is demonstrated that those predefined blocks are needed for the single intraday market, a roadmap should be agreed in the NEMO committee in order to move them to XBID as soon as possible.
- **Tick size:**
 - The Commission stressed the importance of not delaying the go-live of XBID further. Therefore, the participants agreed as follows:
 - XBID will go-live with a tick size of 0,01
 - XBID will undertake an interim assessment by mid-August to see if there are any significant detrimental impacts of the tick size on the single intraday market. In this case, the concerned NEMOs will take the necessary operational measures to mitigate those negative impacts.
 - XBID will request DBAG to perform a sensitivity analysis on the effect of the tick size on the single intraday market, especially on the visibility of the order book, by mid-October 2018. Depending on the results, a change of the tick size on XBID should be implemented by all NEMOs as soon as possible and no later than end November 2018.
 - The MP present are not satisfied with the outcome of the escalation, namely with the tick size to be used at go-live.

Further **order book depth** which at go live is set to 31, is discussed. The project parties are taking necessary steps to explore options for extension of the order book depth while reflecting required performance and system boundaries. Unfortunately, changes to order book depth are not possible before go-live.

Q: Why in the event that there is no cross-border capacity available anymore and for example on the Iberian Peninsula only local matching is available, when the SP-FR capacity is zero, the local order book is restricted to 31 by XBID?

A: Availability of the cross-border capacity does not impact trading scheme of the contract. As long as the contract is open for matching in XBID, the principles of the XBID are followed (matching takes place in the XBID).

Q: It was explained that XBID presents always up to 31 orders independently of the size of the orders. In case the 31 orders have a total volume that is less than 600MWh then the system will present all orders up to this limit as long as the number of orders is less than 50. No orders beyond 50 orders are presented. What happens if an order is made in a volume above this system limit (i.e. higher than 600 MW)?

A: The answer is only valid for the orders not being block orders. The system will keep adding orders until at least 31 orders are shown. Once 31 orders are shown the system will keep on adding orders until 600MW is shown or 50 orders are shown. An order is never rejected even if the 50 or 600MW limits are exceeded, it is properly submitted, matchable but not visible.

Q: Will we receive information on the average rated price and an indicator of total volume available?

A: XBID does not provide information about the total volumes of energy available in the order book, neither in the local views. The Local Trading Solutions (LTS) receive the price and volume of visible orders; LTSs can calculate the total volume, but only for visible orders. Note that the total volume of the visible orders can exceed 600 MW as orders are not curtailed for visibility. Additionally LTSs receive information about each trade produced in XBID: with this trade information each party can customize the information provided by their LTS to its customers, e. g. one LTS could provide the average of the price per contract or the latest price.

Q: What is the status regarding the FR-ES border and the outstanding Iberian NRA decision about the auction model to be implemented?

A: The final decision of the Spanish and Portuguese NRAs on the auction model to be implemented prior go-live was published while the User Group meeting was ongoing. The Spanish and Portuguese NRAs have also confirmed the move to Model B as soon as possible and no later than November 2018:

- <https://www.cnmc.es/expedientes/dcoorde01617>
- <http://www.erse.pt/pt/supervisaodemercados/mercadoeelectricidade/mercadodiario/Paginas/ConsultasobreIntradiario.aspx>

3. Extended trial period

PPs consider readiness of MPs for the go-live a prerequisite for the overall success. Hence, following the 1st trial period, PP agreed to offer an extended testing opportunity for MPs on a NEMO individual basis. The extended trial period may vary on a local level and the NEMOs have informed their members about the exact timing applicable (The extended trial period will terminate on 27/04 at the latest).

The floor is given to the MP and the PP to share their feedback on the extended trial period.

MP feedback:

- Another extension of trial period after the 2nd trial period would be required to test developments made at the moment

EPEX feedback:

- Daily contact with market participants and ISVs in order to facilitate WXBID features usage in production.
- A robot was implemented in order to create liquidity, this was one of the request of the members
- Strange training behavior experienced in LTS SIMU, not in line with the simulation purpose to validate training and update of internal process and systems: several members submitted significant load of orders.
- Bid elevator Design is ongoing. Lots of individual members were consulted, please report to the relevant Key Account Manager any wish you may have on the feature in order to prototype it.
- MPs are recommended to contact key account managers for testing slots of conformance testing of API features in order to validate adaptation made on members' internal systems. Please refer to the Member Info of 4th April.

Nord Pool feedback:

- No major problems in the tests with either manual or API trading although limited participation: we encourage our members and prospects to test the system as soon as possible and, at the latest, by the end of the next testing periods
- To get access and for any questions please contact your Key Account Manager
- Our platform has been already XBID-compliant since the latest release earlier this year. For customers that are not familiar with our platform we encourage to contact us ASAP. For information, in addition to Nordics and Baltics, UK and Germany that we already operate, we will launch all the other CWE markets with the XBID launch where

customers will be able to have the Nord Pool alternative to be able to trade in the intraday continuous markets and with shared order books (thanks to XBID)

OMIE feedback:

- During the extended trial period, our MPs continue testing their own applications and get familiar with the system under production-like conditions.
- OMIE has received many questions from MPs and all of them were solved, regarding SW and HW requirements to connect to the system, navigation through the LTS client, concrete trading scenarios and so on.
- OMIE also has received certain improvements that will be applied on a local level and local procedures, and implemented in the trial period-phase 2.
- MPs have been invited to be more active and to perform more trades in order to give more activity in the intraday continuous market.

RTE/Amprion feedback:

- Not much feedback received from MPs.
- One trader found a mistake in the web gui display which had been corrected.

4. Preparation 2nd trial period

The 2nd trial period scheduled from 14/05 till 18/05 is the final stage of the XBID Project before the launch process starts. The daily timing and testing scenarios are presented (slide 17).

After the 1st trial period MPs remarked that liquidity was low due to limited participation and asked for improving this for the 2nd trial period. NEMOs looked into this and principal understanding is that MPs shall not be limited in any way or forced to follow trading patterns predefined by the PPs during the trial period. For MPs interest the utilization of the XBID Solution during the 1st Trial Period can be taken from slide 16. In order to address MPs' concern on the liquidity the NEMOs may generate liquidity during the 2nd trial period.

5. Go live preparation and process

The go-live road map from project perspective is presented. It is highlighted that more than 700 steps/checks are to be executed during the launch process and each check is clearly assigned to an actor with a clear deadline for completion.

As a recap from the User Forum the products offered in the XBID solution, the order types, gate opening (GOT) and closure times (GCT) for different markets are presented. Diverse questions received to GOT and GCT are clarified.

Finally tentative trading opportunities for D-1 are presented. Final timings including information on which systems will be switched off will be provided by the TSOs closer to go-live.

Instead of being informed TSO per TSO and NEMO per NEMO, MPs request to receive one joint information for all markets and borders regarding trading opportunities for D-1, which systems will be switched of, cut-off times, etc. The PP will look into this if it can be provided.

Q: Regarding the different GOTs and GCTs of market areas an example for an order placed in the French market: the XBID system in the French intra-market area opens at 15:00 of D-1 and the cross-border matching with Germany opens at 22:00 and closes at Delivery (D) – 60 minutes, whereas the Intra-MA GCT is at D-30 minutes. Before Intra-MA GOT (15:00 of D-1 for France), between Intra-MA GOT and cross-MA GOT (22:00 for France) and after D-60 minutes – what will the screen for a trader look like - will there be one merit order - i.e. all orders will be matched centrally?

A: In this example,

- One merit order when using the LTS of EPEX (M7 order book) with unlimited Order Book depth. All orders supported by XBID in the relevant areas will be matched in XBID as soon as XBID is used to allocate capacities. All information were communicated to Market participants and ISVs on 4th April to reflect the decision of the Exchange council.

- Nord Pool aims at keeping orders in XBID and hence allowing to have one Shared Order Book during Intra-MA GOT (15:00 in D-1 for France) and Intra-MA GCTs (D-30 minutes for France) and hopes that other NEMOs will do that, too, to the benefit of wholesale market participants and eventually of the end consumers. Before the Intra-MA GOT and after the Intra-MA GCT trading in the local order book will be still possible. This position is justified by the following arguments:
 - NEMOs may use the XBID platform at the longest during intra MA GOT and GCTs;
 - The longest the XBID platform is used and hence the longer One Shared Order Book is available (in the end it is only a matter of when you transfer the orders), the more competition market participants in the wholesale market can get among NEMOs if there are going to be more than one NEMO in a specific MA such as in CWE markets and hence better conditions for them and for the end consumer in the end.

6. Wrap up, next steps

The PP suggest to use after XBID go-live the Market European Stakeholder Committee (MESC) as the primary interface between XBID and MPs.

The MPs request to arrange another User Group meeting when the outcome of the analysis regarding the impact of tick size on markets and also any other parameter related to performance and more information regarding improvement of order book limitations is available. Additionally during this meeting a follow-up about the implementation of the final model according to NRAs decision on Spanish market design shall be provided.

The topic of missing fallback is addressed and discussed. The PP inform that at the MESC meeting in June a presentation on fall back will be made.