



Italian Borders Market Coupling Communication towards the Members

01 December 2014

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Borders ready for the Go-Live window starting mid-February 2015

The start of the Go-Live window of the Italian Borders Market Coupling project is currently foreseen mid-February 2015. The effective Go-Live date will be confirmed after the positive finalization of market participants tests in January 2015. The Go-Live is subject to the regulators' approval.

The borders ready for this Go-Live window are:

- Italy – Austria
- Italy – France
- Italy – Slovenia¹

Precisions regarding Italy – Switzerland border

Though all CH borders would be technically ready for market coupling, its coupling is delayed in the course of ongoing bilateral negotiations between Switzerland and the EU Commission. The partners will keep ready to go live within a short timeframe, as soon as the present political situation evolves.

Precisions regarding Italy – Greece border

The Greek parties are not ready to be part of the Market Coupling. Their Go-Live date will be decided as soon as their readiness to enter will be assessed.

¹ The operational continuity of the coupling process on SI-IT border will be assured when switching from the already existing bilateral market coupling project to the regional one, avoiding decoupling of this border.

Members tests invitation

We are also pleased to provide you with the information needed for your participation in the Italian Borders Market Coupling member testing sessions which are scheduled in the period January the 08th to the 20th, 2015.

This member tests will be organized in the context of a target Go-Live window of Italian Borders Market Coupling Mid-February 2015.

Purpose

Member testing sessions are intended to give you an end-to-end overview of the Italian Borders Market Coupling processes, procedures and time intervals applicable in regular situation or in case of deviations.

Please be aware that the member testing is not intended to reflect future pricing or volume levels of the Italian Borders Market Coupling, once launched. All prices and volumes published during the member testing as well as concluded contracts in the member test environment are completely fictional and cannot be used as a reference for exchanges price or volume analyses. In order to provide sufficient liquidity and to avoid, as much as possible, the risk of erratic pricing levels, please be aware that operators of your local exchange will submit fictitious orders to fake the presence of other members.

Member testing schedule

The member test sessions will be organized on business days only and are planned to take place between January the 08th and the 20th. The following test scenarios are planned:

Date	Simulation
Thursday, January 08	Normal Day
Friday, January 09	Decoupling of IT-FR, IT-AT and IT-SI borders for CZC reason
Monday, January 12	Full Decoupling
Tuesday, January 13	Second Auctions
Wednesday, January 14	Partial Decoupling of GME (SI-IT border remains coupled)
Thursday, January 15	Final Results published shortly before full decoupling deadline
Friday, January 16	Normal Day
Monday, January 19	<i>No testing (contingency day – additional tests possible)</i>
Tuesday, January 20	<i>No testing (contingency day – additional tests possible)</i>

Please note that the tests will take place in the afternoon, starting at 13:00 CET, to avoid interference with market activities. This means that the real-time production timings are not respected during the tests; however the testing in the afternoon will respect the time intervals between the different steps. Order books will be opened between 13:00 CET and 14:00 CET, and from this Gate Closure Time, testing timings will correspond to production timings + 2 hours.

The scenario steps and testing timings will be provided in January the day before the starting of the Members tests.

Registration process

To participate in this member testing, please return the attached form by **December the 12th** at the latest. A registration process is needed to make sure that emails reach the relevant persons during the testing process, without disturbing the operational processes.²

Access to trading system member test environment

BSP

Link to the BSP Simulation environment will be provided to nominated market participants one week before scheduled member tests.

Should you have any additional questions please contact BSP Supervision:

Phone: +386 1 620 76 89

E-Mail: trading@bsp-southpool.com

EPEX SPOT

Orders can be entered into the system during the member testing using your current EPEX Trading System (ETS) version.

Please note that the simulation environment server address is: **ets-demo.epexspot.com**

Please go to **'tools'/'settings'** and **change the server address.**

Users and passwords that have been communicated to members can be used for Italian Borders member testing. However, if you require new ones, please contact Market Operations.

EPEX SPOT Contact details:

Market Operations Paris

Phone:+33 1 73 03 96 10

E-Mail: ets@epexspot.com

Market Operations Leipzig

Phone:+49 341 2156-333

E-Mail: ets@epexspot.com

² By a week before the beginning of the tests, GME will align production and test environment. All market players registered to production system by the alignment day will be allowed to participate. Therefore there's no need for GME's market players to submit registration form (all relevant information will be provided – just like in production – by test trading system homepage).

GME

Link to the GME Simulation environment will be provided to nominated market participants one week before scheduled member tests.

Access to the test website and signature for testing operation will be done using the same digital certificate registered in production environment.

For any additional questions please contact testing assistance:

Phone: +39 06 8165 5783

Mail: proveME@mercatoelettrico.org

Access to CASC member test environment

Test Market Coupling Data (NTC, ATC, Allocated Capacity,...) as well as ATC for Shadow Auctions in case of decoupling will be available on the CASC.EU Website (www.casc.eu) under the News section.

In order to access the CASC.EU EXAU Test Platform, Market Participants should use the following link: <https://exau-test.casc.eu/ca>. Market Participants will be able to submit / edit their shadow bids (under the Bid tab > New/Edit Shadow bids) through accessing the CASC.EU EXAU Test Platform. Once the shadow auctions have been run, Market Participants will receive Allocation Results and Programming Authorizations by e-mail.

In order to get your login/password, please send the enclosed registration form to CASC at the indicated mail address.

CASC Contact details:

CASC Operations Team

Phone: +352 27 62 38 38

E-Mail: Operations@casc.eu

Additional information regarding the tests

1. Where to find the Cross Zonal Capacities (CZC) information for the member test

The information on CZCs for the IBWT borders (IT-AT, IT-FR and IT-SI) and interconnectors will be made available on the testing days via the CASC website: <http://www.casc.eu/en/News--Events/News/IBWT-Member-Test>

CZCs for the IBWT borders (IT-AT, IT-FR and IT-SI) will be additionally published on GME's test environment (registered market players only).

2. Normal Days

Two Normal Days scenarios are scheduled. This will give you the opportunity to update your bids according to the CZC values that will be published before the OrderBook Gate Closure Time.

We will make sure during these two days that the values will be published.

3. Full decoupling and Partial Decoupling

A full MRC decoupling is a situation where it is not possible, for a specific day, to allocate the Cross Zonal Capacities via the implicit allocation for:

- the internal CWE borders,
- CWE - GB interconnectors and IntraGB (decoupling of GB Virtual hub),
- CWE - Nordic interconnectors,
- France - Spain border,
- France - Italy border,
- Italy - Austria border.

Full decoupling means that the latest fallback time for a procedure in the time schedule is reached and no price coupling solution is found before the decoupling deadline.

In such a case the following procedure will be applied: Internally in CWE and for the CWE – Nordic interconnectors (except Baltic Cable) shadow auctions organized by CASC will be held and results published. EPEX will reopen the order books and perform local DA spot market calculations without using cross border capacities.

For the border France – Italy / Italy – Austria: shadow auctions organized by CASC will be held and results published. EPEX, GME and BSP will reopen the order books and perform local DA spot market calculations without using cross border capacities. This is one of the main changes of the IBWT Market Coupling and this member testing will offer to you the possibility to have a better view of this process.

A partial coupling is any scenario where one or more bidding areas and/or interconnectors are temporarily not participating in MRC Market Coupling while the remaining bidding areas/interconnectors still participate in it. Partial coupling will primarily be caused by technical issues (e.g. TSOs were not able to send the necessary CZC data to the price coupling system, or the Power Exchanges were not able to generate and send their order books to the price coupling system). In case of partial coupling the market participants will receive a message indicating which borders will be decoupled.

We propose to test with you a partial decoupling of all Italian borders.

In such a case:

- The CZCs for the decoupled borders will be allocated via the fall back solution

- All relevant communications will be sent out during the Market Coupling session in order to keep you informed on the process (delay in publication, decoupling, reopening of OBKs, local auctions, etc.).

4. Settlement and nomination process

EPEX:

Due to the fact that this member testing phase is focusing on the Italian borders, following production processes will **NOT** be tested:

- Market participants send their local nomination for German/ Austrian Auction to their respective TSO.
- Matching process between ECC and the respective TSO, TSOs provide the market participants with the confirmation of the nomination process.
- Information regarding Financial Flows will be provided by ECC to market participants.

Member Testing Registration: Italian Borders Market Coupling

Company: **Name of Exchange:**

Registration for Member Testing

The following person(s) will participate to the tests

First/Last Name:	Function:
E-mail:	Tel.:
EIC code (if available):	
First/Last Name:	Function:
E-mail:	Tel.:
EIC code (if available):	
<u>Scenario 1: Normal Day</u>	
Thursday, January 08th	<input type="checkbox"/>
<u>Scenario 2: Decoupling of IT-FR, IT-AT and IT-SI borders for CZC reason</u>	
Friday, January 09th	<input type="checkbox"/>
<u>Scenario 3: Full Decoupling</u>	
Monday, January 12th	<input type="checkbox"/>
<u>Scenario 4: Second Auction</u>	
Tuesday, January 13th	<input type="checkbox"/>
<u>Scenario 5: Partial Decoupling of GME</u>	
Wednesday, January 14th	<input type="checkbox"/>
<u>Scenario 6: Final Results published shortly before full decoupling deadline</u>	
Thursday, January 15th	<input type="checkbox"/>
<u>Scenario 7: Normal Day</u>	
Friday, January 16 th	<input type="checkbox"/>

This registration form has to be completed electronically and returned before December the 15th at the latest to:

- ***BSP, if you are a member of the Slovenian Auction at:***
trading@bsp-southpool.com
- ***EPEX SPOT if you are a member of the French, German and Austrian Auction at***
ets@epexspot.com
- ***GME, if you are member of the Italian Auction at:***
Not needed - registered market players only
- ***CASC.EU if you test the fall back on CASC EXAU system at:***
operations@casc.eu