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THE COUPLING OF THE ITALIAN BORDERS' DAY-AHEAD MARKETS: A FURTHER STEP TOWARDS THE INTEGRATION OF THE EU POWER MARKET

Launched with the support of the European Commission, the EU Regional Initiatives are in a full developing phase after the signature of the Third Package and the commitment of EU member states to accomplish the integration of the Internal Energy Market by 2014.

In this context, Italian Borders Transmission System Operators (ADMIE, APG, ELES, RTE, Swissgrid and TERNA) and Power Exchanges (BSP, EPEX SPOT, EXAA, GME and LAGIE) have launched a dedicated project in 2012. Its goal is to implement the European target model for the day-ahead Capacity Allocation and Congestion Management on the Italian Borders (FR-IT, CH-IT, AT-IT, SI-IT, GR-IT) and to guarantee the compatibility of the Italian Borders with the other regional initiatives, within the European price coupling.

The project aims at implementing in the Italian Borders ATC based day-ahead market coupling, developed within the PCR project (Price Coupling of Regions). This will favor price convergence, increase the day-ahead social welfare and allow the Italian Borders parties to join the PCR project.

In addition, the relevant project parties of the SI-IT bilateral market coupling project (GME, BSP, Terna and ELES) confirm to their respective market participants the commitment to assure the operational continuity of the day-ahead allocation process when switching from the already existing bilateral market coupling project to the regional one, avoiding decoupling of this border.

Italian Borders parties have successfully closed the Design phase in December 2013 with the delivery of the High Level Business Process as well as the detailed implementation plan, which have been both successfully approved by all the National Regulatory Authorities thus enabling the start of the implementation phase.

The implementation phase launched in January 2014 consists of detailing the High Level Business Process on the local level, elaborating and testing operational procedures and developing the required IT changes as well as assuring that the required regulatory changes in different countries will be applied (for example: the alignment of day-ahead energy market gate closure time to 12.00 CET).

The Go-live window of the Project is expected to start in December 2014 on those borders where Project Parties will be ready. Indeed, Project Parties have agreed, in order to avoid delays in the regional implementation, that market coupling might be implemented

progressively on the borders depending on their respective readiness. The list of borders starting first will be communicated after the simulation tests between Project Parties which shall be completed in Q4 2014. Market Participants will then be invited to perform tests. After the completion of these tests Project Parties will confirm the effective Go-live date on relevant borders.

Throughout the implementation phase the Italian Borders Market Coupling project will provide updated information on the status of the project including details on its planning and further technical explanations for the Market Participants. In order to facilitate the information exchange between the project and external stakeholders a forum is expected to be held in July 2014. At the same time there will also be a consultation on the auction rules.



About the Italian Borders Market Coupling project partners

The Italian Borders Market Coupling project is composed of the Transmission System Operators and the Power Exchanges from Austria, France, Greece, Italy, Slovenia and Switzerland. Involved TSOs are ADMIE, APG, ELES, RTE, Swissgrid and TERNA. Involved Power Exchanges are BSP, EPEX SPOT, EXAA, GME and LAGIE.

For more information please address your questions to:

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