

## Conclusions of the 10<sup>th</sup> IG meeting

### ERI South-West region

Paris, 14 May 2012

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#### 1. Extension of CASC to the France – Spain border

NRAs and TSOs support the extension of CASC to the France – Spain border for long-term (yearly and monthly) auctions. To enable the project to be operational in May 2013, it was decided that the TSOs will sign a *memorandum of understanding* by November 2012. In order to do so, TSOs committed to sending a request for comfort to NRAs and ministries, when relevant, in June 2012. This letter shall include an updated planning and a description of the project and costs. NRAs will send, together with ministries when relevant, to TSOs a letter of comfort by September 2012.

#### 2. Extension of BALIT to the SWE region

NRAs and TSOs support the extension of BALIT to the SWE region. To enable the project to be operational by Q1 2013, it was decided that the TSOs will sign a *memorandum of understanding* by November 2012. In order to do so, TSOs committed to sending a request for comfort to NRAs and ministries, when relevant, in June 2012. This letter shall include an updated planning and description of the projects and costs. NRAs will send, together with ministries when relevant, to TSOs a letter of comfort by September 2012.

#### 3. Implementation of market coupling between MIBEL and NWE

NRAs, TSOs and PXs support the extension of NWE market coupling to SWE as soon as NWE goes live. NRAs welcome the structural changes implemented in MIBEL to facilitate the implementation of market coupling. Thanks to these improvements, it is possible to enter into a project phase to specify pre- and post-coupling arrangements in the region, analyze impacts and changes to be made and prepare for implementation. Therefore, it was decided that TSOs and PXs of the SWE region will sign a cooperation agreement by mid July 2012 to start this design project. The project will be led by the Spanish parties, REE and OMIE.

#### 4. Introduction of continuous trading between MIBEL and NWE

NRAs, TSOs and PXs support the introduction of intraday cross-border continuous trading in the SWE region as soon as possible, while acknowledging the difficulties faced in the NWE project given the diversity of market design features even within NWE. NRAs welcome the work already done on the concept of combining implicit auctions and continuous trading, as well as the study done by GME and EPEX in collaboration with Terna and RTE on the France – Italy border on the same topic. Thus, it was decided to continue the exchanges based on this background in the coming weeks and to present a study in two months proposing solutions regarding this “hybrid” solution and elaborate as soon as possible a detailed project plan taking into account the European interim solution and the NWE local project, but not interfering with the Day-Ahead pre and post coupling project which has a higher priority.

As regards the issue of OTC, CRE will consult market participants in June. EPEX and OMIE will analyse, as part of the study to be presented the impact of introducing OTC

in intraday CB trading in IFE. Based on the different inputs, the implementation of OTC facility may be studied during the design phase.