

**THE ITALIAN INTRADAY AUCTIONS (MIs)
COMPLEMENTING
THE EUROPEAN CROSS-BORDER INTRADAY
CONTINUOUS TRADING (XBID)**

PILOT PROJECT ON THE ITALIAN – SLOVENIAN BORDER

Paris, 4 October 2016

FPM Meeting on Intraday Auctions

ID capacity allocation on the ITA-SI border

Starting from **June 22nd 2016** (flow date) cross-border capacity allocation in the intraday timeframe for the Italian – Slovenian border (**ITA-SI IDMC**) is performed through implicit auction(s), replicating the implicit auction operated for the Italian-Slovenian day-ahead market coupling (ITA-SI DAMC)

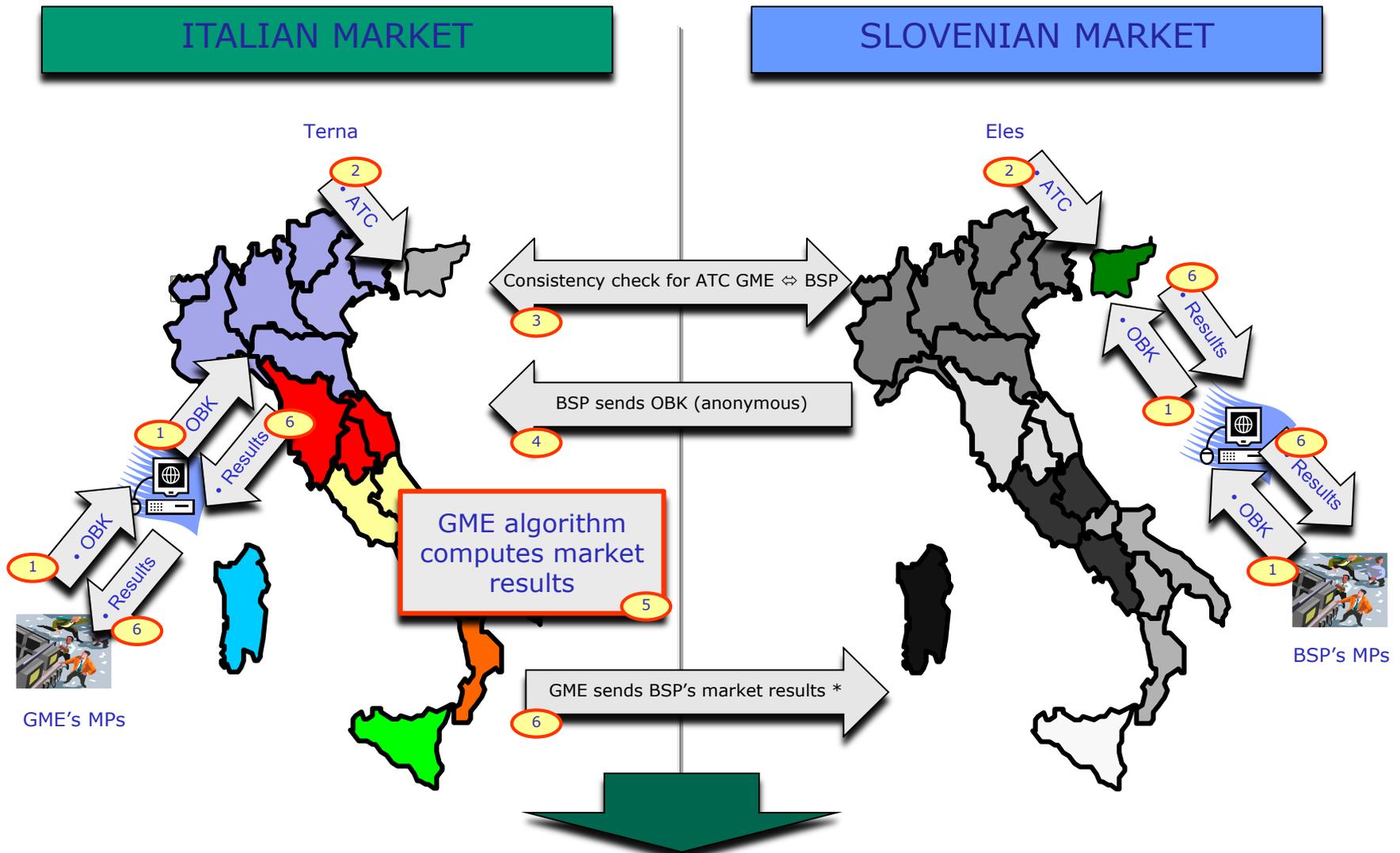
- pilot project to be potentially extended to the other Italian borders
- it exploits and rely on already operating internal Italian auctions (MIs)
- it enables the pricing of the capacity (continuous trading does not allow capacity pricing)
- may complement allocation via continuous trading when XBID* is ready for operation

**XBID is the project for implementing the CACM ID Target Model, based on a continuous trading mechanism enabling the implicit allocation of XB capacity*

ITA-SI IDMC has been a pragmatic way forward to implement an implicit ID allocation mechanism in a reasonable timeframe and without significant investment on new asset and procedures

- Regulatory and contractual framework developed starting from experience and lessons learnt in the day-ahead market coupling (DA-MC)
- Procedures developed starting from the ones already adopted by GME and BSP to operate PCR DA-MC (but in isolated mode limited to ITA and SI)

ITA-SI IDMC: Conceptual description of operational procedures



Main features: similar to DA MC operational procedures (PCR-like), only GME ↔ BSP ATC values are shared, no need for GME to share its OBK with BSP, no parallel computation of market results (computation performed only by GME)

- In Q1 2016, PXs and TSOs operating in Italy, France, Germany/Austria, Switzerland, Slovenia and Greece launched a Local Implementation Project for Italian Northern Borders (LIP – INB)
- LIP – INB focuses on
 - Implementation of XBID (adaptation of local regulation and procedures)
 - Design and implementation of complementary regional auctions
- LIP – INB is currently in the design and implementation phase
 - First discussion ongoing regarding complementary auctions
 - Auction may be introduced as “opening auction” prior than continuous trading
 - ITA-SI IDMC may serve as pilot project to develop regional auction

ITA-SI IDMC: key figures

ITA-SI IDMC: analysis of flows (22 June 2016 – 22 September 2016)

MGP

Hours	Hours with flow				hours with import to Italy				hours with import to Slovenia			
	#		%		#		%		#		%	
2232	2221		99,51%		1762		78,94%		459		20,56%	
	congestion		no congestion		congestion		no congestion		congestion		no congestion	
	#	%	#	%	#	%	#	%	#	%	#	%
	1110	49,73%	1111	49,78%	1061	47,54%	701	31,41%	49	2,20%	410	18,37%

average flow (MWh)	average flow in import to Italy (MWh)	average flow in import to Slovenia (MWh)
361,05	389,22	252,87

MI2

Hours	Hours with flow				hours with import to Italy				hours with import to Slovenia			
	#		%		#		%		#		%	
2232	1196		53,58%		508		22,76%		688		30,82%	
	congestion		no congestion		congestion		no congestion		congestion		no congestion	
	#	%	#	%	#	%	#	%	#	%	#	%
	71	3,18%	1125	50,40%	59	2,64%	449	20,12%	12	0,54%	676	30,29%

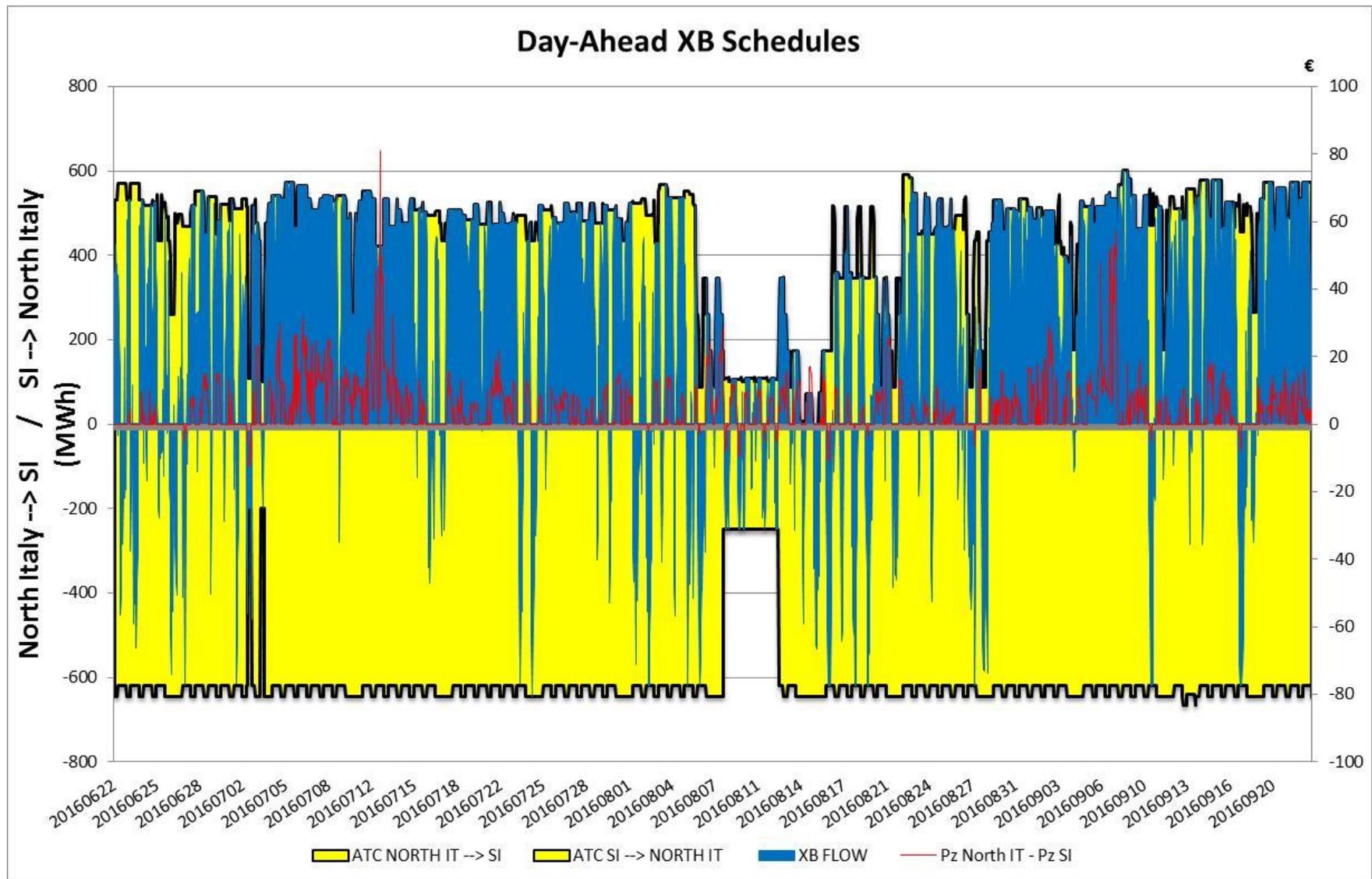
average flow (MWh)	average flow in import to Italy (MWh)	average flow in import to Slovenia (MWh)
61,14	47,44	71,25

MI5

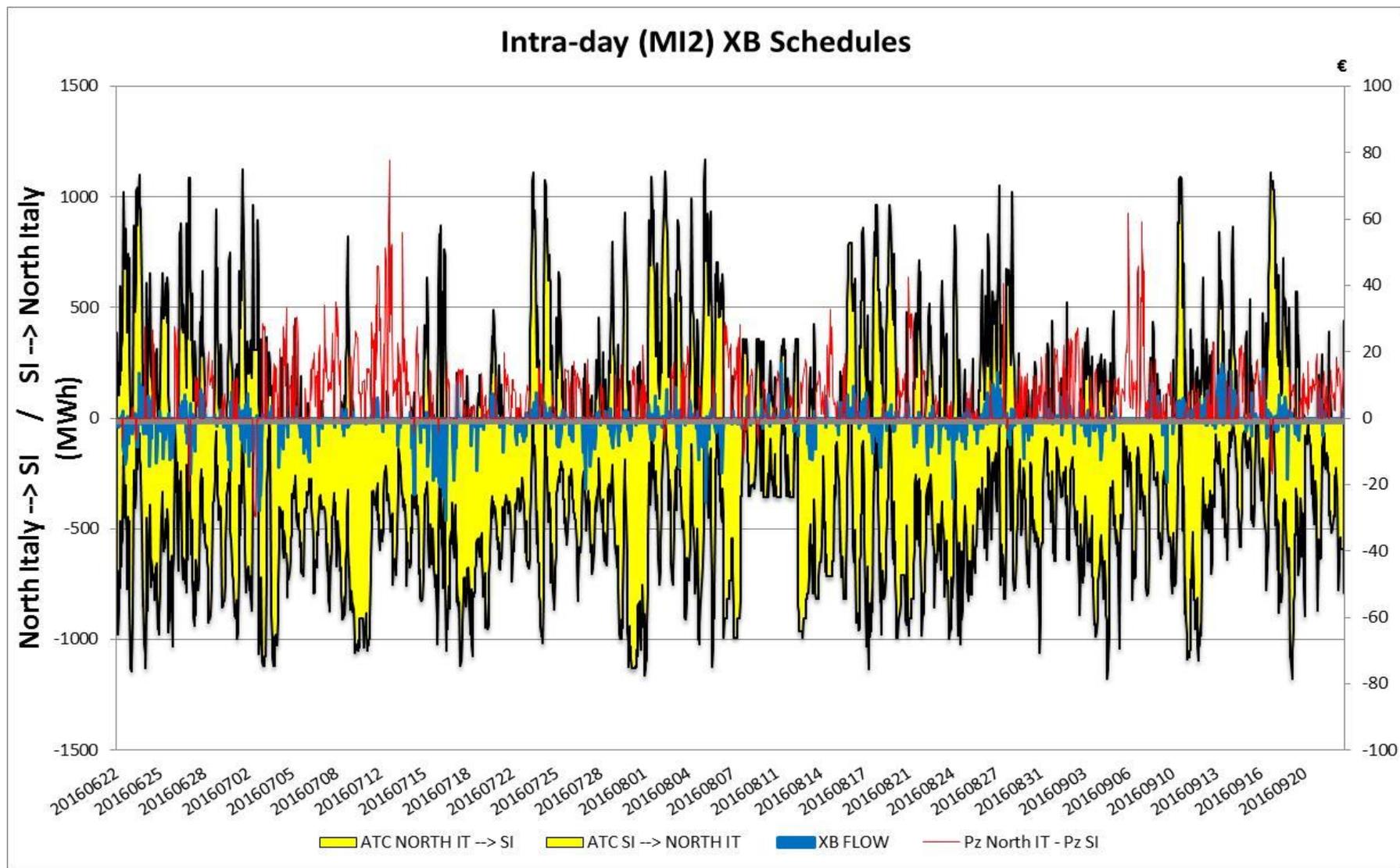
Hours	Hours with flow				hours with import to Italy				hours with import to Slovenia			
	#		%		#		%		#		%	
744	287		38,58%		117		15,73%		170		22,85%	
	congestion		no congestion		congestion		no congestion		congestion		no congestion	
	#	%	#	%	#	%	#	%	#	%	#	%
	15	2,02%	272	36,56%	14	1,88%	103	13,84%	49	6,59%	121	16,26%

average flow (MWh)	average flow in import to Italy (MWh)	average flow in import to Slovenia (MWh)
56,08	53,21	58,05

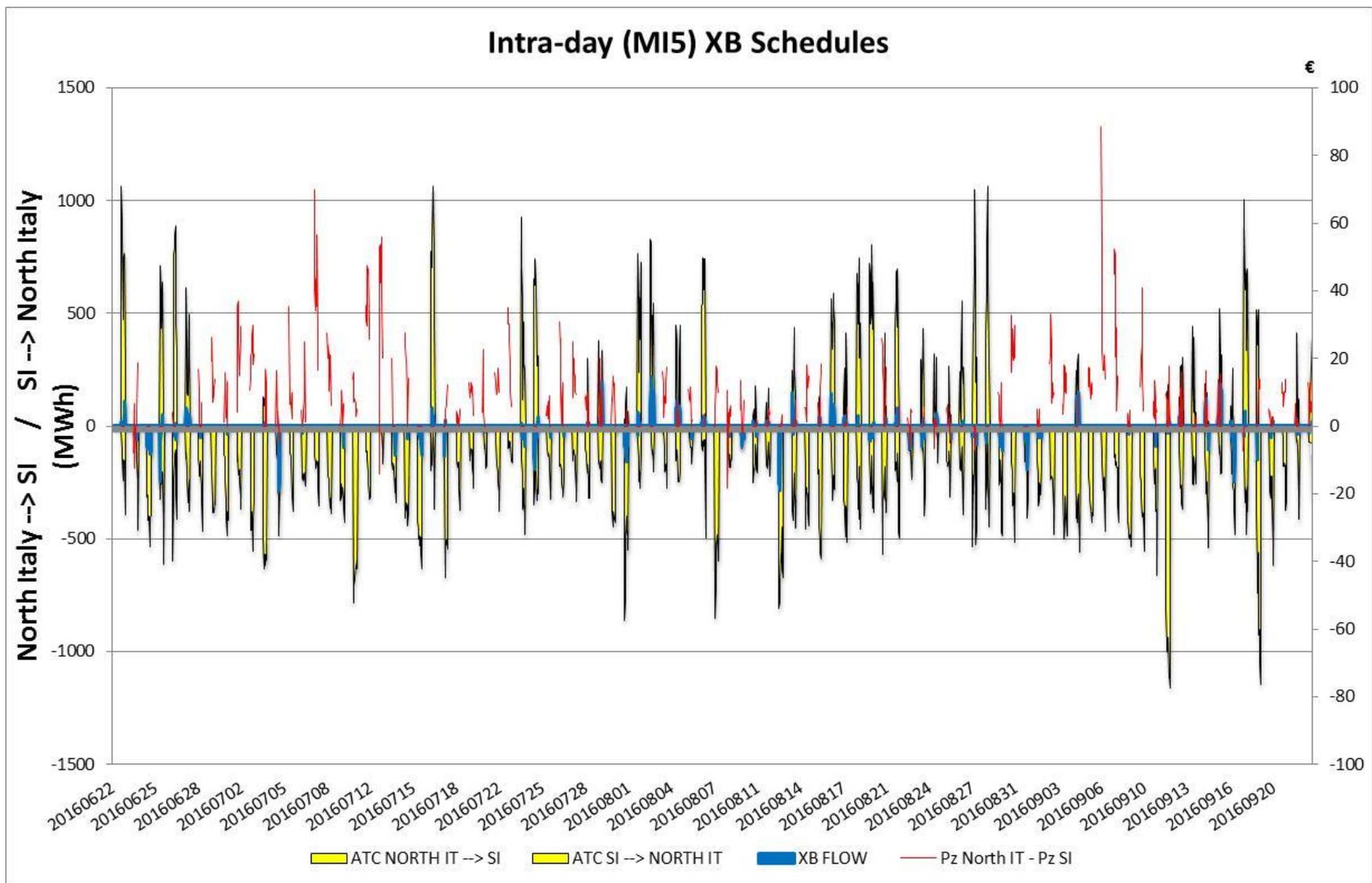
ITA-SI IDMC: analysis of flows (22 June 2016 – 22 September 2016)



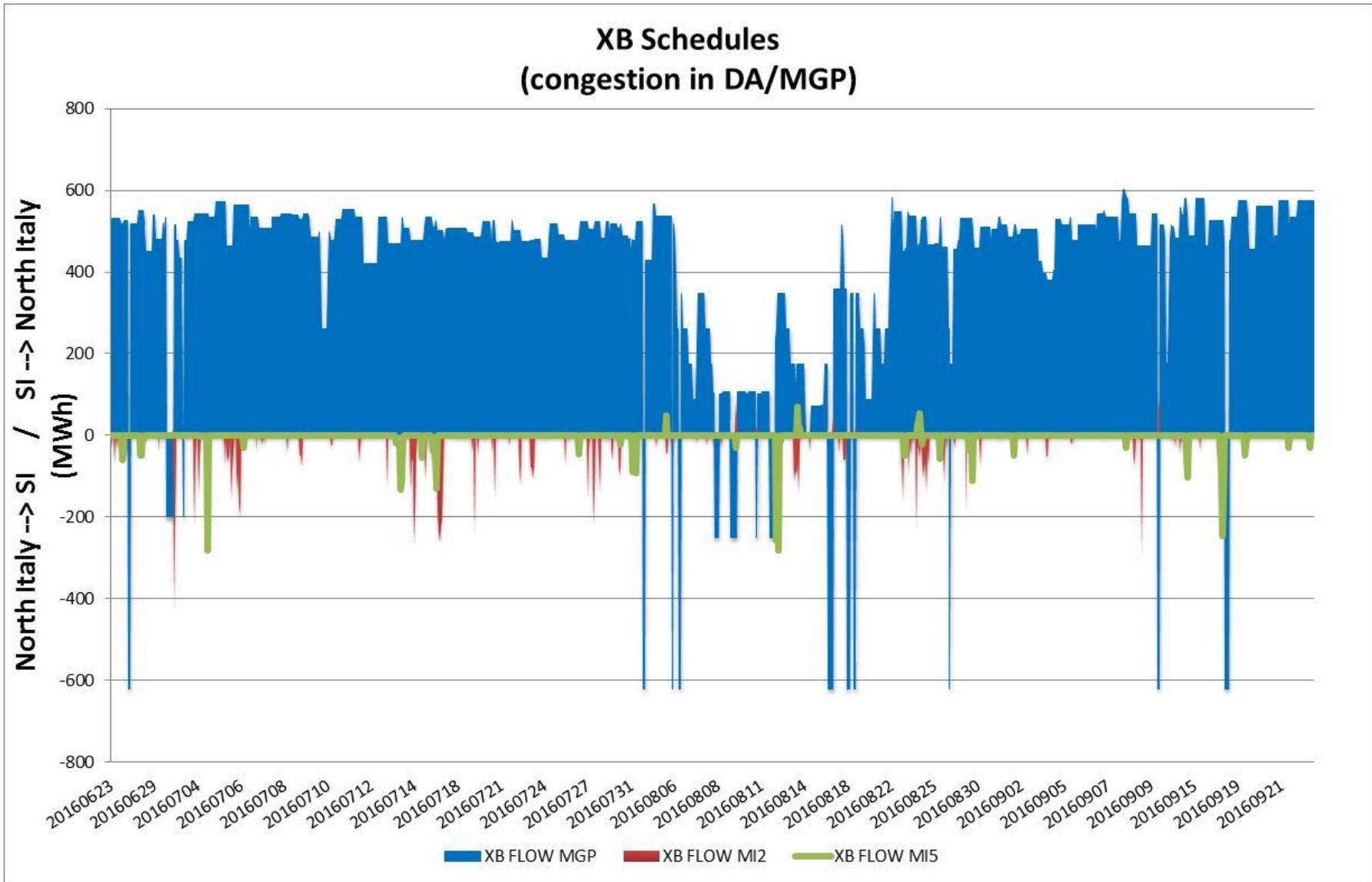
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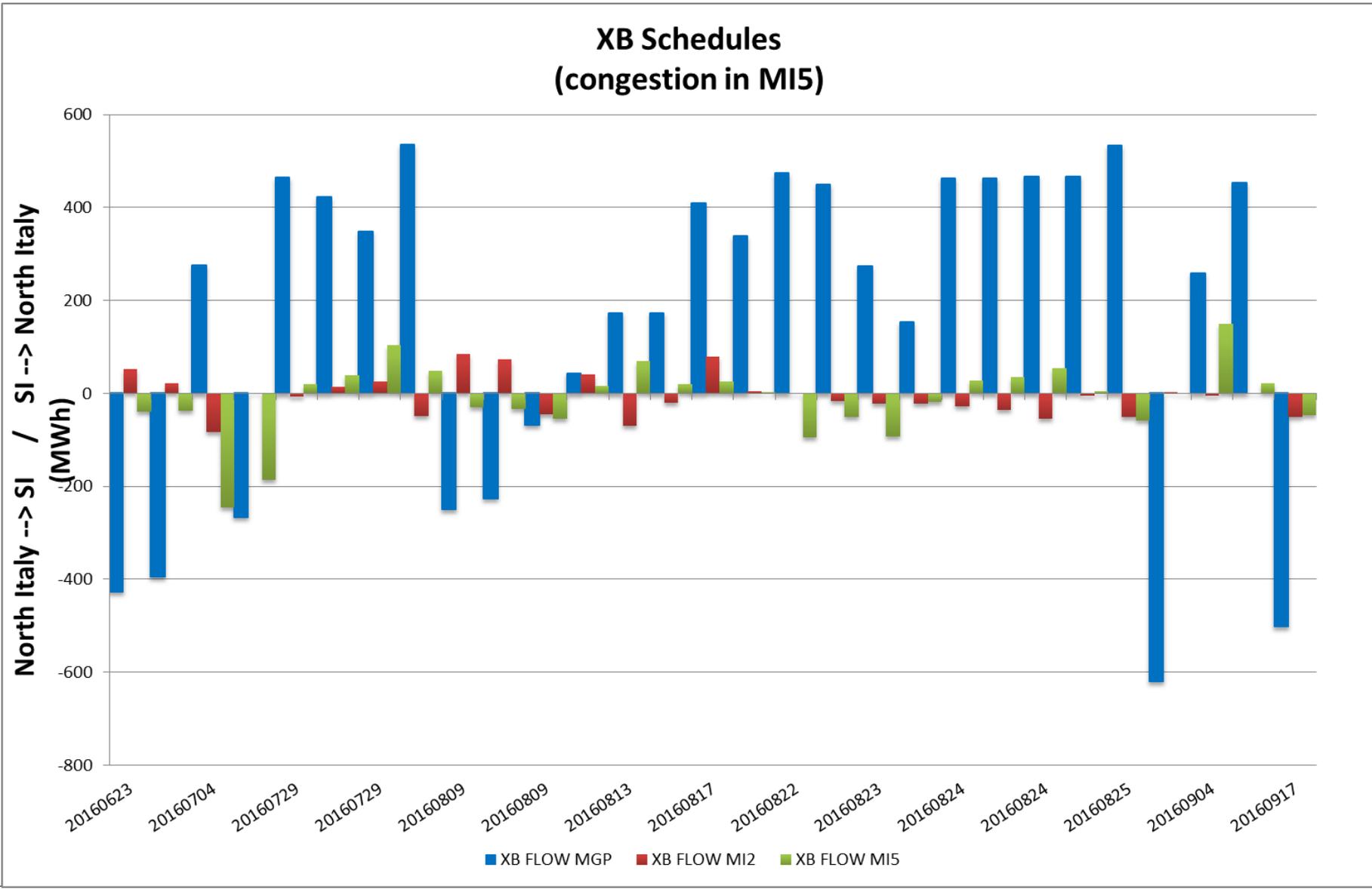
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