



FUI Stakeholder Group

4th July 2008

Congestion Management



Background

- Congestion Management Guidelines came into force in end of 2006
 - IFA non fully compliant with CM Guidelines
 - Range of options proposed in mid-2007, followed by a Stakeholders and Regulators consultation
 - Feasibility studies of 'off-the-shelf' products by RTE/NG
 - Go-live from regulators for full renewal of IFA IT system on 9 Oct 2007
- Capacity Management Project (CMS) jointly launched by RTE and NGIL in Autumn 2007
 - Ensure compliance of IFA with CM Guidelines
 - Ensure potential harmonisation with other European borders
- Software contract imminent

CMS Project



- The CMS project is the ideal opportunity to refresh many IFA processes (both internal and external-facing).
- This complex project therefore has a large impact on
 - IFA Access Rules
 - Operational procedures for IFA commercial management
 - IFA IT systems
 - Procurement of a joint system (CM System) for : allocation, nomination, secondary trading, settlement
 - Considerable evolutions of RTE/NG own IT systems : interfacing, invoicing, credit management
 - Joint CM System to be the sole commercial interface for Users for all IFA activity.

IFA Access Rules

- **General :**
 - Tenders provision + Reserve Price reference removals
- **Allocation :**
 - Sealed auctions, marginal price. Hourly allocations on D-1, ID
 - IntraDay : explicit auction (only one, at end of D-1)
 - Options : multiple bids / linked bids (D-1, D) / default bids
- **Secondary trading :**
 - Reassignment in LT, D-1, ID / Resale on LT products
- **ICE / Nominations :**
 - LT, D-1, ID separated ICEs
 - Firm mid-channel nomination for every timescale: LT, D-1, ID
 - Netting on nominations. Proposed UIOSI on LT MCNs, UIOLI on D-1 MCNs
 - Option : default nominations
- **Curtailments :** compensation based on 100% of capacity prices
- **Invoicing :** two invoices (one for each direction) per month per User, including LT, D-1, ID products (compared to current daily invoice)

CMS Summary

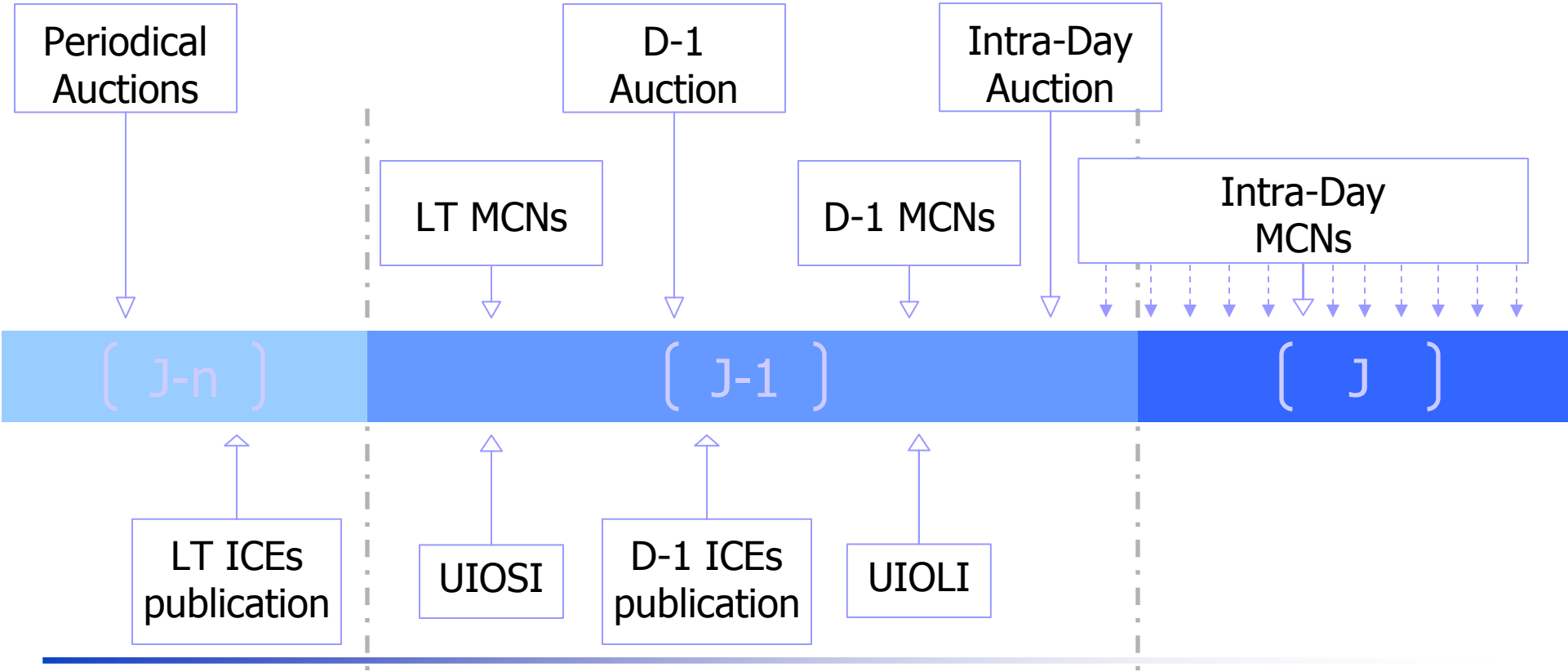


- General summary of CMS features
 - CM Guidelines compliant
 - ‘1-stop-shop’ for all capacity management aspects
 - Capacity allocations
 - Secondary trades notifiable
 - Receipt of transfer nominations
 - Communication of relevant IFA and market data
 - IFA announcements panel
 - Automated feed of IFA results to ETSOVista
 - ESS/ECAN processes and formats compliant



IFA target business process

Secondary Trading on each timescale



IFA Capacity Management System

Timelines



- Dec 07 IT system (CMS) Tenders invited
 - July 08 CMS Contract award
 - July 08 Hosting/admin Tenders invited
 - Dec 08 Hosting/admin Contract award
 - *March 09 Product testing
 - *Q2 09 Commercial operation
- *note – chosen Supplier capability will determine precise Go-Live date.*
- A further User workshop will be held on 16th July 08 to update/consult Users on business processes and interface issues.