

**Ad Hoc Advisory Group (AHAG)
Intraday Trade Project**

Terms of Reference

26 April 2010

1. Mission	3
2. Objectives	3
3. Scope and Activities	4
4. Deliverables & timetable	5
5. Organisation & Working structure	5
6. Drafting process	6
7. Membership	6

1. Mission

The 17th meeting of the European Electricity Regulatory Forum¹, held in Rome on 10 - 11 December 2009, decided to continue the work of the Project Coordination Group (PCG) on market integration emphasising the need of concrete implementation projects through an Ad Hoc Advisory Group (AHAG) of all stakeholders which will assist ERGEG in overseeing the work and solving issues which might hinder progress.

In the framework of the AHAG three implementation projects are to be launched: capacity calculation, intraday trade and day-ahead and governance². In particular, the Forum required ENTSO-E to chair a project with multi-stakeholder involvement to develop the target model for intraday trade as well as means for its implementation where appropriate.

2. Objectives

By further building upon the outcome of the Market Integration Design Project (MIDP) and PCG processes, develop more detailed views upon which to build market processes aimed at speeding up and enhancing the development of cross border and inter-regional intraday electricity markets in Europe.

Since some project organizations did not participate as project partners in these MIDP-PCG processes, discuss the results of these processes towards building a common view by all project participants on the way forward.

Deliver relevant input to the Framework Guidelines on capacity allocation and congestion management and Network Code development, which will be developed in the framework of the Third Energy Package processes.

In close cooperation with Day-Ahead & Governance project to ensure compatibility and to avoid overlap, provide input to ERGEG aimed at clarifying the perimeter between regulated and non regulated activities and clarify roles and responsibilities in relation with regulated perimeter of involved stakeholders.

Provide with implementation guidance, including a proposal of a concrete road-map. The project will, if and when applicable, offer support or guidance to the implementation of concrete business processes. The project group will support AHAG in identifying coherency requirements between the relevant national regional implementation projects and the EU target model.

Support for external communication by the AHAG process towards stakeholders at Florence Forum level and towards public.

¹ See conclusions in http://ec.europa.eu/energy/gas_electricity/forum_electricity_florence_en.htm

² These three projects provide input to ERGEG's work on the framework guidelines for capacity allocation and congestion management as appropriate

3. Scope and Activities

a) Development of a target model for Intraday Market

Develop the functional design for the Inter-Regional Cross-Border capacity allocation based on continuous implicit trading close to real time and capable of implementation at an Inter-regional European level. The Target Model resulting from the MIDP/PCG process to be used as starting point. One of the features of the model is to enhance the integration of renewable energy while maintaining system security.

Define the **main compatibility criteria** that any specific National/Regional ID solution additional to the Inter-Regional ID trading solution should meet in order to ensure the efficiency of the Pan-European intraday allocation process.

Design a model for a **common platform(s) for ID capacity management between TSO areas** (consistent with the Capacity Calculation project proposals (NTC-/Flow-Based) and the DA developments. The TSO **common platform(s) for ID capacity** is a capacity matrix where capacity between all borders is accumulated and then allocated linked to the continuous implicit ID trading that is executed via matching of orders in the (PXs) area based order books including block orders facilities which integrate OTC Trade³.

Description of the functional requirements of the **sharing of XB intraday order books**, among which the matching of requests and the clearing facilities.

Review the extent of the need to align with the capacity models for Day-ahead market and the capacity model design for cross-border balancing with special attention to the management of exchange of ancillary services.

b) Regulation and Governance

In close cooperation with Day-Ahead & Governance project to ensure compatibility and to avoid overlap, make a **proposal on the regulatory framework for this functional design**, setting the perimeter of regulated and non-regulated activities, recognizing roles and responsibilities of involved parties.

c) Outline of a roadmap for implementation of the target model including description of intermediate solutions

Criteria to ensure compatibility and finally necessary degree of convergence.

Criteria for progressive implementation based on market maturity while also respecting on-going projects.

Definition of potential intermediate steps and estimation of realistic timelines.

d) Transparency

³ OTC offers are thus published on the platform and traded as any other deal.

Description of appropriate **Transparency requirements**

e) **Project implementation**

When and if appropriate, the Intraday Trade project group will act as a stakeholders reference group, monitoring and giving guidance to concrete implementation projects.

4. Deliverables & timetable

- 4.1 Terms of Reference for Mid March 2010 (to be presented to AHAG meeting on 18 March)
- 4.2 High level design document for June 2010 Florence Forum
- 4.3 First high level roadmap including ongoing and planned projects for June 2010 Florence Forum
- 4.4 In close cooperation with Day-Ahead & Governance project to ensure compatibility and to avoid overlap, description of Regulatory Framework as outlined in 3b. **Deadline Sept 2010. (tbc)**
- 4.5 Deliverables for activities under 3 d) and 3 e): to be defined later.

For each of the deliverables, the Working Group will strive as much as possible to make a summary slide pack presentation of the document.

5. Organisation & Working structure

Following the conclusions of 17th meeting of the European Electricity Regulatory Forum, the Intraday Trade project will be chaired by ENTSO-E. ENTSO-E will also provide with a technical secretary for the project.

Each stakeholder organisation is invited to appoint 2 experts per organization for this project so that the working force is no more than 15 people. The proposed candidates should provide expertise in the intraday trade field but be also ready to devote time to these projects so that the results can be optimal. The appointed experts might be changed upon request of each organisation. In case of absence, and where justified, experts may be replaced.

The Intraday Trade project team will meet at least once before each AHAG meeting. The location of the meetings will preferably be Brussels. Also telephone conferences can be used for this purpose if found appropriate.

Initial Agenda proposal and relevant documents to be presented at the meetings should be circulated at least one week (5 working days) before the meeting. Subsequent inputs from all stakeholders should be sent 2 working days in advance.

Draft Minutes of the meetings should be circulated after the meeting, within a week. ENTSO-E will be in charge of the first drafting submitted for comments and then the commenting process shall be allowed for during at least one week.

The Intraday Trade project team might also decide to organise internal workshops for consulting in specific topics in which a wider participation and input from other stakeholder groups is beneficial

6. Drafting process

The content of deliverables shall represent the view of the organizations participating in the project in a consensus manner. Decisions should be guided by general economic efficiency criteria. Organizations who cannot agree with certain positions may express a dissenting opinion, with motivation.

7. Membership

Members	Organisation	
Frank Vandenberghe	ENTSO-E	Project leader
Matti Supponen	EC	
Christophe Gence-Creux	ERGEG	
Olaf Islei	ERGEG	
Dirk Biermann	ENTSO-E	
Hannah Morgan	ENTSO-E	
Jose Javier Gonzalez	EuroPEX	
David Assaad/Rickard Nilsson	EuroPEX	
Ruud Otter	Eurelectric	
Marco Foresti	Eurelectric	
William Webster	EFET	
Hartmuth Fenn	EFET	
Peter Claes	IFIEC	
Geert Meynckens	IFIEC	
Antonio Lopez-Nicolas	ENTSO-E	Secretary

Additional experts from stakeholder organizations may attend specific project group meetings upon invitation or in case of it being a replacement for an expert, when it has been properly notified by the given association by the time of the given meeting