



North-Western Europe



Price Coupling of Regions

NWE PRICE COUPLING TARGET LAUNCH DATE 26 NOVEMBER FOR DELIVERY 27 NOVEMBER 2013

30 September 2013. The project partners of the North-Western Europe (NWE) day-ahead price coupling project have set the target launch date of NWE on 26 November. NWE will be the first implementation of the Price Coupling of Regions (PCR) solution, developed by European Power Exchanges and will run in a common synchronised mode with South-West Europe (SWE). The launch is a significant step towards an integrated European power market.

The 17 project partners decided on the target go-live date following the current positive test status in the joint integration and simulation testing by the PCR project and NWE. The target go-live date is still subject to successful finalisation of testing, contractual arrangements as well as final regulatory approval. Price coupling allows cross-border transmission capacity to be used directly by Power Exchanges to minimise price spreads between markets – known as implicit allocation. The final go/no-go decision will be taken early November.

The PCR solution has been developed by European Power Exchanges to provide a single algorithm and harmonised operational procedures for efficient price calculation and use of European cross-border transmission capacity. The start-up of NWE based on PCR will be a significant step towards achieving an integrated European day-ahead power market, expected to increase liquidity, efficiency and social welfare. NWE countries cover 75% of Europe's electricity demand.

The partners involved are the four Power Exchanges and 13 Transmission System Operators (TSOs) in the NWE region. The NWE project covers the markets of Germany/Austria, France, Belgium, Netherlands, Luxembourg, Great Britain, Denmark, Finland, Sweden, Norway, Estonia, Latvia, Lithuania, and Poland is also coupled to Nordic via the SwePol Link.

About the projects:

North-Western Europe (NWE) Price Coupling is a project initiated by the Transmission System Operators and Power Exchanges of the countries in North-Western Europe. The 17 partners of this project comprise APX, Belpex, EPEX SPOT and Nord Pool Spot from the Power Exchanges' side; 50Hertz, Amprion, Creos, Elia, Energinet.dk, Fingrid, National Grid, RTE, Statnett, Svenska Kraftnät, Tennet B.V. (Netherlands), Tennet GmbH (Germany) and TransnetBW from the TSO side. This cooperation aims at establishing price coupling of the day-ahead wholesale electricity markets in this region, increasing the efficient allocation of interconnection capacities of the involved countries and optimizing the overall social welfare. A single algorithm, calculating simultaneously the market prices, net positions and flows on interconnectors between market areas will be used, based on implicit auctions and facilitated through the Price Coupling of Regions solution.

South-Western Europe (SWE) Coupling Project is a joint project between the French, Spanish and Portuguese TSOs, RTE, REE, REN, and the Power Exchanges OMIE in Spain and Portugal and EPEX Spot operating the French market. In SWE are defined the pre-coupling, post coupling and exceptional situations processes that are necessary to allow the implementation of market coupling between France and the Iberian Market.

Price Coupling of Regions (PCR) is the initiative of seven European Power Exchanges (APX, Belpex, EPEX SPOT, GME, Nord Pool Spot, OMIE and OTE), to develop a single price coupling solution to be used to calculate electricity prices across Europe, and allocate cross-border capacity on a day-ahead basis. This is crucial to achieve the overall EU target of a harmonized European electricity market. The integrated European electricity market is expected to increase liquidity, efficiency and social welfare. PCR is open to other European Power Exchanges wishing to join.

To find out more about the PCR project and the regional price coupling implementation projects in NWE, visit the following websites:

NWE region:

www.apxgroup.com
www.belpex.be
www.epexspot.com
www.nordpoolspot.com
www.casc.eu

PCR project:

www.apxgroup.com
www.belpex.be
www.epexspot.com
www.mercatoelettrico.org
www.nordpoolspot.com
www.omie.es
www.ote-cr.cz