



North-Western Europe

Price Coupling of Regions

South-Western Europe

EUROPEAN MARKET COUPLING TESTS BEGIN

7 May 2013. The day-ahead price coupling projects for power markets in North-Western Europe (NWE) and South-Western Europe (SWE) today jointly announce the start of end-to-end testing across their combined regions, using the Price Coupling of Regions (PCR) system solution.

The start of integration tests is a major step forward in accordance with the plan to start the European market coupling in November involving at least NWE. It follows many months of testing of the PCR systems, developed by European Power Exchanges to provide a single algorithm for determining efficient energy pricing and use of cross-border transmission capacity. This marks the start of a series of system integration, simulation and finally market testing during the summer and autumn of 2013, to be conducted jointly by the PCR project and the regional price coupling implementation projects.

The implementation of PCR in this large part of Europe will be a significant point of progress towards a harmonised European day-ahead electricity market, expected to increase liquidity, efficiency and social welfare. The initial testing in NWE and SWE confirms the readiness of the PCR system solution for starting implementation in other regions as well.

The testing involves the Transmission System Operators (TSOs) and Power Exchanges in the NWE and SWE regions. The partners involved are the four Power Exchanges and 13 TSOs in the NWE region plus three TSOs and two Power Exchanges involved in the SWE region.

The NWE project covers a price coupling involving the markets of Belgium, Denmark, Estonia, Finland, France, Germany/Austria, Great Britain, Latvia (June 2013), Lithuania, Luxembourg, the Netherlands, Norway, Poland (via the SwePol Link), and Sweden as well as the interconnections between them. The SWE project covers a price coupling between France, Portugal and Spain.

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 Price Coupling of Regions.

Price Coupling of Regions (PCR) is the initiative of seven European Power Exchanges, 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.

South-Western Europe (SWE) Coupling Project is a joint project between the French, Spanish, Portuguese TSOs, Réseau de Transport d'Électricité (RTE), Red Eléctrica de España (REE), Rede Eléctrica Nacional (REN), and the Iberian and French Power Exchanges OMI Polo Español, S.A. (OMIE) and EPEX SPOT, in which 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.

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

NWE region:

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

SWE region:

www.epexspot.com
www.omie.es

PCR project:

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