



North-Western Europe



Price Coupling of Regions



South-Western Europe

NWE PRICE COUPLING TO LAUNCH 4 FEBRUARY 2014

18 December 2013. The project partners of the North-Western Europe (NWE) day-ahead price coupling project are pleased to confirm the project's go live on 4 February 2014, for delivery on 5 February 2014. 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-Western Europe (SWE). This launch will be a significant step towards an integrated European power market.

This confirmation follows the successful completion of a complex programme of joint technical and operational testing by the PCR, NWE and SWE project partners. As the project covers 75% of the European power market, reliability and stability are of the highest importance.

From Go-live, NWE and SWE operations will be synchronised with both using PCR, but for the time being the daily explicit auction at the France-Spain border will be maintained as it is. It is the intention to move to implicit allocation on this border in the near future.

Price coupling allows cross-border transmission capacity to be used directly by Power Exchanges' day-ahead markets – a mechanism known as implicit allocation. 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.

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.

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 harmonised 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 and Portuguese TSOs, RTE, REE, REN, and the Power Exchanges OMIE in Spain and Portugal and EPEX SPOT operating the French market. This project aims to define the pre-coupling, post coupling and exceptional situations processes that are necessary to allow the implementation of market coupling between NWE region and the Iberian day-ahead Markets.

To find out more about the PCR project and the regional price coupling implementation project 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

SWE region:

www.epexspot.com
www.omie.es