EDF TRADING

CFAI, 05/04/2013

15 min / 30 min / 1h trading in coupled intraday markets







Intraday Market Design landscape

Coupling with hourly products

- Block and hourly trading available on the EPEX Spot platform,
- Hourly ID flows available between almost all countries across Europe (explicit / implicit)
- Local GCT for trading is defined by local Rules for TSO ID service
- Interconnection GCT for trading is defined by Cross Border Rules for Import / Export
- For ex. France – Germany Interconnection GCT set at H-60 min while German GCT for local trading set at H-45 min: FR and DE Hourly markets decoupled for the last 15 min

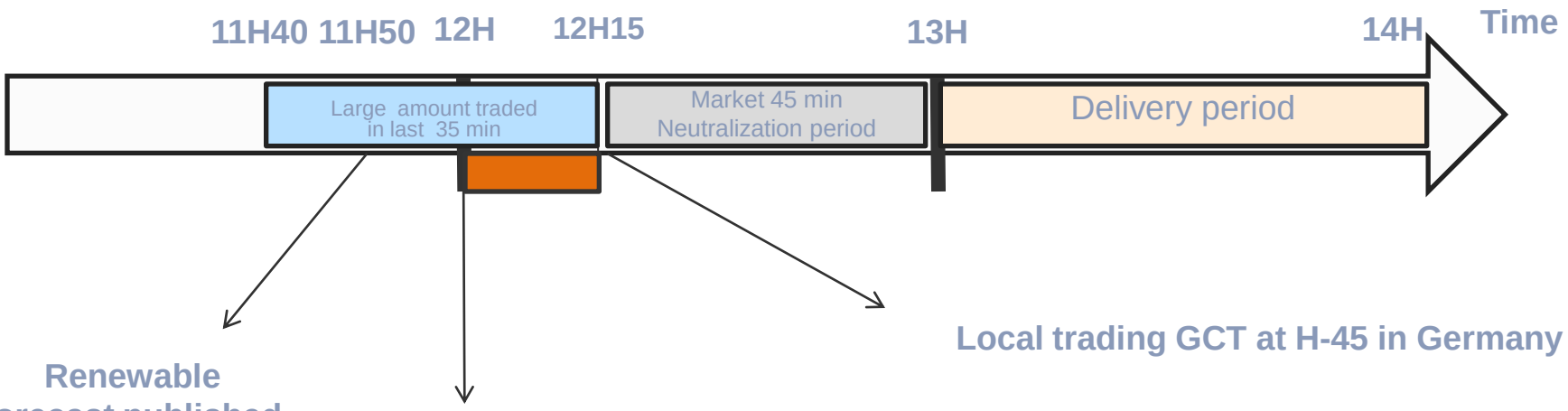
Coupling with 15 min products

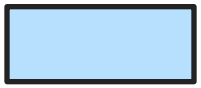
- Germany, Austria, Belgium, Netherlands and Swiss TSOs already have 15 min nominations for trading and for balancing
- 30 min balancing in France and UK, 1h in Spain and Italy…
- 15 min products useful in Germany to deal with renewable variations
- 6 to 10 % of the liquidity switched to 15 min products (EPEX sources)
- Large amount of Hourly and 15 min products traded close to delivery in Germany, especially during the last 30 minutes.

→The development of RES generation has led the market to evolve "closer to real time" and with some appetite for lower granularities

Current issue, Hourly Products

Example : **Trading Hourly product starting 13:00 and ending 14:00**



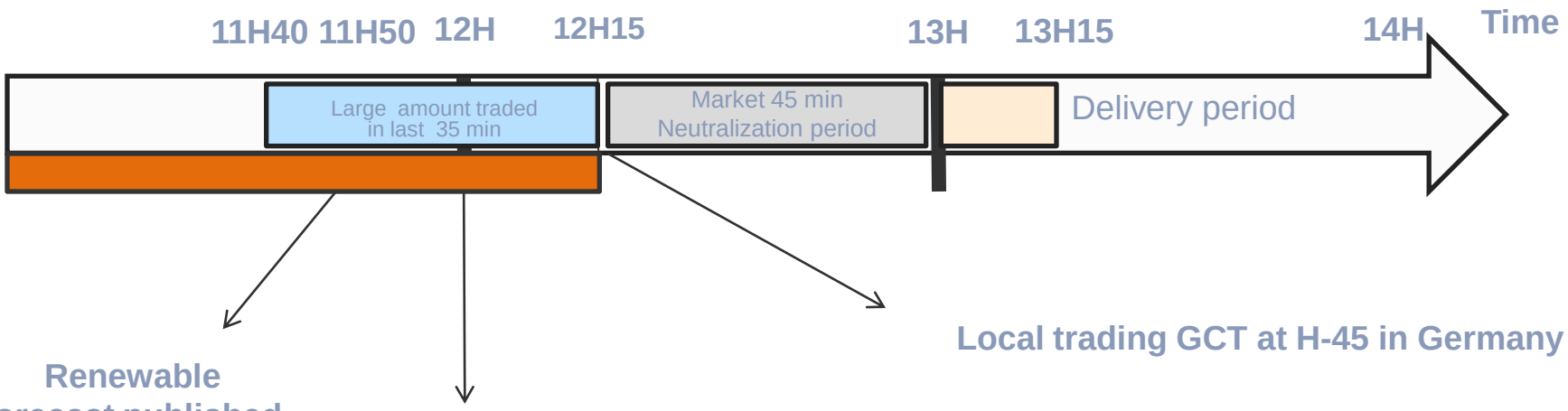


35 min of trading opportunities not fully optimized, among which:

15 min of complete XB decoupling, due to market design

Current issue, 15 min Products

Example : **Trading 15 min product starting 13:00 and ending 13:15**



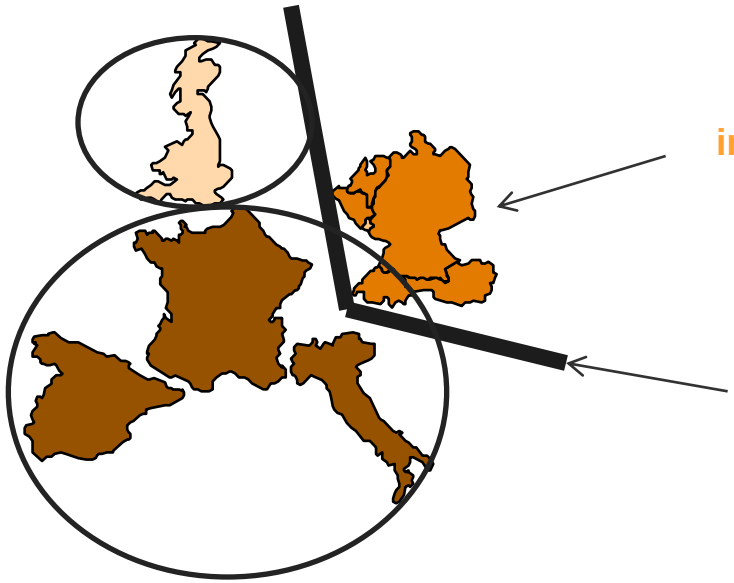
Complete XB decoupling on all 15 min products, due to market design

Intraday Market Design evolution

Developments at risk

- **15 min trading in GE, AU, CH, NL and BE harmonised, including on interconnections (?), while France and other markets would remain decoupled, with only Hourly Cross Border nominations possible...**

- **Liquidity split and missed integration due to lack of harmonisation of TSO services if additional efforts are not made (CMM input)**



15min trading area, including cross borders?

Cross-border + GCT rules preventing trading and Integration of Markets

What we recommend :

Concrete harmonization steps and roadmap for short term convergence

Total harmonization of local trading GCT to H-45 as soon as possible in all bidding zone

Harmonization of interconnection GCT to H-45 as soon as possible on all bidding borders

Possibilities of Hourly, 30 min or 15 min nominations on interconnections as soon as possible

Lowest granularity tradable products in each area as soon as possible (15 min, 30 min, Hourly)

Develop cross matching of products (15 min with 30 min and 60 min / 30 min with 60 min...)

Action plan based on Gap Analysis and convergence roadmap

Long term Target Model

Total harmonization of local and cross-borders nominations deadlines

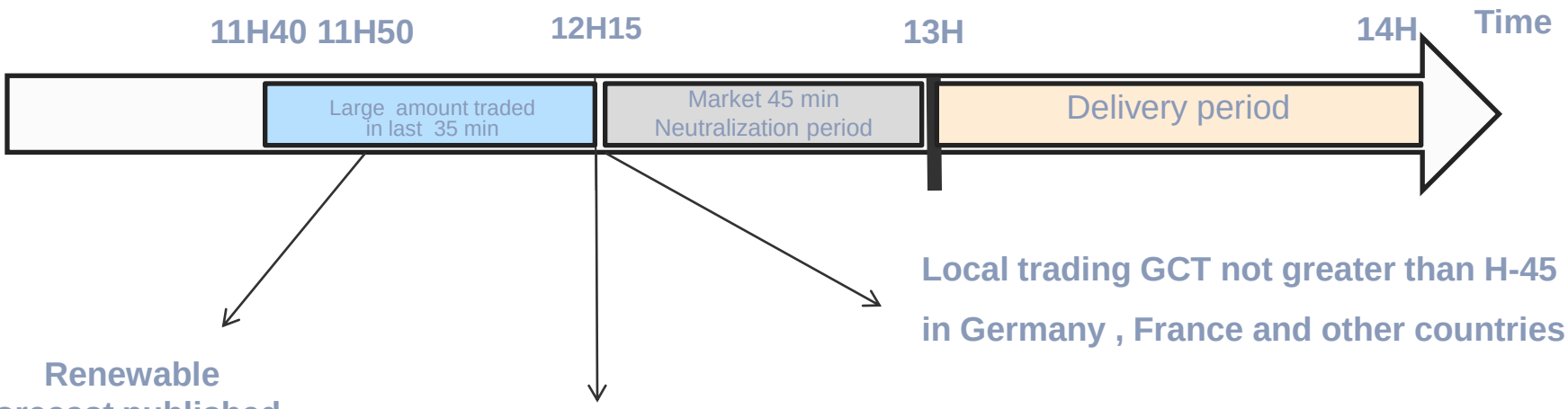
Possibilities of 15 min border flows on all borders

Lowest granularity tradable products in all areas (15 min ?)

} Long term project : 10 years

Convergence, 60 min Products

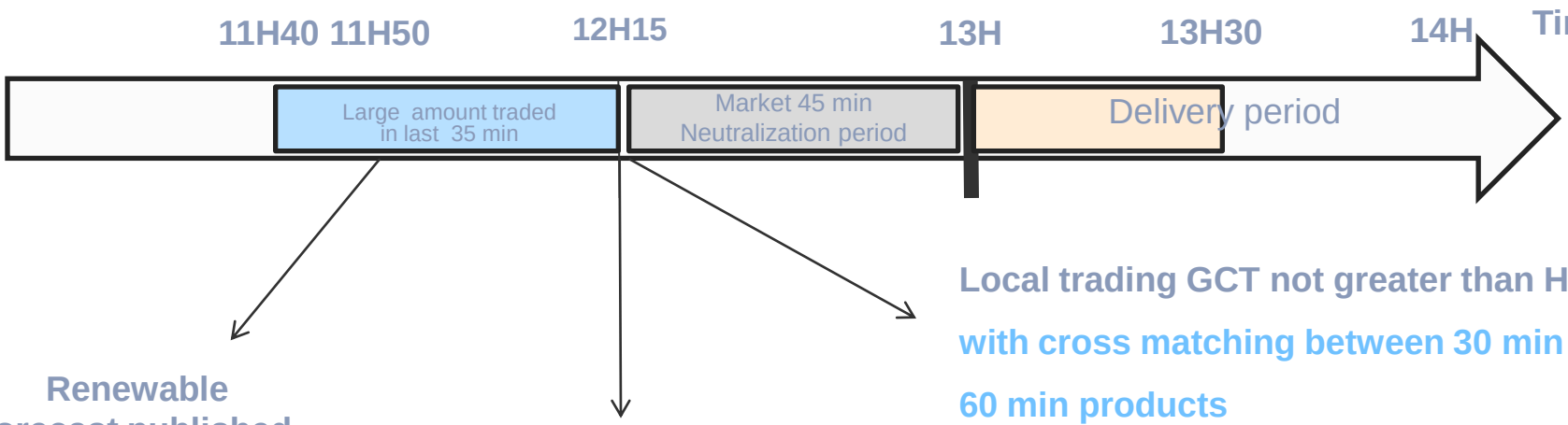
Example : **Trading Hourly product starting 13:00 and ending 14:00**



35 min of trading opportunities fully optimized

Convergence, 30 min Products

Example : **Trading 30 min product starting 13:00 and ending 13:30**

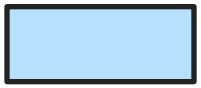


Local trading GCT not greater than H-45 with cross matching between 30 min and 60 min products

Renewable forecast published to market

FR – DE interconnection GCT not greater than H-45

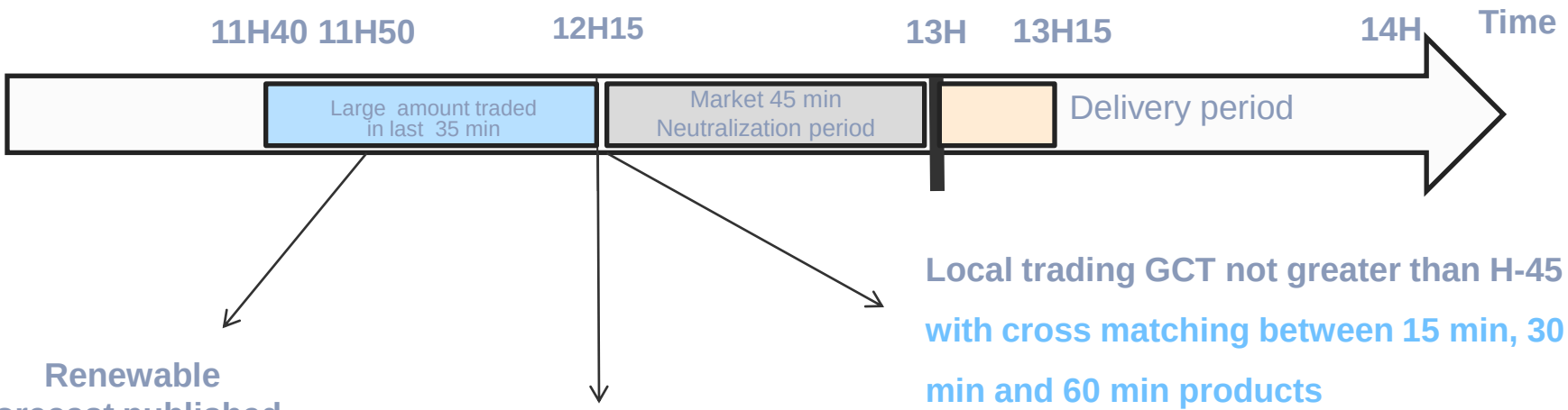
France and Germany fully coupled for 30 min products until at least H-45



35 min of trading opportunities fully optimized

Convergence, 15 min Products

Example : **Trading 15 min product starting 13:00 and ending 13:15**



Local trading GCT not greater than H-45 with cross matching between 15 min, 30 min and 60 min products

Renewable forecast published to market

FR – DE interconnection GCT not greater than H-45

France and Germany partially coupled for 15 min products until H-45

35 min of trading opportunities fully optimized

No coupling on 15 min products only with local markets without 15 min products...