

Implicit Allocation of Intraday Capacities on Swiss-Italian border

Date 27th November 2018

The Power Exchanges and Transmission System Operators of Italy and Switzerland (GME, EPEX SPOT, Terna, and Swissgrid) agreed to implement the implicit allocation of intraday capacity on their common border. Once in operation, the implicit intraday auctions will replace the existing explicit intraday auctions performed by the Joint Allocation Office (JAO.EU).

The cooperation has been triggered by the Italian and Swiss National Regulatory Authorities (NRAs) with the aim to improve both operational and market efficiency of the intraday capacity allocation on the CH-IT border. Such bilateral project between Italy and Switzerland is not covered by the Capacity Allocation and Congestion Management Guideline of the European Union.

The design foreseen by the parties in coordination with the NRAs will result in a transformation of the existing explicit auctions into implicit auctions. To this end two new intraday auctions will be launched by EPEX SPOT in the Swiss market. The timing of these new auction will be synchronised and coupled with GME's already existing intraday auctions:

- MI2 (16.30, D-1 for the delivery of hour 0-24 D) and
- MI6 (11.15, D for the delivery of hour 16-24 D)

TSOs will provide the available transmission capacity for the intraday timeframe as today, based on not allocated or not used capacities from previous explicit allocation sessions (daily, monthly etc.). Both Italian and Swiss market participants will benefit from the possibility to trade with hourly products and the automated and efficient matching between the Italian and Swiss intraday markets. This mechanism will be added to the one already in operation on Slovenian-Italian border.

Currently, the go-live of the implicit allocation is foreseen in Q1/Q2 2019. The effective go-live date will depend on the success of the testing phase with market participants and is subject to further confirmation by the national NRAs. The project parties will inform the market participants about the detailed planning of the tests and the effective go-live date with due time in advance.