

WS III Meeting

Rome, 17 September 2014





- **Background of PRISMA**

Implementation of a joint platform

- **PRISMA's Governance**

An independent, shareholder-driven company

- **Recent Capacity Platform Developments**

A look towards the situation in the electricity market.

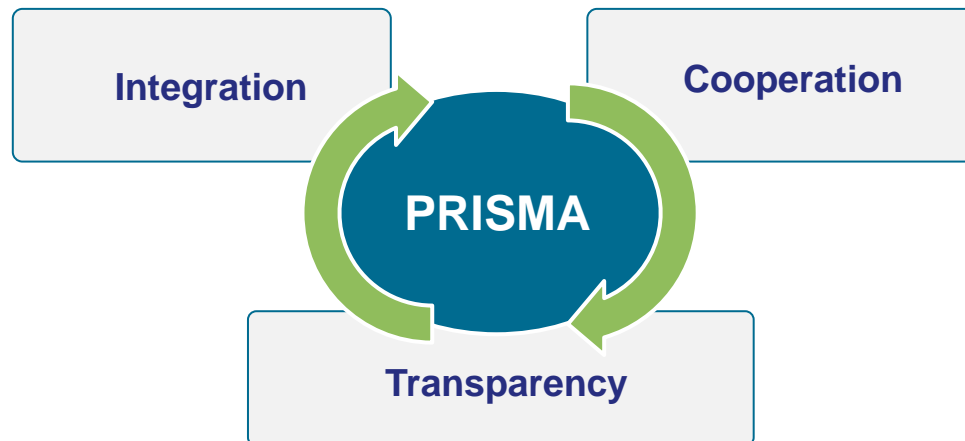
- **Lessons Learnt**

PRISMA was launched with the aim to support the creation of a harmonised European Gas Market as described in the NC CAM.



COMMISSION REGULATION (EU) No 984/2013, Article 27

“Transmission system operators shall apply this Regulation by offering capacity by means of one or a limited number of **JOINT web-based booking platforms**. Transmission system operators can operate such platforms themselves or via an agreed party that, where necessary, acts on behalf of them towards the network users.(...)”



The joint PRISMA platform was built on the experience of all its participating TSOs.



By merging the existing capacity platforms into the **joint PRISMA platform**, the involved TSOs reached significant synergy effects which have

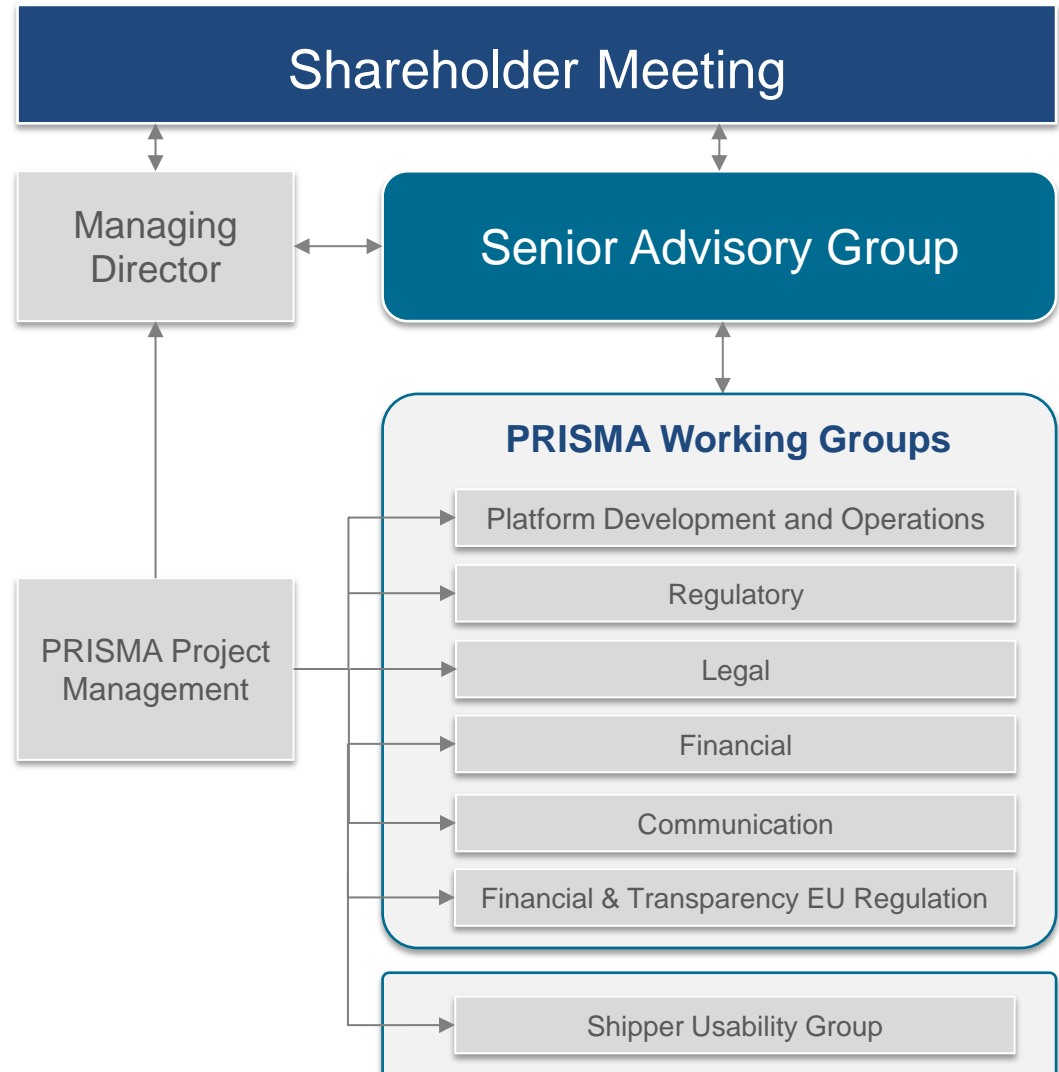
- significantly reduced the overhead costs for all involved TSOs
- created a best practice and increased regulatory stability for TSOs
- created easy access to a high number of markets for the European gas traders
- helped in the creation of a transparent and liquid North-Western European gas market



PRISMA's working group structure ensures that all shareholders have a vote in PRISMA's decision-making process.



- All of PRISMA's groups consist of TSO representatives / experts.
- The decision-making process is carried out through the working groups.
- PRISMA's working group structure ensures that the knowledge of all partners is shared and utilised most effectively.
- Changes made on a working group level will be presented to the SAG / Shareholder Meeting for final decision or information.



With its concept of an open cooperation, PRISMA has already reached significant acceptance and utilisation in the market.



Multi-TSO company

- close cooperation
- joint decision-making

PRISMA team

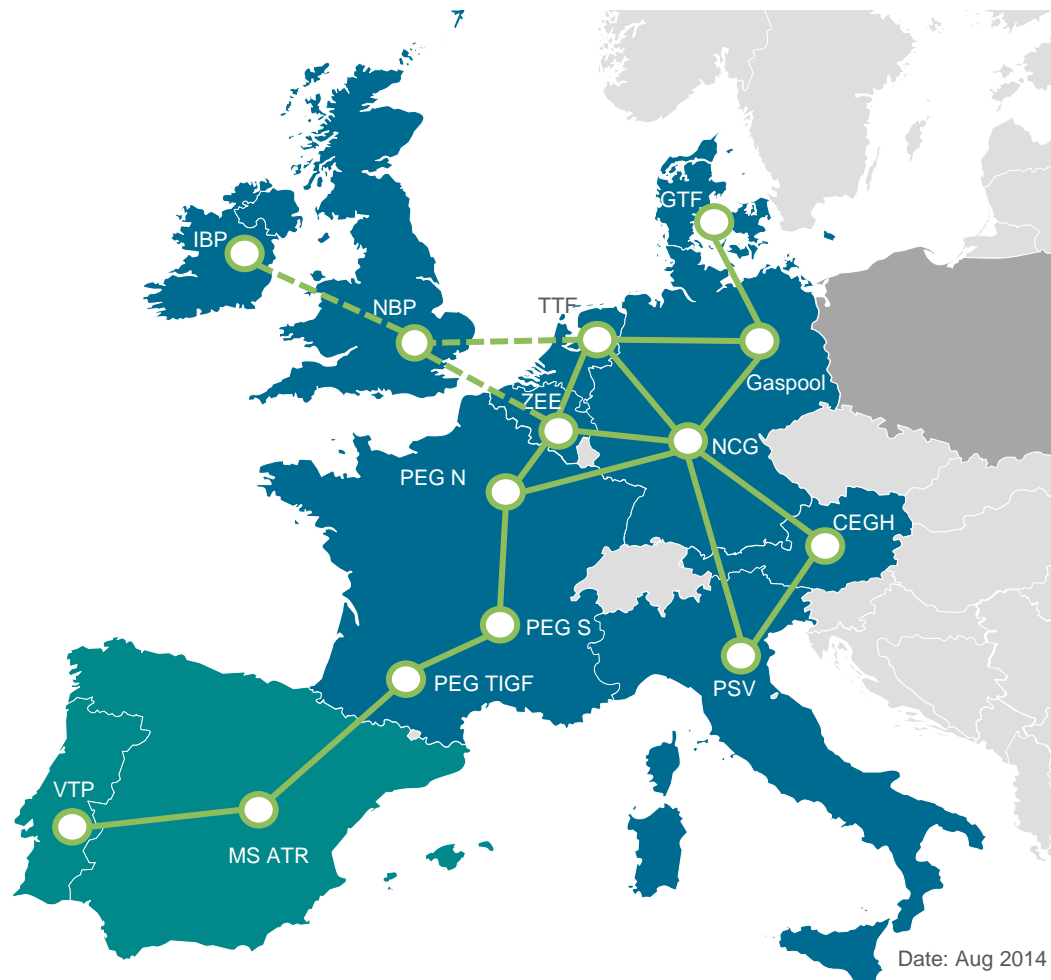
- international, multi-lingual
- working group structure
- fast-moving & high quality

Connecting the gas market

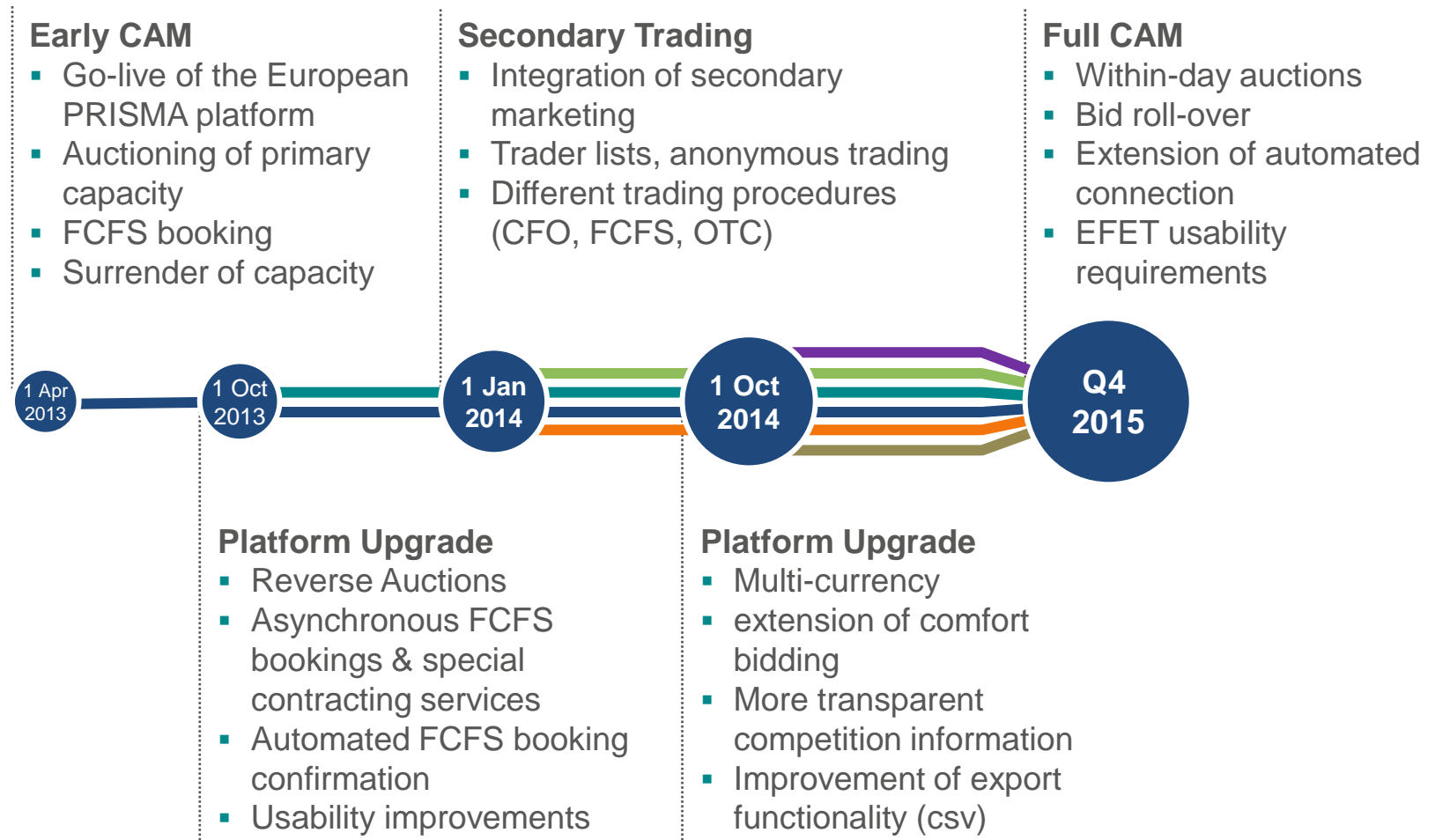
- 380+ registered shippers
- 27 connected TSOs
- 31 involved TSOs
- 1,200+ users

Expertise & Experience

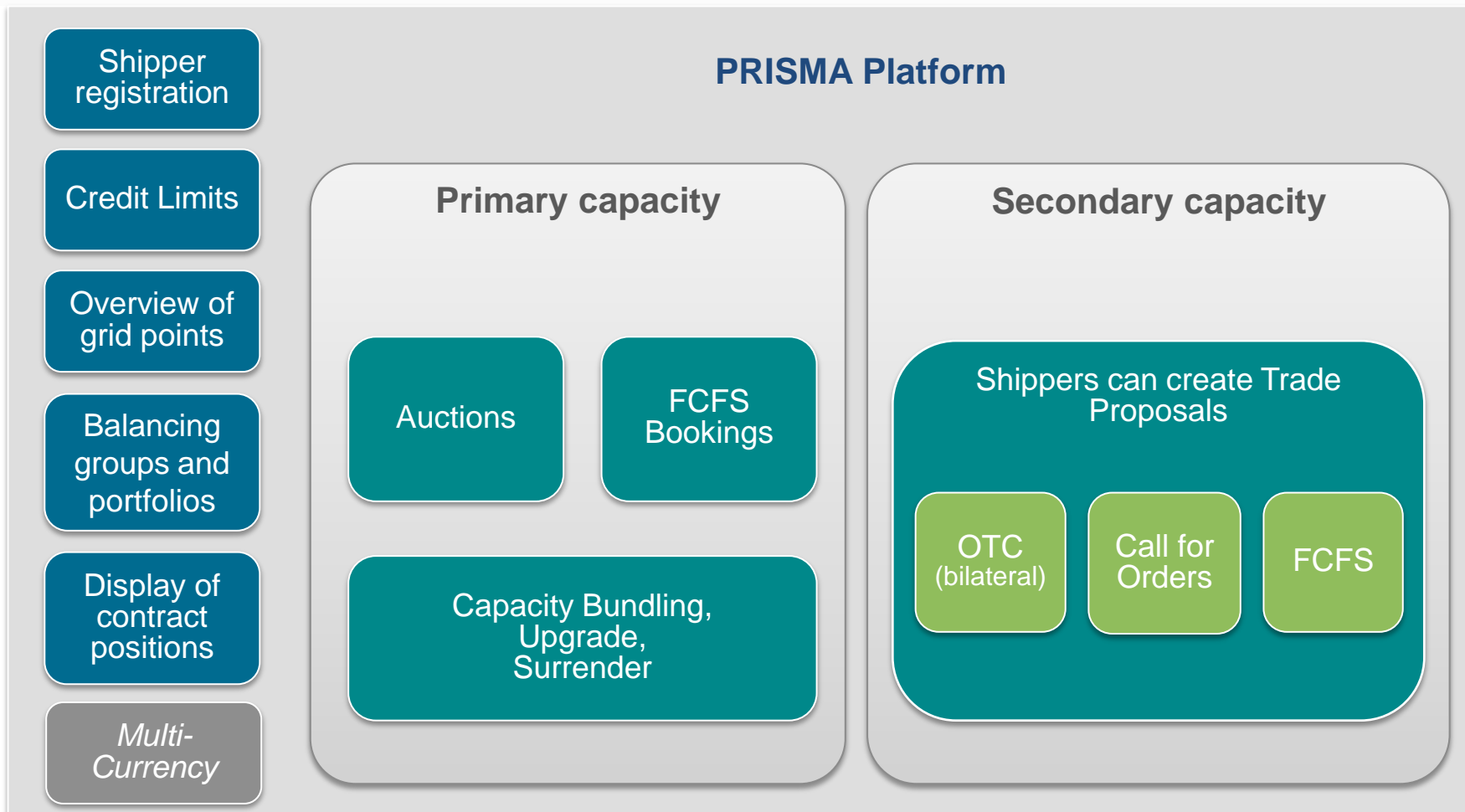
- 108,000+ auctions
- 265 secondary trades
- 1,507 network points



PRISMA is striving to not only fulfil regulatory requirements but to provide a platform matching the needs of TSOs and Shippers.



All functionalities are offered via a single platform, which significantly simplifies access to the European capacity market.



The platform offers not only primary but also secondary capacity trading to all registered users. Supporting processes like registration, grid point master data etc. are used by all functionalities.

The platform has implemented almost all of the European regulatory requirements two years ahead of time.



Functionalities as required by the EU regulation	Status
Firm capacity	✓
Interruptible capacity	✓
Multiple categories of firm and interruptible capacity	✓
Bundling of capacity products	✓
Ascending clock auctions (yearly, quarterly, monthly)	✓
Uniform auctions (day-ahead)	✓
Uniform auctions (within-day)	✓ <i>(to be launched in 2015)</i>

Functionalities needed to implement EU requirements

Bundling of capacity in 1-n situations (competition and a-priori)	✓
Comfort functions for automated bidding	✓
Multi-currency trading	✓
Secondary capacity trading (OTC, FCFS, CFO)	✓
Surrender of capacity	✓
Shipper and user registration on the platform	✓
Authorisation level management	✓
Network point display and administration	✓
TSO automated communication	✓
Graphical user interface of the platform (display, usability)	✓
Reporting of platform transactions	✓
Offer of competing capacity products	✓

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With a high number of additional functionalities, PRISMA also provides a cost-efficient way to fulfil the national requirements.



Functionalities based on National Requirements*	D	NL	DK	BE	AT	IR	F	UK	IT
Bid limitation by percentage of capacity amount							<input checked="" type="checkbox"/> *		
Reverse auctions to buy back capacity		<input checked="" type="checkbox"/>							
Conversion (upgrade) of interruptible to firm capacity	<input checked="" type="checkbox"/>								
Booking assignment to balancing groups	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>			
Booking assignment to portfolios		<input checked="" type="checkbox"/>							
First-come-first-served booking (FCFS)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
Asynchronous FCFS		<input checked="" type="checkbox"/>							
TSO acting as a shipper	<input checked="" type="checkbox"/> *					<input checked="" type="checkbox"/>			
Credit limit check	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

* Not all TSOs in the respective country use the functionality

Having implemented almost all European Requirements ahead of time, the PRISMA platform also offers the flexibility to comply with the varying national obligations.

From October 2014, shippers will be able to buy and trade capacity via the platform in multiple currencies.



FUNCTIONALITY:

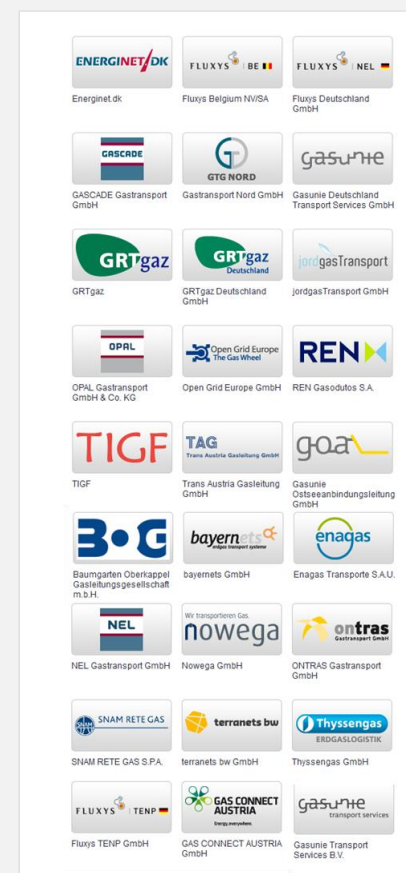
The European regulation requires capacity trading across multiple countries in the EU. With the multi-currency functionality PRISMA simplifies European capacity booking and trading with differing currencies.

Allows capacity bidding and trading with multiple currencies.

CHARACTERISTICS:

- The multi-currency functionality is used if the TSOs of the offered capacity use different currencies.
- PRISMA pulls the actual exchange rates from the European Central Bank on a daily basis.
- Shippers can submit bids with an aggregated value in their preferred currency
- TSOs send the invoices in their national currency to the shippers

THE FUNCTIONALITY WILL BE AVAILABLE FOR ALL PRISMA TSOS:

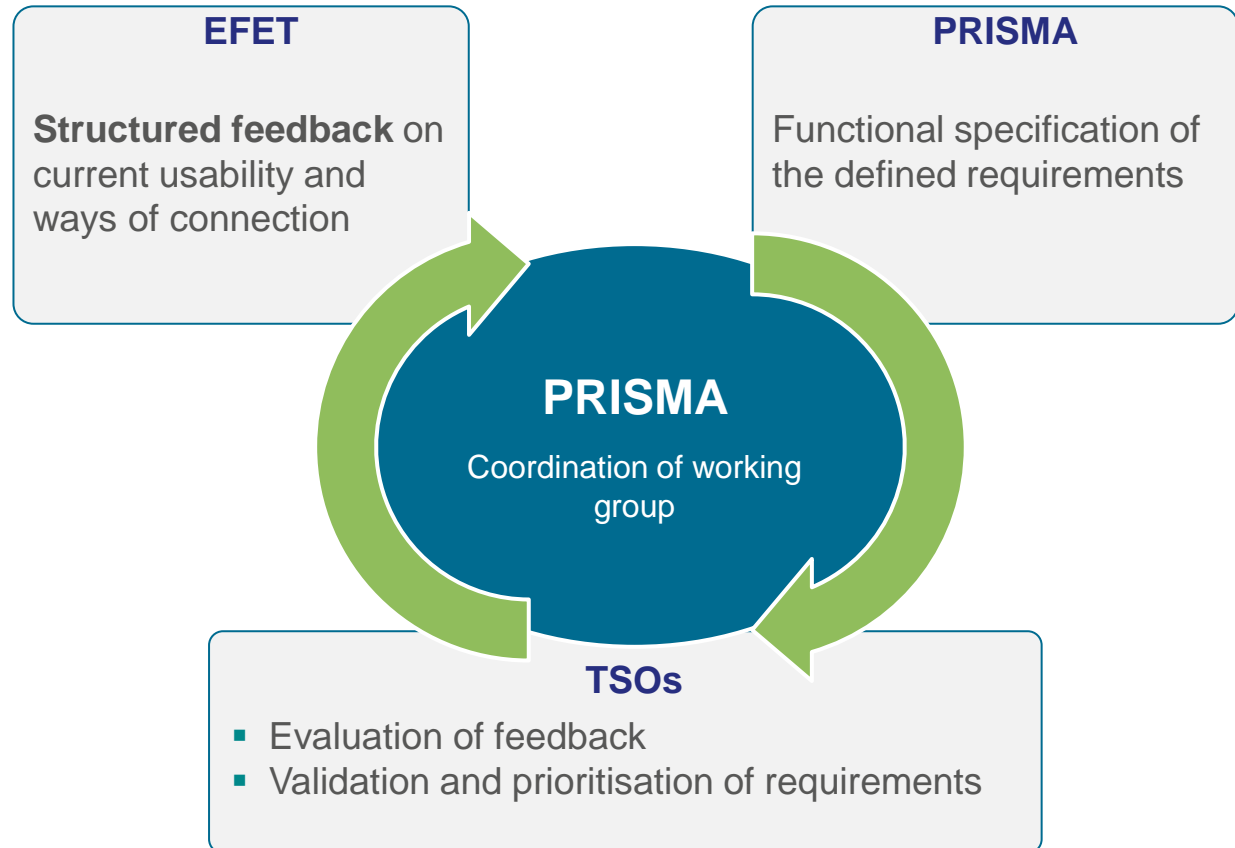


A joint PRISMA/EFET working group has been initiated to identify requirements regarding usability and the automated connection



PRISMA USABILITY GROUP ENSURES:

- **Strong involvement of the shipper community** in the future developments of the platform
- That the knowledge of all involved parties is shared and utilised most effectively.
- **Structured shipper feedback** on current platform usability and the automated shipper connection functionality
- Joint specification of PRISMA's future **usability** and **automated connection requirements**





- **Independent, multi-TSO company** / high number of shareholders mean close connections to the market & very broad knowledge base
- **PRISMA acts as a neutral moderator** in the decisions-making processes of the involved TSOs
- **PRISMA working groups** with qualified TSO-representatives ensure combined knowledge with regards to all aspects of the PRISMA company
- Small but very **experienced multilingual & international PRISMA team** with high flexibility ensures the quality of all platform / company developments
- **Platform security and state-of-the art IT** is of utmost importance to comply with the future European requirements

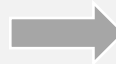
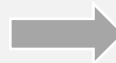
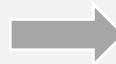
TSOs

Keep control over capacity marketing processes.

Pay as little as possible for both IT implementation and operations.

Meet deadlines set by law or regulators

Minimize implementation and operational risks.



PRISMA

Strategic decisions are made by TSOs (shareholders).

Use synergy effects among all involved TSOs

Drive fast developments on a European level with a dedicated work force.

Industrialisation of a safe and reliable IT system.



Do you have questions?