Introducing PRISMA European Capacity Platform

Background of the company and current developments

Allocation of Gas Transmission Capacities in the Energy Community

Workshop 14 March 2016, Vienna
Agenda

I. Background and status of the company
II. PRISMA governance
III. Development of the PRISMA Platform
   PRISMA in numbers
   Usability project
   Shipper services
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I. Background and status of PRISMA
The joint PRISMA platform was built on the experience of all its participating TSOs

The involved TSOs reached significant synergy effects

Significantly reduced the overhead costs for all involved TSOs.

Created easy access to a high number of markets for the European gas traders.

Created a best practice for TSOs.

Helped in the creation of a transparent European gas market.
## PRISMA platform’s evolution

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<td>1 April 2013</td>
<td>Early CAM</td>
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<td>Go-live of the European PRISMA platform</td>
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<td>Auctioning of primary capacity</td>
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<td>FCFS booking</td>
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<td>Surrender of capacity</td>
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<td>1 October 2013</td>
<td>Platform Upgrade</td>
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<td>Reverse Auctions</td>
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<td>Asynchronous FCFS bookings &amp; special contracting services</td>
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<td>Automated FCFS booking Confirmation</td>
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<td>Usability improvements</td>
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<td>1 January 2014</td>
<td>Secondary Trading</td>
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<td>Integration of secondary marketing</td>
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<td>Trader lists, anonymous trading</td>
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<td>Different trading procedures (CFO, FCFS, OTC)</td>
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<td>1 October 2014</td>
<td>Platform Upgrade</td>
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<td>Multi-currency</td>
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<td>Extension of comfort bidding</td>
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<td>More transparent competition information</td>
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<td>1 October 2015</td>
<td>Full CAM implementation</td>
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<td>Within-day auctions</td>
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<td>Bid roll-over</td>
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<td>Extension of automated shipper connection</td>
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<td>Q1 2016</td>
<td>Platform redesign</td>
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<td>New information architecture</td>
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<td>Update of visual design</td>
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<td>Reporting functionality</td>
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PRISMA connects 16 countries

Current PRISMA shareholders / customers

PRISMA project TSOs
II. PRISMA governance
PRISMA, an open cooperation which allows all European TSOs to become shareholders

- PRISMA: A company open to new TSOs for an integrated European capacity market.
- The PRISMA shares are distributed in accordance with the ENTSOG voting rights.
- By using the ENTSOG voting rights, PRISMA ensures that every shareholder participates in the decision-making process.
- With every new European TSO the shares are re-allocated using the ENTSOG voting rights.
- PRISMA does not have an independent strategy but is fully built on the strategy and the decisions of its shareholders.
The internal governance of the PRISMA is set out in the Articles of Association. Pursuant to this, PRISMA shares are distributed in accordance with the ENTSOG voting rights. By using the ENTSOG voting rights, PRISMA ensures that:

- Every shareholder participates in the decision-making process.
- With every new European TSO as new shareholder the shares are re-allocated using the ENTSOG voting rights.
- As an independent company operated by all participating TSOs, PRISMA's contractual structure ensures that all shareholders have a strong vote in PRISMA's decisions.
The TSOs and National Regulatory Authorities (NRAs) directly involved in PRISMA founded at the beginning of 2014 the Regulatory Advisory Group.

**The main tasks of the Regulatory Advisory Group are:**

- inform and discuss with NRAs about future developments;
- inform and discuss with NRAs about future changes of General Terms and Conditions of PRISMA;
- discuss open issues related to the allocation of transmission capacity at interconnection points between entry-exit systems that need harmonization of different national regulations;
- receive information from NRAs about developments in EU regulation that could have impact on PRISMA
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III. Development of the PRISMA Platform

PRISMA in numbers
PRISMA in numbers

- Users active on the platform: +1,800
- Shipper companies registered on the PRISMA platform: +540
- Number of successful auctions: +900,000
- Network Points connected to the PRISMA platform: +1,500
- Transmission System Operators: 37

Slide 12
Allocation experiences

**Primary market**
- New functionalities successfully introduced
  - Within-day
  - Reverse auctions
  - ….  

**Bundling**
- 1,300 bundled network points
- >245,000 bundled auctions
- Robust algorythm

**Secondary market**
- >2,140 secondary trades
- Data Reporting Services required as of 7 April 2016
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III. Development of the PRISMA Platform

Usability project
User involvement is key to success

- Most users experienced the renewed platform as a big change, but easy to learn and easier to work with.
- Users considered it to look more user friendly and expect that the new design will let them work more efficiently.
- Direct access to frequently used functionality right from the users dashboard.

"It's totally different, but after an hour using it you know it."

"Thank you for making our job more easy."
Full transparency on recent activity on the platform

- The activity feed allows users to have a clear overview on the activities performed across their whole company.
- Ongoing, successful, and unsuccessful activities are clearly highlighted.

"good to see what I did today, email doesn’t provide good overview"

"aha! Recent activity of company or user? I prefer the company."
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III. Development of the PRISMA Platform

Shipper services
Automated Shipper Connection: Benefits for shippers

- Optimized data handling
  Automated provision of auction and booking results to support integrated Front-to-Back-Office processes.

- Increased audit compliance
  Increased audit compliance due to automated booking confirmations.

- Improvement of data quality
  With the interface, shippers can increase their efficiency and eliminate manual input errors.

- Enforcing internal policies
  With the automated connection, shippers can set individual trading limits for each of their users in their back-end system.

- Automated participation in a high number of auctions
  Automating the trading activities helps mitigating the challenges of the NC CAM day-ahead and within day bidding windows.
Many shippers already use the system

Registration steps:
1. Accept the connection agreement
   PRISMA’s standardized agreement ensures non-discriminatory access to the offered services.

2. Select the communication solution provider
   PRISMA provides a standardized project based approach, amongst others, on the PONTON X/P solution.

3. Technical connection
   http(s) connection – ebXML messages – EFET standard.

4. Successful functional Testing
   PRISMA provides a full set of test cases to the connecting shippers and full support during the testing process.

5. Go-live
   The PRISMA helpdesk support is available for any questions after the go-live.
REMIT reporting service is high on demand

- Shippers are obliged to report their secondary capacity transaction to ACER as of Apr 7, 2016
- PRISMA is offering a service to report such transactions on their behalf
- Currently a large number of shippers are requesting PRISMA's REMIT reporting service
- Possible extensions can allow reporting of additional trades e.g. trades concluded on national points
Thank you very much for your attention

Dr. Götz Lincke
Managing Director of PRISMA
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BACK UP
PRISMA platform

- PRISMA is Europe’s leading gas capacity trading platform. With the ability to serve a high number of TSO backend systems, PRISMA provides a single platform through which TSOs and shippers may auction transmission gas capacity at primary and secondary market level respectively.

- There are currently 37 European TSOs from Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia, Slovakia, Spain and United Kingdom connected to the PRISMA platform.
Supported by the full ownership of its 24 shareholders and international workforce, PRISMA benefits from an European wide and profound expertise in European gas markets.

PRISMA’S pillars

Integration

Transparency

Cooperation
The contractual structure has been created in a way to support the joint strategy of the PRISMA shareholders.

As an independent company operated by all participating TSOs, PRISMA’s contractual structure ensures that all shareholders have a strong vote in PRISMA’s decisions.

- All changes to PRISMA’s contractual structure need to be discussed through the PRISMA working groups & decided by the shareholders.
- Service contracts, which are concluded between PRISMA and the involved TSOs, are standardised to ensure fair and equal treatment of all partners.
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Development of the PRISMA platform
2 years ahead of time

The platform has implemented almost all main European regulatory requirements 2 years before the NC CAM became binding.

Functionalities early implemented:

- 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
Product harmonisation and new functionalities as of Oct 2016

- Introduction of “kWh/d”
- Within-Day (WID) auctions
- Display of additional capacity
- Harmonization (Bundling)
- Changes to reverse auctions
The uniform-price auction algorithm would be the same as for the Day-Ahead auctions.

The auctions would be published and started at the same time (same behaviour as the Day-Ahead auctions).
Zooming in – introduction of KWh/d

- Besides “kWh/h” the platform also supports the flow unit “kWh/d”
- The decision on the used flow unit is with the TSOs
- The usage of the flow unit is connected to the network point and can be either “kWh/d” or “kWh/h”
- TSO already using “kWh/h” will not change to “kWh/d” on short notice
- Bundling and calculation between the different flow units would not be supported by the PRISMA platform
“With its concept of an open cooperation, PRISMA has already reached significant acceptance and utilisation in the market.”
Status update on REMIT reporting obligation

REMIT reporting obligation

- Being considered as OMP, PRISMA needs to become a RRM and to provide a reporting service for the secondary market
- Consequently, PRISMA has shaped a reporting service for shippers

Current status of developments

- PRISMA is about to finalise the registration process as RRM with ACER
- Test phase of REMIT reporting feature has recently started
- Shippers have already started to apply for the reporting service
- Both TSOs and shippers have asked PRISMA to evaluate additional reporting services
PRISMA REMIT Reporting Services

PRISMA conducted a public consultation between 1 - 24 July 2015 to investigate possible services for reporting secondary transactions on behalf of the registered shippers. Based on the feedback and the legal requirements, a REMIT Reporting Service was developed and announced in November 2015.

PRISMA offers services through which the data can be reported in the following combinations:

- to ACER via Edig@as files
- to the shipper via Edig@as files sent by email
- to the shipper via Edig@as files sent via the Automated Shipper Connection
- a combination of the first two solutions
- a combination of the first and third solutions
REMIT reporting service sees a high demand

- Shippers are obliged to report their secondary capacity transactions to ACER as of Apr 7, 2016.
- PRISMA is offering a service to report such transactions on their behalf.
- Currently a large number of shippers are requesting PRISMA’s REMIT reporting service.
- Possible extensions can allow reporting of additional trades e.g. trades concluded on national points.
- PRISMA created a dedicated website page for the REMIT services, shippers can find all the necessary information here: https://corporate.prisma-capacity.eu/remit-reporting/.