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

PRISMA

Agenda

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.

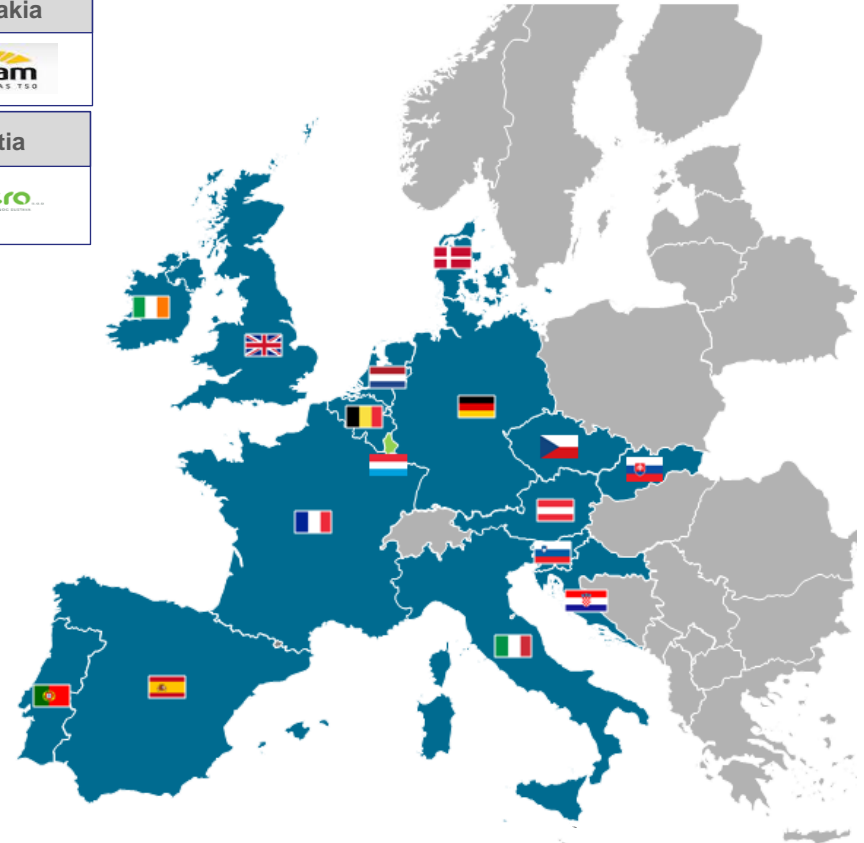Helped in the creation of a transparent European gas market.

PRISMA

PRISMA platform's evolution

1 April 2013
Early CAM

Go-live of the European PRISMA platform

Auctioning of primary capacity

FCFS booking

Surrender of capacity

1 October 2013
Platform Upgrade

Reverse Auctions

Asynchronous FCFS bookings & special contracting services

Automated FCFS booking Confirmation

Usability improvements

1 January 2014
Secondary Trading

Integration of secondary marketing

Trader lists, anonymous trading

Different trading procedures (CFO, FCFS, OTC)

1 October 2014
Platform Upgrade

Multi-currency

Extension of comfort bidding

More transparent competition information

1 October 2015
Full CAM implementation

Within-day auctions

Bid roll-over

Extension of automated shipper connection

Q1 2016
Platform redesign

New information architecture Update of visual design Reporting functionality

PRISMA

PRISMA connects 16 countries

Current PRISMA shareholders / customers

PRISMA project TSOs

Austria	Belgium	France	Slovakia
GAS CONNECT AUSTRIA — TAG Trans Austria Gasleitung GmbH	FLUXYS ∣ BE	GRTgaz — TIGF	eustream SLOVAK GAS TSO

Germany	Denmark	Italy	Croatia
bayernets erdgas transport systeme	ENERGINET/DK	SNAM RETE GAS	plinacro d.o.o. OPERATOR PLINSKOG TRANSPORTNOG SUSTAVA AUSTRIA
gasunie			
Open Grid Europe The Gas Wheel	Ireland	Portugal	
ontras VNG Gastransport GmbH	Gas Networks Ireland	REN Gasodutos	
Wir transportieren Gas. nowega			
terranets bw	Netherlands	Spain	
Thyssengas ERDGASLOGISTIK	gasunie transport services	enagas	
FLUXYS ∣ TENP	bbl company		
FLUXYS ∣ NEL			
jordgasTransport	Slovenia	Czech Republic	
GRTgaz Deutschland	Plinovodi Connected through energy	NET4GAS	
GTG NORD — GASCADE	UK	Luxemburg	
NEL — OPAL	national grid premier TRANSMISSION GNI (UK) Ltd. Interconnector	creos	
Lubmin-Brandov Gastransport			

Agenda

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.

PRISMA

PRISMA's working group structure

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 PRISMAs decisions.

Shareholders Meeting

Managing Director

Senior Advisory Group

PRISMA Project Management

Platform Development and Operations

Regulatory

Legal

Financial

Communication

Financial & Transparency EU Regulation

Shipper Usability Group
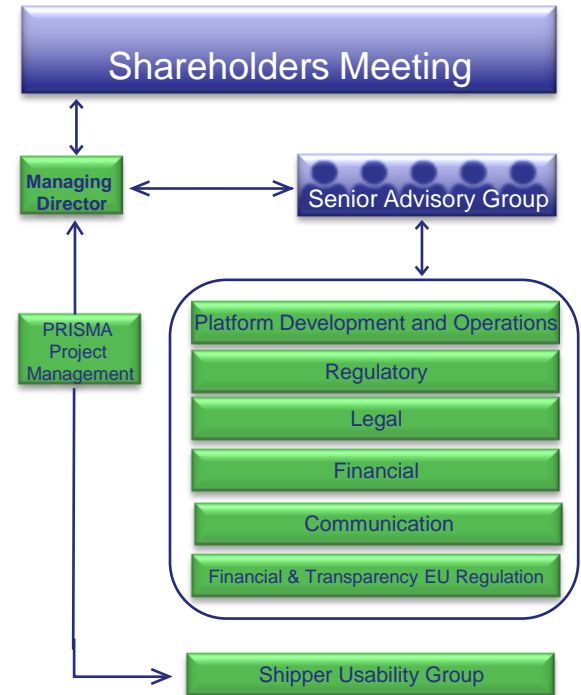
PRISMA

Cooperation with National Regulatory Authorities

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

National Regulatory Authorities

Regulatory Advisory Group

PRISMA

Transmission System Operators
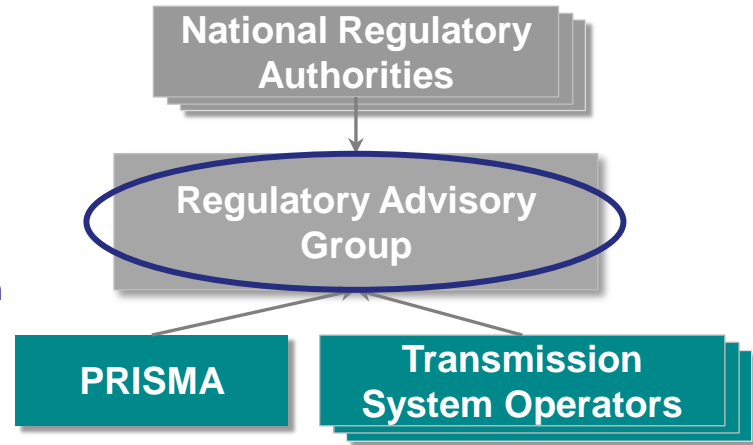
PRISMA

Agenda

III. Development of the PRISMA Platform

PRISMA in numbers

PRISMA in numbers

+1 800

Users active on the platform

+540

Shipper companies registered

on the PRISMA platform

+900 000

Number of

successful auctions

+1 500

Network Points

connected

to the PRISMA platform

37

Transmission
System Operators

PRISMA

Allocation experiences

Primary market	Bundling	Secondary market
New functionalities successfully introduced • Within-day • Reverse auctions • ….	• 1.300 bundled network points • >245.000 bundled auctions • Robust algorythm	• >2.140 secondary trades • Data Reporting Services required as of 7 April 2016

PRISMA

Agenda

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 an 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."

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.

PRISMA

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.

PRISMA

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 PRISMAs 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

Agenda

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.

PRISMA

PRISMA'S pillars

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.

Integration

Transparency

Cooperation

PRISMA

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 PRISMAs decisions

- All changes to PRISMAs 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
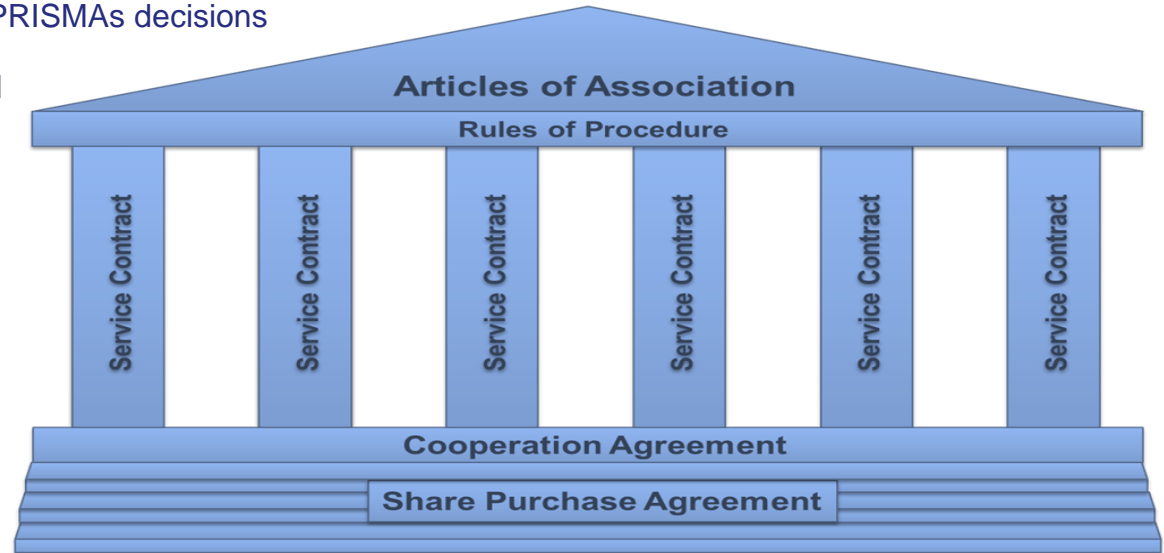
The contractual pillars of PRISMA

PRISMA

Agenda

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

PRISMA

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

PRISMA

Zooming in – Within day 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)

PRISMA

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

PRISMA

"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

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

PRISMA

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 PRISMAs 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/ .