



**North-Western  
Europe**



**Price Coupling of  
Regions**



**South-Western  
Europe**

## **South-Western and North-Western Europe day-ahead markets successfully coupled**

*A significant step towards an integrated European power market*

**13 May 2014.** In a landmark move towards an integrated European power market, the full coupling of the South-Western Europe (SWE) day-ahead markets was successfully launched today. As a result, the SWE and North-Western Europe (NWE) projects, stretching from Portugal to Finland, now operate under a common day-ahead power price calculation using the Price Coupling of Regions (PCR) solution.

Today, for the first time, the day-ahead transmission capacity on the French-Spanish border has been implicitly allocated through the PCR solution, replacing the previous daily explicit allocation. Full price coupling between the NWE and SWE projects allows the simultaneous calculation of electricity prices and cross-border flows across the region. This will bring a benefit for end-consumers derived from a more efficient use of the power system and cross-border infrastructures as a consequence of a stronger coordination between energy markets.

With the achievement of full coupling of SWE day-ahead markets, cross-border capacity of all interconnectors within and between the following NWE and SWE countries will now be optimally allocated in the day-ahead timeframe: Belgium, Denmark, Estonia, Finland, France, Germany/Austria, Great Britain, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland (via the SwePol Link), Portugal, Spain and Sweden.

The combined day-ahead markets of the NWE and SWE projects account for about 2,400 TWh of yearly consumption. Since the launch of the PCR on 4 February, the daily average cleared volume over these markets amounted to 3.2 TWh, with an average daily value of over €200m.

The SWE full market coupling represents a further step towards the implementation of the European target model for the Internal Electricity Market in Europe in the day-ahead timeframe. Following the NWE-SWE full coupling, further extensions of the market coupling with the PCR solution are envisaged.

## About the projects:

**North-Western Europe (NWE) Price Coupling** is a project initiated by the Transmission System Operators and Power Exchanges of the countries in North-Western Europe. The 17 partners of this project comprise APX, Belpex, EPEX SPOT and Nord Pool Spot from the Power Exchanges' side; 50Hertz, Amprion, Creos, Elia, Energinet.dk, Fingrid, National Grid, RTE, Statnett, Svenska Kraftnät, TenneT TSO B.V. (Netherlands), TenneT TSO GmbH (Germany) and TransnetBW from the TSO side. The cooperation is dedicated to the price coupling of the day-ahead wholesale electricity markets in this region, increasing the efficient allocation of interconnection capacities of the involved countries and optimising the overall social welfare. A single algorithm, calculating simultaneously the electricity market prices, net positions and flows on interconnectors between bidding zones will be used, based on implicit auctions and facilitated through the Price Coupling of Regions solution.

**Price Coupling of Regions (PCR)** is the initiative of seven European Power Exchanges (APX, Belpex, EPEX SPOT, GME, Nord Pool Spot, OMIE and OTE), to develop a single price coupling solution to be used to calculate electricity prices across Europe and allocate cross-border capacity on a day-ahead basis. This is crucial to achieve the overall EU target of a harmonised European electricity market. The integrated European electricity market is expected to increase liquidity, efficiency and social welfare. PCR is open to other European Power Exchanges wishing to join. Following NWE and SWE operations, the PCR solution will also be adopted by the Italian Borders market coupling project (IBWT) and by the Czech-Slovakian-Hungarian-Romanian market coupling (4M MC).

**South-Western Europe (SWE) Price Coupling Project** is a joint project between the French, Spanish and Portuguese TSOs, RTE, REE, REN, and the Power Exchanges OMIE in Spain and Portugal and EPEX SPOT operating the French market. This project aims to define the pre-coupling, post coupling and exceptional situations processes that are necessary to allow the implementation of Price coupling between NWE region and the Iberian day-ahead markets.

To find out more about the PCR project and the regional price coupling implementation projects in NWE and SWE, visit the following websites:

### NWE project:

[www.apxgroup.com](http://www.apxgroup.com)  
[www.belpex.be](http://www.belpex.be)  
[www.epexspot.com](http://www.epexspot.com)  
[www.nordpoolspot.com](http://www.nordpoolspot.com)  
[www.casc.eu](http://www.casc.eu)

### PCR project:

[www.apxgroup.com](http://www.apxgroup.com)  
[www.belpex.be](http://www.belpex.be)  
[www.epexspot.com](http://www.epexspot.com)  
[www.mercatoelettrico.org](http://www.mercatoelettrico.org)  
[www.nordpoolspot.com](http://www.nordpoolspot.com)  
[www.omie.es](http://www.omie.es)  
[www.ote-cr.cz](http://www.ote-cr.cz)

### SWE project:

[www.epexspot.com](http://www.epexspot.com)  
[www.omie.es](http://www.omie.es)  
[clients.rte-france.com](http://clients.rte-france.com)  
[www.ree.es](http://www.ree.es)  
[www.ren.pt](http://www.ren.pt)