

The New Intra-Day Market

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Markets

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Spot Markets

- Introduction of an Intra-Day Energy Market (MI), in lieu of the Adjustment Market
 - two sessions held on day $D-1$ between the closing time of the MGP and the opening time of the ex-ante MSD



take-off on 1 November 2009

- Modification of the Ancillary Services Market (MSD)



take-off on 1 January 2010

- Functional integration between the Intra-Day Market (MI) and the Ancillary Services Market (MSD)

- introduction of sessions of the MI on day D and modifications of the MSD



take-off on 1 January 2011

The reform of the electricity market: MI and MSD

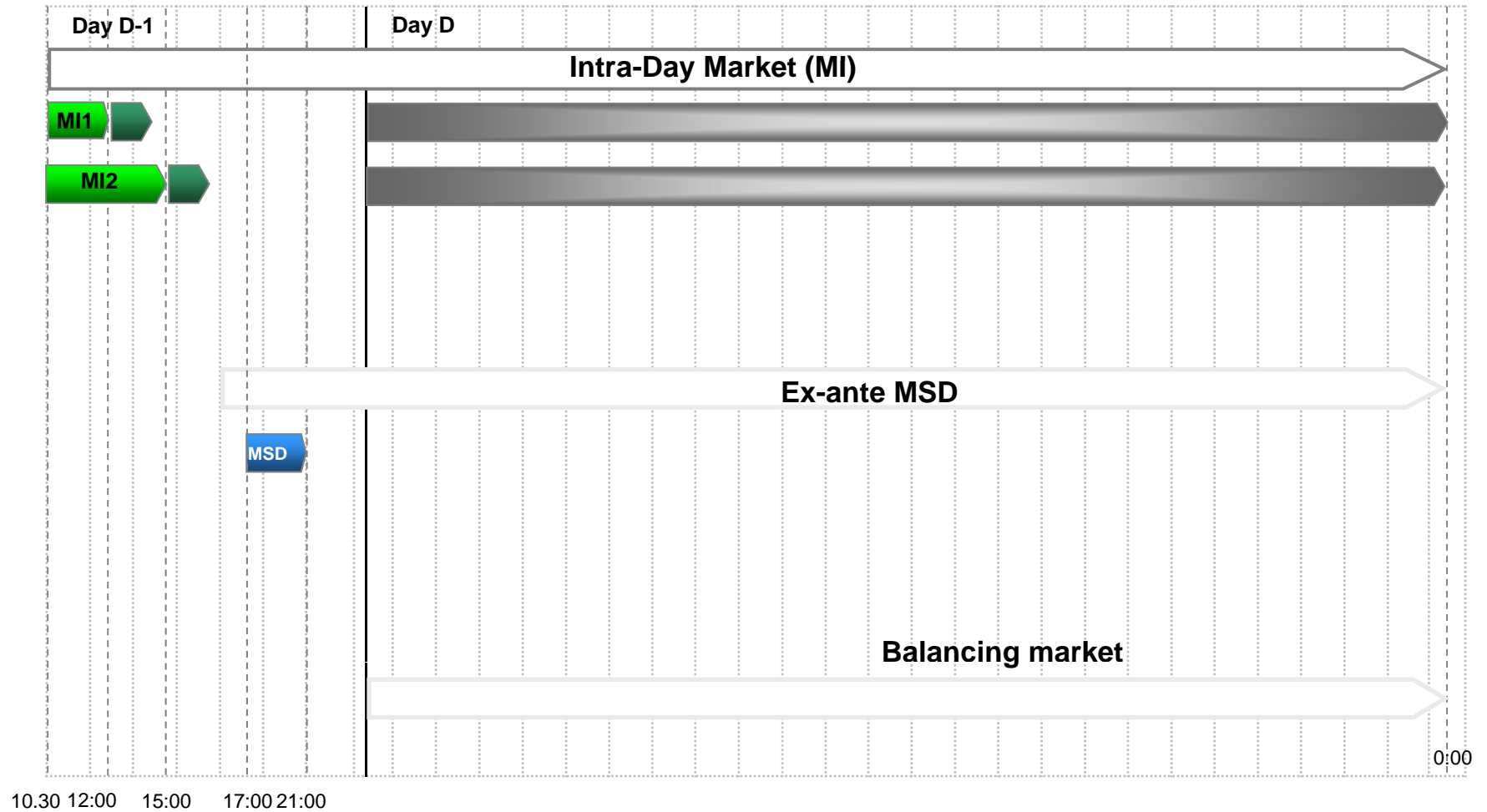
Beginning on 1 January 2011



- Two additional sessions of the MI (MI3 and MI4) will be held on the day of flow
 - hourly periods will be traded until completion of the day of flow
- The MI3 and MI4 will take place under the implicit-auction mechanism similarly to the previous sessions of the energy markets
 - same procedures for bid/offer submission as in the previous MIs
- The ex-ante MSD is divided into 3 scheduling sub-stages
 - two additional scheduling stages are introduced after the MI3 and the MI4



The reform of the electricity market: today's MI

The MI until 30 Dec. 2010 (day of flow: 31 Dec. 2010)

Technical Rule no. 3 rev1 MPE

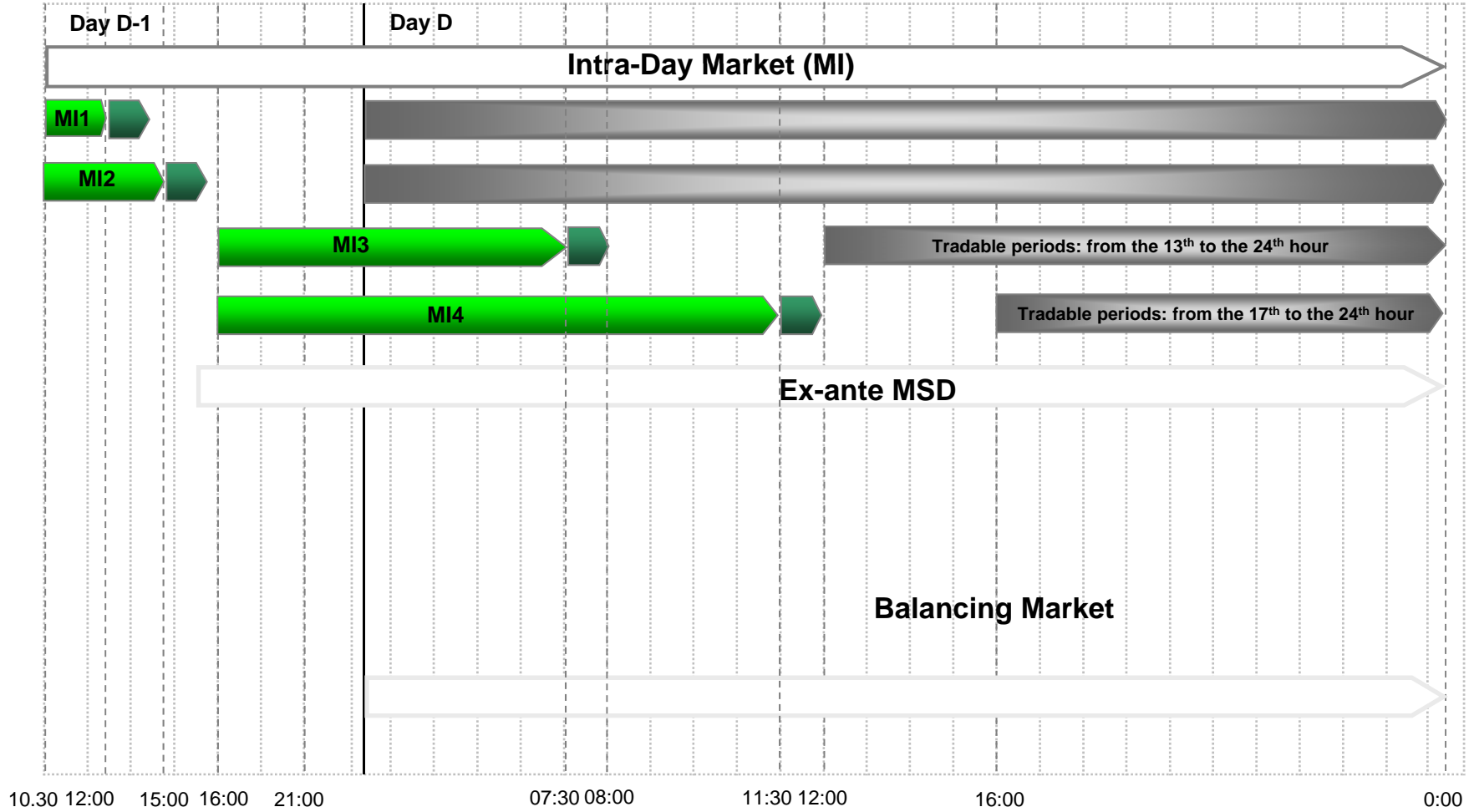


 Submission of bids/offers to GME
 Selection of bids/offers by GME

 Execution of schedules
 Selection of bids/offer by Terna

The reform of the electricity market: the MI in 2011

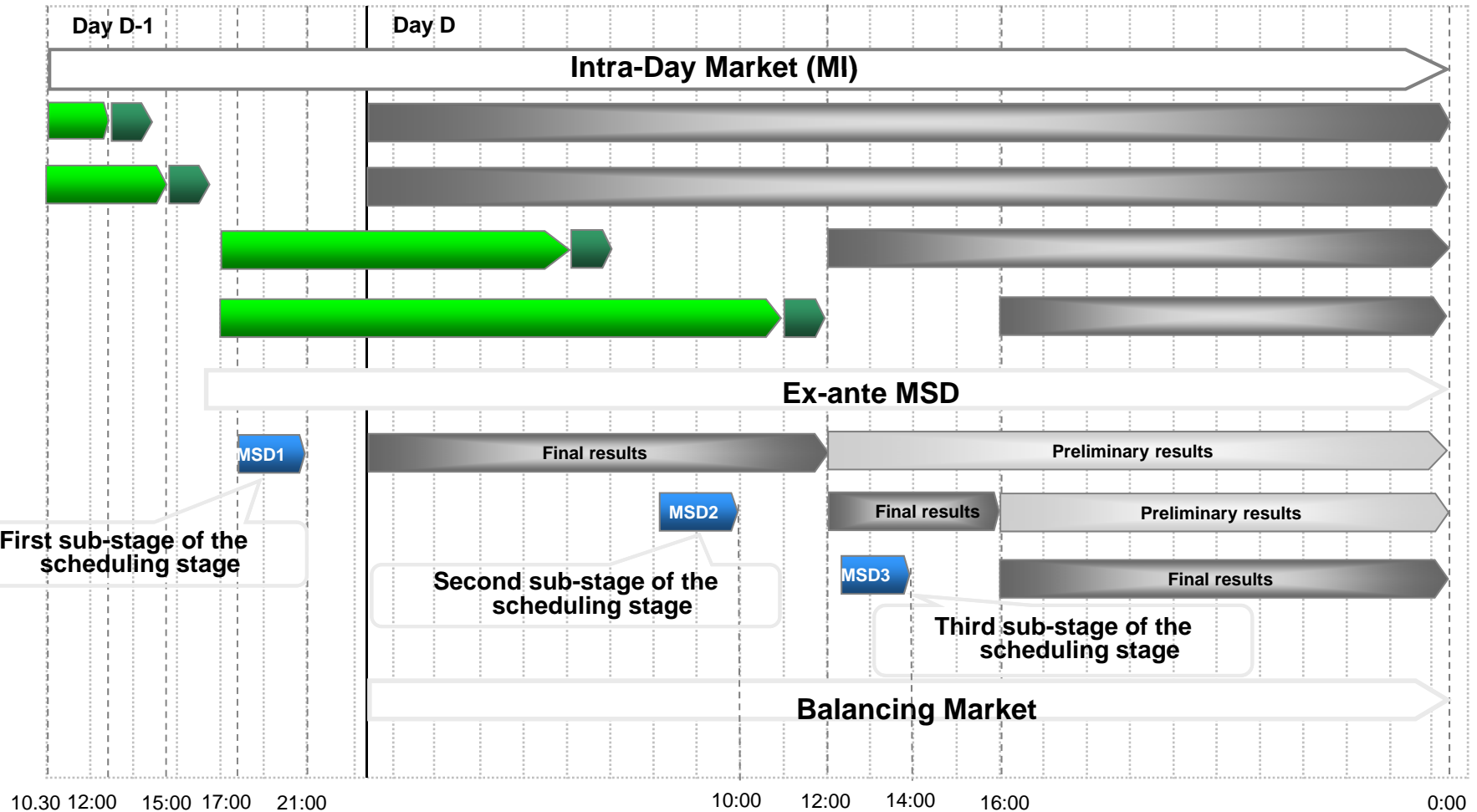
The MI since 31 Dec. 2010 (day of flow: 1 Jan. 2011)
 Technical Rule no. 3 rev2 MPE



	Submission of bids/offers to GME		Execution of schedules
	Selection of bids/offers by GME		

The reform of the electricity market: integration between the MI and the MSD in 2011

The MSD since 31 Dec. 2010 (day of flow: 1 Jan. 2011)
 Technical Rule no. 3 rev2 MPE



The reform of the electricity market: integration between the MI and the MSD

➤ For the sessions of the MI3 and MI4

- Terna reports to GME preliminary information about the transit limits available between zones for the hourly periods of the Intra-Day Market session, based on the results of the previous sessions of the energy markets (MGP and MI)
- GME reports to Terna and Market Participants the cumulated updated schedules resulting from each session of the MI, based on the results of the previous sessions of the energy markets (MGP and MI)
- No account is taken of the results of the previous scheduling sub-stages of the MSD

➤ For the scheduling sub-stages of the MSD

- for the results of the hourly or quarter-hourly periods, even included in sub-stages following the ones for which the notification is made
 - ✓ the volumes are deemed to be preliminarily accepted or reserved; therefore, they may be changed in the sub-stages following the scheduling stage
 - ✓ the cumulated final schedules and the binding schedules are deemed to be preliminary ("cumulated preliminary MSD schedules" and "preliminary binding schedules"): therefore they can be changed in the sub-stages and in the subsequent MIs
- conversely, for the other hourly or quarter-hourly periods (thus not included in the sub-stages following the ones for which the notification is made), all the notifications are deemed to be final
- Terna reports the results to Market Participants via IPEX

8 Amendments to the Integrated Text of the Electricity Market Rules and to the Technical Rules

GME will implement the new design of the MI and MSD by amending:

- the Integrated Text of the Electricity Market Rules
 - ✓ SECTION 1, Subsection III

- Technical Rule no. 03 rev 02 MPE
 - ✓ timetable of the new sessions of the MI and of the Ex-ante MSD

Timetable of the markets: the new Technical Rule no. 3 rev 02 MPE

	MGP	MI1	MI2	MSD1	MB1	MB2	MI3	MSD2	MB3	MI4	MSD3	MB4	MB5
Reference Day	D-1				D								
Preliminary information	08:00	12:00	15:00	n.a.	n.a.	n.a.	07:30	n.a.	n.a.	11:30	n.a.	n.a.	n.a.
Opening of sitting	08:00**	10:30	10:30	15:30	°	23:00*	16:00*	°	23:00*	16:00*	°	23:00*	23:00*
Closing of sitting	09:00	12:00	15:00	17:00	°	04:30	07:30	°	10:30	11:30	°	14:30	20:30
Individual results	10:30	12:30	15:30	21:00	#	#	08:00	10:00	#	12:00	14:00	#	#
General results	10:30	12:30	15:30		##	##	08:00	##	##	12:00	##	##	##

** the hour refers to day D-9

* the hour refers to day D-1

° consideration is given to the bids/offers submitted in the first sub-stage of the MSD

fifteenth day of month M+2

The general results are notified on an hourly basis, i.e. in the hour following the end of each hourly period.

Thank you for your attention!!!