

DAY-AHEAD COORDINATED CROSS-BORDER CAPACITY CALCULATION ON THE ITALIAN NORTHERN BORDERS

FULL LIVE TEST IS STARTING

2015, December 1st

Following the communication on the same subject published on 2015 July 30th, the Transmission System Operators of the Northern Italian Borders (APG, ELES, RTE, Swissgrid and TERNA) would like to inform market participants that the external dry run of the day ahead coordinated NTC capacity calculation process has been successfully completed. During both phases internal and external dry run, the calculation procedure has demonstrated to be sufficiently robust and reliable.

As a consequence, the involved Transmission System Operators intend to launch the next and final step of the testing phase, which is the Full Live Test. <u>Please note that during this phase, the NTC resulting from the day ahead coordinated NTC capacity calculation process will be both published and used for allocation purposes</u>.

As outlined in the description of the capacity calculation methodology published by the project partners, these NTC values are calculated no later than 7:30 a.m. D-1, ensuring that in case they are lower than the long-term capacity allocated, a curtailment is applied within the long-term firmness dead-line (8:30 a.m. D-1).

Moreover, the day ahead NTC capacity calculation process is applied to compute the NTC values in import direction to Italy. The computation of the NTC values in export direction from Italy will be added in a later stage, once the corresponding methodology will be finalized.

During the Full Live Test Phase, the Transmission System Operators of the Northern Italian Borders will test the impact of the new NTC values on the system in terms of grid security in real operation. It is the aim that the new daily computed NTCs will be sustainable in operation before confirming the methodology and the process. This project will go live once the Full Live Test provides the anticipated and expected satisfying results. In the other case, the TSOs reserve the right to postpone the Go-Live in order to refine the process in the context of grid security.

The Full Live Test is expected to start on 2015, December 16th as delivery date.

Transmission System Operators of the Northern Italian Borders are currently completing, where applicable, the corresponding local regulatory approval processes. They will also communicate the effective Go-live date sufficiently in advance in the course of the Full Live Test.