Subject: Update on project status and planning with launch foreseen end of June 2014

Dear Market Participant,

The CWE project partners are aware that it is essential that Market Parties are informed sufficiently in advance about important changes and would therefore like to inform you about the current status of the Flow-Based Market Coupling project.

After having performed a market consultation before summer and consequently having finalized the approval package for Regulators, the stabilization of Flow-Based results and the industrialization of the calculation process are our highest priorities today. The Project is however currently experiencing a delay in the IT delivery of the industrialized Flow Based version of the TSO Common System. TSOs have taken several mitigation measures for the short run in order to ensure the technical and operational readiness by the end of March 2014, some months after a successful launch of the NWE DA Project. Subject to dependencies, such as NRA approval, Market Participants’ acceptance and readiness, readiness of IT systems and operational aspects, satisfactory completion of the external parallel run and coordination with NWE extensions (SWE, etc.), CWE project partners envisage a go live for end of June 2014.

Furthermore, the CWE Project would like to meet Market Parties’ demand expressed during the consultation by starting the daily publication of market simulation results as part of the parallel run. As the daily parallel run publication is highly dependent on the availability of the industrialized Common System and successful training of all operators, it is currently foreseen for 1st of February 2014. This would leave Market Participants five full months of representative daily parallel run data before the considered go live date.

The CWE project partners will communicate this updated planning with further details and explanations about key concerns raised by Market Parties on the occasion of the next Market Forum taking place on 10th October in Brussels.

Best Regards,

CWE Flow-Based Market Coupling project partners