

# French zone merger: update on PEGAS technical solution

23 August, 2018

Dear members,

Following the Customer Information sent on 27 April 2018, we would like to bring additional details regarding the technical implementation of the PEG Nord-TRS merger confirmed for 1<sup>st</sup> November 2018.

## Context

Following members' request, a zone merger concept was designed in the scope of the Concertation Gaz process gathering all relevant French market participants, French TSOs and CRE end of last year. French stakeholders then strongly requested platform operators to adapt their tradable products and screen design in a way that will:

- Respect and match as much as possible the trading calendar of the three PEG Nord, TRS and PEG products
- Clearly explicit where traded products will be delivered to prevent mismatches in the nomination process before and after the merger
- Limit the amount of trades to be renamed in their books (ETRM) and avoid non standard adaptations to nomination tools
- Avoid liquidity splits and liquidity drops in the French wholesale market before the merger by aligning platforms with a single solution and timing

This can only be achieved by creating a new PEG product<sup>1</sup> in Trayport® (and not by renaming the existing PEG Nord although this may have seemed easier at first sight). This new PEG product will be created one month before the merger so that PEG Futures maturities can be traded as early as 28<sup>th</sup> Sept, and PEG Spot maturities be activated accordingly.

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<sup>1</sup> In this document PEG includes PEG outright, 1MWh/d, Regulated Market, OTF and related spreads (with TTF, NCG, ZTP)

## Technical setup

- **Trayport**

Before 27 September 2018, Trayport will create 2 new instruments in Gold:

- PEG PEGAS for Spot and Futures cleared products
- PEG for OTC non cleared products

These instruments will be mapped to PEGAS (and brokers') new PEG instrument.

- **PEGAS Futures contracts**

On 27 September 2018 after trading hours, PEGAS will rename the PEG Nord (venue EEX) product in 'PEG' and disable TRS instrument in T7 (i.e. for Futures only). Spreads instruments will be adjusted accordingly.

- **PEGAS Spot products**

A new PEG instrument has been created in PEGAS Trayport® ETS and will remain inactive for Spot maturities until 30 October 2018.

As of 30 October 2018:

- PEG Spot maturities will progressively be activated
- PEG Nord and TRS Spot maturities will progressively be disabled.

- **Actions for members**

Prior to 28 September 2018:

- Members will have to setup the new PEG instrument in their ETRM.
- PEGAS Direct screen clients, Joule Direct clients and Gold Mapping Trading Gateway clients will get the new products automatically delivered in their workbooks. Non-Gold mapping clients can contact Trayport for information and assistance during the configuration and mapping process.

As of 28 September 2018:

- Members will have to add the new PEG market in their Joule® front-end
- Members will have to get used to trading in the right order book.

You will find attached to this Customer Information the updated PEGAS mapping file, which contains all relevant details for the PEG spot products, as well as a presentation with more details and illustrations.

## Testing phase

A simulation environment will be available upon request, for the Spot market on Trayport®. If you are interested in accessing this environment, please contact PEGAS Market Operations.

## Contact at Pownext

Please do not hesitate to contact our PEGAS Market Operations team or your Key Account Manager at PEGAS if you have any further questions.

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