

Ariba Spotlight

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G rard Dahan
Marketing & Corporate Europe Director
Ariba

RTE

Ariba in France

A global specialist in company spend management solutions and services, Ariba has been operating in France since 2000. In order for companies to optimise their purchases and control spending better, Ariba provides them with advice and support—or completely takes control if all expense analysis, sourcing and e-procurement work is outsourced to them. For large corporations, e.g. car manufacturers, pharmaceuticals and insurance companies and banks, Ariba provides its expertise to better control spending. It is now also offering to commit itself to the challenge of improving competitiveness for smaller companies with a range of On-Demand solutions and services.

RTE chooses Ariba

As a company at the heart of the European electricity sector, RTE has, together with six neighbouring transport network operators, put in place since 1st January 2006 a mechanism for interconnected capacity bidding* that enables electricity suppliers to sell their power to or buy it from customers in other European Union countries. From 1st January 2006, in accordance with EC Regulation No. 1228/2003 and after deliberation by the Electricity Regulation Commission of 1st December 2005, a bidding system has enabled players in the European market to acquire commercial exchange capacities on the six French interconnections.

To start with, in 2005 RTE defined a mechanism meeting the terms set by the European directive on transparency, auditing and liberalisation of the electricity market in Europe. RTE then went looking for a bidding system. Ariba and its Ariba Sourcing™ 4.3 solution were selected to support and implement bidding operations for the RTE platform. At the end of a short preparation and roll-out period of five months, RTE was able to launch its first e-auctions starting on 1st January 2006. So the promise was kept, as Ariba had also been able to provide remote training to several hundred individuals beforehand. They can now use the bidding platform independently, almost as a reflex action.

A platform that meets the requirements of RTE—signs of a new use of sourcing

As the operator of the French electricity transport network, every day RTE draws up a list of cross-border electricity capacity and transport niches (with Belgium, Germany, Switzerland, Italy and Spain) and then sends its capacity proposals to brokers via its bidding platform. By using Ariba Sourcing, RTE can now run up to 2,000 auctions a year on its entirely virtual trading platform. In fact almost all interconnections are now involved in annual, monthly and daily bidding. This new system both meets the expectations of customers and fulfils the criteria of the European Regulation.

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Marketing & Corporate Europe Director
Ariba

“Setting up this bidding platform for RTE was a big challenge for Ariba and signals a new form of use of sourcing, based on our standard Ariba Sourcing 4.3 e-bidding technology. We have put in place a genuine ‘auction’ tool, adapted to the RTE criteria and available to clients 24 hours a day, 7 days a week. With a 99.5% service quality rate, Ariba permanently watches over the performance it provides to RTE for the sale of its energy transport capacities. Given the initial success it has already obtained and the satisfaction this has brought RTE, plus the increasing demand for this type of application, it seems a good idea to monitor developments in the sale of surplus energy supplies more closely (gas, petrol, coal, etc.). At a time when energy consumption is a daily issue, energy purchases are an important concern”, says Gérard Dahan, Marketing & Corporate Europe Director at Ariba.

(*): In the context of the opening of the electricity market to competition and the interconnection from one country to another of electricity transmission grids, participants in auctions acquire part of the cross-border capacity for one year, one month or the day before programming of the electricity exchange.

About RTE

As a Transmission System Operator, RTE manages the French electricity transport network. Its job is to operate, maintain and develop the high and extra high voltage grid. A public service company, RTE’s role is to guarantee that the French power network runs smoothly and safely. RTE already publishes on its website a great deal of data relating to management of the electrical power network, thus making it possible to better understand the operation of the French and European electricity market.

(www.rte-france.com)

About Ariba, Inc.

Ariba, Inc. is the leading provider of spend management solutions to help companies realize rapid and sustainable bottom line results. Successful companies around the world in every industry use Ariba Spend Management™ software and services. Ariba can be contacted in the U.S. at 1.650.390.1000 or at www.ariba.com.



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