

Polish Power Exchange (TGE) and Romanian Power Exchange (OPCOM) become new members of the Price Coupling of Regions Initiative

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The power exchanges of the Price Coupling of Regions (PCR) welcome Polish Power Exchange TGE and Romanian Power Exchange OPCOM as new partners to the PCR, further establishing PCR as the foundation for the single European day-ahead electricity market.

TGE and OPCOM join the existing power exchanges (EPEX SPOT, GME, Nord Pool Spot, OMIE and OTE) who have led the development of PCR. PCR now enables the coupling of day-ahead electricity markets in 23 countries representing over 90% of European power consumption.

TGE's involvement in the PCR and its status as a full MRC project member are sound evidence of TGE's determination to engage in both regional and as well as Pan-European integration activities. OPCOM's participation in the successful launch of regional coupling project 4M MC and now the full involvement in the PCR, illustrates its dedication to contribute to the consecutive development of the single European energy market.

PCR was established to provide a single price coupling solution for the day-ahead power markets using a unique algorithm for the calculation of electricity prices across Europe (*Euphemia*), and an efficient allocation of cross-border capacity. This is crucial in order to achieve the overall EU target of a harmonised European electricity market; expected to increase liquidity, efficiency and social welfare.

PCR is based on three main principles: the use of a single algorithm, robust operation and individual Power Exchange accountability. The use of a single algorithm provides a fair and transparent determination of day-ahead electricity prices across Europe and has been developed by respecting the specific features of the various power markets across Europe. Consequently it optimises the overall welfare and increases transparency.

The PCR system service enables the exchange of anonymous orders and area-to-area transmission capacities among the Power Exchanges in order to calculate area prices as well as other reference prices and area-to-area cross border-transmission flows for all involved bidding areas.

PCR has created a governance structure based on a PCR Co-ownership Agreement and a PCR Cooperation Agreement which together provide a well proved contractual framework for the management of the cooperation among the PCR Exchanges.

By jointly developing a Pan-European market coupling algorithm and coordinating the governance structures between Power Exchanges, the Price Coupling of Regions initiative is a concrete and already operational solution for the achievement of the European Day-Ahead Target Model compliant with Regulation (EU) 2015/1222 of 24 July 2015 (establishing a guideline on Capacity Allocation and Congestion Management - CACM).

Aiming at the development of a full cooperation across Europe, the PCR initiative is open to any European Power Exchanges wishing to join.

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About the partners:

The European Power Exchange EPEX SPOT SE and its affiliates operate organised short-term electricity markets for Germany, France, United Kingdom, the Netherlands, Belgium, Austria, Switzerland and Luxembourg; markets representing 50% of European electricity consumption. Striving for the well-functioning European single market for electricity, EPEX SPOT shares its expertise with partners across the continent and beyond. EPEX SPOT is a European company (Societas Europaea) in corporate structure and staff, based in Paris with offices or affiliates in Amsterdam, Bern, Brussels, Leipzig, London and Vienna. More than 280 companies have traded over 500 TWh of electricity on EPEX SPOT and its affiliates in 2015. EPEX SPOT is held by EEX Group, part of Deutsche Börse, and HGRT, a holding of European electricity transmission system operators.

GME is the company which organizes and manages the wholesale electricity market in Italy under principles of neutrality, transparency, objectivity and competition. Moreover, GME is directly committed to supporting the implementation of environmental protection policies, by organising and managing Environmental Markets. Law no. 99 of 23 July 2009 also assigned GME, on an exclusive basis, with the organisation and economic management of natural-gas markets, which consist of the Platform for the trading of natural gas, the Spot Gas Market and the Gas Balancing Platform. Additionally, art. 32 of Legislative Decree no. 93 of 1 July 2011 entrusted GME with the task of managing physical forward gas markets.

Nord Pool Spot operates Europe's leading power markets, offering both day-ahead and intraday trading to its members. 380 companies from 20 countries trade on Nord Pool Spot's markets in the Nordic and Baltic regions, and on our UK market N2EX. In 2014 the group had a total turnover of 501 TWh traded power. Our markets are operated from offices in Oslo, Stockholm, Helsinki, Copenhagen, Tallinn and London. Nord Pool Spot strives continually to strengthen its business by working with integrity, together with members and stakeholders, to achieve excellence.

Operador del Mercado Ibérico, Polo Español S.A. (OMIE) is an Iberian company created with the purpose of managing markets in underlying energy assets. As its main function, OMIE is the responsible for the management of the Iberian electricity spot market, running every day the day-ahead and six intraday markets encompassing all Iberian electricity. In addition to this core function, OMIE is responsible for the management of several energy-related product auctions, including both physical and financial products.

OPCOM is the Romanian Electricity and Gas Market Operator. Since 2000, OPCOM has been committed to strengthen a market place where energy and environmental certificates are traded in conditions of transparency and integrity. Today, the trading portfolio offered by OPCOM ranges from electricity products to gas products, as well as green certificates and emission allowances. More than 800 companies are using the products available for trading on short-term electricity and green certificates markets as well as on term markets for electricity, gas and green certificates bilateral contracts. In addition to this role, OPCOM is responsible for settlement of the transactions concluded on short-term electricity markets, Balancing Market as well as the Imbalances of the Balancing Responsible Parties. Today, OPCOM is acting as Registered Reporting Mechanism under REMIT for more than 450 companies active on its electricity and gas markets. For additional information about OPCOM, please visit us at www.opcom.ro.

OTE, a.s., the Czech electricity and gas market operator, (OTE) is a joint stock company established in 2001. OTE provides comprehensive services to individual electricity and gas market players. OTE commenced organizing trading in the day-ahead electricity market in 2002 and the intra-day and block electricity markets in later years. OTE has been the market operator on the gas market since 2010 including operation of day-ahead gas market and intraday gas market. Continuous data processing and exchange required for the accounting and settlement of imbalance between the contractual and actual volumes of electricity and gas supplied and received are among services offered by the OTE to players in the Czech electricity and gas markets, as well as administrative procedures associated with a switch of supplier. The OTE also administers the National Register of Greenhouse Gas Emissions. OTE is the holder of the license for market operator's activities, which includes activities in the electricity and gas market in the Czech Republic and was appointed by the Czech Energy Regulatory Office as a Nominated Electricity Market Operator (NEMO) as a responsible entity for Day-Ahead and Intraday market coupling processes. Based on the registration as a Registered Reporting Mechanism (RRM) by ACER OTE is providing trade data reporting services to the Market Participants according to REMIT Regulation.

TGE S.A. (Polish Power Exchange) was founded at the end of 1999 and started its operations on 30 June 2000. The launch of TGE was one of the first steps towards the liberalisation of the Polish electricity market and the privatisation of the power sector. TGE is the only licensed commodity exchange in Poland, institution of public trust, controlled by a stable shareholder – the Warsaw Stock Exchange.

Facts about TGE:

- Member of European market multi-Regional Coupling (MRC)
- Nominated Energy Market Operator (NEMO)
- Most dynamic commodity and financial exchange in CEE. TGE guarantees security and confidence of transactions on all markets: Exchange Commodities Market – electricity, natural gas, property rights, CO2 emission allowances; Financial Instruments Market – electricity. It also conducts Certificates of Origin Register for electricity generated in renewable energy sources as well as Guarantees of Origin Register
- Member of international organisations: EUROPEX, APEx, AFM
- TGE is featured on the ACER's list of platforms for reporting transaction information according to REMIT requirements (RRM TGE)
- NASDAQ - TGE's technology partner