

Press Release

EPEX SPOT Exchange Council pleased with developments on Belgian and Dutch intraday markets

Paris, 12 September 2019. At the quarterly meeting of the EPEX SPOT Exchange Council, the members discussed positive liquidity developments on the Belgian and Dutch Intraday continuous markets. Since the beginning of the year, trading volumes on both markets repeatedly reached monthly record highs. Since XBID go-live in June 2018, the share of cross-border volumes has increased from 46% to 75% (from 75 GWh/month to 210 GWh/month) on the Dutch market, while it remained stable at about 77% (117 GWh/month) on the Belgian market.

The 15 minute products on both markets, however, remain at lower levels since their introduction in July 2018. “Liquidity for 15 minute contracts is still at its infancy” says Jonas Törnquist, Chief Operating Officer at EPEX SPOT. “But they remain trading products with great potential, notably in the context of growing renewable generation in both countries. We are optimistic that liquidity will develop further on these segments, especially when cross-border trading of 15 minute products becomes possible in Belgium and the Netherlands ” he adds. Flexibility products such as 15 minute contracts remain an essential pillar of the energy transition, as they help to integrate renewables into the market.

A further point on the agenda were recent market events on the German balancing market. In the month of June TSOs announced a shortage in the system during several days. This sparked a debate on the incentives to be balanced on the Intraday market and a possible reform of the calculation of the imbalance price. “It is indispensable that market participants should have the right incentives to be balanced using the Intraday market” says Bernhard Walter, Chairman of the Exchange Council. “The members are happy to discuss any suggestions for improvement of the balancing system which will also help to further strengthen the stability of the power system” he adds. By improving the

transparency of the imbalance price, market participants will have stronger incentives to buy and sell their energy on the Intraday market instead of taking the risk of being unbalanced.

The members were also informed about an amendment of the Exchange Rules which formalises the acceptance of the new Oversight Function of the Exchange Council, according to Article 4.3 of the EU Benchmark Regulation. It ensures the accuracy and integrity of indices used as benchmarks in financial instruments and contracts. According to the amendment, the Exchange Council will review the definition and methodology of all of EPEX SPOT's indices on an annual basis, and has to approve any possible changes to indices or their abolition.

The third Exchange Council meeting of 2019 was held on 11 September 2019 in Paris and chaired by Bernhard Walter, Head of Market Design and Regulatory Affairs at EnBW AG.

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The Exchange Council of EPEX SPOT is an official body of the Exchange. 26 members and 4 permanent guests represent adequately the diversity of economic and corporate profiles that exists among the Exchange Members from various sectors: producers, power trading companies, transmission system operators, regional suppliers and financial service providers, as well as commercial consumers and academics. Its missions include in particular the adoption of the Exchange Rules and the Code of Conduct of EPEX SPOT and their amendments. The Exchange Council approves new trading systems as well as new contracts or market areas and approves the appointment of the Head of the Market Surveillance Office. It meets up quarterly.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in Central Western Europe and the United Kingdom. As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. In the first half of 2019, 300 TWh were traded on EPEX SPOT markets. In 2018, its 289 members traded 567 TWh – a third of the domestic consumption in the eight countries covered. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit www.epexspot.com.

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