

Successful start of pan-European spot market for Guarantees of Origin

First auction completed by EPEX SPOT with clearing and delivery through ECC and EEX

The European Power Exchange (EPEX SPOT), European Energy Exchange (EEX) and European Commodity Clearing (ECC) jointly launched a pan-European market for Guarantees of Origin (GOs). It is the first secondary market for GOs, involving no primary allocation by states but only trading of previously emitted certificates. The first spot auction took place on 28 September 2022 with 26 market participants registered and 19,171 MWh of certified green energy were sold. The orderbook of this new spot auction reflected a strong market interest on the buy-side, with over 4.5 TWh of buy orders registered. This is a promising outset for the upcoming auction, which will furthermore cover all completed production months of 2022. The next GOs spot auction is scheduled for 26.10.2022.

The GOs spot auction is held once a month and operated by EPEX SPOT, Europe's leading power spot exchange, under the exchange's membership and market rules. Clearing and settlement are conducted by the clearing house ECC. EEX ensures delivery through its French GO registry. Since Wednesday's auction, the post-trading chain has been completed successfully, GOs have been transferred and accepted by the buyers.

This new market is part of EEX Group's ongoing efforts to support the energy transition and decarbonisation with market-based instruments.

“EEX Group has a track record in operating registries for Guarantees of Origin and organising GO primary auctions on behalf of the Governments,” says Peter Reitz, Chief Executive Officer of EEX, regarding for example on GO-auctions in France or for Green Hydrogen by its subsidiary Grexel. “Through this launch, EEX Group is not only responding to a market need for a stronger and transparent price signal, but it’s also part of our efforts to fight climate change through a transition to renewable energy.”

Ralph Danielski, Chief Executive Officer of EPEX SPOT, comments: “We are very proud of this successful launch, and of the overall market design we have developed jointly. The innovative setup of the spot auction matches today’s needs of the market, but it is also fit for tomorrow’s evolutions. In the context of the energy transition, a well-functioning and exchange-based GOs market brings transparency on the traded products and the technologies that are most demanded on the market.”

“ECC will support the new trading products with its secure and reliable clearing infrastructure and its expertise in settling Guarantees of Origin”, adds Dr Götz Dittrich, Chief Operating Officer of ECC. “Our state-of-the-art clearing services fulfil the specific requirements of the GO market, providing security for all participants who want to become active on the new market.”

The monthly exchanged-based spot auctions with clear rules and securities pave the way to render the currently fragmented GOs market more transparent for market participants, creating robust price references and indices. The straight-through trading of both generic and specific GOs demand enables a Europe-wide harmonisation of the operation of GOs. The overarching target of a functional pan-European GOs spot market would be for GOs to support the integration of renewables and ultimately replace costly national support schemes for renewable generation.

More details on the market design are available [here](#).

Guarantees of Origin are a tracking instrument that allows to confirm the origin of electricity and determines the quantity stemming from renewable production within the total of electricity that flows through the grid. This makes them an indispensable tool to promote the production and consumption of green electricity, by ensuring its traceability and enabling investments into renewables.

EEX Group builds secure, successful and sustainable commodity markets worldwide – together with its customers. The group offers trading in power, natural gas, environmental products, freight and agriculturals as well as subsequent clearing and registry services, connecting a network of more than 800 trading participants. EEX Group consists of European Energy Exchange (EEX), EPEX SPOT, EEX Asia, Power Exchange Central Europe (PXE) and Nodal Exchange as well as the registry provider Grexel Systems and software companies KB Tech and Lacima. Clearing is provided by EEX Group's clearing houses European Commodity Clearing (ECC) and Nodal Clear. EEX Group is part of Deutsche Börse Group. More information: www.eex-group.com

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