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Intraday Market Detailed Rules of Electricity Trading and Settlement

*Approved by the Management Board Resolution No 262/47/10 dated on the day of
December the 8th 2010
to come into force on the day of December the 15th 2010*

Chapter 1. Definitions

1. Exchange Member – an entity that has got the Exchange Member status and that has been admitted to act on the IDM by the Exchange Management Board,
2. QD – the Exchange Quotation Department,
3. Delivery Day – a day on that the energy contracted on IDM on the Trading Day will be delivered or received,
4. Trading Day – a day on that IDM rates are fixed for given Delivery Day,
5. exchange – the Exchange Commodity Market run in accordance with the Exchange Regulations by the Power Exchange Joint Stock Company,
6. Exchange, POLPX – the Power Exchange Joint Stock Company,
7. Delivery Hour – the delivery period equal to one hour on the Delivery Day,
8. Work Schedule – a program for electricity delivery or receiving for a single Scheduling Unit, for each hour of Delivery Day, including energy contracted on IDM,
9. Clearing House – the Warsaw Commodity Clearing House Joint Stock Company that runs the clearing and settlement house performing the function of the exchange clearing house, in accordance with the Financial Instruments Trading Act,
10. Scheduling Unit Made Available – the Scheduling Unit made available to the Power Company according to the rules established in the Exchange Regulations,
11. contract – an agreement concluded on IDM between the Exchange Members resulting in conveyance of property of the electricity from the seller to the purchaser,
12. hourly Contract – a contract for delivery of electricity with the contract execution deadline equal to one hour on the Delivery Day,
13. IDM price – a uniform price of 1 MWh of electricity at given hour of the Delivery Day, fixed on IDM,
14. private web site – a web site accessible only for given Exchange Member and for the Exchange,
15. Delivery Period – a delivery period equal to one hour or multiplicity of one hour on the Delivery Day,
16. TSO – the Transmission System Operator, a power company holding a license for transmission and distribution of electricity via transmission grid on a nation-wide basis i.e. PSE-Operator Joint Stock Company,
17. DSO – the Distribution System Operator, a power company holding a license for transmission and distribution of electricity via a distribution grid on a defined area of the country,
18. Portfolio – one generating or receiving facility or a group of such facilities, owned by the same Exchange Member, one Work Schedule has been worked out for that (which),
19. The Power Law Act – the Act dated on the day of April the 10th 1997 titled “The Power Law” (Journal of Law No 89/2006, item 625 with later amendments),
20. Power company – an entity that carries out business activity within the scope of generation, processing, storage, transmission and distribution of fuels or power or trading of the aforementioned (in accordance with Article 3 item 12 of the Power Law Act),
21. IDM – the Intraday Market separated within the framework of the DAM&IDM and run by the Exchange,
22. DAM – the Day-Ahead Market separated within the framework of DAM&IDM and run by the Exchange,
23. DAM&IDM – the Day-Ahead Market and the Intraday Market run by the Exchange,
24. GM – the Gas Market run by the Exchange,
25. PRM – the Property Rights Market run by the Exchange,

26. CDM– the Commodity Derivatives Market run by the Exchange,
27. EAM – the Emission Allowance Market run by the Exchange,
28. the Exchange Regulations – the trading Regulations for the Exchange Commodity Market of the Power Exchange Joint Stock Company,
29. the exchange IT system – a set of hardware and software components, and especially the specialized computer software, trading on the IDM is conducted by means of that,
30. the Detailed Rules of Trading and Settlement – the present Intraday Market Detailed Rules of Electricity Trading and Settlement,
31. transaction – an electricity sale contract closed on the IDM by the Exchange Members,
32. Transaction Fee – a commission due to the Exchange from the Exchange Member by the right of the transactions the Exchange Member has entered into, reckoned in accordance with the Exchange Regulations,
33. Trading Rules – relevant trading Rules for the derivative instruments program for the electricity resolved by the Exchange Management Board in accordance with § 101 subparagraph 3 of the Exchange Regulations,
34. order – a purchase or sale offer submitted by the Exchange Member on IDM.

Chapter 2. Trading rules.

Section 1. Organization of trading on the IDM market.

§1.

The IDM trading is run on one day preceding the Delivery Day as well as on the Delivery Day in the instruments laid down in the specification (Appendix No 1).

§2.

On days of Official Time change in Poland, regulated by the Decree of the Prime Minister concerning the Introduction of Summer Time the number of hours of the contract execution deadline is modified in compliance with the contents of the Decree (that means 23 or 25 hours).

Section 2. The IDM quotation schedule.

§3.

The quotations in the instruments on the IDM market are carried out every day according to the schedule presented below:

| Time | Quotation phase | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| Till 6:30 p.m. 2 days before the Delivery Day | Collaterals update Introducing of current collaterals. | | | | | | | | | | | | | | | | | | | |
| From 11:30 a.m. 1 day before the Delivery Day till 2:30 p.m. 1 day before the Delivery Day | Continuous trading Acceptance of orders for all instruments of the Delivery Day; the orders may be cancelled and modified. The orders are validated as regards the collateral status. | | | | | | | | | | | | | | | | | | | |
| Till 6:30 p.m. 1 day before the Delivery Day | Collaterals update Introducing of current collaterals. | | | | | | | | | | | | | | | | | | | |
| From 7:15 a.m. on the Delivery Day till 2:30 p.m. on the Delivery Day | Continuous trading Acceptance of the orders for the instruments during the periods specified in the table below; the orders may be cancelled and modified; the orders are validated as regards the collateral status. | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>The Delivery Period for the instruments being quoted*</th> <th>The quotation period</th> </tr> </thead> <tbody> <tr> <td>From H11 till H24</td> <td>From 07:15 till 07:30</td> </tr> <tr> <td>From H12 till H24</td> <td>From 07:30 till 08:30</td> </tr> <tr> <td>From H13 till H24</td> <td>From 08:30 till 09:30</td> </tr> <tr> <td>From H14 till H24</td> <td>From 09:30 till 10:30</td> </tr> <tr> <td>From H15 till H24</td> <td>From 10:30 till 11:30</td> </tr> <tr> <td>From H16 till H24</td> <td>From 11:30 till 12:30</td> </tr> <tr> <td>From H17 till H24</td> <td>From 12:30 till 13:30</td> </tr> <tr> <td>From H18 till H24</td> <td>From 13:30 till 14:30</td> </tr> </tbody> </table> | The Delivery Period for the instruments being quoted* | The quotation period | From H11 till H24 | From 07:15 till 07:30 | From H12 till H24 | From 07:30 till 08:30 | From H13 till H24 | From 08:30 till 09:30 | From H14 till H24 | From 09:30 till 10:30 | From H15 till H24 | From 10:30 till 11:30 | From H16 till H24 | From 11:30 till 12:30 | From H17 till H24 | From 12:30 till 13:30 | From H18 till H24 | From 13:30 till 14:30 |
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| From H18 till H24 | From 13:30 till 14:30 | | | | | | | | | | | | | | | | | | | |
| * HGG means the delivery hour, for example H12 means the period between 11:00 and 12:00 | | | | | | | | | | | | | | | | | | | | |
| Till 3:30 p.m. on the Delivery Day | Publication of quotation results on the Public Web Site | | | | | | | | | | | | | | | | | | | |

Section 3. The IDM session orders.

§4.

The Exchange Members place orders with reference to the Portfolios. In the Exchange IT system the Portfolio is defined as an account.

§5.

In the Exchange IT system each Exchange Member has got as many Portfolios as many Scheduling Units is in its possession. The Exchange Member is entitled to have in its possession the Portfolios for the Scheduling Units Made Available.

§6.

To the Exchange Member Portfolio the Scheduling Unit is assigned.

§7.

The Exchange Member is entitled to place more than one order with reference to a given Portfolio.

§8.

Each Portfolio may be assigned only to one Exchange Member unless the Exchange Member has made available such Portfolio to another Exchange Member according to the principles specified in the Exchange Regulations.

§9.

Each Order of the Exchange Member being placed on IDM shall define in particular:

- a) designation (ID) of the exchange commodity of given type that is subject of the order,
- b) type of order (purchase / sale),
- c) the Portfolio the order is being placed with reference to that,
- d) amount of electricity being subject to given sale- or purchase order,
- e) price limit expressed in PLN/MWh or an instruction to execute the order without price limit,
- f) the validity period,
- g) conditions for execution of the order, specified in § 10,
- h) designation (ID) of the Exchange Member issuing the order,
- i) date and hour of issuing of the order,
- j) the order No.

§10.

The orders being introduced into the fixed auction price quotation system and the continuous trading system should include the execution terms and validity periods. Depending on execution terms and deadlines there are following types of orders:

- a) The Rest of Day order – the order is valid on the day of transferring it on the exchange. It may be placed in any phase of the trading session. It may participate in continuous trading phase and in the fixed auction price phase. The part of the order that has not been executed during the fixed auction price phase is transferred to the continuous trading phase.
- b) The Good Until Expiry order – the order is valid until the end of instrument quotation. It may be placed in any phase of the trading session. It may participate in continuous trading phase and in the fixed auction price phase. The part of the order that has not been executed during the fixed auction price phase is transferred to the continuous trading phase. The non-executed part of

the order is transferred to another trading session the instrument is quoted during that.

- c) The Good Until Date order – the order is valid until the date specified in the phase of placing of the order. It may be placed during any phase of trading session. It may participate in continuous trading phase and in the fixed auction price phase. The part of the order that has not been executed during the fixed auction price phase is transferred to the continuous trading phase. The non-executed part of the order is transferred to another trading session the instrument is quoted during that. The order is quoted until the date when a set time limit expires.
- d) The Timed order – the order is valid on the day of placing it on the exchange until the date set in the phase of placing of the order. It may be placed during any phase of trading session. It may participate in continuous trading phase and in the fixed auction price phase. The part of the order that has not been executed during the fixed auction price phase is transferred to the continuous trading phase, provided that the order validity period is observed.
- e) The Call Auction order – the order is valid on the day of placing of it on the exchange and it may participate only in the fixed auction price phase and only in one auction. The non- executed part of the order is cancelled.
- f) The Fill and Kill order – the order participates only in the continuous trading phase. It is valid until the first transaction is entered into (or first transactions if the order is executed in a few transactions simultaneously). The non-executed part of the order is cancelled. This order may be executed partially, en block or may be not executed at all. The order may be placed without a price limit.
- g) The Fill or Kill order – the order participates only in the continuous trading phase. It is valid until the first transaction is entered into (or first transactions if the order is executed in a few transactions simultaneously), while the order has to be executed en block or not to be executed at all. If the order layout does not allow execution of the order en block the order is cancelled.

The Fill and Kill and Fill or Kill orders are not included in the order table. Once such orders have been placed the transaction is entered into or the orders are deleted.

§11.

The order may comprise an additional activation condition - Stop Loss function. By means of Stop Loss function the condition concerning the electricity price level the order appears on the market at that is defined. The order is activated on the market when the set condition is fulfilled.

§12.

The orders may be placed on the market (market orders) or locally (local orders). The local orders are not quoted.

§13.

The local orders may be placed on the market through activation. The market order may become a local order through suspension. The orders may be activated and suspended when quotations are carried out on the IDM.

§14.

The orders may be placed on the market only during the quotation phase on the IDM. Outside the quotation phase on the IDM the Exchange Member is entitled to place a local order.

§15.

1. The Exchange shall not execute purchase orders placed by the Exchange Member in relation to that the verification of the order shows that the amount of the fixed collateral is lower than amount of the required collateral.
2. The amount of the fixed collateral shall be determined by the Clearing House.
3. Each day, before beginning of the session, the fixed collateral amount shall be updated basing on information delivered by the Clearing House.
4. Only the local orders are not checked as regards the collaterals.

§16.

The Exchange Members are entitled to modify their own orders. The following items may be modified:

- a) offered electricity amount j,
- b) the price limit.

§17.

The orders may be modified during the quotation phase on the IDM. If during the modification the volume is reduced the time for placing of the order is not altered. In the other cases of modification (increasing of the volume and the price change) a new time of placing is assigned to given order.

§18.

The order placed on given market remains active until the modification process is completed or the order is cancelled.

§19.

In the case when quotations in given instruments have been suspended the orders must not be modified.

§20.

The orders may be cancelled during quotation phase on the IDM. The order may be cancelled by the Exchange Member before the order validity period expires. The orders being subject to the transactions, which have been entered into, must not be cancelled.

Section 4. The principles of price fixing, execution of the orders and transactions in continuous trading system on the IDM.

§21.

In the continuous trading system the transactions are entered into at the price equal to the price limit that was specified in the order introduced earlier, waiting in the order table for execution, in accordance with to the following principles:

- a) in the first row the orders with the highest price limit in case of purchase orders, and with the lowest price limit in case of the sale orders shall be executed,
- b) in case of orders with equal price limits they shall be executed according to the time of the order acceptance (the orders accepted earlier shall be executed in the first row).

§22.

The orders may be executed partially, while each partial transaction shall concern at least 1 MWh of electricity.

§23.

The IDM price is fixed with accuracy to PLN 0.01. The volume is determined with accuracy to 0,1 MWh.

§24.

On the IDM there are no limitations of price fluctuations. In case, when the fixed auction price for given instrument differs significantly from previous fixed auction price the Management Board or an authorized clerk of the Exchange shall be entitled, after fixing of fixed auction price and before the continuous trading phase, to introduce additional trading phase for such instrument during which it will be allowed to place, delete and modify orders without opportunity to enter into transactions. The duration of an additional trading phase shall not exceed 15 minutes. The Exchange Members shall be notified about the introduction of an additional trading phase by means of Exchange IT system.

§25.

In the cases and within the scope, in which the Exchange is entitled (in accordance with the Detailed Rules of Trading) to close the position of given Exchange Member on the Commodity Derivatives Market, the Exchange shall be entitled to place orders on the IDM market in behalf of given Exchange Member.

Chapter 3. Rules of transaction execution.

Section 1. Execution of physical delivery of electricity.

§26.

The exchange transactions entered into on the IDM market are submitted to TSO as a balance of session transactions, with a breakdown into Scheduling Units assigned by TSO, with the reservation for § 27.

§27.

Transakcje giełdowe zawarte na RDB mogą być zgłoszone saldem łącznie z transakcjami zawartymi na RDN, które nie zostały zgłoszone zgodnie z harmonogramem notowań na RDN. W takim przypadku Giełda podaje odpowiedni komunikat operacyjny na stronie internetowej giełdy. Zgłoszenie to jest dokonywane na zasadach określonych w § 37.

§28.

The exchange transactions entered into by the Exchange Member for the Portfolios Made Available are submitted to the TSO as Portfolios of the Making-Available Entity, identification data of which have been presented in the declaration specified in § 11 subparagraph 4 of the Exchange Regulations.

§29.

Each Exchange Member when placing an order declares the Portfolio to that the overall amount of electricity in the transaction entered into shall be assigned. The Exchange Member shall be entitled to update electricity volumes assigned to individual Scheduling Units in the exchange IT system. The period for making such modifications is determined in the schedules mentioned in § 37 - Work Schedule Update.

§30.

The electricity volume may be submitted for updating, mentioned in § 29 and executed on the Delivery Day, provided that the Exchange Quotation Department has been informed about the Work Schedule update within the time limit specified in the schedule presented in § 37. The information about the Work Schedule update should be transferred by phone on the QD operator phone number, made available by the Exchange.

§31.

The Work Schedule of Exchange Members, one Scheduling Unit is assigned to which, contains the balance of purchased and sold electricity for given hour of the trading day.

§32.

Documents, by means of which the exchange transactions are submitted to the TSO, shall include the identification data as well as the commercial data. The standards for the documents have been specified in separate regulations, published by the TSO.

§33.

In case of changes of the identification data, mentioned in § 32 above, the Exchange Member shall be obliged to update them immediately. Default in fulfilling of the obligation, mentioned in previous sentence, shall result in immediate suspension of given Exchange Member activities on the IDM.

§34.

In case of changes of the identification data, mentioned in § 28 above, the Exchange Member shall be obliged to update them immediately. Default in fulfilling of the obligation, mentioned in previous sentence, shall result in immediate withdrawal of consent for activities of given Power Company in the Portfolios made available on the IDM.

Section 2. The course of action in case of suspending of the transmission service for the Exchange Member by the TSO

§35.

In case when the TSO provides the POLPX with information about suspending of rendering of transmission services for the Exchange Member within the scope of submitting of the electricity sale contracts for the Scheduling Unit the Exchange shall prevent (from the delivery date specified by PSE-Operator) submitting of the Work Schedules for given Scheduling Unit.

§36.

In case when the TSO provides the POLPX with information about suspending of acceptance of submitting of electricity sale for given delivery period the Exchange shall prevent submitting of the Work Schedules for the delivery period specified by the TSO. Resumption of capability for submitting of the Work Schedules for given delivery period shall take place after the TSO delivers information about resumption of acceptance of submitting of the electricity sale contracts.

Section 3. Submitting of the transactions, entered into on the IDM, to the TSO.

§37.

Submitting of the transactions, entered into on the IDM, to the TSO shall be carried out according to the schedule presented below:

| Time | Quotation phase |
|---|--|
| From 11:30 p.m. 1 day before the Delivery Day till 2:30 p.m. 1 day before the Delivery Day * or within 15 minutes after determination of prices for the | Work Schedule updating Updating of the Work Schedules for the transactions entered into on the IDM or IDM and DAM for all hours of the Delivery Day. |

| second fixing on the DAM | | | | | | | | | | | | | | | | | | | |
|--|---|-------------------------|------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| <p>From 3:30 p.m. 1 day before the Delivery Day till 4:30 p.m. 1 day before the Delivery Day</p> | <p>Submitting of the transactions to the TSO *</p> <p>Submitting of the transactions, entered into on the IDM or IDM and DAM for all hours of the Delivery Day, to the TSO</p> <p>*in case when no transaction has been entered into on the IDM or IDM and DAM the submitting process shall not be executed</p> | | | | | | | | | | | | | | | | | | |
| <p>From 7:15 a.m. on the Delivery Day till 2:30 p.m. on the Delivery Day</p> | <p>Work Schedule updating</p> <p>Updating of the Work Schedules for the Delivery Periods during the updating periods specified in the table below.</p> <table border="1" data-bbox="687 663 1366 981"> <thead> <tr> <th>Delivery period*</th> <th>Updating period</th> </tr> </thead> <tbody> <tr> <td>From H11 till H24</td> <td>From 07:15 till 07:30</td> </tr> <tr> <td>From H12 till H24</td> <td>From 07:30 till 08:30</td> </tr> <tr> <td>From H13 till H24</td> <td>From 08:30 till 09:30</td> </tr> <tr> <td>From H14 till H24</td> <td>From 09:30 till 10:30</td> </tr> <tr> <td>From H15 till H24</td> <td>From 10:30 till 11:30</td> </tr> <tr> <td>From H16 till H24</td> <td>From 11:30 till 12:30</td> </tr> <tr> <td>From H17 till H24</td> <td>From 12:30 till 13:30</td> </tr> <tr> <td>From H18 till H24</td> <td>From 13:30 till 14:30</td> </tr> </tbody> </table> <p>* HGG means the delivery hour, for example H12 means the period between 11:00 and 12:00</p> | Delivery period* | Updating period | From H11 till H24 | From 07:15 till 07:30 | From H12 till H24 | From 07:30 till 08:30 | From H13 till H24 | From 08:30 till 09:30 | From H14 till H24 | From 09:30 till 10:30 | From H15 till H24 | From 10:30 till 11:30 | From H16 till H24 | From 11:30 till 12:30 | From H17 till H24 | From 12:30 till 13:30 | From H18 till H24 | From 13:30 till 14:30 |
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| From H15 till H24 | From 10:30 till 11:30 | | | | | | | | | | | | | | | | | | |
| From H16 till H24 | From 11:30 till 12:30 | | | | | | | | | | | | | | | | | | |
| From H17 till H24 | From 12:30 till 13:30 | | | | | | | | | | | | | | | | | | |
| From H18 till H24 | From 13:30 till 14:30 | | | | | | | | | | | | | | | | | | |
| <p>From 7:30 a.m. on the Delivery Day till 3:00 p.m. on the Delivery Day</p> | <p>Submitting of the transactions to the TSO – periodically, every hour *</p> <p>Submitting of the transactions, entered into on the IDM or IDM and DAM and the updating period of which (specified in the table above) has expired, to the TSO. The updated Work Schedule for given Delivery Period may be submitted under condition that the QD has been informed about the fact till the end of the updating period.</p> <p>*in case when no transaction has been entered into on the IDM or IDM and DAM or lack of information about work schedule updating from the POLPX member the submitting process shall not be executed</p> | | | | | | | | | | | | | | | | | | |

Chapter 4. Rules of clearing.

Clearing as well as securing of the transactions entered into on the Intraday Market is executed according to the rules determined by the Clearing House in “The Detailed Rules for Clearings on the Markets Being Run by the POLPX”.

Appendix No 1. Specification of the electricity instrument on the IDM.

| | |
|-----------------------|--|
| ID | RDBk_DD-MM-RRRR_HGG, where k – consecutive day of week (Monday – 1), GG-delivery hour, DD-delivery day, MM-delivery month, RRRR-delivery year, GG is marked as the hour of the end of given time interval, that means 01 corresponds to the time period between 00:00:00 and 01:00:00; 02a means additional hour on the day of Summer Time cancellation. |
| Object of the trading | Electricity |
| Nominal value | 1 instrument corresponds to 1 MWh of electricity with accuracy of 0,1 MWh |
| Price | Expressed as 1PLN/MWh with accuracy of 0.01 PLN. |
| Value | The product of the Price and the Nominal Value |
| Quotation date | The day preceding the Delivery Day as well as the Delivery Day for the delivery hours of 11.00 ÷ 2.00 |
| Execution time | One hour of the day specified in the instrument ID |
| Quotation unit | 1 instrument |
| Clearing method | Physical delivery of the electricity |