

Warsaw, 14 December 2018

## 15 years ago Towarowa Giełda Energii (TGE) obtained a permit to operate a commodity exchange

Press Release

- **On 16 December 2003, TGE was granted a license to operate a commodity exchange by the Polish Securities and Exchange Commission.**
- **TGE remains the only licensed exchange in Poland while also holding a permit to operate a regulated market.**
- **The 15<sup>th</sup> anniversary coincides with the 10<sup>th</sup> anniversary of the launch of the Commodity Forward Instruments Market for electricity.**
- **Providing the market participants with the possibility of long-term trading was a milestone in the development of the Exchange.**

*"For 15 years of its operation, TGE has come a long way from an entity supporting solely electricity trading to a platform which, through its quotations, shapes the market reality. The importance attached by market participants to the results of the commodity trading sessions shows that the project has been a success, and the last word has not been said yet. What should also be emphasized is the continuous development effort of TGE to maintain its leading position on the domestic market, as well as the activities aimed at developing cross-border trade" – said Prof. Jacek Jastrzębski, Chairman of the Polish Financial Supervision Authority.*

Since its inception, TGE has played a major role not only in the development of the domestic energy sector, but also in the integration of European markets. The creation of electricity and natural gas markets requires the involvement of public administration authorities, market regulators as well as its participants. Even though the Exchange is already 19 years old, it was actually the moment when it obtained the license in 2003, when its operations gained full credibility and stable formal conditions were created, providing a guarantee of the safety of trading.

*"An integrated and liberalised market is a crucial component of the EU's internal energy market integration strategy, as well as a key tool for increasing and facilitating trade in energy products between countries. Building an effective market is a long-term process that requires a good understanding of our businesses and engage in dialogue on issues*

*important for the development of local markets*" – observes Piotr Zawistowski, President of the Management Board of TGE.

On the occasion of the 15<sup>th</sup> anniversary of obtaining the license, TGE organizes (Friday, 14 December) a debate entitled "Commodity Exchange Market – Prospects for Growth". The debate, consisting of two parts, will be dedicated entirely to the liberalisation of the market and the creation of a common energy market in Europe. The Panellists will include:

- Christian Baer - Secretary General, Europex
- Maciej Bando - President of the Energy Regulatory Office
- Sebastian Bogdan - Deputy Director, Department of Capital Market Infrastructure and Trading Supervision, Polish Financial Supervision Authority
- Ass. Prof. Mariusz Swora - Member of the Board of Appeal, ACER
- György Istvánffy - Market Development Director, HUPX
- Andrzej Kalinowski – President of the Management Board, IRGiT
- Károly Mátrai – President of the Management Board, Keler CCP
- Dr Wolfram Vogel - Director Public & Regulatory Affairs, EPEX Spot
- Paweł Zawistowski – President of the Management Board, TGE

and Dr Joanna Maćkowiak - Pandera, President, Forum Energii - as the Moderator.

*"We are honoured that so many eminent guests have accepted our invitation to take part in the debate. This is proof that the questions of market integration and liberalisation are important for all participants. This evening will be a platform for the exchange of experience between representatives of the world of regulation, infrastructure and the entire commodity market. I believe that an open discussion will define new areas of cooperation"* – added Piotr Zawistowski.

The 15<sup>th</sup> anniversary of obtaining the licence coincided with another important event for the Exchange, as on 19 November 2008 the Commodity Forward Instruments Market for electricity was launched. Over the 10-year period, the volume of electricity trading totalled 1,135,703,834 MWh, 122,550 trades were made and the number of contracts was 427,131.

The launch of the CFIMe created the possibility of trading in long-and medium-term horizons, outside the OTC market, and of generating instantaneously a reliable price index as a reference for electricity prices in the future. In addition, it allowed the entities participating in market to manage their trading risk while maintaining adequate liquidity of forward market instruments, as they were provided with a guarantee of the volume and the price at which the transactions will be executed (execution of concluded transactions).