

20 Years of TGE's Electricity Market

Press Release

Exactly 20 years ago, on 30 June 2000, the first session was held on the electricity Day-Ahead Market operated by the then Power Exchange. The volume of transactions made during that day totalled 483 MWh.

"Over two decades of its activity, TGE has grown into a thriving institution of the Polish energy market, which supports the development of the Polish economy by offering a variety of products for commodity and financial markets related to its key sectors. The energy market is currently facing major challenges, not least in the context of an inevitable transformation, changing market structure and increased competitiveness of the sector, which has recently been a prominent topic of discussion. I am glad that when I was taking over the helm of the Exchange more than 2 years ago, I found it in good condition and can continue the work of my predecessors. I hope that in the years to come the position of the Exchange developed through the activity of market participants and supported by our clients will be at least as strong as it is now" said Piotr Zawistowski, President of TGE.

On 30 June 2000, TGE – at that time called Giełda Energii (Power Exchange), started its operational activity by launching the first market, i.e. the Day-Ahead Market for electricity. The volume of transactions made during that day totalled 483 MWh. By comparison, 20 years later, today, it was 92 320 MWh. Nowadays, the volume of electricity trade on TGE significantly exceeds the domestic consumption of that commodity.

Since the launch of the DAM, the Exchange has embarked on a dynamic growth. It acquired all the necessary licenses, i.e. to operate a commodity exchange and a regulated market, which allowed it to expand its offering with new products and instruments. In 2012, TGE reached a milestone in its development when it introduced natural gas as a new commodity. The first orders were executed on the Commodity Forward Instruments Market, followed by the opening of spot markets for gas, i.e. the Intraday Market and Day-Ahead Market. The establishment of a gas exchange proved to be the most effective and efficient way to build a market-driven, competitive mechanism for shaping wholesale gas prices in Poland. The success of the decision made by TGE is confirmed by the fact that as much as 70% of the gas available on the Polish market is currently traded on the Exchange.

¹ **Towarowa Giełda Energii S.A. (TGE)** is the only licensed commodity exchange in Poland, holding a licence to operate a regulated market since March 2015. The Exchange is the Nominated Electricity Market Operator (NEMO) for the Polish pricing area. Since 15 November 2017, TGE has been active on the European Day-Ahead Market SDAC. On 19 November 2019, the Exchange launched its cross-border SIDC Intraday Market based on the XBID model. TGE is included on the ACER's list of platforms for reporting transaction information according to REMIT requirements. Since March 2012, TGE has been a member of the Warsaw Stock Exchange Group.

For many years, TGE has been actively participating in the creation of the European energy market by engaging in projects aimed at its development. These include the Single Intraday Coupling – SIDC, i.e. the Intraday Market based on the XBID model, and the Single Day Ahead Coupling – SDAC, based on the PCR model. In order to operate on the European market, the Exchange had to adapt technologically, operationally and conform to regulatory requirements. TGE was repeatedly selected as a Nominated Electricity Market Operator to implement the single price market coupling of the European day-ahead and intraday electricity markets for the Polish pricing area. This status is granted by the President of the Energy Regulatory Office.

Over the 20 years of its operational activity, the Exchange went through a number of crucial developments affecting both TGE itself and market participants. The development of market instruments and access to increasingly sophisticated products was driven by the evolution of energy markets as well as more rapid or temporary changes to which both TGE and its clients had to adapt. The following may be mentioned here: implementation of the forward market following the changes on the electricity market related to the termination of long-term contracts, providing the participants with access to the Certificate of Origin Register and the Property Rights Market, launch of the Exchange Information Platform, in line with the standards for the European transparency platforms in accordance with ACER requirements, as well as the TGE's RRM platform used for reporting of transaction data in accordance with the REMIT requirements or, recently, the implementation of the Organized Trading Facility (OTF), which complements the current offering of TGE. The year 2020 started for TGE with launching a completely new business and product line, i.e. the Agricultural and Food Commodities Market operated by the Exchange.

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