

15-min instruments and intraday auctions – TGE implements new solutions on the electricity spot market

Press Release

- **Starting from 13 June 2024, TGE adds two new product groups to its offering for market participants: 15-minute instruments traded on the Intraday Market based on continuous trading and hourly instruments traded in IDAs (Intraday Auctions) as part of the Single Intraday Coupling (SIDC).**
- **The development of TGE's offering is driven by both the need to adapt to the changes implemented as part of the balancing market reform (products for 15-minute delivery periods) and the participation in projects aimed at the optimisation of the European Intraday Market (SIDC) through the implementation of an auction model.**
- **The introduction of additional instruments on the commodity exchange in Warsaw is in line with the assumptions of the ongoing energy transition, including changes in national and EU regulations.**

'For nearly 25 years, TGE has been consistently offering solutions which, on the one hand, are in line with international trends and good practices and, on the other, reflect directly the energy strategy adopted at national and European level. This is also the case for the newly implemented products. To enable their launch, extensive alignment efforts were required on the part of the TGE Group, if only in terms of IT or procedures, which was preceded by consultations and numerous tests with market participants.' said Piotr Listwoń, TGE's Vice-President of the Management Board for operations.

The implementation of the 15-minute instruments on the Intraday Market goes hand in hand with the introduction of 15-minute settlement period in the balancing market by the TSO (PSE) starting from 14 June, as part of an extensive reform package in this market. The modified requirements resulting from the above implementation by PSE were consulted in detail with market participants, resulting in the expansion of the TGE's offering. The new instruments will allow energy market participants to balance their trading positions in 15-minute delivery timeframe, complementing the hourly instruments already in place on the spot markets operated by TGE.

'The market needs 15-minute instruments in parallel with the implementation of the balancing market reform, related to the growing share of RES in the power system, and we at TGE are trying to fulfil these expectations in the best and quickest way possible. The solutions introduced are a further step towards optimising the domestic business while developing cross-border spot market for electricity' added Piotr Listwoń.

The launch of intraday auctions (IDAs), on the other hand, completes the SIDC market, which has so far been based on continuous trading and provided the pricing of cross-border capacity that could not be derived through the trading on the Day-Ahead Market (SDAC). The newly added element consists in the introduction of three auctions to be held at: 15:00 and 22:00 hours on the day before the delivery

date, and at 10:00 hours on the delivery date. In this way, IDAs and continuous trading mechanisms will support each other.

The launch of new instruments by TGE also required the involvement of the local clearing house (IRGiT) which had to adapt its clearing system and applications supporting internal clearing processes to the products being implemented. In addition, for the purposes of IDA clearing, IRGiT has optimised the historical margin model, which will bring tangible benefits to market participants. The value of the collateral to be provided has been reduced by 50%.

The changes to the TGE offering will not end with the current implementations. With regard to the solutions offered on the spot markets, further developments are planned for 15-min instruments, this time on the Day-Ahead Market, but their introduction will be linked to the timing of changes on the European markets and will be subject to arrangements involving all cross-border electricity traders across the continent.

TGE is also consistently working to expand the range of available green solutions, which corresponds to the assumptions of the energy transition, including the growing importance of the RES sector in the wholesale market, as well as developing the opportunities for extensive use of market information.