

Towarowa Giełda Energii (TGE) will access to the European XBID trading system on Day Ahead energy market

Press Release

- **Towarowa Giełda Energii (TGE) signed an agreement for the delivery of an application enabling the conclusion of transactions on the intraday electricity market in the XBID model.**
- **XBID (Cross-Border Intraday) is a tool used for creating a single cross-border intraday electricity market across Europe.**
- **TGE became a member of the intraday market project in the XBID model in June 2018. Currently, the Exchange is conducting initial tests and is undertaking technical preparations to operationally join the project, which is expected in the fourth quarter of 2019.**

'The priority of TGE is to continuously expand the range of services and offer premium quality products enabling the Exchange Members to enter into transactions not only within the domestic electricity market, but also with parties from all over Europe. The successive actions taken by the TGE Group (following the launch of the PCR market in 2010 within the framework of the Second Fixing on the DAM) aim at completing the integration of the domestic electricity trading with European markets. In order to enable the integration of the intraday market in the XBID model, TGE decided to purchase M7-Trading, a system provided by Deutsche Boerse AG. We are at the last stage of preparing the organisation for the launch the intraday market. We currently focusing on the operational aspect and adapting to the project requirements. Tests of communication and system configuration with our foreign partners have been under way since April, and soon we will make the test environment available to the participants of the Polish exchange market, and the completion of the tests, provided that no changes to the schedule are made at the European level, is planned for October' - said Piotr Listwoń, Vice-President of the Management Board of TGE in of operations.

The Cross-Border Intraday (XBID) integration is a complex process involving multiple parties. Currently, the project involves a total of 46 entities – NEMOs and TSOs from all over the EU and Norway. In Poland, XBID is implemented by PSE (Polish Power Grid) in cooperation with three power exchanges - NEMOs: TGE, EPEX SPOT i EMCO.

The market was launched in Western and Northern Europe on 13 June 2018, whereas in Central and Eastern Europe it will be opened in the fourth quarter of 2019. TGE is currently

¹ **Towarowa Giełda Energii S.A. (TGE)** it is the Nominated Electricity Market Operator (NEMO) for the Polish pricing area and the only licensed commodity exchange in Poland, holding a licence to operate a regulated market since March 2015. On 15 November 2017, TGE started operating as a full-rights PCR coordinating exchange and operator on the European MRC market. TGE is included on the ACER's list of platforms for reporting transaction information according to REMIo9T requirements. TGE guarantees the reliability and security of trading on all markets it operates. Since March 2012, TGE has been a member of the Warsaw Stock Exchange Group.

preparing technically and operationally for this second go-live by actively participating in Local Implementation Projects: LIP 15 and LIP 16, which will connect electricity markets of Poland, Germany, Czech Republic, Austria, Hungary, Romania, Bulgaria, Slovenia, Croatia, Sweden and Lithuania with the existing XBID market.

In order to launch the market functionality in the XBID model, it is necessary to implement a specialist software called XBID Local Trading System, which ensures direct connections with the central European XBID trading system. Therefore, the Exchange has entered into cooperation with Deutsche Boerse AG, which provided access to the M7 application.

'We're happy to welcome TGE as a new customer of our M7-Trading product – our trading system for intraday power trading markets. M7 not only features a wide range of local trading functionality but also fully supports connectivity to the XBID market. We're very much looking forward to a successful cooperation' - said Antoine Viguès, Director Energy IT at Deutsche Boerse AG.

The XBID solution is based on a joint trading system delivered by Deutsche Boerse AG, with a Shared Order Book (SOB), Capacity Management Module (CMM) and Shipping Module (SM). XBID enables the matching of market participants' orders under a continuous trading system, locally and in any bidding zone covered by the project, as long as transmission capacity is available. In the future, the integrated intraday market model will enable trading in both the above-described continuous trading system and in the auction system.

The objective of the XBID project is to increase the overall efficiency of trading on the European intraday market by leveraging existing cross-border transmission capacities in exchange trading. The integration of intraday markets into a single transaction system covering EU countries is a key element in the creation of the internal European energy market. With the growing share of intermittent generation in the European power generation mix, the integration of intraday markets by enabling cross-border trade is becoming increasingly important as a tool used by market participants to balance their positions and to optimise the utilisation of generation capacity, in particular the variable renewable energy sources (RES). In addition, in a broader sense, XBID aims to ensure the reduction of the costs of electricity generation thus bringing tangible economic benefits.