# Day-Ahead Market Detailed Rules of Electricity Trading and Settlement

## Definitions

- Exchange Member – and entity that has got the Exchange Member status and that has been admitted to act on the DAM&IDM by the Exchange Management Board,
- Delivery Day – a day on that the energy contracted on DAM on the Trading Day will be delivered or received,
- Trading Day – a day on that DAM rates are fixed for given Delivery Day,
- exchange – the Exchange Commodity Market run in accordance with the Exchange Regulations by the Power Exchange Joint Stock Company,
- Exchange, POLPX – the Power Exchange Joint Stock Company.
- Work Schedule – a program for electricity delivery or receiving for a single Scheduling Unit, for each hour of Delivery Day, including energy contracted on DAM as well as CDM,
- block instrument – an instrument for delivery of electricity at the contract execution date determined in the instrument specification, longer than one hour on the delivery day,
- hourly instrument – an instrument for delivery of electricity with the contract execution deadline equal to one hour on the delivery day,
- 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,
- Scheduling Unit Made Available – the Scheduling Unit made available to the Power Company according to the rules established in the Exchange Regulations,
- contract – an agreement concluded on DAM between the Exchange Members resulting in conveyance of property of the electricity from the seller to the purchaser,
- DAM price – a uniform price of 1 MWh of electricity at given hour of the Delivery Day, fixed on DAM,
- private web site – a web site accessible only for given Exchange Member and for the Exchange,
- 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,
- 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,
- 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),
- The Power Law Act – the Act dated on the day of April the 10$^{th}$ 1997 titled “The Power Law” (Journal of Law No 89/2006, item 625 with later amendments),
- 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),
- IDM – the Intraday Market separated within the framework of the DAM&IDM and run by the Exchange,
- DAM – the Day-Ahead Market separated within the framework of DAM&IDM and run by the Exchange,
- DAM&IDM – the Day-Ahead Market and the Intraday Market run by the Exchange
- GM – the Gas Market run by the Exchange,
- PRM – the Property Rights Market run by the Exchange,
- CDM– the Commodity Derivatives Market run by the Exchange,
- EAM – the Emission Allowance Market run by the Exchange,

- the Exchange Regulations – the trading Regulations for the Exchange Commodity Market of the Power Exchange Joint Stock Company,
- the exchange IT system – a set of hardware and software components, and especially the specialized computer software, trading on the DAM is conducted by means of that,
- the Detailed Rules of Trading and Settlement – the present Day-Ahead Market Detailed Rules of Electricity Trading and Settlement,
- transaction – an electricity sale contract closed on the exchange by the Exchange Members,
- OTC deal – an electricity sale contract closed between Exchange Members outside DAM trading session,
- 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,
- 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,
- order – a purchase or sale offer submitted by the Exchange Member on DAM.

**Part I. Trading rules**

## 1. Organization of trading and entering into OTC deals on the DAM market.

1.1. The DAM trading is run on two days preceding the Delivery Day in the instruments laid down in the specifications (Appendices No 1 and No 2).

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).

## 2. The DAM quotation schedule.

2.1. The hourly instrument quotations are carried out on the DAM according to the schedule presented below:

| Time | Quotation phase |
|---|---|
| Till **6:30 p.m.** 3 days before the Delivery Day | **Collaterals update**<br>Introducing of current collaterals. |
| From **07:15 a.m.** 2 days before the Delivery Day till **2:30 p.m.** 2 days before the Delivery Day | **Continuous trading**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards the collateral status. |
| Till **6:30 p.m.** 2 days before the Delivery Day | **Collaterals update**<br>Introducing of current collaterals. |
| From **7:15 a.m.** 1 day before the Delivery Day till **8:00 a.m.** 1 day before the Delivery Day | **A phase preceding fixed auction price system quotation**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards the collateral status. |
| **8:00 a.m.** 1 day before the Delivery Day | **Fixing of the DAM single price**<br>Fixing of DAM prices for all hours of the Delivery Day and publication of quotation results on private Web site**.** |
| From **8:01 a.m.** 1 day before the Delivery Day till **10:15 a.m.** 1 day before the Delivery Day | **Continuous trading**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards the collateral status. |
| From **10:15 a.m.** 1 day before the Delivery Day till **10:30 a.m.** 1 day before the Delivery Day | **A phase preceding fixed auction price system quotation**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards the collateral status. |
| **10:30 a.m.** 1 day before the Delivery Day | **Fixing of the DAM single price**<br>Fixing of DAM prices for all hours of the Delivery Day and publication of quotation results on private Web site**.** |
| From **10:31 a.m.** 1 day before the Delivery Day till **11:30 a.m.** 1 day | **Continuous trading**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards |

| | |
|---|---|
| before the Delivery Day | the collateral status. |
| Till **11:50 a.m.** 1 day before the Delivery Day | **Updating of the Work Schedules by the Exchange Members** |
| Till **1:00 p.m.** 1 day before the Delivery Day | **Submitting of the commercial transactions to the TSO** |
| Till **3:30 p.m.** 1 day before the Delivery Day | **Publication of quotation results on the Public Web Site** |

2.2. Block instrument quotations on the DAM are carried out daily in accordance with the schedule specified below:

| Time | Quotation phase |
|---|---|
| Till **6:30 p.m.** 3 days before the Delivery Day | **Collaterals update**<br>Introducing of current collaterals. |
| From **07:15 a.m.** 2 days before the Delivery Day till **2:30 p.m.** 2 days before the Delivery Day | |
| Till **6:30 p.m.** 2 days before the Delivery Day | **Collaterals update**<br>Introducing of current collaterals. |
| From **7:15 a.m.** 1 day before the Delivery Day till **11:30 a.m.** 1 day before the Delivery Day | **Continuous trading**<br>Acceptance of orders; orders may be cancelled and modified; the orders are validated as regards the collateral status. |
| Till **11:50 a.m.** 1 day before the Delivery Day | **Updating of the Work Schedules by the Exchange Members** |
| Till **1:00 p.m.** 1 day before the Delivery Day | **Submitting of the commercial transactions to the TSO** |
| Till **3:30 p.m.** 1 day before the Delivery Day | **Publication of quotation results on the Public Web Site** |

## 3. The DAM session orders.

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

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

3.3. To the Exchange Member Portfolio the Scheduling Unit is assigned.

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

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

3.6. Each Order of the Exchange Member being placed on DAM 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 accurate to PLN 0.01 or an instruction to execute the order without price limit,

f) the validity period,

g) conditions for execution of the order, specified in item 3.7.,

h) designation (ID) of the Exchange Member issuing the order,

h) date and hour of issuing of the order,

i) the order No.

3.7. 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, and the part of the order that has not been executed during the continuous trading phase is transferred to the fixed auction price 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, and the part of the order that has not been executed during the continuous trading phase is transferred to the fixed auction price 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, and the part of the order that has not been executed during the continuous trading phase is transferred to the fixed auction price 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, and the part of the order that has not been executed during the continuous trading phase is transferred to the fixed auction price 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.

3.8. 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.

3.9. 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.

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

3.11. 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 DAM.

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

3.13. Only the local orders are not checked as regards the collaterals.

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

(a) offered electricity amount,

(b) the price limit.

3.15. The orders may be modified during the quotation phase on the DAM. 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.

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

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

3.18. The orders may be cancelled during quotation phase on the DAM. 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.

## 4. Price fixing principles, order execution and transactions.

4.1. The principles of price fixing and execution of the orders in the fixed auction price system on the DAM.

4.1.1. The fixed auction price on the DAM is fixed with using in turn the following principles:

a) maximization of the trading volume,

b) minimization of the difference between aggregated volume of electricity in purchase orders and in sale orders executable at a specified price.

4.1.2. The orders placed on the DAM in the fixed auction price system are executed in accordance with the following principles:

a) the sale orders placed with the price limit below the price of electricity shall be executed en block. No sale order placed with the price limit above the price of electricity shall be executed,

b) the purchase orders placed with the price limit above the price of electricity shall be executed en block. No purchase order placed with the price limit below the price of electricity shall be executed,

c) purchase and sale orders placed with a price limit equal to price of electricity may be executed partially, en block or may be not executed at all.

4.1.3. The sequence of execution of the orders placed with a price limit equal to the price of electricity is determined by the time of receiving of the orders in the exchange IT system.

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

4.1.5. In case when there is no possibility for univocal fixing of the DAM price the price shall be determined in the following manner:

a) if there is more than one price meeting requirements mentioned in item 4.1.1. and when the difference between aggregate purchase volume and aggregate sale volume is equal to zero, the average price between extreme prices meeting the requirement referred to in subitem b) is determined. Then from amongst permissible prices the price closer to the average price is fixed. If there are two such prices, the price is determined randomly from amongst those two prices,

b) if there is more than one price meeting requirements mentioned in item 4.1.1. and when the difference between aggregate purchase volume and aggregate sale volume has the same signs for each price, such price is fixed that is closer to the change of sign of the difference,

c) if there is more than one price meeting requirements mentioned in item 4.1.1. and when the difference between aggregate purchase volume and aggregate sale volume has different signs for each price, the price is fixed randomly from amongst two prices: the highest price with the positive difference and the lowest price with negative difference.

4.2. The principles of price fixing, execution of the orders and transactions in continuous trading system on the DAM.

4.2.1. 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).

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

4.3. In case when the POLPX is informed by the TSO about the discontinuation of the transmission services for the Power Company within the scope of submitting of the energy sales contracts for Scheduling Unit, the Exchange – effective from the delivery date indicated by PSE-Operator (TSO) – precludes submitting of the Work Schedules for that Scheduling Unit.

4.3.1. The Exchange Member that has entered into transactions on the exchange using the Portfolio the Scheduling Unit is assigned to that and for which TSO has discontinued the provision of transmission service, shall be obliged to close its positions till 9:00 a.m. one day before the delivery date, with the reservation for item 4.3.3.

4.3.2. If the entity mentioned in item 4.3.1. failed to close its positions till 9:00 a.m. one day before the delivery date, the Exchange undertakes measures, on behalf of the Exchange Member, aimed at closing of all opened positions. The costs being a result between opening and closing prices of the position shall be borne by the Exchange Member.

4.3.3. The entity that uses the Scheduling Units Made Available may place the transactions, entered into within the Portfolio the Scheduling Unit is assigned to that and for which the TSO has discontinued delivery of transmission service, in the Work Schedules for Scheduling Units Made Available.

4.3.4. If the entity, mentioned in item 4.3.3., failed to place the transactions, executed within the Portfolio the Scheduling Unit is assigned to that and for which the TSO has discontinued delivery of the transmission service, in the Work Schedules for Scheduling Units Made Available till 12:15 p.m. the POLPX shall carry out this operation according to its own discretion.

4.4. In cases when and within the scope of the Exchange is entitled to close the position of Exchange Member on the CDM in accordance with the Trading Rules, the Exchange is entitled to place orders on the DAM on behalf of such Exchange Member.

4.5. The DAM price is fixed with accuracy to PLN 0.01. The volume is determined with accuracy to 1 MWh.

4.6. On the DAM 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.

## 5. Rules of electricity trading on the DAM through entering into OTC deals.

5.1. Orders concerning the OTC deals are introduced only with use of the exchange IT system.

5.2. The Exchange verifies only introduced and confirmed OTC deals.

5.3. The orders concerning the OTC deals may be introduced one day or two days before the Delivery Day. For given Delivery Day the orders are accepted after the period for placing of the orders expires: first time two days before the Delivery Day and second time one day before the Delivery Day.

5.4. The OTC deals may be submitted within the framework of not only the hourly instruments but the block ones as well.

5.5. The schedule for placing of the orders and execution of the OTC deals:

| Time | Quotation phase |
|---|---|
| Till **6:30 p.m.** 3 days before the Delivery Day | **Collaterals update**<br>Introducing of current collaterals. |
| From **7:15 a.m.** 2 days before the Delivery Day till **2:30 p.m.** 2 days before the Delivery Day | **Placing of the orders**<br>Placing of the orders and confirming of the OTC deals. Not confirmed orders may be cancelled and modified. The orders are not validated as regards the collaterals status |
| From **2:30 p.m.** 2 days before the Delivery Day till **3:30 p.m.** 2 days before the Delivery Day | **Verification and acceptance**<br>Verification of the placed and confirmed orders concerning the OTC deals as regards the collaterals status. Acceptance of the orders. The orders are not accepted if: the purchaser has not confirmed the order, the seller has not got appropriate collateral amount |
| Till **6:30 p.m.** 2 days before the | **Collaterals update** |

| | |
|---|---|
| Delivery Day | Introducing of current collaterals. |
| From **8:01 a.m.** 1 day before the Delivery Day till **10:15 a.m.** 1 day before the Delivery Day as well as from **10:31 a.m.** 1 day before the Delivery Day till **11:15 a.m.** 1 day before the Delivery Day | **Placing of the orders** Placing of the orders and confirming of the OTC deals. Not confirmed orders may be cancelled and modified. The orders are not validated as regards the collaterals status |
| From **11:15 a.m.** 1 day before the Delivery Day till **11:30 a.m.** 1 day before the Delivery Day | **Verification and acceptance** Verification of the placed and confirmed orders concerning the OTC deals as regards the collaterals status. Acceptance of the orders. The orders are not accepted if: the purchaser has not confirmed the order, the seller has not got appropriate collateral amount |
| Till **11:50 a.m.** 1 day before the Delivery Day | **Updating of the Work Schedules by the Exchange Members** |
| Till **1:00 p.m.** 1 day before the Delivery Day | **Submitting of the commercial transactions to the TSO** |
| Till **3:30 p.m.** 1 day before the Delivery Day | **Publication of quotation results on the Public Web Site** |

## 6. The exchange indices.

6.1. The Exchange makes public information about DAM quotations with a breakdown into delivery dates, prices, traded volume and values of indices. The IRDN, sIRDN), IRDN24 and IRDN8.22 indices are generated for hourly instruments on the DAM market (the block instruments shall not be included).

6.2. IRDN index is determined as the average trade-weighted price of all instruments with execution date one hour of the day from N-1 as well as N-2 markets for the same delivery date, that means:

$$IRDN = \sum P_i \times \left(\frac{V_i}{V}\right)$$

where : i – number of hours of the clearing day (23 to 25),

Pi – the price fixed for the $i^{th}$ transaction,

Vi – trading volume of the $i^{th}$ transaction,

*V* – trading volume on given day.

6.3. sIRDN index is determined as the average trade-weighted rate of all instruments with the execution date one hour of the day from 8.00 to 22.00 hours in N-1 and N-2 markets for the same delivery date, that means:

$$sIRDN = \sum P_i \times \left(\frac{V_i}{V}\right)$$

where : $i$ – number of hours from 8:00 to 22:00 (14 hours),

$P_i$ – the price fixed for the $i^{th}$ transaction,

$V_i$ – trading volume of the $i^{th}$ transaction,

$V$ – trading volume during all hours from 8:00 to 22:00.

6.4. IRDN24 index is determined as the arithmetic mean of averages weighted by the price volume of transactions entered into during fixing and continuous trading at individual hours of the overall day on N-1 and N-2 markets for the same delivery date, that means:

$$IRDN24 = \sum_{1}^{j} \frac{M_j}{j}$$

where :

$j$ – number of hours of the clearing day (23 to 25),

$M_j$ – weighted average for the j$^{th}$ hour, expressed by the formula:

$$M_j = \sum_{1}^{i} P_i \times \left( \frac{V_i}{V_j} \right),$$

$i$ – number of transactions for given hour,

$P_i$ – the price fixed for the i$^{th}$ transaction,

$V_i$ – trading volume of the i$^{th}$ transaction,

$V_j$ – trading volume for given hour.

6.5. IRDN8.22 index is determined as the arithmetic mean of averages weighted by the price volume of transactions entered into during fixing and continuous trading at individual hours of the period between 8:00 and 22:00 on N-1 and N-2 markets for the same delivery date, that means.

$$IRDN8.22 = \sum_{1}^{j} \frac{M_j}{j}$$

where :

$j$ – number of hours of the period from 8:00 to 22:00,

$M_j$ – weighted average for the j$^{th}$ hour, expressed by the formula:

$$M_j = \sum_{1}^{i} P_i \times \left( \frac{V_i}{V_j} \right),$$

$i$ – number of transactions for given hour,

$P_i$ – the price fixed for the i$^{th}$ transaction,

$V_i$ – trading volume of the i$^{th}$ transaction,

$V_j$ – trading volume for given hour.

6.6. In case of the OTC deals the POLPX shall make public the following prices: minimum price, maximum price as well as total volume.

6.7. In case of the block contracts the POLPX shall make public the following prices: minimum price, maximum price as well as arithmetic average price.

## Part II. Rules of transaction execution

### 7. Execution of physical delivery of electricity.

7.1. The exchange transactions entered into on the DAM market are submitted to TSO as a balance of session transactions and OTC deals, with a breakdown into Scheduling Units assigned by TSO.

7.2. The exchange transactions entered into by the Power Company 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.

7.3. Each Exchange Member when placing an order or during the confirmation of order concerning the OTC deal, 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 items 2.1., 2.2. and 5.5. - Work Schedule Update.

7.4. 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.

7.5. 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.

7.6. In case of changes of the identification data, mentioned in item 7.5 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 DAM.

7.7. In case of changes of the identification data, mentioned in item 7.2 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 DAM.

7.8. The transactions entered into on the CDM are submitted to the TSO together with the transactions entered into on the DAM in form of balance of the transactions. The transactions are submitted on the day preceding the day of execution of given forward contract, in accordance with “The derivative quotation and contract execution calendar on the CDM”, specified for given derivative instrument by the Exchange Management Board.

## Part III. Rules of clearing.

Clearing as well as securing of the transactions entered into on the Day-Ahead 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 2. Specification of electricity hourly instruments on the DAM.**

| | |
|---|---|
| ID | RDNk_DD-MM-RRRR_HGG, where: k – consecutive day of week (Monday –1), GG- hour of the day, 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 |
| Price | Expressed as 1PLN/MWh with accuracy of 0.01 PLN. |
| Value | The product of the Price and the Nominal Value |
| Quotation date | 2 days preceding the Delivery Day |
| Execution time | One hour of the day specified in the instrument ID |
| Quotation unit | 1 instrument |
| Clearing method | Physical delivery of the electricity |

**Appendix No 3. Specification of electricity block instruments on the DAM.**

| | |
|---|---|
| ID | **PEAK_DD-MM-RRRR**, where: DD- delivery day, MM- delivery month, RRRR- delivery year. |
| Object of the trading | Electricity |
| Nominal value | Amount of electricity (MWh) expressed as the product of 1 MWh and number of hours of the execution time. 1 instrument corresponds to 15 MWh of electricity |
| Price | Expressed as 1PLN/MWh with accuracy of 0.01 PLN. |
| Value | The product of the Price and the Nominal Value |
| Quotation date | 2 days preceding the Delivery Day |
| Execution time | **From 7:00 a.m. till 10:00 p.m. on the Delivery Day** |
| Quotation unit | 1 instrument |
| Delivery unit | 1MWh for each hour of the contract execution. |
| Clearing method | Physical delivery of the electricity |

| | |
|---|---|
| ID | **BASE_DD-MM-RRRR**, where: DD delivery day, MM- delivery month, RRRR- delivery year. |
| Object of the trading | Electricity |
| Nominal value | Amount of electricity (MWh) expressed as the product of 1 MWh and number of hours of the execution time.<br>1 instrument corresponds to the electricity amount from 23 to 25 MWh |
| Price | Expressed as 1PLN/MWh with accuracy of 0.01 PLN. |
| Value | The product of the Price and the Nominal Value |
| Quotation date | 2 days preceding the Delivery Day |
| Execution time | **From 00:00 till 12:00 p.m. on the Delivery Day** |
| Quotation unit | 1 instrument |
| Delivery unit | 1MWh for each hour of the contract execution. |
| Clearing method | Physical delivery of the electricity |

| | |
|---|---|
| ID | **OFFPEAK_DD-MM-RRRR**, where: DD- delivery day, MM- delivery month, RRRR- delivery year. |
| Object of the trading | Electricity |
| Nominal value | Amount of electricity (MWh) expressed as the product of 1 MWh and number of hours of the execution time.<br>1 instrument corresponds to the electricity amount from 8 to 10 MWh |
| Price | Expressed as 1PLN/MWh with accuracy of 0.01 PLN. |
| Value | The product of the Price and the Nominal Value |
| Quotation date | 2 days preceding the Delivery Day |
| Execution time | **From 00:00 till 7:00 a.m. and from 10:00 p.m. till 12:00 p.m. on the Delivery Day.** |
| Quotation unit | 1 instrument |

| | |
|---|---|
| Delivery unit | 1MWh for each hour of the contract execution. |
| Clearing method | Physical delivery of the electricity |