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TGE celebrates the anniversary of the European spot market

Press Release

- **Together with the other Nominated Electricity Market Operators (NEMOs) and Transmission System Operators (TSOs), TGE is celebrating the anniversary of the European spot market, including the 10th anniversary of the Single Day Ahead Market (SDAC) and the 5th anniversary of the Single Intraday Market (SIDC).**
- **The Polish Exchange has been actively involved in the SDAC project since 2015, i.e. almost from the very beginning of its operation, and it joined the SIDC in the second implementation wave, in 2019.**
- **The integration of the cross-border electricity market is of great importance for the price competitiveness of generators, strengthening of security of supply, price convergence and the ongoing fuel transition in the Europe's energy mix.**

The primary objectives of setting up the two initiatives – SDAC (Single Day-Ahead Coupling) and SIDC (Single Intraday Coupling) – were, in principle, to ensure energy security for Europe and individual EU countries and to guarantee access to uniform, lower energy prices for energy consumers.

These projects now connect all EU electricity markets and improve cross-zonal trade through the efficient allocation of cross-border grid capacity, which in turn improves system resilience, contributes to effective generation management and mitigates the risk of supply disruptions.

"From the very beginning, the European energy integration has involved both legislative changes and regional initiatives to support cross-border connections. The crucial measures aimed at the development of the energy community are carried out precisely within the framework of the SDAC and SIDC, in which TGE has been involved almost from the beginning of their foundation, which means that the bids and offers of participants in the Polish electricity market, generators and consumers, are visible throughout Europe. The participation in these key initiatives at the European level also leads to a better understanding of the needs of local business and, consequently, opens the ground for new solutions, such as the planned implementation of 15-minute instruments on the IDM or SIDC Intraday Auctions" says Piotr Listwoń, TGE's Vice-President for Operations.

The importance of a cross-border energy market

As the energy transition continues, both cooperation and competition at the international level are of paramount importance. With the networks and markets of the EU countries being fully integrated now, efficient energy management is possible independently of weather conditions and the resulting fluctuations in the supply of renewable energy, for example, between the north and south of Europe.

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In addition, in spot markets, participants can adjust their trading positions almost in real time, thus helping to keep the system in balance.

Integration has also proven crucial in the face of crisis events, such as pandemics. By importing electricity from neighbouring countries, it was possible to mitigate local shortages or the effects of sudden price increases.

TGE's active role in European integration projects

The creation of a common electricity continues to be a priority for TGE, not only on an European dimension, but also for the Warsaw Stock Exchange. Poland is actively involved in all integration initiatives with a view to both strengthening the competitive position of local businesses and securing continuity of supply. To this end, a DC link between Poland and Sweden was built in 2010 and markets were connected through a market coupling mechanism. Then, 5 years later, the Polish power system got interconnected with Lithuania. One of the first developments in the European Day-Ahead Market was the Multi-Regional Coupling (MRC) project, which TGE joined in 2015.

Since November 2019 the Exchange has been participating in the cross-border SIDC Intraday Market, which it joined in the second implementation wave.

In December 2015, TGE became the Nominated Electricity Market Operator (NEMO) for the Polish bidding zone, which involves the task of ensuring the proper functioning of the common electricity market. In 2023, TGE had this status extended for a second time, by additional four years.

About the SDAC and SIDC markets

Single Day-Ahead Coupling, or European Day-Ahead Market, was established as a voluntary initiative by NEMOs and TSOs in 2014. First came the implementation of the 4 Markets Market Coupling (4M MC) project, covering the borders between the bidding zones of the Czech Republic, Hungary, Romania and Slovakia, followed by the Multi Regional Coupling (MRC). Other regional initiatives were also systematically undertaken. On 17 June 2021, the Interim Coupling project successfully went live, which involved the coupling of the 4M MC countries at the borders with the MRC market area. This was complemented by the Flow-Based Market Coupling project implemented on 8 June 2022 in the Core region (Central and Eastern Europe). Thanks to the resulting integration it is possible to operate a single coupling mechanism for day-ahead markets in 27 European countries.

Similarly as SDAC, the Single Intraday Coupling is a joint initiative of NEMOs and TSOs. It creates a single pan-European intra-day electricity market whereby buyers and sellers of electricity may trade on a continuous basis for each hour of the current day, which is the delivery day. The first wave of the project went live in June 2018 and covered 15 countries, and the final fourth wave was completed on 29 November 2022 enabling the integration of continuous trading on intraday markets in 25 countries within SIDC.

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