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TGE aligns its offering with the European electricity market model

Press Release

- **On 15 July 2024, the EU's reform of the Electricity Market Design (EMD) went live.**
- **With the implementation of the new EMD regulations, TGE revised the quotation schedule on the Day-Ahead Market.**
- **Apart from the changes introduced on the Day-Ahead Market as a result of the EMD, TGE expanded the range of products available on the Intraday Market starting from 13 June. Specifically, 15-min instruments and hourly instruments started to be offered in IDAs *(Intraday Auctions*) held as part of the SIDC.**
- **Currently, exchanges with NEMO status and transmission system operators are working together to launch 15-min instruments on the European Day-Ahead Market (SDAC).**

The main principles of the Electricity Market Design (EMD) reform in the European Union, published in the EU Official Journal in June 2024, aim to support the energy transition towards zero-carbon economy, while ensuring energy security and an acceptable price level for consumers. The key points of the reform are:

1. Continued efforts to further integrate European energy markets.
2. Increase the share of renewable energy in the EU's energy mix to over 60% by 2030 (currently 37% of electricity comes from renewable sources). The reform is intended to adapt the market to better integrate the so-called green energy.
3. Ensure fair competition, protection against market abuse and effective market monitoring.

The EMD reform also has indirect influence on the functioning of local markets. In TGE's case, for instance, this means that new "Detailed Trading and Clearing Rules for Electricity on the Day-Ahead Market" have been in force since 15 July this year, which take into account the revised quotation schedule for hourly and block instruments quoted on day N-1 on the domestic market, as these quotations will be carried out only until 11 a.m. The above change, resulting from the EMD project adopted at EU level, has been accepted by the management of TGE.

'We are seeing the energy transition at EU level increasingly being translated into the functioning of local markets, including Poland. The new directions of change that are being charted, such these associated with the EMD reform, are motivating for our business and require continuous adaptation. TGE, by participating in the consultations, confirms its willingness to have a real influence on the shape of the regulations that are to be implemented, sooner or later, into the Polish legal system. For almost 25 years, the Exchange has been enabling spot electricity trading for its customers, which has consistently been gaining importance. For this reason, we have expanded our offering to include intraday auctions or 15-min instruments on the IDM. However, this is not our last word, as we are

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planning to implement 15-min products on the DAM. NEMO exchanges and the TSOs are currently working together to this end' says Piotr Listwoń, President of the Management Board of TGE.

The provisions of the EMD reform are part of the broader context of building an integrated electricity market, which – from the TGE's perspective – is particularly important for the development of the offer of instruments listed on the European spot markets SDAC and SIDC. On 13 June, TGE introduced instruments on the Intraday Market for the supply of electricity for 15-minute periods and implemented, on the same market, three auctions *(intraday auctions*, IDAs), where market participants can conclude transactions in the single-price system (until now, transactions were concluded on the IDA only in the continuous trading system). As far as the 15-min instruments, further activities are planned for the introduction of these solutions also in the Day-Ahead Market (SDAC), and all NEMOs and TSOs are working on together to this end.

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