

EPEX SPOT

Power for Today. Power for Tomorrow.

23/03/2022 – NBM Stakeholder Group meeting

Panelists



Svetlana Grace
Senior Key Account Manager



Zeynep Alpman
Market Coupling Project
Management

1. Introducing EPEX SPOT
2. Evolution of 15min products

EPEX SPOT at a glance



EPEX is a licensed NEMO* in the CWE, Nordic, Polish and Baltic regions

*Nominated Electricity Market Operator

20+ nationalities in staff

300+ members

7 European shareholders

51% private, 49% TSOs

621 TWh traded in 2021

on all spot markets

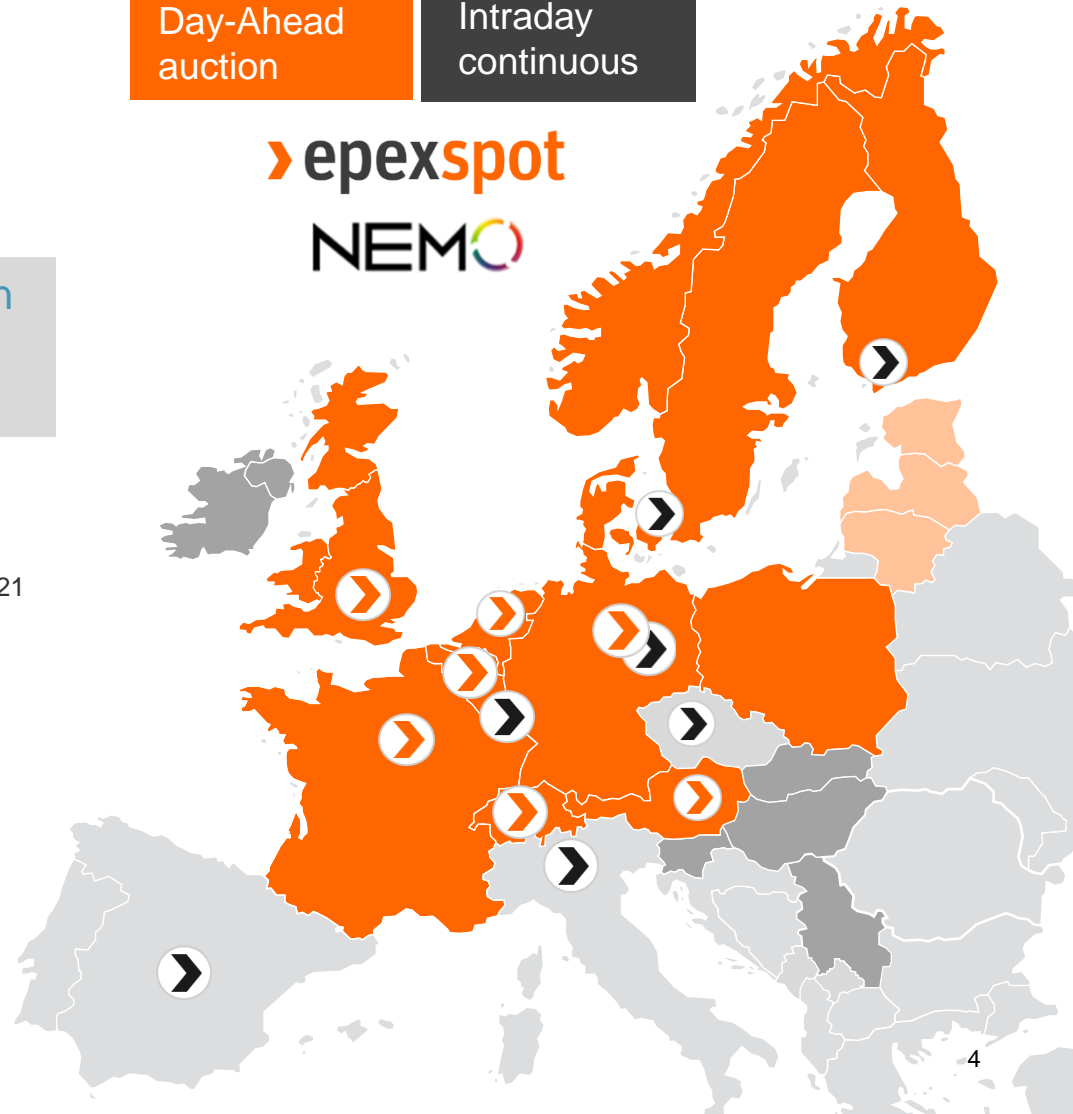
13 markets, 21 borders

market-coupled

Largest Intraday market in Europe

with 123 TWh traded in 2021

SDAC 12:00 Day-Ahead auction	SIDC Intraday continuous
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Markets covered under the roof of the Clearing House **ecc**

- Current EPEX SPOT markets
- Coming soon
- Serviced Power Exchanges

Local EPEX / EEX Group offices

Bringing more liquidity to the Nordic markets

On 26 May 2020, **EPEX SPOT launched its Intraday continuous offer** in Denmark, Finland, Norway and Sweden

It was followed by the **launch of the Day-Ahead auction offer** on 03 June 2020

A new power spot offer in the Nordics for:

- › A sustained regional wholesale market activity
- › Boosting trading innovations

Day-Ahead

43 TWh

traded in 2021 in the Nordics

Intraday

3.2 TWh

traded in 2021 in the Nordics

+30% total Nordic liquidity in 1st MNA year

Single robust Day-Ahead price is fully preserved

—
Based on the Nordic Multi-NEMO Arrangements,
a single regional Day-Ahead price is always secured amongst all NEMOs

Competition benefits

—
Overall strengthening of liquidity & transparency
Further development of API trading
Product design innovation dynamic

Why 15' MTU?

CHALLENGES



SHORT-TERM OPTIMIZATION NEEDS (TSO REQUIREMENTS)



BOOMING REN USING FREQUENT WEATHER FORECASTS UPDATES & STEEP PROFILES



DIVERSIFIED MODALITIES



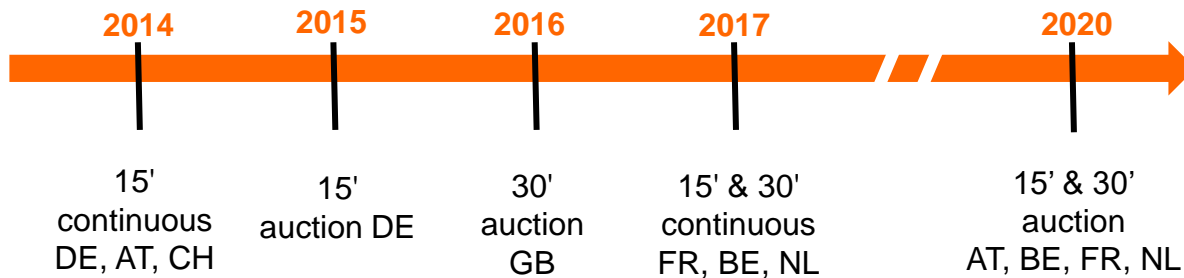
SMALLER GRANULARITIES

FLEXIBLE MARKETS

Before: Intraday Continuous only
Now: Together with Intraday Auctions

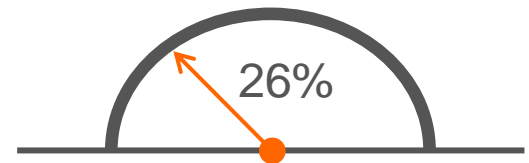
Adapt contracts to business needs and TSO requirements
60mn, 30mn and 15mn contracts

EPEX SPOT 15' & 30' products in the market



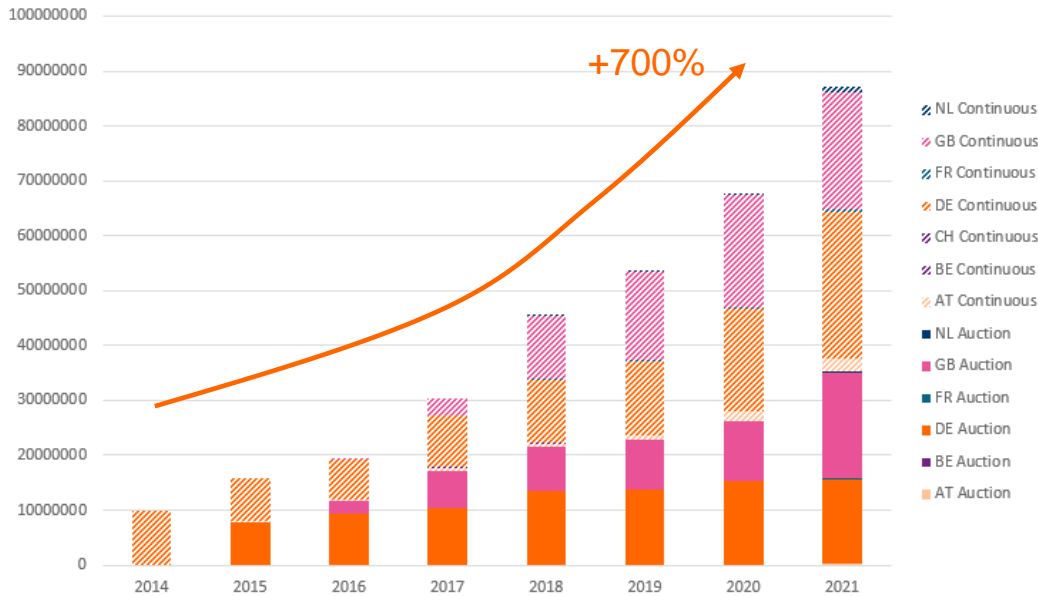
Success of 15-min products

26% of German intraday volumes traded on 15-min contracts in 2020

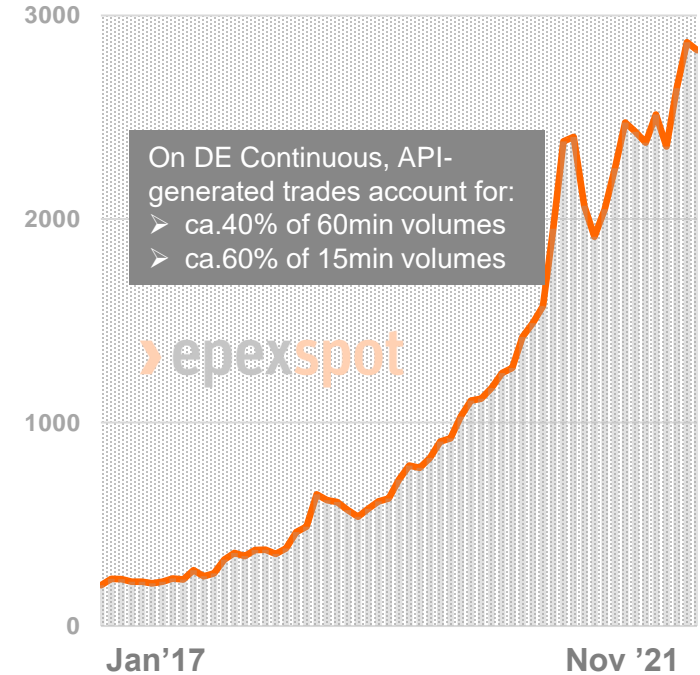


Evolution of 15min products

15 and 30min traded volumes (MWh)



DAILY AVERAGE NUMBER OF SUBMITTED ORDERS (THOUSANDS)



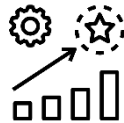
IMPLICATIONS



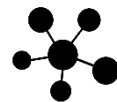
**REAL-TIME
FAST TRADING**



**MORE COMPLEX TRADING
1000+ CONTRACTS/DAY**



**AUTOMATED
TRADING**



**ALGO/MACHINE
LEARNING**

Automation helps coping with faster, closer-to-delivery trading and an increased number of tradable contracts

Autonomous optimization
Fast strategy adaptation to volatility

15' Market Time Unit implementation in the Nordics

15' MTU products have an important added value to the power market. They enable:

- short term optimization
- further flexibility for renewable energies

→ **Timely introduction of 15' MTU products in the Nordics is essential for the market**

Current project timelines for introducing 15' MTU products in the Nordics within SDAC and SIDC projects are:

- May 2023 for Intraday Continuous
- Q4 2023 for Pan-European Intraday Auctions
- H1 2024 for Day-Ahead 12:00 Auction

→ **Go lives should be maintained and decorrelated from dependencies**

15' MTU products will be a portion of the overall products in the market. In order to have a healthy, liquid and thriving 15' MTU trades, it is adamant that the launch of these products by NEMOs is simultaneous to the adaptation of cross-zonal capacity allocation by TSOs to 15 MTU cross-zonal trading.

→ **Nordics regional integration must be pursued for a liquid 15' Market Time Unit**

Thank you for your attention!

Sales & Membership

sales@epexspot.com

Tel +33 1 73 03 62 62

membership@epexspot.com

EPEX SPOT Paris

5 boulevard Montmartre
75002 Paris
France
Tel +33 1 73 03 96 00
info@epexspot.com

EPEX SPOT London

11 Westferry Circus
Canary Wharf
London E14 4HE
United Kingdom

EPEX SPOT Amsterdam

Quarter Plaza
Transformatorweg 90
1014 AK Amsterdam
The Netherlands

EPEX SPOT Brussels

Treesquare, Square de
Meeus 5-6
1000 Bruxelles
Belgium

EPEX SPOT Bern

Marktgasse 20
3011 Bern
Switzerland

EPEX SPOT Berlin

Regus at The Chancellor
Office
Rahel-Hirsch-Straße 10
10557 Berlin
Germany

EPEX SPOT Wien

Mayerhofgasse 1/19
1040 Wien
Austria