



Block trades in short-term energy market (BT) - start on 1. February 2008

Block trades in short-term market

The block market will be trading daily short-term contracts (DKK).

Basic rules of the BT

- Only subjects of the settlement can trade in this market, i.e. entities which have a signed Contract regarding access to the organised short-term market.
- **Continuous trading** is anonymous with the OTE which acts as a counterparty. There are plans to let the Market Makers (MM) participate in continuous trading.

Types of traded blocks:

- **Base** load – delivery during the whole time period
- **Peak** load – delivery from 8:00 a.m. to 8.00 p.m. on business days
- **Off Peak** load – delivery from 12:00 a.m. to 8:00 a.m. and from 8:00 p.m. to 12:00 a.m. on business days
- A minimum trading capacity is 1 MW for a certain time period, which means that a minimum capacity of the DKK base load is 24 MWh.
- Electricity prices are set in CZK/MWh without decimal points. A minimum price value is 1 CZK/MWh.
- The new product trading through the OTE is based on the forward principle, i.e. when the product is delivered, it is cleared at the concluded trade during the matching of continuous trades (price of trade). After the new product is traded, physical delivery follows.
- The BT trades will be charged in a similar manner as the trades on the current short-term (day-ahead) market of OTE.
- The DKK product description:
 - **DB rr** (year) **mm** (month) **dd** (day) – day base, e.g. **DB080825**
 - **DP rr** (year) **mm** (month) **dd** (day) – day peak, e.g. **DP080825**
 - **DO rr** (year) **mm** (month) **dd** (day) – day off peak, e.g. **DO080825**
- DKK is published five days ahead of delivery, at 9:30 a.m., when continuous trading with DKK begins.
- The closure of trading with DKK is always at 1:00 p.m., one day ahead of DKK delivery.

- Continuous trading begins on the product publication day immediately after it is announced; on the other trading days, from 6:00 a.m. to the product trading closure, i.e. to 8:00 p.m.
- The OTE has the right to change these time horizons if the trading system fails to operate and/or the connection with external environment gets lost.
- Orders can be entered in the trading system anytime from 6:00 a.m. to 8:00 p.m. provided the product in question has been published by the OTE and the product trading has not been closed.
- Two orders are used in continuous trading:
 - **Limit price order** – the trade price in purchase orders cannot be higher than the limit price; the trade price in sell orders cannot be lower than the limit price.
 - **Limitless price order** – the trade price is not entered in the order.
- The matching process is initiated by the entry of a new order.
- All trades concluded on the block short-term market are executed by way of the electricity delivery on day D.
- The delivery point is the Electricity System of the Czech Republic (ES ČR).
- All daily short-term contracts executed on the block short-term market are financially settled for the price for which the daily short-term contract was executed (the trade price).
- The settlement of trades executed on the block short-term market is related to day D (delivery), taking place on day D+1, i.e. the working day which follows the day of delivery.
- The financial billing of the new product (the issue of payment or collection orders) complies with the current OTE's Business Terms and Conditions as follows: