

ELECTRICITY MARKET

Organized short-term market

The organized short-term electricity market allows electricity market participants to optimize their trading positions at short notice before the delivery date (day, hour) in response to the current situation in their production or consumption portfolio.



The short-term electricity market is comprised of the following trade platforms:

- block market,
- day-ahead market,
- intraday market,
- balancing market with regulation energy.

All deals closed on the foregoing markets are also automatically added to the respective trading positions, therefore market participants do not need to perform additional registration of the executed transactions, contrary to external platforms.

Key rules governing trading on OTE's short-term markets:

- ensuring a neutral and secure environment,
- support for market competition and ensuring non-discriminatory conditions for all participants,
- provision of market-related information,
- ensuring anonymous trading and acting as a central counterparty,
- hedging risks in respect of financial settlement of transactions and physical supply of the commodity,
- reducing barriers preventing market entry for new participants,
- distribution of market price signals.

Trade platforms

Block market

The organized block electricity market allows continual trading of fixed electricity blocks on specific trading days; this applies to standard blocks of the Base type (0:00–24:00), Peak type (8:00–20:00) and Off-peak type (0:00–8:00; 20:00–24:00). The volume of electricity traded on this market in 2018 totalled 17 GWh.

Day-ahead spot market

The organized day-ahead spot electricity market, operated since 2002, has been coupled through implicit auctions with the organized day-ahead electricity market in Slovakia since 2009, the day-ahead electricity market in Hungary since 2012, and the day-ahead electricity market in Romania since 2014. This type of trading is also known as Market Coupling. Bids for the purchase or sale of electricity submitted by market participants registered in the CR, the SR, Hungary and Romania for the following day are matched jointly from the neighbouring market places without the need to acquire transmission capacity, up to the level of transmission capacity reserved for market coupling. The day-ahead spot market allows supplying or demanding electricity anonymously for every hour of the 24-hour trading day, resulting in closed deals for fixed volumes of electricity and at fixed prices for every trading hour of the trading day. The volume of electricity traded on this market in 2018 totalled 22.89 TWh.

Intraday market

The organized intraday electricity market allows market participants the continuous trading of anonymous bids at trading hours of the relevant date of delivery until the limit time of 60 minutes before the beginning of the hour of supply or consumption. The volume of electricity traded on this market in 2018 totalled 550 GWh.

Balancing market with regulation energy

The balancing market with regulation energy is operated jointly with the transmission system operator – ČEPS. It serves market participants to supply excess positive or negative electricity at a time very close to the hour of delivery (until 30 minutes prior to the specific hour). The purpose of this market is to reduce the proportion of activated regulation energy and reduce costs of ancillary services in regulation the Czech power system. The volumes of positive and negative regulation energy traded on this market in 2018 totalled 25.2 GWh and 34.7 GWh, respectively.

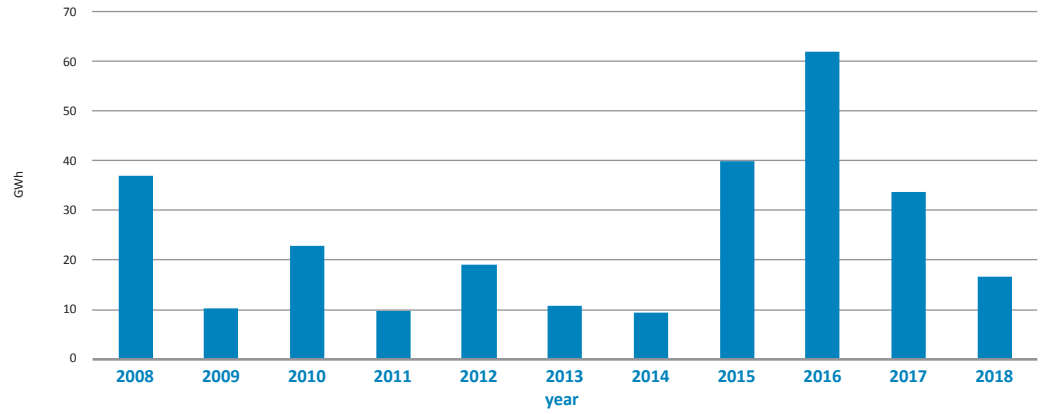
Comparison of specifics of electricity markets

	block market	day-ahead market	intraday market	balancing market with regulation energy
type of market	continuous matching	daily auction	continuous matching	continuous matching
traded period	12 or 24 hours	1 hour	1 hour	1 hour
minimum tradable volume	1 MW × 12 or 24 hours	0.1 MWh	1 MWh	1 MWh
maximum tradable volume	50 MW × 12 or 24 hours	99,999 MWh	99,999 MWh	99,999 MWh
smallest quantity increment	1 MW × 12 or 24 hours	0.1 MWh	0.1 MWh	0.1 MWh
trading currency	CZK	EUR	EUR	CZK
minimum price	CZK 1/MWh	EUR -500/MWh	EUR -3,500/MWh	CZK -99,999/MWh
maximum price	CZK 9,999/MWh	EUR 3,000/MWh	EUR 3,500/MWh	CZK 99,999/MWh
smallest price increment	CZK 1/MWh	EUR 0.01/MWh	EUR 0.01/MWh	CZK 1/MWh
zero price option	NO	YES	YES	NO
market opens at	9:30 D-5	unlimited	15:00 D-1	H-1:00
market closes at	13:30 D-1	11:00 D-1	H-1:00	H-0:30

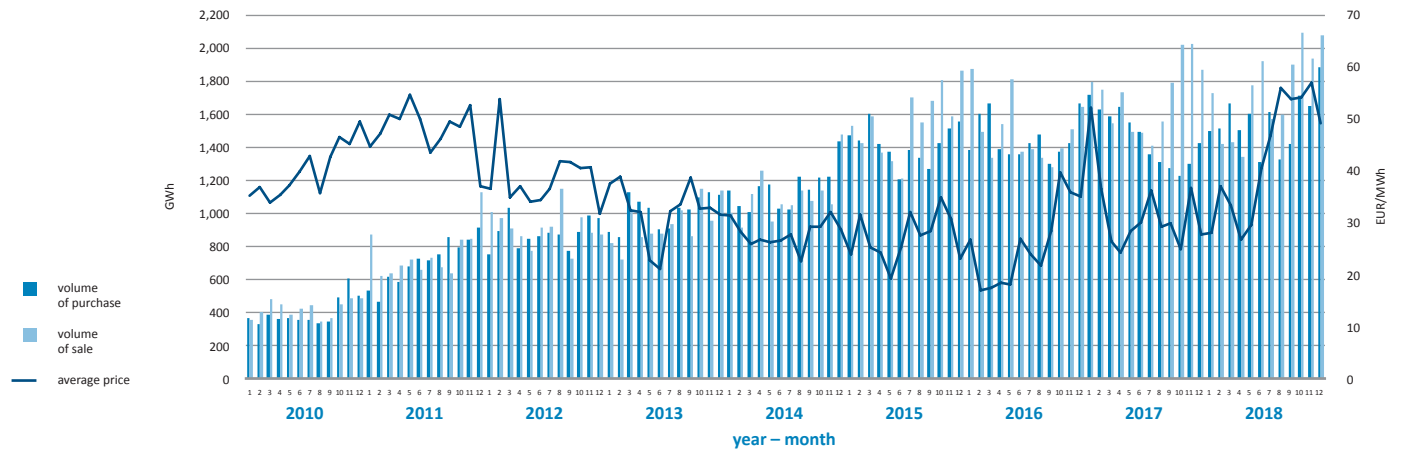


The volume of deals closed on the organized short-term electricity market grew in 2018. The charts below show the trend in traded volumes and prices at respective platforms in 2018.

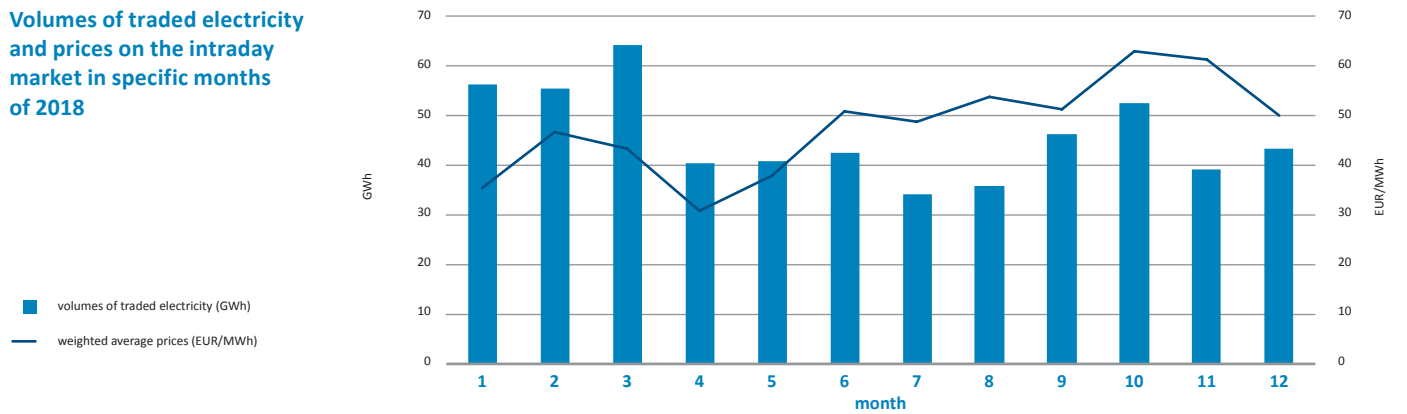
Trend in volumes of electricity traded on the block market in 2008–2018



Volumes of traded electricity and average prices on the day-ahead market in specific months of 2010–2018



Volumes of traded electricity and prices on the intraday market in specific months of 2018



Volumes of regulation energy traded on the balancing market in specific months of 2018

