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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, hours and minutes) 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.

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,
- interconnection within the single European day-ahead and intraday electricity market.

TRADE PLATFORMS

Block market

Since 2008, the organized block market in electricity has allowed the continuous trading of fixed electricity blocks on a given trading day. 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 2020 totalled 5 GWh.

Day-ahead market

The organized day-ahead electricity market has been operating since 2002. Since 2009, it is coupled with the day-ahead market in Slovakia, since 2012 the day-ahead market in Hungary and from 2014 the day-ahead market in Romania through implicit auctions. This form of trading is also known as Market Coupling. Bids for the purchase or sale of electricity of registered market participants in the Czech Republic, Slovakia, Hungary and Romania for the following day are met jointly and from neighboring market areas without the need to purchase transmission capacity, up to the amount of free transmission capacity at individual borders. On the day-ahead market, it is possible to anonymously offer or demand electricity for any hour of the day of delivery. The result is closed trades for a specified amount of electricity and a uniform price for trades for each hour of the day of delivery. In 2020, 22.41 TWh of electricity was traded on this market. OTE is designated on the day-ahead electricity market by the Nominated Market Operator (NEMO), which ensures uniform interconnection of day-ahead or intraday markets according to Commission Regulation (EU) 2015/1222.

Intraday market

Since 2004, the organized intraday electricity market has allowed market participants to continue to trade anonymous offers for trading hours on a given delivery day, up to a limit time of 5 minutes before the start of the hour of delivery or consumption. Since 19 November 2019, the intraday electricity market has been linked to the intraday markets of another 20 European countries within the SIDC. In 2020, 4,444 GWh of electricity was traded on this market. OTE is designated on the intraday electricity market by the NEMO, which ensures uniform interconnection of day or intraday markets according to Commission Regulation (EU) 2015/1222.

Comparison of specifics of electricity markets

	block market	day-ahead market	intraday market
type of market	continuous matching	daily auction	continuous matching
traded period	12 or 24 hours	1 hour	1 hour
minimum tradable volume	1 MW × 12 or 24 hours	0.1 MWh	0.1 MWh
maximum tradable volume	50 MW × 12 or 24 hours	99,999 MWh	999 MWh
smallest quantity increment	1 MW × 12 or 24 hours	0.1 MWh	0.1 MWh
trading currency	CZK	EUR	EUR
minimum price	CZK 1/MWh	EUR -500/MWh	EUR -9,999/MWh
maximum price	CZK 9,999/MWh	EUR 3,000/MWh	EUR 9,999/MWh
smallest price increment	CZK 1/MWh	EUR 0.01/MWh	EUR 0.01/MWh
zero price option	NO	YES	YES
market opens at	9:30 D-5	unlimited	15:00 D-1
market closes at	13:30 D-1	11:00 D-1	H-0:05

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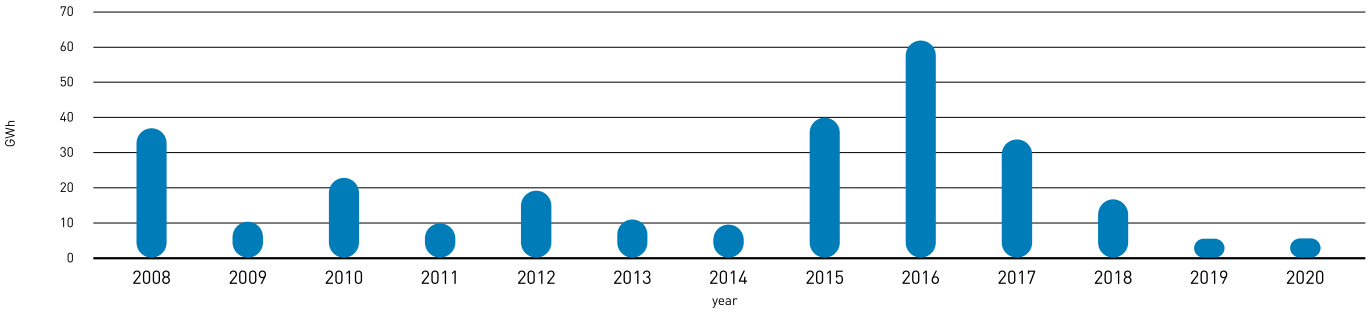
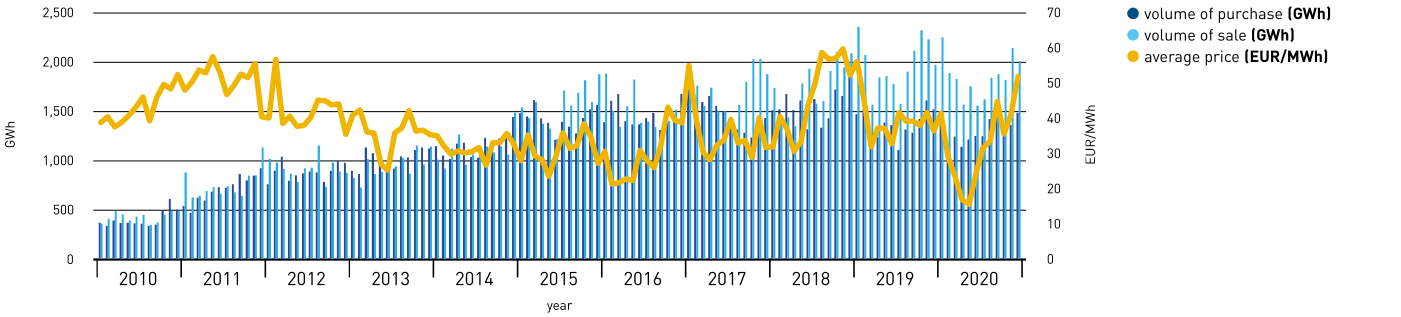
The organized short-term electricity market recorded an overall increase in trades in 2020. The following charts illustrate the evolution of traded quantities and prices on the respective platforms during 2020.

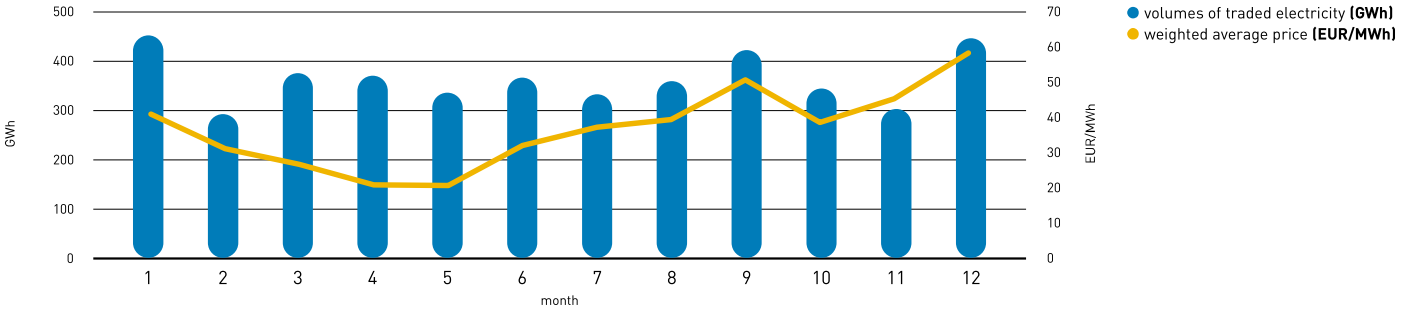
Trend in volumes of electricity traded on the block market in 2008–2020



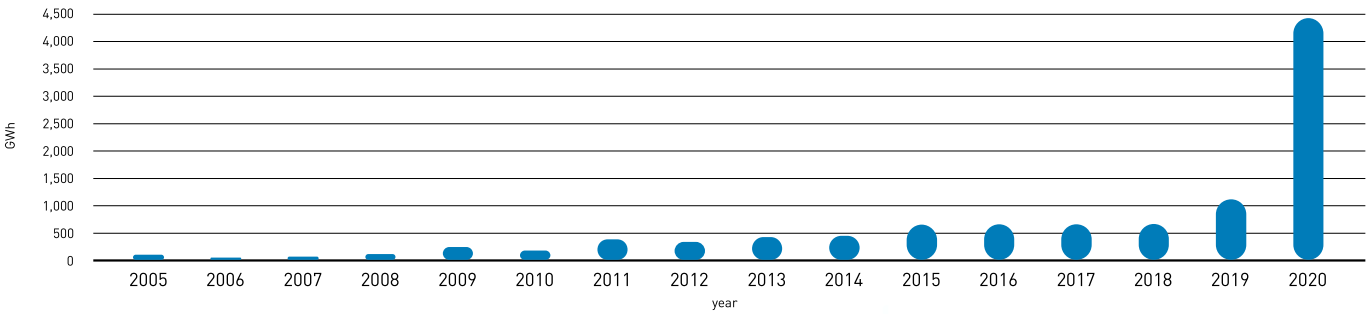
Volumes of traded electricity and average prices on the day-ahead market in specific months of 2010–2020



Volumes of traded electricity and prices on the intraday market in specific months of 2020



Amount of traded electricity on the intraday market in 2005–2020



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