

PRESS RELEASE

Exchange Council approves the introduction of Intraday auctions in the Netherlands and in France

Details of the implementation of the French capacity mechanism assessed and endorsed by the Council

Paris/ Vienna, 12 December 2016 – At the quarterly meeting of the Exchange Council of the European Power Exchange EPEX SPOT the Council was informed about the state of the development of an Intraday auction for the Dutch and the French markets. The introduction of a 15-minutes auction in the Netherlands and a 30-minutes auction in France will require a modification of the respective EPEX SPOT market rules, and since their approval lies within the scope of the Council, the measures were discussed and adopted during this meeting.

The members of the Council were furthermore informed about the details of the imminent launch of the French capacity mechanism. EPEX SPOT organises the first auction of capacity guarantees on 15 December 2016 for the contract 2017. This follows the decision of the French government in 2010 to introduce a capacity market in France. According to this mechanism, electricity producers or operators receive capacity certificates issued by the Transmission System Operator (TSO) RTE. Suppliers are obliged to contribute to security of supply by holding sufficient capacity certificates for each underlying year. EPEX SPOT hopes to gather enough liquidity with its auction to provide a reliable price signal. “EPEX SPOT is happy to contribute to security of supply by implementing this capacity mechanism. It complies with the overall goal of the creation of an integrated European internal market for electricity: it is market-based, non-discriminatory and coordinated across borders” confirms Jean-François Conil-Lacoste, Chairman of the EPEX SPOT Management Board.

Another topic discussed extensively were potential communication improvements in order to render the current Market Coupling Mechanisms even more efficient. Flow-Based Market Coupling is the underlying principle for market coupling initiatives in Central Western Europe (CWE) and relies on a new way to calculate cross-border capacities. Market Coupling consists of two main elements: the optimal calculation of cross-border capacities, carried out by the TSOs, and the optimal calculation of power flows following price signals across borders, per-

formed by Power Exchanges in the framework of PCR (“Price Coupling of Regions”) cooperation. In an overall effort to improve the market coupling mechanism, the members discussed potential solutions to increase transparency during the capacity allocation process, especially regarding the underlying data that is provided by the different TSOs. “Only through the close cooperation of Power Exchanges and TSOs the integration of the European power market becomes reality.” says Bernhard Walter, Chairman of the EPEX SPOT Exchange Council.

The fourth Exchange Council meeting of 2016 was held on 08 December 2016 in Vienna and was chaired by Bernhard Walter.

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The Exchange Council of EPEX SPOT is an official body of the Exchange. 26 members and 4 permanent guests represent adequately the diversity of economic and corporate profiles that exists among the Exchange Members from various sectors: producers, power trading companies, transmission system operators, regional suppliers and financial service providers, as well as commercial consumers and academics. Its missions include in particular the adoption of the Exchange Rules and the Code of Conduct of EPEX SPOT and their amendments. The Exchange Council approves new trading systems as well as new contracts or market areas and approves the appointment of the Head of the Market Surveillance Office. It meets up quarterly.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in Central Western Europe and the United Kingdom. The creation of a pan-European power market is what defines EPEX SPOT's mission. In 2015, its 280 members traded 566 TWh – a third of the domestic consumption in these eight countries. 49% of its equity is held by HGRT, a holding of transmission system operators. EPEX SPOT is part of EEX Group. For more information, please visit www.epexspot.com.

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