



## Press Release (Bucharest, September 26,2017)

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As of September 20, 2017, ANRE approves the procedure package and the Accession Agreement, the conditions for **completing the implementation of the Day Ahead Market for Natural Gas** are met. The approved documents allow the completion of the agreement process with SNTGN Transgaz SA on the manner and form of notification of the information on the quantities traded and the program regarding the management of collection and payments and the guarantees for participation in the market with buy offers according to the approved procedures with the central account bank.

Started July 2015, OPCOM made available to license holders and customers in the natural gas sector, registering and signing the Accession Agreement on the Centralized Market for Natural Gas (OPCOM), **three forward trading mechanisms**, through online trading for:

- 1) Contracts whose terms and conditions are set by the initiators of a **public auction** trading session (PCGN-LP trading mechanism);
- 2) Contracts for standard delivery periods according to standard contract terms approved by ANRE through **auction and negotiation** (PCGN-LN trading mechanism);
- 3) Prior agreed Contracts between the parties (under negotiated framework conditions, including under the EFET framework contract) for standard delivery periods through **OTC trades**.

All listed markets are served by internationally applicable trading systems provided by two leaders in the field of energy trading IT solutions, namely Nasdaq and Trayport Ltd. Details of the market characteristics can be found in the appendix.

The definition of standard products and contracts subject to trading through OPCOM platforms has been established within a Working Group consisting of 11 members, producers and natural gas suppliers, representatives of the Ministry responsible for coordination and of ANRE having the status of permanent invitee at the Working Group meetings.

OPCOM's activity has been and remains pioneering in the field of centralized, anonymous and non-discriminatory natural gas trading, with OPCOM putting in its work of developing and implementing natural gas the dedication of its team and the knowledge gained in working groups with application providers, the two international leaders Nasdaq and Trayport Ltd. and in the groups of which it is part at the level of the European exchange domain.

As of 2013, OPCOM's range of products has continually developed and grew from a single market in 2013 to three markets in 2015 joined by the Day Ahead Market for Natural Gas this year. Currently, OPCOM platforms conditions are created for standard and non-standard trading through 15 specific markets and a minimum of 95 instruments generated according to the requirements of market participants and standard trading periods, for however far delivery periods.

Also, the technical solutions implemented by OPCOM and described above have proven their performance serving European energy markets, both for electricity and natural gas, supporting trading and settlement activity through 14 natural gas hubs, 12 energy and financial exchanges and 6 clearing houses from 19 European countries and the Nordic region.

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## Appendix

### Centralized Market for Natural Gas – OPCOM

#### 1) PCGN-LP – public auction trading mechanism

##### Mechanism features:

- market participants can register for participation in the auction sessions in any of the qualities for any of the following situations:
  - ✓ **Sale or Purchase** of natural gas;
  - ✓ **Client or supply license holder**;
  - ✓ Auction session **Initiator or Respondent** in the auction session;
- **The offers and content of the contract are set entirely by the initiators of auction sessions**;
- Each auction session is run online, in a single stage, from the workstations of the registered market participants;
- The trading platform made available is **ISO 27001** certified and the technology used is **provided by Nasdaq**;
- Auction tender guarantees are securing the signing of the contract.

#### 2) PCGN-LN – open call auction and continuous negotiation trading mechanism

##### Mechanism features:

- Market participants can register for participation in the auction sessions in any of the qualities for any of the following situations:
  - ✓ **Sale or Purchase** of natural gas;
  - ✓ **Client or supply license holder**;
  - ✓ Auction session **Initiator or Respondent** in the trading session;
- Offers features and standard contracts content are those approved by ANRE based on the proposals of the Working Group on Centralized Market for Natural Gas;
- **Standard products** are subject to trading for **delivery weekly, monthly, quarterly and yearly, with annual products being available for both annual calendar year and natural gas year**;
- Trading sessions are run online, in two stages, from the workstations of the registered market participants;
- The trading platform made available is **ISO 27001** certified and the technology used is **provided by Nasdaq**;
- Auction tender guarantees are securing the signing of the contract.

#### 3) PCGN-OTC – over the counter trading mechanism

##### Mechanism features:

- market participants can register for participation in the auction sessions in any of the qualities for any of the following situations:
  - ✓ **Sale or Purchase** of natural gas;
  - ✓ **Client or supply license holder**;
- Each trading session is run online, each business day, in a single stage, from the workstations of the registered market participants;
- **Standard products** are subject to trading for **delivery daily, weekly, monthly, quarterly, half-yearly and yearly, with half-year and year products being available for both the specific calendar periods and gas periods, according to European practices in the field**;
- The trading platform made available is **ISO 27001** certified and the technology used is **provided by Trayport Ltd.**;
- Participants are concluding the trades anonymously, with any of the parties notified in their own lists of eligibility;
- White lists for eligibility shall be established by market participants based on prior agreed contracts that can include EFET type contracts;
- Trades are subscribed to the prior agreed contracts between parties.

Market mechanisms implemented by OPCOM and described above have proved their viability at European level, proving that they can serve the interests of the participants in contracting on the energy markets and in the light of experience on the electricity market they proved to be viable also at the national level.

By the implemented measures, OPCOM wants to contribute at aligning the Romanian gas market with the European best practices, creating inclusively the conditions to integrate the trades results thus the settling of transactions can be assured through a pan-European solution for clearing-settlement and risk management.

OPCOM is confident that trading solutions implemented, in the light of experience and successful practices in the field, establish a secure and flexible vehicle for achieving national objectives set by the Regulatory Authority in the provisions of ANRE Order no. 118/November 19th, 2014, and friendly instruments for completing the portfolios of contracts by the natural gas customers, for any delivery periods, in accordance with the specific conditions of consumption.