



Press Release (Bucharest, February 1, 2018)

1

## ***Transactions on energy markets administrated by OPCOM in 2017***

***The quantities contracted for delivery in 2017 on the energy markets administered by OPCOM accounted for 99 TWh of electricity, a result that represents the expression of centralized and transparent electricity trading on the Romanian market, supporting the performance of its operation for the benefit of the market participants.***

### ***The short-term markets - Day-Ahead Market (DAM) and Intraday Market (IDM)***

#### ***The Day-Ahead Market***

A total of 305 participants activated on the DAM platform in the last month of 2017, contributing to setting a monthly average of 2,754.1 MWh/h and to the consolidation of the annual average of the hourly traded volume that reached, for 2017, the value of 2,821.4 MWh/h.

Annual historical data indicate an evolution of the volume traded for this time horizon from 1.7 TWh in 2005 to 24.7 TWh in 2017, respectively in hourly average values from 388.927 MWh/h in 2005 to 2,821.4 MWh/h in 2017, as a percentage of the domestic electricity consumption, this last value representing 44%.

At the level of the year 2017, the number of participants who submitted at least one offer was 337, representing a rate of interest that exceeds 89% if we refer to the 380 registered companies at the end of December 2017. The hourly traded volumes varied within a margin of 1,596.0 MWh/h and 4,566.1 MWh/h, the latter representing an absolute maximum for the time horizon of 2005-2017. Set in all intervals without exception, hourly transactions amounted to 2,500 MWh/h in 70% of the cases, while the volume of transactions was less than 2,000 MWh/h (equivalent to 31% of the annual hourly average consumption) in only 3% of the 8,760 hourly intervals in which it was traded in 2017.

The weighted average annual price on DAM was 227.69 Lei/MWh (49.92 EUR/MWh), while the average annual arithmetic trading price in 2017 was 219.95 Lei/MWh (48.19 EUR/MWh), up from the corresponding 2016 value, of 149.74 Lei/MWh (33.33 EUR/MWh). The variable nature of the fundamental data on electricity (production, consumption, transport of electricity, including planned/unplanned unavailability of some production units and distribution and/or transport facilities) as well as the presence of extreme meteorological phenomena such as extreme temperatures, a hydraulicity level that deviates at certain times from a long-term forecasted profile or other relevant and determinant factors at different times, are elements that cause wholesale electricity prices to be more volatile in the short term, can produce periodic variations (monthly, seasonal, annual) that are significant at the level of analyzed statistical indicators. Thus, a trend of growth compared to the previous year is found in Europe in almost all spot electricity trading places, by the value set on the spot market administered by OPCOM, the DAM price being in 2017 within the range of variation (29 EUR/MWh; 54 EUR /MWh) of average prices established in spot markets in Europe.

On the day-ahead markets that are operating coupled with DAM administrated by OPCOM since November 2014, prices for 2017 were 50 EUR /MWh (HUPX Hungary), 41 EUR/MWh (OKTE Slovakia) and 36 EUR/MWh (OTE Czech Republic).

*For more information, please contact OPCOM S.A.  
Victor Ionescu, CEO, telephone +4 021 3071 450  
fax +4 021 3071 400  
also available on [www.opcom.ro](http://www.opcom.ro)*

## ***The Intraday Market***

At the end of 2017, the Intraday Electricity Market registered a total of 133 participants, out of which 96, respectively 72% used this market which was designed to facilitate the trading of the intraday variations between the available capacity and the delivery obligations, thus contributing to the better management of the potential imbalances and maintaining an equilibrium between production and consumption. The volume traded in 2017 was 152,439.958 MWh, at the weighted average price of 178.85 Lei/MWh, respectively 39.24 EUR/MWh.

## ***The Term Markets - The Centralized Market for Bilateral Contracts for electricity: Extended Auctions (CMBC-EA), with continuous negotiation (CMBC-CN), and with double continuous negotiation (CM-OTC)***

### ***The Centralized Market for Bilateral Contracts for electricity: Extended Auctions Mechanism CMBC-EA***

A total of 154 participants showed interest in using the product in their own contracting strategies in 2017, accounting for 46% of the 340 companies registered at the end of 2017.

The transactions were made in 2017 at a weighted average price of 176.06 Lei/MWh (38.60 EUR/MWh), totaling 43.5 TWh compared to 16.8 TWh in the previous year. Deliveries contracted for 2017 represent a share of consumption of 44%, the weighted average price being 164.41 Lei/MWh (36.39 EUR/MWh).

The analysis reflects the fact that the established transactions provide deliveries for the year 2018 of 21.2 TWh, which represents a share of about 38% of the domestic consumption. The weighted average price at which electricity was traded on CMBC-EA for delivery in 2018 was 182.17 Lei/MWh (39.86 EUR/MWh), respectively 180.40 Lei/MWh (39.31 EUR/MWh) for the delivery in 2019 of a quantity of 5.4 TWh.

On CMBC-EA, quantities of electricity were traded for delivery over periods exceeding 2019, respectively 1.6 TWh for 2020, 1.5 TWh for 2021 and 0.04 TWh for the 2022-2030 period.

### ***The Centralized Market for Bilateral Contracts for electricity - continuous negotiation mechanism CMBC-CN***

A total of 137 participants showed interest for this trading method, representing 74% of the 186 companies registered at the end of December 2017, in the year 2017 being traded a quantity of 21.8 TWh at a weighted average price of 197.34 Lei/MWh (43.04 EUR/MWh).

Deliveries contracted for 2017 amounted to 12.9 TWh, representing a share of consumption of 23%, the weighted average price being 172.77 Lei/MWh (38.15 EUR/MWh), while deliveries contracted for 2018 accounted for 12.4 TWh, representing a share of consumption of 22%, the weighted average price being 201.57 Lei/MWh (43.87 EUR/MWh).

Deliveries contracted for 2019 amounted to 2.3 TWh, representing a share of consumption of 4%, the weighted average price being 204.18 Lei/MWh (44.14 EUR/MWh).

### ***The Centralized Market for Bilateral Contracts for electricity with double continuous negotiation mechanism (CM-OTC)***

In the year 2017, the 72 participants active on PC-OTC, accounting for 77% of the 93 participants registered at the end of December 2017, traded an amount of 26.1 TWh of electricity at a weighted average price of 195.26 Lei/MWh (42.65 EUR/MWh).

The deliveries contracted for 2017 amounted to 30.5 TWh, respectively a share of 54% of the consumption of the year 2017, the weighted average price being 170.83 Lei/MWh (37.79 EUR/MWh).

For the year 2018, the contracted deliveries by the end of 2017 accounted for 14.4 TWh, respectively 26% of consumption, the weighted average price being 195.38 Lei/MWh (42.52 EUR/MWh).

The deliveries contracted by the end of 2017 for the year 2019 amounted to 0.4 TWh, representing a share of consumption of 1%, the weighted average price being 194.40 Lei/MWh (42.35 EUR/MWh).

### ***The Centralized Market for Universal Service (CMUS)***

Out of the 30 registered participants, 19 were active in the three auctions organized in 2017 through the mechanism that allows the transparent and competitive purchase of electricity on the wholesale market

by the last resort suppliers to cover the electricity consumption invoiced at the CPC (the competitive market component) rate of end-customers serviced under the universal service regime.

The deliveries contracted for 2017 amounted to 5.9 TWh, the weighted average price being 186.16 Lei/MWh (40.89 EUR/MWh). For the year 2018, the contracted deliveries accounted for 1.3 TWh, the weighted average price being 249.67 Lei/MWh (53.89 EUR/MWh).

***The Green Certificates Markets - The Centralized Market for Green Certificates (CMGC), The Centralized Market for Bilateral Contracts of Green Certificates (CMBCGC), The Green Certificates Anonymous Centralized Spot Market (GCACSM) and The Green Certificates Anonymous Centralized Term Market (GCACTM)***

Starting with September 1, 2017, it came into force the Regulation for the organization and functioning of the Green Certificates Market approved by the ANRE Order no. 77/18.08.2017 having as its components the Green Certificates Anonymous Centralized Term Market (GCACTM) and the Green Certificates Anonymous Centralized Spot Market (GCACSM), the ANRE Order no. 60/2015 for the approval of the Regulation for the organization and functioning of the Green Certificates Market being abrogated.

***The Centralized Market for Green Certificates (operational until 31 August 2017)***

In the year 2017, 15,600 green certificates were traded by the 135 active participants out of the 940 registered in the Green Certificates Market at the end of August 2017, at a weighted average price of 132.54 Lei/green certificate (29.42 EUR/green certificate, calculated at the exchange rate used to set the green certificate trading values on the green certificates market for 2016 and 2017).

***The Centralized Market for Bilateral Contracts of Green Certificates (operational until August 31, 2017)***

Between January 1 and August 31, 2017, a number of green certificates ranging from 1,448,061 to 58,165,728 was traded by the 366 active participants in Centralized Market for Bilateral Contracts of Green Certificates, at an average price of 132.41 Lei/green certificate (29,42 EUR/green certificate, calculated at the exchange rate used to set the green certificate trading values on the green certificates market for 2016 and 2017).

***The Green Certificates Anonymous Centralized Spot Market***

A number of 523,785 green certificates was traded between September 1 and December 31, 2017, by 230 active participants out of the 949 registered in the Green Certificates Market at the end of December 2017, at a weighted average price of 132.03 Lei/certificate green (29,40 EUR/green certificate, calculated at the exchange rate used to set the green certificate trading values on the green certificates market for 2017).

***The Green Certificates Anonymous Centralized Term Market***

A number of 35,202 green certificates was traded between September 1 and December 31, 2017 by 132 participants active on GCACTM at a weighted average price of 132.03 Lei/green certificate (29.40 EUR/green certificate, calculated at the exchange rate used to set green card trading values on the green certificates market for 2017).

***The Natural Gas Markets – Day-Ahead Market for Natural Gas (DAM-NG) and the Centralized Market for Natural Gas: online and negotiation auctions (PCGN-LN), online public auctions (PCGN-LP) and PCGN-OTC***

At the end of 2017, 14 companies were registered in the Centralized Market for Natural Gas (PCGN-LN, PCGN-LP, PCGN-OTC), while in the Day Ahead Market for Natural Gas (DAM-NG) one participant was registered.

***The Settlement***

***The markets administrated by OPCOM***

The value of electricity traded on the Day-Ahead Market amounted to 5,627.5 million Lei (1,233.5 million EUR), and payments made on a banking day from the date of issue of the direct debit instruction totaled 4,724.6 million Lei (1,036 million EUR), the difference of 902.9 million Lei (197.5 million EUR) representing the value of the payment obligations/collection rights of the DAM participants /OPCOM that settled by offsetting.

Besides fulfilling the responsibilities arising from the OPCOM counterparty role in spot electricity trading, the 2017 activity also assumed the fulfillment of the resulting responsibilities from the process of establishing the quantities, respectively the collection rights/payment obligations for:

- the transactions on the green certificates centralized market (operational until August 31, 2017) amounting to 2.1 million Lei (0.5 million EUR), corresponding to the green certificates traded between 01.01-31.08.2017;
- transactions on the green certificates anonymous centralized spot market (operational from September 1, 2017) amounting to 69.2 million Lei (15.4 million EUR), corresponding to the green certificates traded between 01.09-31.12.2017;

***The Balancing Market (BM) administered by C.N.T.E.E. Transelectrica S.A. - establishing the payment obligations and the collection rights pertaining to each participant to the BM, to each of the Balance Responsible Parties (BRP) and CNTEE Transelectrica SA***

- the transactions made in 2017 in the Balancing Market administered by CNTEE Transelectrica SA, amounting to 1,287.8 million Lei (281.9 million EUR) corresponding to the upward balancing energy and, respectively 70.6 million Lei (15.4 million EUR) corresponding to downward balancing energy;
- the notification imbalances of Dispatchable Units registered in 2017 amounting to 0.4 million Lei (0.1 million EUR);
- the positive imbalances of the Balance Responsible Parties amounting to 60.2 million Lei (13.2 million EUR) and 1,251.4 million Lei (273.9 million EUR) corresponding to the negative imbalances of the Balance Responsible Parties in 2017;
- the monthly redistribution in 2017 of the residual costs/revenues derived from the balancing of the system, values that have added extra costs of 41.5 million Lei (9.0 million EUR), respectively additional revenues of 16.0 mil. (3.5 million EUR).

***The REMIT reporting***

In 2017, OPCOM continued reporting the transactions established on the administrated markets, as well as serving market participants in order to fulfill their reporting obligations for standard and non-standardized supply contracts for electricity and gas outside an organized market, reporting of transport contracts and fundamental data according to the Regulation (EU) No. 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (REMIT), OPCOM being among the first 10 reporting mechanisms (RRMs) in terms of diversity of offered services. Starting with October 7, 2015, the date when REMIT phase 1 came into force, managing more than 450 reporting agreements, OPCOM sent to the ARIS system of the Agency for the Cooperation of Energy Regulators (ACER), over 5 million records from the energy markets, thus supporting participants to fulfill their obligations under the regulation.

In the most recent press release [Fair trading in wholesale energy markets: in 2017 ACER processed more than 90 million transactions], the Agency states:

*ACER stepped up its monitoring activities in 2017 by implementing an automatic screening process for transactions in energy products traded on European wholesale markets. For this purpose, the Agency has developed and calibrated specific alerts to detect instances of unusual trading behavior in the electricity and gas. Last year, more than 90 million transactions for a variety of spot and derivative products were reported to the Agency. [...]*

*In the same time-frame, the Agency identified or received notification of 85 instances of potential market abuse under REMIT. By the end of the year, the Agency, in close co-operation with National Regulatory Authorities (NRAs), has reviewed 137 cases across the EU, many opened the previous years. In order to ensure a coordinated application of REMIT, the Agency engaged in more than 500 interactions, including notification of suspicious events to NRAs and requests for information from NRAs. [...]*

***The implementation of the provisions of the Regulation (EU) no. 2015/1222 establishing a guideline on capacity allocation and congestion management (CACM)***

In 2017, OPCOM continued the activities carried out as the "Nominated Electricity Market Operator" (NEMO) designated according to ANRE's Decision no. 2515/14.12.2015, and to perform tasks related to the coupling of the day-ahead markets and intraday markets.

Thus, in June 2017, ANRE approved at national level "The proposal of all NEMOs for the MCO Plan", a document representing the joint proposal developed by all NEMOs for the plan that specifies how NEMOs will establish and perform together the Functions of the Market Coupling Operator (MCO) in accordance with Article 7 (2) of the CACM.

In November 2017, all NEMOs submitted to the National Regulatory Authorities the proposals on methodologies related to the algorithms for calculating the coupling results and the products that can be considered in the single coupling day-ahead and intraday markets as well as the backup methodology, in accordance with the requirements of the CACM.

The methodologies developed by all NEMOs regarding the minimum and maximum trading harmonized prices applicable to the single coupling of day-ahead markets and intraday markets were approved by ACER at the end of 2017.

Also, in order to implement the continuous cross-border electricity trading, in August 2017, OPCOM signed a Memorandum of Understanding on the establishment of a local implementation project for the solution of the intraday cross-border market (XBID), called LIP 15, along with the other NEMOs and transport system operators from Hungary, Croatia, Slovenia, Austria, Germany and the Czech Republic.