

## **Electricity markets administered by OPCOM - twenty years of building and development, a successful daily operation and a reliable price of electricity in Romania**

**Bucharest, August 12, 2020.** Romanian gas and electricity market operator "OPCOM" SA celebrates this year in August twenty years since its first commercial operations in 2000. Two decades of achievements that have contributed decisively to the development of the energy sector from Romania, to the operation on economic basis of the national electricity market and to its integration into the single European market.

OPCOM and the administered centralized markets have become essential for the electricity sector, the reference price and price signals set on the liquid and transparent markets administered by OPCOM becoming reliable indicators for investment and, in general, for market participants and final consumers. The company also assumes a key role in the European energy landscape, by actively participating, as Nominated Electricity Market Operator, in the European projects dedicated to the final objective of Single Day-Ahead and Intraday market coupling.

### **Traded quantities, products and services that have shown an increasing trend and a continuous diversification over time**

In the two decades of existence, OPCOM became a powerful market operator, in the first year of operation of the Day-Ahead Market according to the new mechanisms, a quantity of 3.6 TWh being traded on this market. This figure was six times higher in the following years, given the coupled operation of the DAM, with over 23.1 TWh traded in 2019.

OPCOM, an engine of deregulation of the Romanian energy sector, is a forerunner of innovation in the electricity market, introducing its first forward electricity trading products in 2005. Currently, over 43.2 TWh (2019) are traded on these term markets, the defined products being essential for building a solid diversified trading portfolio that supports the needs and opportunities offered to the participants by the existing market conditions at every moment. In the general context of environmental concerns, OPCOM has provided a robust trading framework for green certificates and offered flexible trading opportunities for electricity on different time horizons, fulfilling the existing regulatory requirements.

OPCOM has played a key role in eliminating the arrears from the energy sector, providing since July 2008 to the participants a new centralized settlement mechanism for spot transactions, assuming the role of counterparty for all transactions concluded on DAM and ID, a role involving carrying out the necessary activities in order to make receipts/ payments/ invoicing/ regularization of payments and which has been extended to spot trading on the natural gas market. In the balancing market, OPCOM fulfilled from the beginning the role of settlement operator, which entailed the complete and correct fulfillment of the responsibilities resulting from the process of establishing the quantities, respectively of the collection rights/ payment obligations for the transactions in the balancing market, the imbalances of the balancing responsible parties, as well as the settlement of the imbalances from the notification of the dispatchable units, OPCOM contributing by the quality services offered to the correct development of all processes in the wholesale electricity market.

Five years ago, OPCOM successfully initiated the first phase of reporting transactions concluded by participants on the energy markets administered by OPCOM, including orders to trade, an

obligation set forth by REMIT, Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency.

The gas market, in light of the recent total deregulation program, is expected to produce the expected benefits, OPCOM platforms and products being ready to offer participants all transparent trading opportunities, following the similar successful model, two-decade-old, from electricity.

### **An integral part of the single european market**

OPCOM has a key role in creating the internal european energy market through its involvement, including by investment, in the market coupling initiatives, OPCOM's vision being confirmed by the evolution of these projects which have become starting points in the implementation of enduring solutions. Market coupling ensures an optimal use of the existing resources, optimizes cross-border flows of electricity according to price signals and contributes to security of electricity supply. The spot markets administered by OPCOM connect the Romanian electricity market to Europe, providing flexible trading opportunities up to one hour before delivery and a reliable reference price, a pillar of the energy transition.

The strong partnership between OPCOM and the world's leading providers of IT platforms and services that meet the most demanding and complex requirements, the exceptional collaboration with banking system and the institutionalization of the partnership with the capital market, by establishing together with the Bucharest Stock Exchange the Central Counterparty in Romania, is the foundation and arguments for the high ability and expertise to provide high quality services for participants operating in these markets, to conduct trading processes without recording malfunctions and to guarantee the completion of all post-trading processes by implementing specific mechanisms for risk management, therefore contributing to increased confidence and activity in these markets.

*"After 20 years of successful experiences and a common pathway, OPCOM would like to thank you, the market participants and all the stakeholders involved in this challenging process. The operation and the development of OPCOM have been exceptional, evolving from a success story for Romania, to a certainty", says Victor IONESCU. "Throughout time, the diversity of products, the quality of provided services, the competencies of the OPCOM team have increased, as well as the responsibilities and the effect of each team member's contribution. Today, at a time when OPCOM is celebrating twenty years since its first commercial operations in 2000, I would like to thank everyone for the work done, the feeling of belonging and devotion to the company, permanently expressed. "Happy anniversary, OPCOM!"*

### **About OPCOM**

**OPCOM** is the Romanian Electricity and Gas Market Operator. Since 2000, OPCOM has been committed to strengthen a market place where energy and environmental certificates are traded in conditions of transparency and integrity. Today, the trading portfolio offered by OPCOM ranges from electricity products to gas products, as well as green certificates. More than 900 companies are using the products available for trading on short-term electricity, gas and green certificates markets as well as on term markets for electricity, gas and green certificates bilateral contracts. In addition to this role, OPCOM is responsible for settlement of the transactions concluded on short-term energy markets, Balancing Market as well as the Imbalances of the Balancing Responsible Parties. OPCOM also manages the Green Certificates Register. Today, OPCOM is acting as Registered Reporting Mechanism under REMIT managing more than 480 reporting agreements on its electricity and gas markets. OPCOM was designated by the Romanian Energy Regulatory Authority as Nominated Electricity Market Operator (NEMO) in accordance with the Regulation (EU) 2015/1222 for fulfilling tasks related to the coupling of the day-ahead and intraday markets.

OPCOM applies the Quality Management System complying with ISO 9001 - SR EN ISO 9001, respectively the Information Security Management System complying with ISO/IEC 27001 - SR EN ISO/IEC 27001, both systems being certified by Lloyd's Register LRQA.

For more information about OPCOM, please visit us at [www.opcom.ro](http://www.opcom.ro).