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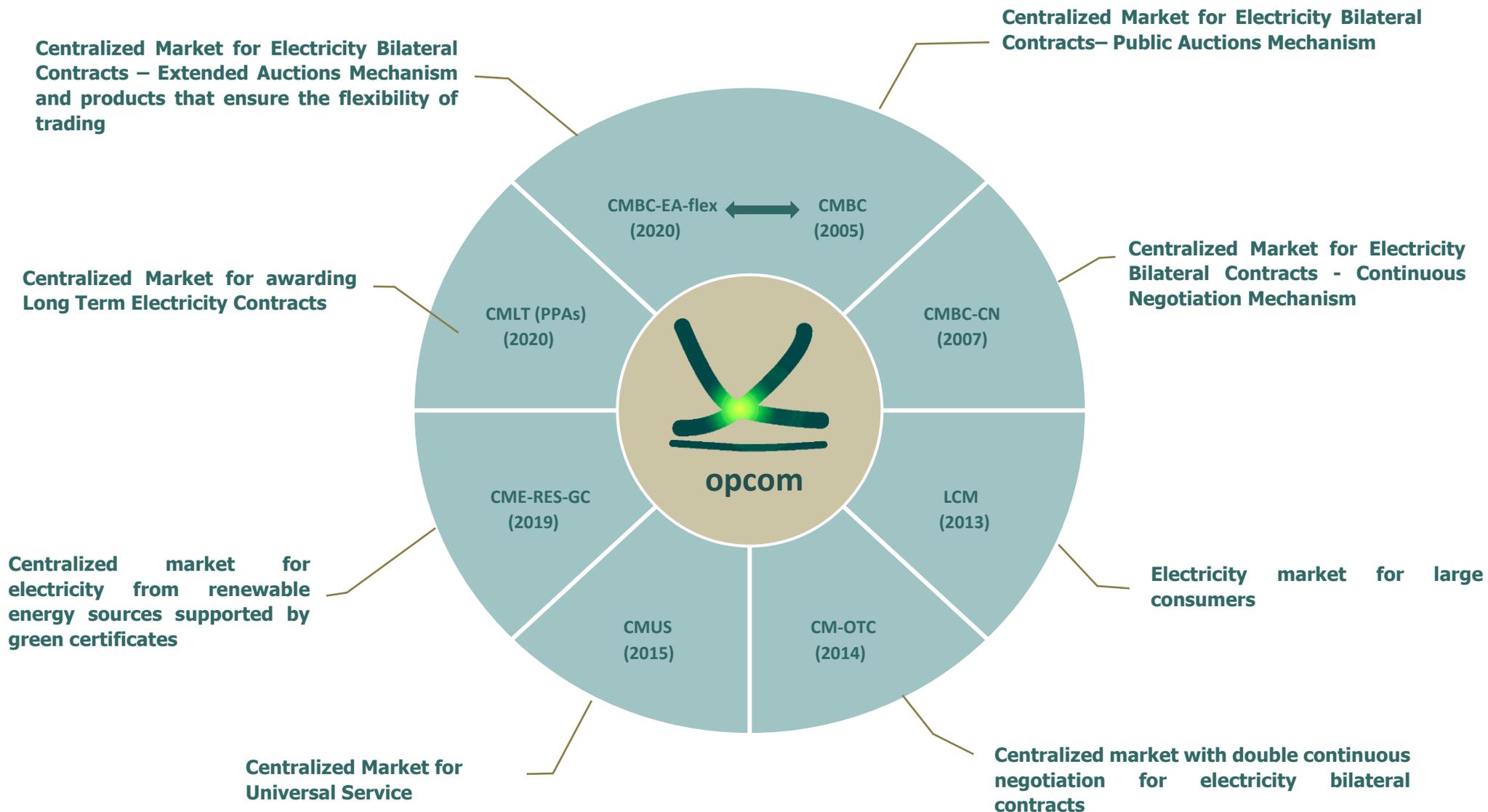
Romanian gas and electricity market operator

ORGANIZED ELECTRICITY TERM MARKETS administered by OPCOM S.A.



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CMBC-EA-flex

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 12/16.03.2023** for the approval of the “_Regulation concerning the organized framework for trading on the organized electricity term markets administered by the Romanian Electricity and Gas Market Operator OPCOM - S.A.,” with subsequent amendments.
- ✓ Procedure regarding participants’ registration at organized electricity markets administered by OPCOM S.A.
- ✓ Participation Agreement on the bilateral contract markets.
- ✓ Procedure concerning the proceedings of trading on the Centralized Market for Electricity Bilateral Contracts by extended auction and products that ensure the flexibility of trading.

❖ Conditions for participation

- ✓ Eligible participants registration at CMBC-EA-flex:
 - license holders in the domains of electrical energy;
 - Private Person or Legal Entity, according to the law, that can carry out activities in the energy sector without holding a license granted by ANRE, namely legal entities that resides in an EU member state whose rights to participate on power exchange markets in Romania were confirmed by ANRE;
- ✓ Participation at CMBC-EA-flex is voluntary.
- ✓ Aggregators/ aggregated entities can be registered.

❖ Trading mechanism characteristics

Technology used	Application developed by OPCOM.
Trading schedule	Every working day. The opening hours for the auction sessions are: 09:00 to 17:00 Mon-Thu and 09:00 to 14:00 on Fri.

<p>Offers</p>	<p>Market participants submit by email/fax the initiating, co-initiating, price adjustment and responding offers:</p> <ul style="list-style-type: none"> ✓ the initiating offers must be submitted together with the annexes containing specific provisions of the proposed framework contract no later than 5 working days before the start of the auction session, until 15:00 Mon-Thu, 12:00 on Fri; ✓ the co-initiating offers may be submitted no later than 3 working days before the start of the auction session, until 15:00 Mon-Thu, 12:00 on Fri; ✓ price adjustment offers for the initiating/co-initiating published offers may be submitted no later than 1 working day before the start of the auction session; ✓ responding offers may be submitted no later than 1 working day before the start of the auction session;
<p>Offer's characteristics</p>	<ul style="list-style-type: none"> ✓ <u>The delivery period</u> must be of at least one calendar month; ✓ <u>Delivery profile</u>: <i>Base LD</i> (Monday-Sunday, 00:00-24:00 CET); <i>Peak 1</i> (Monday-Friday, 06:00-22:00 CET); <i>Peak 2</i> (Monday-Sunday, 06:00-22:00 CET); <i>Off-Peak 1</i> (Monday-Friday, 00:00-06:00 and 22:00-24:00 CET and Saturday-Sunday, 00:00-24:00 CET); the daily delivery profiles applicable are defined and updated by the market operator in accordance with the provisions of the Procedure concerning amending the delivery profiles based on the concluded trades on CMBC-EA-flex or following the proposals of the participants and the organization of public consultations; ✓ <u>Output per settlement interval for trading is</u>: <i>minimum 0.001 MW</i>; ✓ <u>First day of delivery</u>: not earlier than the 5th calendar day after 4 working days after the auction session; ✓ <u>Price adjustment formula Option</u>; ✓ <u>Quantity per settlement interval Variation Option</u>; ✓ <u>Trading Option</u>: <i>total or partial</i>;
<p>Contract</p>	<p>Framework contract and annexes with the specific provisions regarding exclusively the payment terms and payment methods, guarantees and financial penalties, without being contrary to the provisions of the framework contract.</p>
<p>Trading Mechanism</p>	<ul style="list-style-type: none"> ✓ Successive matching of the selling initiating/co-initiating offer with the lowest price and the buying responding offer with the highest price and which price is greater than or equal to the one of the of the initiating/co-initiating selling offer; ✓ Successive matching of the buying initiating/co-initiating offer with the highest price and the selling responding offer with the lowest price and which price is lower than or equal to the one of the of the initiating/co-initiating buying offer;
<p>Parameters of the trading activity</p>	<ul style="list-style-type: none"> ✓ The identity and the offering intention of the market participants are made public towards the whole business community; ✓ There can be formulated co-initiating offers or responding offers related to any published initiating offer. ✓ The offers can be withdrawn assuming the provisions of the CMBC-EA-flex Procedure related to penalties payment and the participant's market suspension; ✓ Offers are standardized in terms delivery profile with only one possibility of initiating/co-initiating offer price adjustment; ✓ Options for quantity per settlement interval variation/price adjustment formula are allowed;

	<ul style="list-style-type: none"> ✓ <u>Closing price:</u> <ul style="list-style-type: none"> ➤ Set by the intersection between the aggregate curve of the buying offers and the aggregate curve of the selling offers; if there are 2 points of intersection then the price is determined as the average between the values corresponding to these 2 points; ➤ Is expressed in lei/MWh, with two decimal places (includes transport tariff).
<p>Results</p>	<ul style="list-style-type: none"> ✓ <u>Results published on OPCOM's website:</u> <ul style="list-style-type: none"> ➤ After the end of the auction session: <ul style="list-style-type: none"> • List of participants who participated in the auction with responding offers and their offers; • Trading Option; • Total offered and assigned quantity/output per settlement interval offered and assigned; • Delivery period; • Proposed price, adjusted price and closing price; ➤ Weekly, monthly and annual statistics ✓ <u>Trade confirmation</u> is sent after the auction session and specifies information regarding: auction session code, traded quantity, the contract price, the deadline for submitting the signed contract. ✓ <u>Trades concluded</u> on this market will lead to the signing of the framework contract together with the annexes submitted by the initiator, and OPCOM will verify the contracts in terms of their compliance with the provisions of the applicable framework contract, the specific annexes proposed by the initiator and the results of the auction sessions.

CME-RES- GC

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 160/10.07.2019** for the approval of the Regulation concerning the functioning of the Centralized market for electricity from renewable energy sources supported by green certificates" amended by ANRE **Order no. 27/31.03.2021**;
- ✓ Procedure regarding participants' registration at the green certificates markets;
- ✓ Green Certificates Markets Participation Agreement;
- ✓ Procedure concerning the proceedings of trading on the Centralized market for electricity from renewable energy sources supported by green certificates;



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❖ Conditions for participation

- ✓ Eligible participants registration at CME-RES-GC:
 - As sellers: energy from renewable energy sources supported by green certificates license holders that benefit or had benefit from the green certificate promotion system, including natural or legal person that, according with the legal provisions, can develop activities in the energy sector without a license granted by ANRE
 - As buyers:
 - energy suppliers, including legal person suppliers based in an EU member state and whose rights to participate on power exchange markets in Romania were confirmed by the Romanian Energy Regulatory Authority (ANRE)
 - energy producers that use the electricity produced for supplying consumers that are directly connected to the power station and/or for their own final consumption, other than their own technological consumption.
- ✓ Participation on CME-RES-GC is voluntary.
- ✓ Aggregated entities can be registered

❖ Trading mechanism characteristics

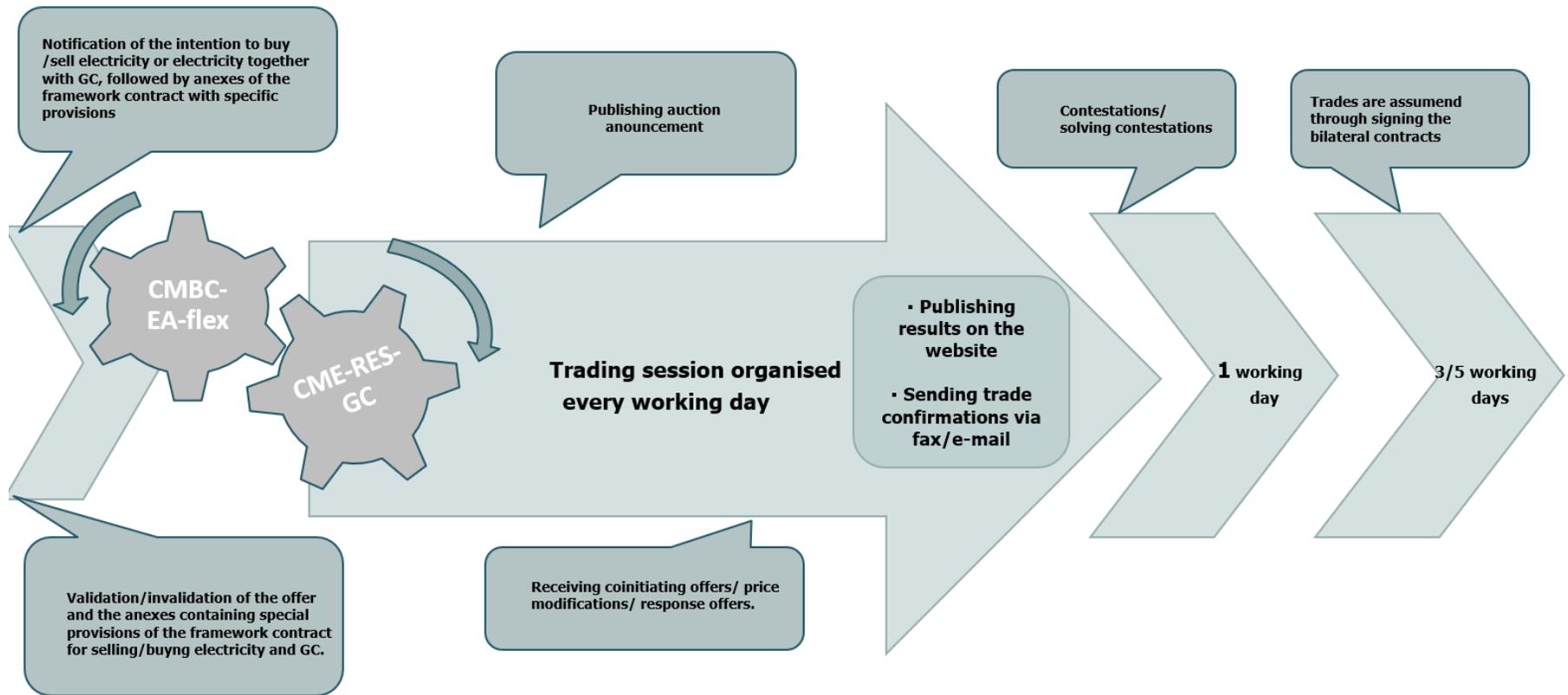
Technology used	Application developed by OPCOM.
Trading schedule	Every working day. The opening hours for the auction sessions are: 09:00 to 17:00 Mon-Thu and 09:00 to 14:00 on Fri.
Offers	Market participants submit by email/fax the initiating, co-initiating, price adjustment and responding offers: <ul style="list-style-type: none"> ✓ the initiating offers must be submitted together with the annexes containing specific provisions of the proposed framework contract no later than 5 working days before the start of the auction session, until 15:00 Mon-Thu, 12:00 on Fri; ✓ the co-initiating offers may be submitted no later than 3 working days before the start of the auction session, until 15:00 Mon-Thu, 12:00 on Fri; ✓ price adjustment offers for the initiating/co-initiating published offers may be submitted no later than 1 working day before the start of the auction session; ✓ responding offers may be submitted no later than 1 working day before the start of the auction session;
Offer's characteristics	<ul style="list-style-type: none"> ✓ <u>The electricity delivery period</u> must be of at least one calendar month; ✓ <u>Delivery profile</u>: <i>Base</i> (Monday-Sunday, 00:00-24:00 CET); <i>Peak</i> (Monday-Friday, 06:00-22:00 CET); <i>Peak E</i> (Monday-Sunday, 17:00-22:00 CET); <i>Off-Peak</i> (Monday-Friday, 00:00-06:00 and 22:00-24:00 CET and Saturday-Sunday, 00:00-24:00 CET); initiators may propose other delivery profiles that cannot be changed throughout the delivery period, with the following characteristics: constant output, exact specification of delivery intervals stating the days and start and end hours, with a minimum of 3 consecutive hours of delivery;



	<ul style="list-style-type: none"> ✓ <u>Minimum Quantity per settlement interval for trading</u> is: 0.1 MW; ✓ <u>First day of delivery</u>: not earlier than the 6th calendar day after 5 working days after the auction session; ✓ <u>Price adjustment formula Option</u>; ✓ <u>Trading Option: total or partial</u>; ✓ For each MWh of electricity from renewable sources offered for trading is associated an integer number of GC.
Contract	Framework contract and annexes with the specific provisions regarding exclusively the payment terms and payment methods, guarantees and financial penalties, without being contrary to the provisions of the framework contract.
Trading Mechanism	<p>Total or partial trading of the offered quantity made with one and/or more participants:</p> <ul style="list-style-type: none"> ✓ Successive matching of the selling initiating/co-initiating offer with the lowest price and the buying responding offer with the highest price and which price is greater than or equal to the one of the of the initiating/co-initiating selling offer; ✓ Successive matching of the buying initiating/co-initiating offer with the highest price and the selling responding offer with the lowest price and which price is lower than or equal to the one of the of the initiating/co-initiating buying offer.
Parameters of the trading activity	<ul style="list-style-type: none"> ✓ The identity of the market participants is anonymous until the auction session begins; ✓ Offers are standardized in terms of delivery profile with only one possibility of initiating/co-initiating offer price adjustment; ✓ Option for price adjustment formula is allowed; ✓ There can be submitted co-initiating offers or responding offers related to any published initiating offer; ✓ The offers can be withdrawn assuming the provisions of the CME-RES-GC Procedure related to penalties payment and the participant's market suspension; ✓ <u>Closing price for electricity</u>: <ul style="list-style-type: none"> ➤ Set by the intersection between the aggregate curve of the buying offers and the aggregate curve of the selling offers; ➤ Is expressed in lei/MWh, with two decimal places (includes transport tariff). ✓ GC price is the closing price of the last trading session closed on Centralized Anonymous Spot Market for Green Certificates, before the starting hour of the CME-RES-GC auction session;
Results	<ul style="list-style-type: none"> ✓ <u>Results published on OPCOM's website</u>: <ul style="list-style-type: none"> ➤ After the end of the auction session: list of auction participants, price and quantity of each offer including the offers not traded; auction closing price, quantity per settlement interval and total quantity for each trade; number of green certificates assigned and GC price ; ➤ Weekly, monthly and annual statistics ✓ <u>Trade confirmation</u> <ul style="list-style-type: none"> ➤ The trade confirmation is sent through e-mail/fax to participants with concluded trades and it specifies information regarding: the name of the trading partner, traded quantity and the associated number of GC, the contract price, the deadline for submitting the signed contract. ✓ <u>Trades</u> concluded on this market will lead to the signing of the framework contract together with the annexes submitted by the initiator, and OPCOM will verify the contracts in terms of their compliance with the provisions of

	the applicable framework contract, the specific annexes proposed by the initiator and the results of the auction sessions.
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CMBC-EA-flex and CME-RES-GC auction sessions schedule





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Romanian gas and electricity market operator

CMBC-CN

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 12/16.03.2023** for the approval of the "Regulation concerning the organized framework for trading on the organized electricity term markets administered by the Romanian Electricity and Gas Market Operator OPCOM - S.A.", with subsequent amendments.
- ✓ Procedure regarding participants' registration at organized electricity markets administered by OPCOM S.A.;
- ✓ Participation Agreement on the bilateral contract markets;
- ✓ The Procedure regarding trading on the Centralized Market of bilateral electricity contracts - the trading mechanism according to which the contracts are awarded through continuous negotiation.

❖ Conditions for participation

- ✓ Eligible participants registration at CMBC-CN :
 - electricity licensees;
 - natural or legal person that, according to the law, may develop activities in the electricity sector without holding a license granted by the Romanian Energy Regulatory Authority (ANRE) or legal person based in an EU member state and whose rights to participate on power exchange markets in Romania were confirmed by ANRE.
- ✓ Aggregators/ aggregated entities can be registered.
- ✓ Participants must request a USB Token key needed to access the trading platform. The USB Token is given according to the Unique Bailment Agreement for USB Token key necessary for access to the trading platform signed with OPCOM.

❖ Trading mechanism characteristics

Technology used	Nasdaq
Trading schedule	Every working day. Trading hours are 12:00 – 14:00.
Offers	Market participants enter orders in the trading platform from their own terminals.
Product's characteristics	Standardized instruments: ✓ <u>Delivery period</u> of the electricity can be 1 year/ 1 semester/ 1 trimester/ 1 month/ 1 week/ 1 day;



	<ul style="list-style-type: none"> ✓ <u>Daily delivery load shape</u> – base load (Monday-Sunday, 00:00 – 24:00 CET); peak load type V1 (Monday to Friday 6:00 – 22:00 CET); peak load type V2 (Monday to Sunday 6:00 – 22:00 CET) and off-peak (Monday to Friday 00:00 – 06:00, 22:00 – 24:00 CET and Saturday to Sunday 00:00 – 24:00 CET). ✓ <u>Quantity (output) per settlement interval for trading is:</u> minimum 0.1 MW; ✓ The trading period of each instrument ends with 3 (for daily and weekly instruments) and 4 working days before the start of delivery.
Contract	Standard Contract to sell-buy electricity on CMBC-CN, without the possibility of modifying it through mutual participant's agreement.
Trading Mechanism	Continuous and anonymous trading. The closing price for a trade, following the correlation rules, will be the price of the last newly introduced order, in the opposite direction to the existing one at the best price, compatible with it and having the best price.
Parameters of the trading activity	<ul style="list-style-type: none"> ✓ Possibility to cancel a mistaken trade (maximum term of request: 15 minutes from the time of trade conclusion); ✓ <u>Trading Price:</u> <ul style="list-style-type: none"> ➢ Set by the aggressor's order; ➢ Is expressed in lei/MWh, with two decimal places (includes transport tariff).
Results	<ul style="list-style-type: none"> ✓ <u>Results published on OPCOM's website:</u> <ul style="list-style-type: none"> ➢ After the end of the trading session: <ul style="list-style-type: none"> • Name of the seller and the buyer, transaction price, average output for settlement interval, number of traded contracts; • Details regarding canceled trades. ➢ Weekly, monthly and annual statistics. ✓ The <u>trade confirmation</u> is sent after the end of the trading session and it specifies information regarding: traded instrument, traded output, contract price and the deadline for submitting the signed contract. ✓ <u>Trades</u> concluded on this market will lead to the signing of the standard contract and OPCOM will verify the contracts in terms of their compliance with the provisions of the applicable standard contract and the results of the trading sessions.



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Romanian gas and electricity market operator

CM-OTC

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 12/16.03.2023** for the approval of the " Regulation concerning the organized framework for trading on the organized electricity term markets administered by the Romanian Electricity and Gas Market Operator OPCOM - S.A.", with subsequent amendments.
- ✓ Procedure regarding participants' registration at organized electricity markets administered by OPCOM S.A.;
- ✓ Participation Agreement on the bilateral contract markets.;
- ✓ The Procedure regarding the trading mechanism on the Centralized market with double continuous negotiation for electricity bilateral contracts.

❖ Conditions for participation

- ✓ The following participants categories may register at CM-OTC:
 - license holders in the power field;
 - individual or legal entities who, according to the law, may carry out activities in the power field without holding a license granted by the National Energy Regulatory Authority;
 - legal entities based in a Member State of the European Union to which the National Energy Regulatory Authority has confirmed the right to participate in the Romanian electricity markets;
 - Aggregators / aggregate entities can be registered.
- ✓ CM-OTC participation is voluntary.

❖ The characteristics of the trading mechanism

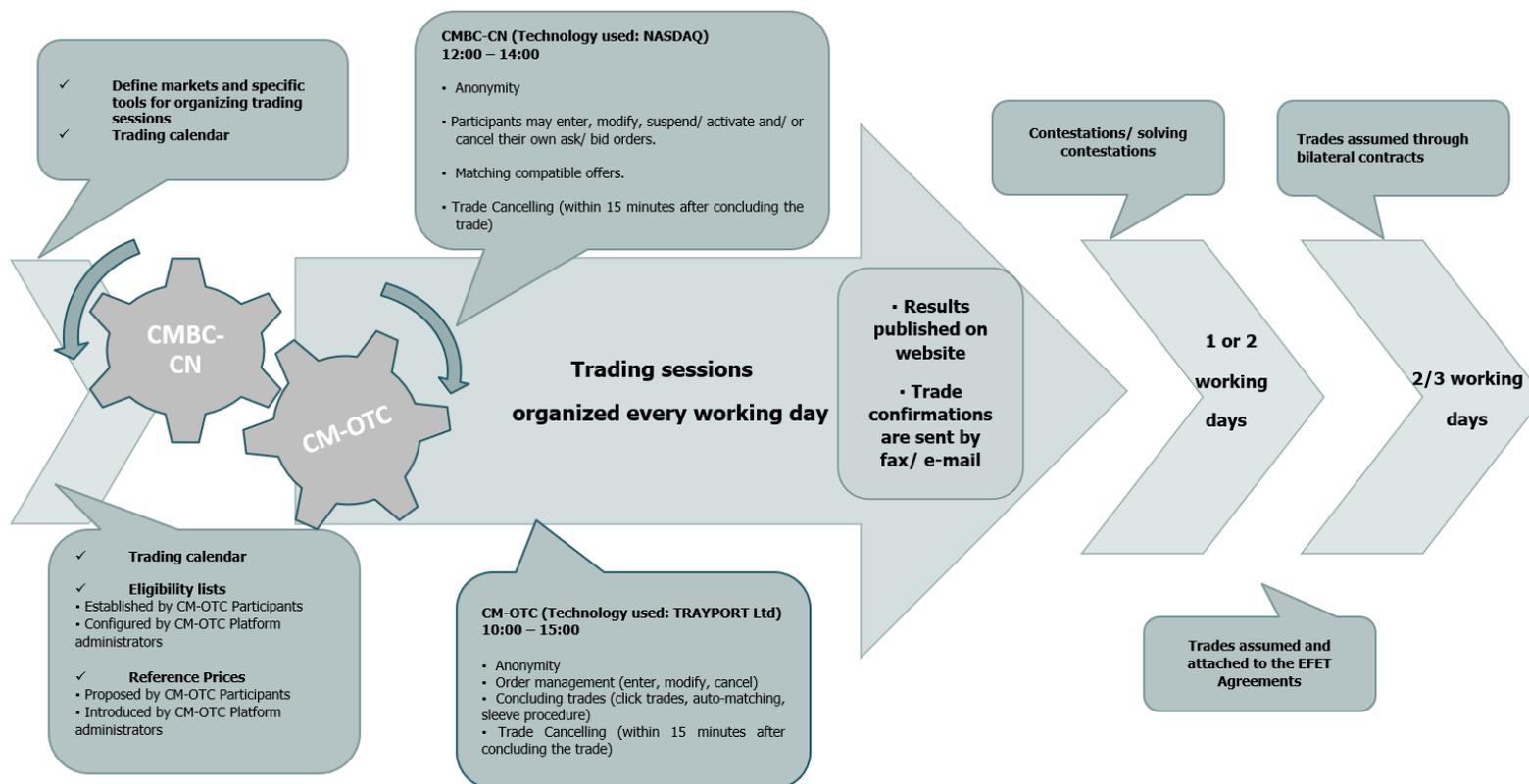
Technology used	Trayport Ltd.
Trading schedule	Every working day. ✓ The stage for offer submission: 10:00 - 15:00 each trading day; ✓ Pre-closing stage: 15:00 - 15:15 for resolving the mistaken trades situations.
Offers	Market participants place orders in the trading platform from their own workstations.



<p>Products features</p>	<p>Standard instruments:</p> <ul style="list-style-type: none"> ✓ <u>The delivery period</u> of the electricity can be: 1 year / 1 half-year / 1 quarter / 1 month / 1 week / 1 weekend / 1 day, except the first day following the trading day ✓ <u>The type of daily load to be covered</u>: <i>base load delivery offers</i> (00:00 – 24:00) CET; <i>peak load delivery offers</i> (Monday to Friday 6:00 – 22:00 CET); <i>off-peak load delivery offers</i> (Monday to Friday 00:00 – 06:00 CET and 22:00 – 24:00 CET and Saturday - Sunday 00:00 – 24:00 CET). ✓ <u>The minimum offered power</u> for trading: 1 MW. ✓ The trading period of each instrument ends 1 working day before the start of delivery, except for the daily instruments.
<p>Contracts</p>	<p>EFET Standard Agreement</p>
<p>Trading procedure</p>	<p>Continuous, anonymous trading, performed in two ways:</p> <ul style="list-style-type: none"> ✓ Direct – „click” trading or by automatic correlation; ✓ Sleeving procedure which is completed by the trading platform administrator;
<p>Parameters in which the trading activity is carried out</p>	<ul style="list-style-type: none"> ✓ <u>Reference prices</u>: <ul style="list-style-type: none"> ➢ Computed as arithmetic average of prices sent by the Participants at CM-OTC; ➢ Used for assessing the closing price variation of first deals greater than 10 %. ✓ <u>Eligibility lists</u>: <ul style="list-style-type: none"> ➢ Minimum 8 eligible counterparties with credit limit greater than 0. ✓ <u>Continuous trading only with counterparties from the eligibility list</u>: <ul style="list-style-type: none"> ➢ Offers are launched knowing all bidding intentions in the market; ➢ Continuous orders management knowing all details in the market depth; ➢ The orders of eligible counterparties are marked differently than the orders of non-eligible participants at CM-OTC; ➢ The orders of platform users of the same company are marked differently than the existing orders in the market; ➢ After a deal concluding the name of the counterparty is highlighted in the deals report. ✓ Transactions can only be made between participants who have concluded EFET contracts and have notified each other in their own eligibility lists; ✓ Possibility to cancel mistaken trades (request period: 15 minutes); ✓ <u>Trading price</u>: <ul style="list-style-type: none"> ➢ Established by the initiating order; ➢ Expressed in lei/ MWh, to two decimal places (includes transport component);
<p>Results</p>	<ul style="list-style-type: none"> ✓ <u>Results published on OPCOM website</u>: <ul style="list-style-type: none"> ➢ Daily data: <ul style="list-style-type: none"> • Strike price and traded quantity; • Highest bid price and lowest ask price for each instrument;

	<ul style="list-style-type: none"> • Full details of transactions where the price varied by 10% or more compared to the reference price or the price of the previous transaction; • Full details of transactions greater than 50 MW. ➤ Weekly, monthly and annual statistics <ul style="list-style-type: none"> ✓ <u>Trades confirmation</u> <ul style="list-style-type: none"> ➤ The trades confirmation form is sent by email to the CM-OTC participants at the end of trading session and contains data regarding: the instrument traded (daily load and delivery period), offered power, electricity quantity, contract price and eligible counterparty; ✓ <u>The trades</u> concluded on this market <u>will be subscribed</u> to the bilateral contracts agreed before trading participation, established on the <u>EFET standard contract</u>.
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Organizing trading sessions for CMBC-CN and CM-OTC





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CMUS

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 27/31.03.2018**, for the approval of the "Regulation for organizing and conducting auctions on the centralized market for universal service", ammended by ANRE **Order no. 27/31.03.2021**;
- ✓ Procedure regarding participants' registration at organized electricity markets administered by OPCOM S.A.;
- ✓ Participation Agreement on the bilateral contract markets;
- ✓ Operational Procedure for conducting auctions on the Centralized market for universal service;
- ✓ Framework Contract to sell-buy the electricity traded on the Centralized market for universal service.

❖ Conditions for participation

- ✓ Eligible participants registration at CMUS:
 - As sellers : license holders of production/supply/trading electricity (except last resort suppliers);
 - As buyers : only electricity licensees granted by ANRE as last resort suppliers.
- ✓ Participants must request an USB Token key needed to access the trading platform. The USB Token is given according to the Unique Bailment Agreement for USB Token key necessary for access to trading platform, signed with OPCOM.
- ✓ Participation on CMUS is voluntary.

❖ Trading mechanism characteristics

Technology used	Nasdaq
Trading schedule	<ul style="list-style-type: none"> ✓ Monthly, in the first working Monday of the month. If Monday isn't a working day then the trading session will be in the next working day. ✓ 09:30 – 10:00 Open Auction stage; ✓ 10:00 – 10:10 Trade conclusion after the auction session stage; ✓ 10:10 – 10:30 Break; ✓ 10:30 – 12:00 Continuous Negotiation stage ; ✓ 12:00 – Closing of auction session.



Offers	Market participants enter orders in the trading platform from their own terminals. Participants registered as sellers can only introduce sell orders and participants registered as buyers can only introduce buy orders with the mention that the buyers in the open auction stage can only introduce offers at the opening price/reference price previously calculated and set by the CMUS operators in the trading platform.
Product's characteristics	<p>Standardized Instruments:</p> <ul style="list-style-type: none"> ✓ <u>Delivery period</u> of the electricity can be 1 year/1 semester/1 trimester/1 month. The delivery period for the annual instruments is 1 July – 30 June. ✓ <u>Delivery load shape</u>: <i>base load (00:00 – 24:00 CET); peak1 (Monday-Sunday, 06:00 – 22:00 CET); peak2 (Monday-Sunday, 17:00 – 22:00 CET)</i> ✓ <u>Minimum Quantity per settlement interval for trading is</u>: 1 MW; ✓ Monthly trading sessions, therefore the trading period of every instrument ends in the month before the start of delivery.
Contract	Framework Contract to sell-buy the electricity traded on the Centralized market for universal service.
Trading mechanism	<ul style="list-style-type: none"> ✓ Open Auction Stage (09:30-10:00) ✓ Continuous negotiation stage (10:30-12:00) ✓ Anonymous trading
Parameters of the trading activity	<ul style="list-style-type: none"> ✓ <u>Opening prices/ Reference prices</u>: <ul style="list-style-type: none"> ➢ Calculated as a weighted average based on the transactions with base load/peak1/peak2 profile delivery, concluded in the last 6 calendar months on the long term electricity markets administered by OPCOM, up to one day before the publication of the opening price; ➢ Used to set the price that participants with buy offers can introduce in the open auction stage (09:30-10:00). ✓ Possibility of canceling a mistaken trade (Maximum term of request: 10 minutes from the time of trade conclusion); ✓ <u>Trading price</u>: <ul style="list-style-type: none"> ➢ After the open auction stage the trades are concluded at the seller's price and in the continuous negotiation stage the trades are concluded at the aggressor's price; ➢ Is expressed in lei/MWh, with two decimal places (includes transport tariff).
Results	<ul style="list-style-type: none"> ✓ <u>Results published on OPCOM's website</u>: <ul style="list-style-type: none"> ➢ After the end of the auction session: <ul style="list-style-type: none"> • Trading product, name of the seller and the buyer, transaction price, traded quantity; • Details regarding canceled trades. ➢ Monthly and annual statistics ✓ The <u>trade confirmation</u> is sent after the end of the trading session and it specifies information regarding: traded instrument, traded output, contract price, counterparty and the deadline for submitting the signed contract. ✓ <u>Trades</u> concluded on this market will lead to the signing of the framework contract and OPCOM will verify the contracts in terms of their compliance with the provisions of the applicable framework contract and the results of the trading sessions.



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CMLT

❖ Legal and regulatory framework

- ✓ **ANRE Order no. 129/24.06.2020** for approval of the "Regulation on the organized trading framework on the centralized market for awarding long term electricity contracts", ammended by ANRE **Order no. 27/31.03.2021**;
- ✓ Procedure regarding participants' registration at organized electricity markets administered by OPCOM S.A.;
- ✓ Participation Agreement on the bilateral contract markets;
- ✓ Procedure concerning the functioning of Centralized Market for awarding Long Term Electricity Contracts.

❖ Conditions for participation

- ✓ Eligible participants registration at CMLT:
 - As sellers : economic operators who are to build and connect a capacity to produce electricity or to produce electricity and heat from cogeneration according to the trade and the concluded contract on CMLT;
 - As buyers : license holders in the electricity sector and final consumers.
- ✓ The participants must request a digital certificate issued by OPCOM and also the connection data (user and password) needed to access the CMLT trading platform.
- ✓ Participation on CMLT is voluntary.

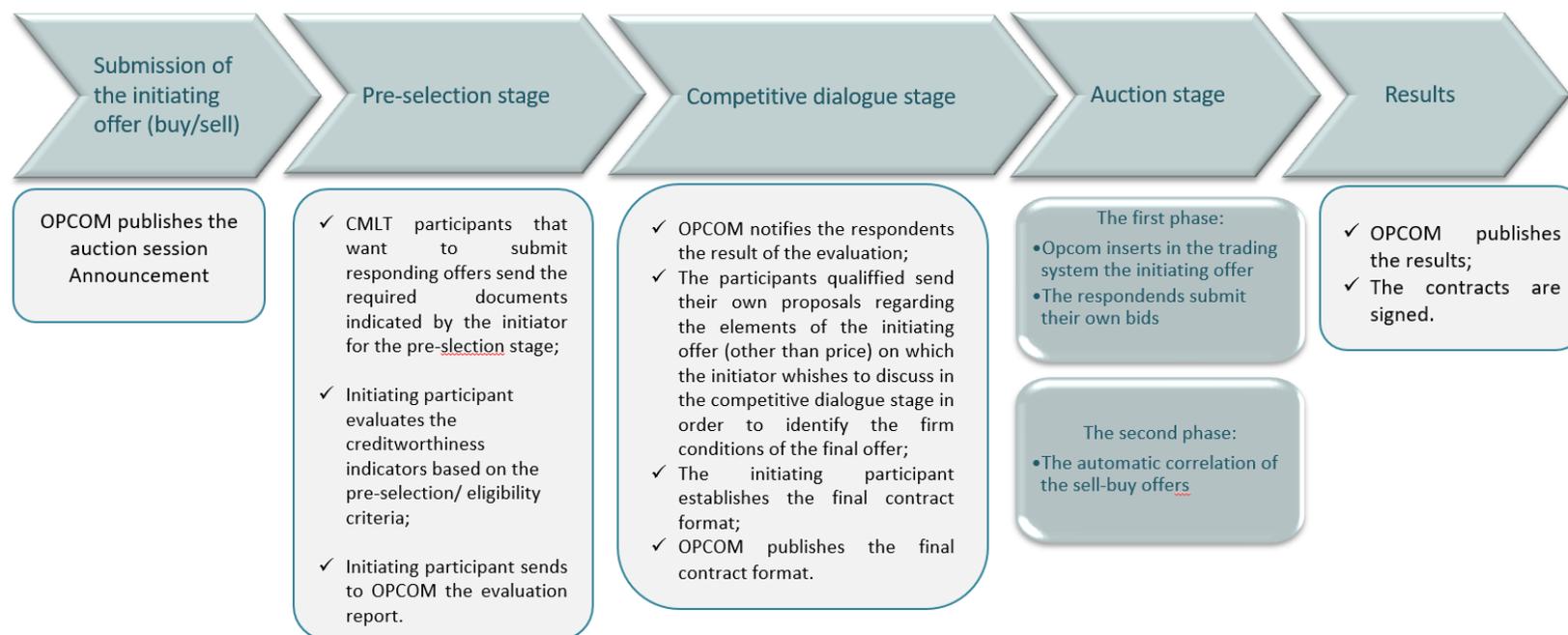
❖ Trading mechanism characteristics

Technology used	Nasdaq
Trading schedule	The initiator proposes the program for the auction stages (the pre-selection stage, the competitive dialogue stage, and the auction stage), which includes the deadlines for submitting the documents required to complete each stage.
Offers	<ul style="list-style-type: none"> ✓ The CMLT participants notify OPCOM through e-mail/fax the buying or selling initiating offers and the proposed framework contract together with : <ul style="list-style-type: none"> – pre-selection/ eligibility criteria, respectively the list of creditworthiness indicators requested for the evaluation and qualification of the respondent participants within the pre-selection stage for the competitive dialogue stage; – the elements of the initiating offer, other than the price, on which the initiator of the auction session wishes to discuss in the competitive dialogue. ✓ Submission of the documents regarding participation with response offers;

	<ul style="list-style-type: none"> ✓ Market participants enter orders in the trading platform from their own terminals.
Offer's characteristics	<ul style="list-style-type: none"> ✓ <u>Delivery period of the electricity can be</u>: minimum 1 (one) calendar year; ✓ <u>Delivery load-shape</u>: base load, peak load and off-peak load; ✓ Start date and end date of electricity delivery; ✓ Trading option: total or partial (number of fractions of the offered quantity); ✓ Contract Price adjustment formula option.
Contract	<ul style="list-style-type: none"> ✓ The contract is proposed by the initiator; ✓ Specific terms proposed by the initiator, other than the price, can be negotiated by the participants in the competitive dialogue stage.
Trading mechanism	<p>Submission by CMLT Participants for organizing the auction session of the following:</p> <ul style="list-style-type: none"> ✓ buy/sell <u>initiating electricity offer</u> defined by the initiating participant with his own conditions: <ul style="list-style-type: none"> • pre-selection/eligibility criteria, respectively the list of creditworthiness indicators requested for the evaluation and qualification of the respondent participants offers within the pre-selection stage for the competitive dialogue stage; • the elements in the initiating offer or in the contract, other than the price, on which the initiator of the auction session wishes to discuss in the competitive dialogue stage in order to establish the final format of the contract; ✓ the contract proposed by the initiating participant; ✓ OPCOM will publish the Announcement for organizing the trading session and the proposed contract; <p><u>Pre-selection stage of the candidates</u></p> <ul style="list-style-type: none"> ✓ The respondents submit the required documents for the pre-selection stage with response offers. ✓ The initiating participant evaluates the degree of fulfillment of the pre-selection/eligibility criteria by the participants interested in participating with response offers. ✓ The initiator makes a report in which specifies the result of the evaluation. ✓ OPCOM notifies the qualified respondents. <p><u>The competitive dialogue stage with the qualified candidates following the pre-selection stage</u></p> <ul style="list-style-type: none"> ✓ The respondents send their own proposals regarding the elements of the initial offer, other than the price, on which the initiator of the auction session wishes to discuss in the competitive dialogue stage in order to identify the firm conditions of the final offer. ✓ The initiator establishes the final contract format applicable. ✓ OPCOM publishes the final contract format. <p><u>Auction stage</u></p> <ul style="list-style-type: none"> ✓ <u>The first phase</u> of the auction stage: OPCOM enters the initiator's order in the online trading system and the respondents enter their own orders; ✓ <u>The second phase</u> of the auction stage: the automatic correlation of the demand with the offer based on which will result concluded transactions from the bidding process of the first phase of the auction stage.

Parameters of the trading activity	<ul style="list-style-type: none"> ✓ The initiating participant has full freedom to establish the program for the auction stages and the contract accompanying the initial offer. ✓ The offer can be traded totally (with a single winner) or partially, indicating the number of fractions of the total quantity that will be offered in a contract (there may be more winners).
Results	<ul style="list-style-type: none"> ✓ After the end of the trading session OCMLT publishes the results of the auction sessions: name of the initiating participant, name of the winning participant, offer/contract, fractions number(parts) of the offered quantity if the initiator has chosen partial trading, the delivery period, the delivery profile, the traded quantities, the starting price, the closing prices of the traded offers and the list of participants who participated in the auction with response offers; ✓ Trade confirmations: ✓ Trades concluded on this market will lead to the signing of the contract published together with the final initiating offer and OPCOM will verify the compliance of the contracts.

The trading process





*earning every day-ahead your trust
stepping forward to the future*

Romanian gas and electricity market operator

LCM

❖ Legal and regulatory framework

- ✓ **Regulation** for organizing and functioning of the Electricity market for large consumers, approved by the **ANRE Order no. 65/31.03.2022**, modified by **ANRE Order no. 73/11.05.2022**;
- ✓ Procedure regarding participants' registration at organized electricity markets administered by OPCOM S.A.
- ✓ Participation Agreement on the bilateral contract markets.
- ✓ Procedure regarding the trading mechanism on the Electricity market for large consumers.

❖ Conditions for participation

- ✓ Eligible participants registration at LCM:
 - As sellers: Producers, including those to whom may apply the provisions of art. 14 (6) of the Government Emergency Ordinance no. 27/2022 on the measures applicable to final customers in the electricity and natural gas market between April 1, 2022 and March 31, 2023, as well as storage service operators that sell stored electricity, that can participate directly or by aggregation.
 - As buyers: Any consumer or aggregation of consumers with an annual consumption of more than 70,000 MWh; it is forbidden to resell the electricity purchased by large end consumers on this market, except for resale to affiliates and/or other end consumers involved in the aggregation, for their own consumption.
- ✓ Participants must request an USB Token key that they need for access the trading platform, USB Token given according to the Unique Bailment Agreement for USB Token key necessary for access to trading platform signed with OPCOM (where appropriate)

❖ Trading mechanism characteristics

Tehnology used	Nasdaq
Trading schedule	On working days according to the trading session's program, established for each session in accordance with the provisions of the Regulation. Stages are published on the website at the section <i>Trading-Results/Electricity market for large consumers/LCM Mechanism/Announcements</i> .
Offers	<ul style="list-style-type: none">✓ LCM participants notify OPCOM through e-mail/fax the buy or sell initiating offers and the proposed contract, in order to be published and to organize the trading session;✓ Submission of documents for participation with response offers;✓ Market participants insert their orders in the trading platform from their own terminals.

<p>Products characteristics</p>	<p><i>Standard product combinations, where the standard product represents the electricity corresponding to an average power of 5 MW per settlement interval:</i></p> <ul style="list-style-type: none"> ✓ <i>Number of standard products offered;</i> ✓ <i>Delivery period of the electricity can be: minimum 1 (one) month.</i> ✓ <i>Delivery load-shape: base load, peak load, off-peak load and other standard products proposed by market participants and published on OPCOM's website, following a public consultation.</i> ✓ <i>First day of physical delivery must be after the contract signing.</i> ✓ <i>Trading option: full or partial;</i> ✓ <i>Price formula option;</i> ✓ <i>Quantity variation option of maximum 0.5 MW on settlement interval;</i>
<p>Contracts</p>	<p>Contract: contract proposed by the initiator, the standard contract published by the MO (<i>Market Operator</i>) agreed after a public consultation with market participants or the EFET type contract</p>
<p>Trading Mechanism</p>	<p>Submission by LCM Participants for organizing the auction session of the following:</p> <ul style="list-style-type: none"> ✓ sell/buy <u>initiating electricity offer</u> defined by the initiating participant with his own conditions: <ul style="list-style-type: none"> • the selection criteria on which basis the qualification of the participants with response offers will be made within the selection stage; • the schedule of the trading session; ✓ <u>sell-buy contract</u>; ✓ OPCOM will publish the Announcement of organizing the trading session, the initiating offer, the proposed sell-buy electricity contract or indicating the use of the standard contract/ EFET type contract, selection criteria of RP, as well as the schedule of the trading session; <p><u>The selection of responding participants:</u></p> <ul style="list-style-type: none"> ✓ Submission of the documents in order to participate with response offers at the trading session; ✓ The initiating participant of the trading session makes the selection of the responding participants with the obligation to apply objective and non-discriminatory the selection criteria, specified in the initiating offer and communicates the list to MO; ✓ OPCOM publishes the list of selected participants and informs individually the LCM participants which are qualified to participate in the online trading session with response offers; <p><u>Online trading session:</u></p> <ul style="list-style-type: none"> ✓ MO inserts in the trading platform on publication day of the initiating offer, 1 fraction in case of full trading, or the number of fractions of the offered quantity in case of partial trading and the price proposed in the initiating offer, published on OPCOM's website; ✓ During the online trading session the initiator can only change the price; ✓ The responding participants insert their orders in the trading platform indicating the number of fractions and the proposed price; they can modify/withdraw their orders; ✓ Offers are automatically correlated; ✓ The closing price is set by the last introduced/modified order's price in the trading platform.
<p>Parameters of the trading activity</p>	<ul style="list-style-type: none"> ✓ The identity and the offering intention of the initiators is made public towards the whole business community;



	<ul style="list-style-type: none">✓ The participants who send the intention to participate with response offers in the trading session must fulfill and provide satisfactory documents in order to comply with the selection criteria required by the initiating participant;✓ The price can be adjusted by a formula indicated in the contract, after the first year of delivery;✓ The initiating offers published on OPCOM website can be withdrawn with the assumption of provisions of the Regulation for organizing and functioning of the Electricity market for large consumers and of the LCM Procedure regarding the obligation to pay the penalty amount and the suspension from the market.
<p style="text-align: center;">Results</p>	<ul style="list-style-type: none">✓ <u>Results published on OPCOM's website:</u><ul style="list-style-type: none">• the results of the online trading session;• traded quantities;• closing prices;• the names of the contracting parties;• report of the offers inserted in the trading platform during the online trading session.✓ <u>Trade confirmations:</u><ul style="list-style-type: none">• OPCOM sends the confirmation with the results of the auction session to the participants that concluded trades;✓ <u>The transactions</u> concluded on this market will lead to the signing of the contract in compliance with the electricity contract proposed by the initiating participant and published together with the initiating offer/ of the standard electricity contract/ of the annex in case of EFET contract and also with the results of the trading session; the MO verifies the contracts in terms of their compliance.✓ Participants must pay a penalty amount in case of refusal to sign the contract or refusal of correction of a non-compliant contract.

The trading process

LCM mechanism

