

Roadmap EEX: Further integration of control energy trading at EEX

EEX Trader Workshop Gas – Control Energy Market Gas II

Sirko Beidatsch, EEX AG

Introduction of standardised Within-Day product

Update: Innovation at the EEX for gas trading

Benefits of Intraday-Market at the EEX

Higher transparency in control energy trading (analog. to Day-Ahead)

- Price transparency for Within-Day products
- Supervised trading of control energy
 - Market surveillance, Exchange supervisory, Exchange Council
 - Federal cartel office, Federal Net Agency, ...

Turning away from bilateral OTC to the anonymous exchange trade

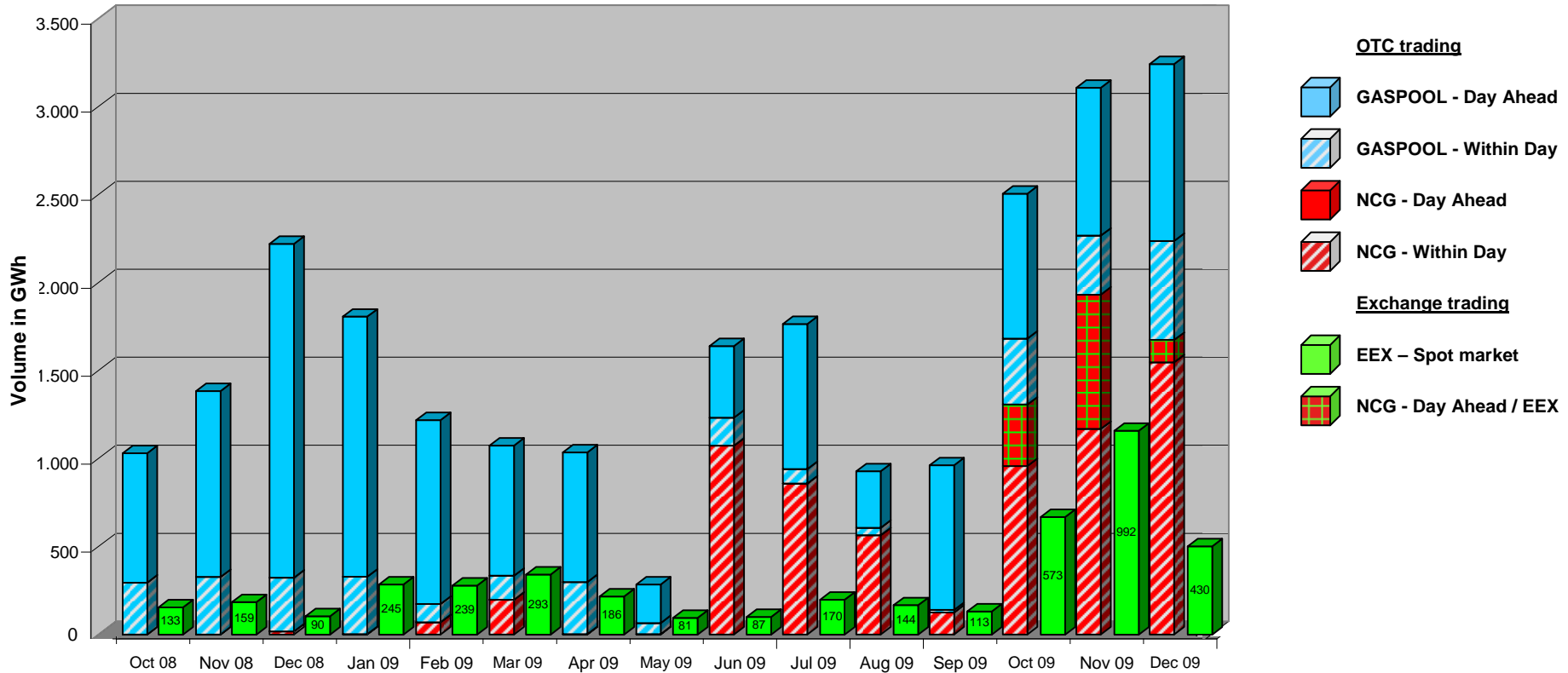
- Ability for wholesale business through **standardisation** of Within-Day product
- Higher number of participants for control energy market
 - Volume pooling in Within-Day products
 - Participation of members with small volume possible
- Most of present control energy providers are admitted EEX members

Improved optimisation of gas procurement and sales portfolio

- Small storage and contract flexibility may be optimised at the market
- Complete structuring may be able with standardised products
- Backup trading solution for interruptible contracts

Trading volume in Within-Day products

Control energy trades in NCG and GASPOOL since October 08



- Statistical analysis since October 08
- Substitution between WD und DA possible

Volume in GWh	Within-Day	Day-Ahead	Sum
NCG	8.016	1.285	7.825
GASPOOL	3.937	16.456	16.372
EEX		3.934	3.934

Operative (specific Within-Day)

- Contract size: 10 MW or 1 MW?
- Business hours: 9:30 - 17:30 or 24/7?
- Frontend - Integration into Trayport
- Lead-time: 2 hours or more?
- Start date of Day-Ahead control energy
- Start date of Within-Day products
- Control energy trading at Thyssengas
GVS/ENI, GRTgaz Deutschland

Commercial

- Transaction fees and fix costs EEX

Legal

- EEX as recognised control energy market
- Support from MAO and shippers
through attendance at the EEX market

Intermediate result

- 1 MW
- At the start 9.30 am to 5.30 pm
- Introduction in Q1/10
- 3 hours
- 01th of October 2009
- Introduction in Q1/10
- Decision pending
- Cooperation in NCG

→ To be decided

→ Status open

→ Voluntary support by NCG

→ Voluntary support by GASPOOL

Tradable delivery periods

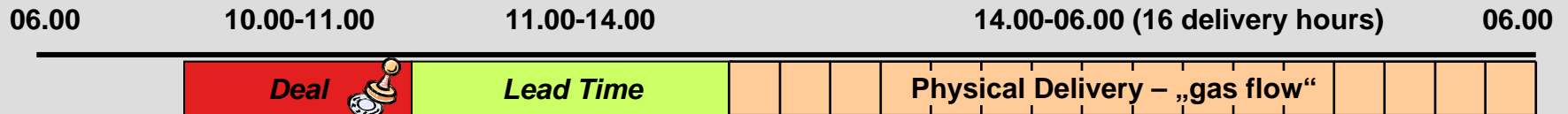
- Remaining delivery hours of the actual gas day, which are tradable in EEX business hours with 3 hours lead time before the delivery

Rolling reduction of contract volume (delivery volume)

- On a hourly basis in relation to the deal time stamp

Delivery volume

- In relation to the deal time



Example: Within-Day deal between 10 and 11 o'clock with physical delivery from 14 o'clock until the end of the gas day (6 o'clock)

Xetra: SIMU: Gas Sirko - Trading Board - MONDAY - Order Market Overview

Window Trading Select Columns Help

Date: Wed, 13 Jan 2010

SIMU: MONDAY - Order Market Overview

Exch: EEX Profile Instr InstrGrp MONDAY

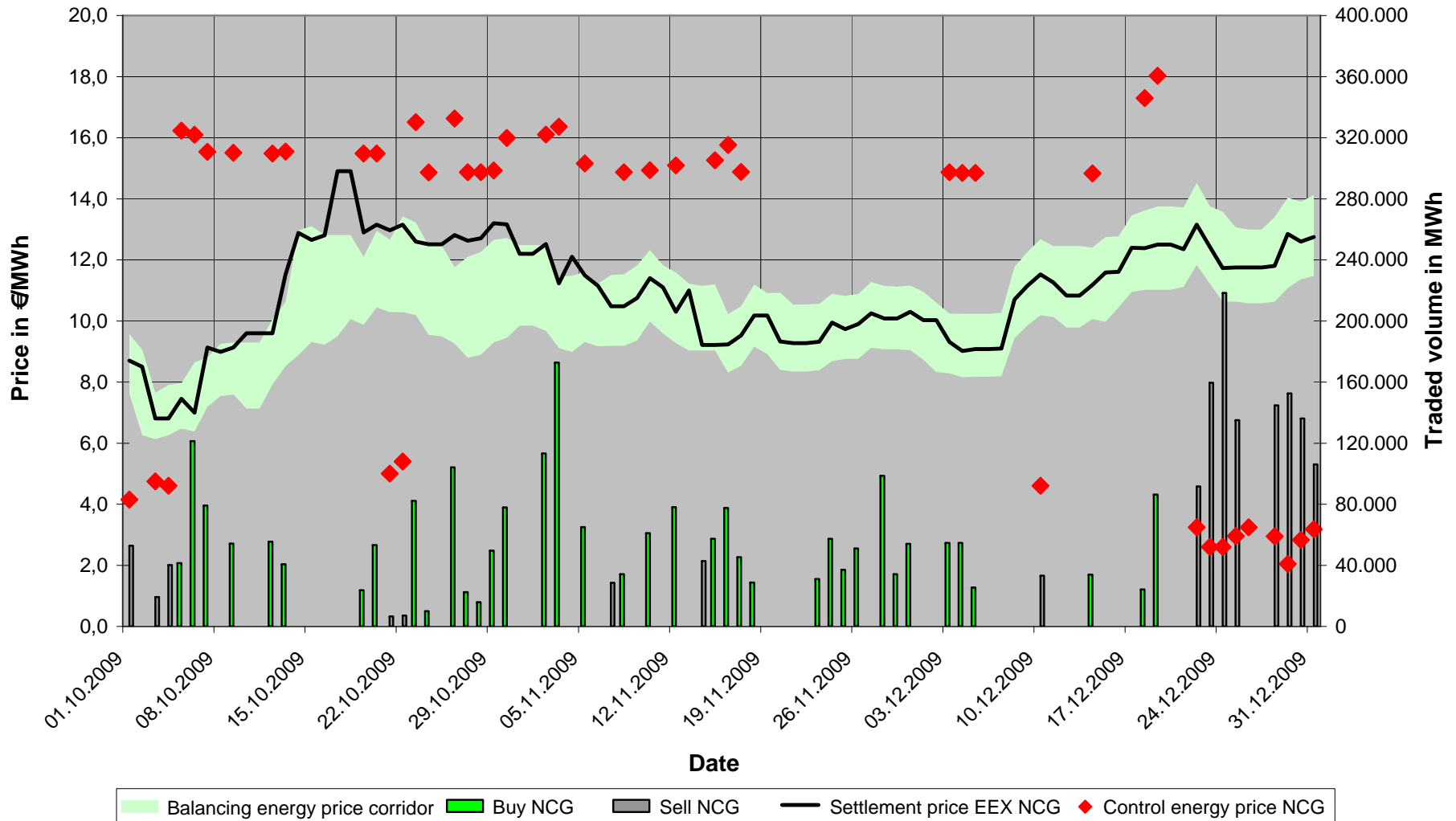
	Phase	Instr	Name	Exch	OwnBidQty	BidCnt	BidQty	Bid	Ask	AskQty	AskCnt	OwnAskQty	C
[-]	TRADE	H3ED	WITHIN DAY GAS NCG	EEX	3	1	3	13,80	14,50	70	1	70	
					40	1	40	13,50					
[+]	TRADE	H3E2	TUENCGBASE 20100119	EEX									
[+]	TRADE	H3E3	WEDNCGBASE 20100113	EEX									
[+]	TRADE	H3BD	WITHIN DAY GAS GASPOOL	EEX									
[+]	TRADE	H3B2	TUEGPLBASE 20100119	EEX		1	10	11,99					
[+]	TRADE	H3R3	WEDGPIBASE 20100113	FFX		1	10	11,98					

EEX **00000 SUCCESSFUL COMPLETION**

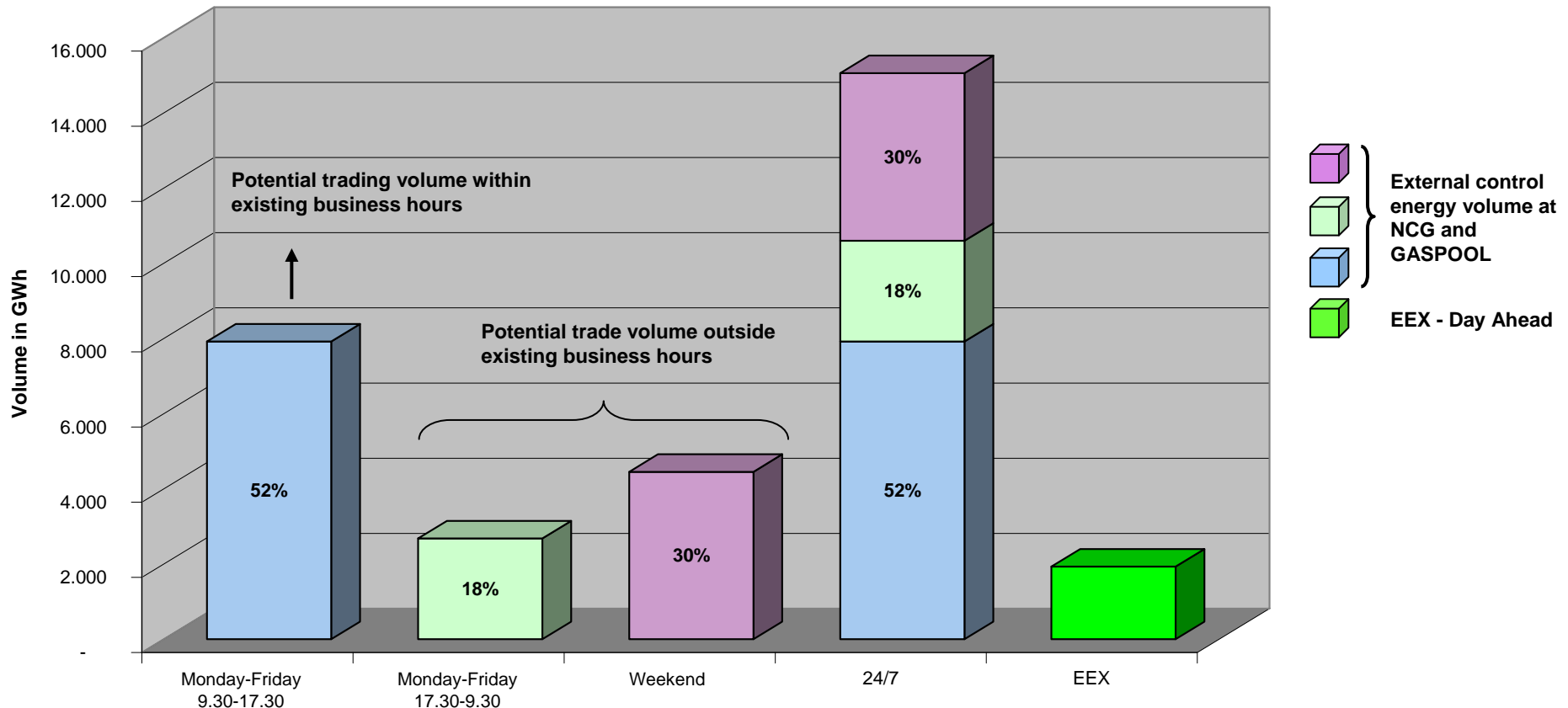
- Example for Xetra-instruments regarding Within-Day: H3ED for NCG und H3BD for GASPOOL

Liquidity in the Within-Day market

Control energy prices and volume for Within-Day in Q4/09



Control energy volume according to trading times in NCG and GASPOOL area



- Additional 48% (ca. 7 TWh) possible solely through control energy volume with introduction of 24/7 trading at EEX (implemented for power at EEX in 2008)
- Statistical analysis based on control energy (Day-Ahead und Within-Day) for GY 08/09

Roadmap: Balancing Energy Market EEX and introduction of Within-Day

2010	EEX/ECC	MAO	Trader	BNetzA/BMWi
January	<ul style="list-style-type: none"> • Traders workshop gas • Customer information EEX for WD • Customer information ECC for WD • Contact from CR regarding simulation 	<ul style="list-style-type: none"> • Traders workshop gas • Product release through management • Setup simulation for WD (NCG) 	<ul style="list-style-type: none"> • Traders workshop gas • Product approval by the management • Setup simulation for WD 	<ul style="list-style-type: none"> • Traders workshop gas • Designation of a exchange as market-place for control energy trading in updated GasNZV • Surveillance of control energy trades
February	<ul style="list-style-type: none"> • Simulation in Xetra (1-12. Febr.) • Guided simulation (3.,5.,10., 12. February) between 11-14 o'clock • Go-Live in production (CW 8) • Gas trading in WD 	<ul style="list-style-type: none"> • Simulation in Xetra • Setup production for WD (NCG) • Gas trading in WD (NCG) • Admission as EEX-member (GASPOOL) 	<ul style="list-style-type: none"> • Simulation in Xetra • Setup production for WD (NCG) • Gas trading in WD (NCG) 	<ul style="list-style-type: none"> • Surveillance of control energy trades
March	<ul style="list-style-type: none"> • Internal planning for 24/7 trading natural gas 	<ul style="list-style-type: none"> • Control energy trading (GASPOOL) 		<ul style="list-style-type: none"> • Surveillance of control energy trades
Q2+Q3+Q4	<ul style="list-style-type: none"> • Internal planning for 24/7 trading natural gas 			<ul style="list-style-type: none"> • Surveillance of control energy trades

Introduction of standardised Within-Day product

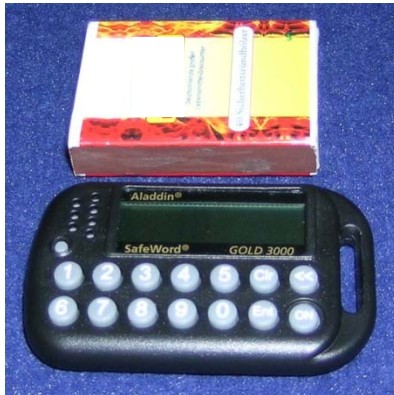
Update: Innovation at the EEX for gas trading

Introduction of token

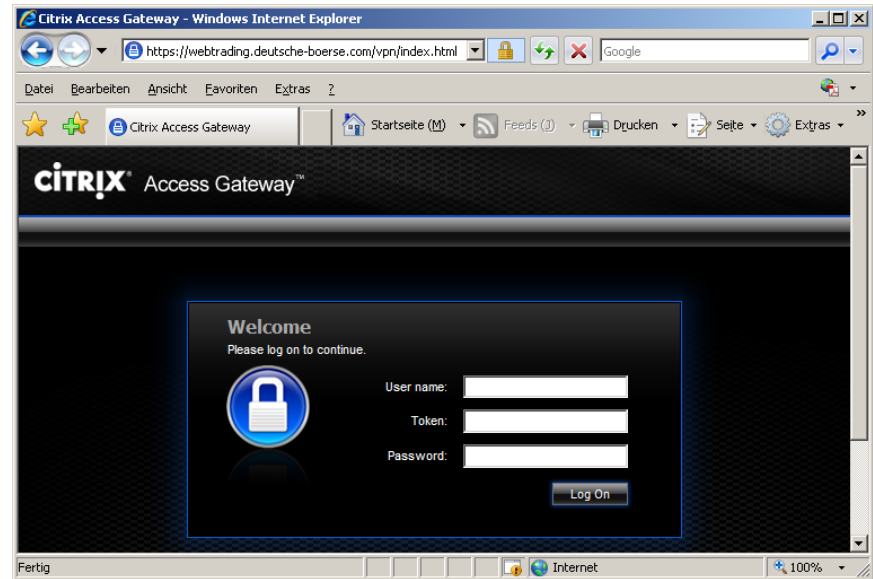
- Replacement of web access card reader by token in Q4/09



replaced



current



Benefits for trading participants

- Location-independent gas trading via Webbrowser (Firefox, Internet Explorer)
- No software installation
- Comfortable low-cost entry for new members
- Simplification for on-call service – 24/7 trading

Access to EEX via Trayport (Global Vision)

Trading of all EEX gas products via one screen

- One screen for spot and derivatives market
- Integration in multi-market screens
- Simplified operative market making
- Simplified handling and better overview

Preconditions for EEX trading via Trayport

- Own Trayport server in the company
- Connection via Miss to Xetra (not Token)
- Installation of free Xetra-Communicator
- Xetra-Communicator to be downloaded in Q1/10 from the EEX-Homepage

NCG						
Broker	Qty	Bid	Ask	Qty	Broker	
EEX	60	10,40	10,70	40	ICAP	10,90
EEX	30	10,80	10,85	30	EEX	10,75
ICAP	30	10,70	10,90	60	ICAP	10,90 1750
EEX	60	10,40	10,70	30	ICAP	##### 2680

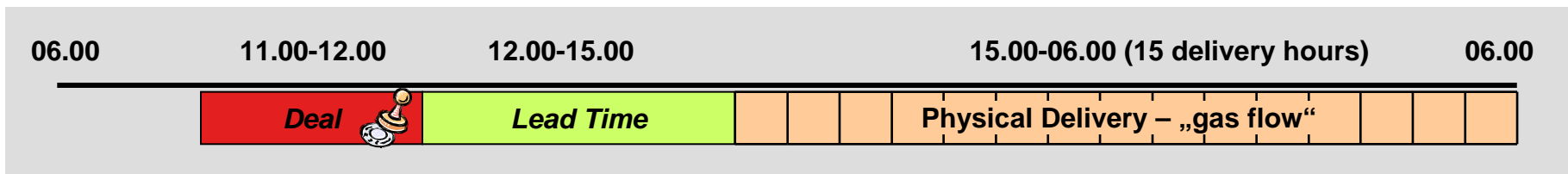
NCG						
Broker	Qty	Bid	Ask	Qty	Broker	
EEX	60	10,40	10,70	40	ICAP	10,90
EEX	30	10,80	10,85	30	EEX	10,75
ICAP	30	10,70	10,90	60	ICAP	10,90 1750
EEX	60	10,40	10,70	30	ICAP	##### 2680

EEX	30	18,60	19,90	30	ICAP	
SPEC	30	18,10	30,25	30	ICAP	

Thank you for your attention

A, Rest-of-the-day trade

1. Buy 10 MW Within-Day between 11 and 12 a.m.
2. ECC nominates physical delivery for seller and buyer to the Market Area Operator for the delivery from 3 p.m. to 6 a.m.
3. Buyer received the delivery of 150 MWh (15 delivery hours x 10 MW)



B, Trading of several hours

1. Buy 10 MW Within-Day between 11 und 12 a.m.
2. Sell 10 MW Within-Day between 1 p.m. and 2 p.m.
3. ECC nominates physical quantities for seller and buyer to the MAO for the delivery from 3 p.m. to 6 a.m. and the delivery from 5 p.m. to 6 a.m.
4. Based on opposed delivery for 13 delivery hours, the buyer received only gas from 3 to 5 p.m. with an hourly quantity of 10 MW and a delivery volume of 20 MWh over 2 delivery hours.

