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▶ **ECC Clearing Circular 16/2017 | 2017-05-16**

Introduction of EEX Phelix-AT Futures and Extension of EEX Phelix-DE Product Suite

Summary

From **26 June 2017** onwards ECC will offer clearing services for EEX Phelix-AT Futures. These new contracts will be settled against a day-ahead spot price for the Austrian market area, calculated by EPEX SPOT.

EEX launches these financially-settled power futures for Austria against the background of a possible split of the German-Austrian price zone

In response to market demand, EEX will further extend the Phelix-DE product suite by adding short-term contracts and introducing Phelix-DE non-MTF contracts.

In addition, EEX Options on Phelix-DE Base Futures for the German market area will be offered from **28 June 2017** for clearing.

This Clearing Circular contains information regarding the product set-up, the settlement processes and the preconditions for participation.

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Product Set-Up

The EEX Phelix-AT Futures offered at EEX for order book trading and trade registration will be set up as follows within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A2GF1T8	ATBM	Phelix-AT Base Month Future	EEX_FT_PHELIX_D/A
DE000A2GF1U6	ATBQ	Phelix-AT Base Quarter Future	
DE000A2GF1V4	ATBY	Phelix-AT Base Year Future	
DE000A2GF1W2	ATPM	Phelix-AT Peak Month Future	
DE000A2GF1X0	ATPQ	Phelix-AT Peak Quarter Future	
DE000A2GF1Y8	ATPY	Phelix-AT Peak Year Future	

These new contracts will be integrated in the clearing system in an analogous manner to the EEX Phelix-DE/AT Futures contracts (Product IDs F1BM/F1BQ/F1BY/F1PM/F1PQ/F1PY).

The EEX Phelix-DE Day and Week Futures offered at EEX for order book trading and trade registration will be set up as follows within the ECC clearing system:

Product ID	Name	SMSS Product Group
DB01 – DB34	Phelix-DE Base Day Future	EEX_FT_PHELIX_D/A
DP01 – DP34	Phelix-DE Peak Day Future	
DEB1 – DEB5	Phelix-DE Base Week Future	
DEP1 – DEP5	Phelix-DE Peak Week Future	

These new contracts will be integrated in the clearing system in an analogous manner to the EEX Phelix-DE/AT Futures contracts (Product IDs FB01–FB34/FP01–FP34/F1B1–F1B5/F1P1–F1P5).

The EEX Phelix-DE Futures offered at EEX non-MTF Phelix-DE market venue (available for order book trading and trade registration) will be set up as follows within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A2GF127	N2BM	Phelix-DE Base Month (non-MTF) Future	EEX_FT_POWER_AMP_NM
DE000A2GF135	N2BQ	Phelix-DE Base Quarter (non-MTF) Future	
DE000A2GF143	N2BY	Phelix-DE Base Year (non-MTF) Future	
DE000A2GF168	N2PM	Phelix-DE Peak Month (non-MTF) Future	
DE000A2GF176	N2PQ	Phelix-DE Peak Quarter (non-MTF) Future	
DE000A2GF184	N2PY	Phelix-DE Peak Year (non-MTF) Future	

For the purpose to facilitate the physical settlement of EEX Phelix-DE (non-MTF) Futures the following BoM (Balance of the Month) Futures will be set up within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A2GF150	D0BM	Phelix-DE Phys Base Month Future	EEX_FE_POWER_AMP
DE000A2GF192	D0PM	Phelix-DE Phys Peak Month Future	

The Phelix-DE Phys Futures will only be used when the physical settlement is requested.

These new contracts are integrated in the clearing system in an analogous manner to the EEX Phelix-DE/AT Futures contracts (Product IDs N1BM/N1BQ/N1BY/N1PM/N1PQ/N1PY and F0BM/F0PM, respectively).

The EEX Phelix-DE Options offered at EEX for Order book trading and trade registration will be set up as follows within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A2GF1Z5	O2BM	Phelix-DE Base Month Option	EEX_OT_PHELIX_D/A
DE000A2GF101	O2BQ	Phelix-DE Base Quarter Option	
DE000A2GF119	O2BY	Phelix-DE Base Year Option	

These new contracts will be integrated in the clearing system in an analogous manner to the EEX Phelix-DE/AT Options contracts (Product IDs O1BM/O1BQ/O1BY).

Detailed information on the product set-up is provided in the ECC Clearing Specification and in the ECC Contract Detail File, which are available for download on the ECC website.

Clearing Process

Registration of transactions for clearing

The transactions concluded on EEX will be imported into the EUREX clearing system and integrated into the standard clearing processes for derivative contracts. Transactions are included in the EUREX data streams and in the EUREX reports as usual. In addition, the transactions can be retrieved via the ECC Member Area after 9:30 am CET on the next ECC business day.

The transactions are processed in the ECC settlement system SMSS for invoicing purpose using the product groups mentioned above.

EEX Phelix-AT Futures and Phelix-DE Day and Week Futures

Financial settlement

All products are settled financially in EUR. For open positions and new transactions a variation margin is calculated on every ECC business day. The settlement prices required to this end are determined by EEX in the product currency EUR and published in the EUREX system at approximately 7:00 pm CET.

Margining

For open positions in all new products a margin requirement will be calculated daily according to ECC's standard methodology. Margin parameters are updated and published daily in the SPAN[1] parameter file on ECC's website. The margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

If the last calendar day of a month falls on a Sunday like in December 2017, the Phelix-AT Base Month Futures will expire before the final settlement price can be determined and the contract will be settled at a preliminary final settlement price. The final settlement price as well as the last variation margin will be corrected on the next ECC business day after expiry.

Details of this procedure can be found here in the Variation Margin Correction document.

EEX Phelix-DE (non-MTF) Futures

Financial settlement

Variation margin is calculated on every ECC business day for all positions and new transactions. The settlement prices required to this end are determined by EEX in the product currency EUR and published in the EUREX system at approximately 7:00 pm CET.

In case of a physical settlement via EEX Power Futures (see below) the related financial settlement during the delivery month will take place according to the BoM processing; details of the financial settlement are stated in EEX BoM Cascading File available for download on the ECC website.

Physical Settlement

To comply with the framework of a non-MTF product, which can be physically settled, a fulfilment option exists for both the market participant and ECC. Consequently the physical fulfilment of an EEX Phelix-DE (non-MTF) Futures contract can either be triggered by the member, using a fulfilment request within the ECC Member Area for a specific product and maturity or by ECC, thus a third party request, which will be matched by means of a random selection procedure. Details of the procedure can be found on the ECC website.

If the fulfilment option results in physical delivery, the delivery is technically carried out by a position transfer from the non-MTF product into the respective physical fulfilment product. These physical fulfilment products are set up as the BoM (Balance of the Month) contracts; details on contract erosion are available in EEX BOM Cascading File available for download on the ECC website.

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[1] SPAN® is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN by any person or entity.

In case of physical fulfilment the delivery is integrated into the regular delivery processes.

ECC Delivery Account	Market Area	Nomination Method
20X-LU003-ECC--S	Balancing Area of AMPRION	Double Side Nomination with Priority Rule of ECC

Margining

For open positions in all new products a margin requirement will be calculated according to ECC's standard methodology. The non-MTF Futures will be included in ECC's Cross Margining using the same combined commodity as the respective regulated market futures allowing a 100% offset between regulated market and non-MTF products except the contract is fulfilled via BoM settlement as mentioned above. A delivery margin is calculated for these contracts and included into SPAN during the delivery period.

Margin parameters are updated and published daily in the SPAN parameter file on ECC's website. The margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

EEX Phelix-DE Options

Option Premium

The buyer of an option contract is obliged to pay the price for the purchase of the right of option (option premium) on the ECC Business Day after the purchase. The premium is credited to the seller of the option on that day.

Expiry and Settlement

The option can only be exercised on the last trading day (European type).

The buyer of a call (put) option is entitled to receive a long (short) position in the corresponding underlying Phelix-DE Base Future at the exercise price of the option on the last trading day.

The seller of the call (put) option receives a short (long) position in the corresponding underlying Phelix-DE Base Future if the call (put) option is exercised and assigned at the exercise price on the last trading day.

Options which have not been exercised/assigned expire upon the end of the last trading day.

Margining

For open positions and new transactions a premium margin is calculated. The premium margin requirement will be reported in separate margin classes for each product, similar to the handling of Options on Phelix-DE/AT Base Futures (e.g. O1BY).

For open positions in all new products an additional margin requirement will be calculated according to ECC's standard methodology. Margin parameters are updated and published daily in the SPAN[2] parameter file on ECC's website. The margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

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Fees

The following fees will be charged:

Transaction	ECC Clearing Fee (in € per MWh)
Future trades in EEX Phelix-AT Futures	0.005
Future trades in EEX Phelix-DE Day and Week Futures and EEX Phelix-DE (non-MTF) Futures	0.005
Phelix-DE Load Futures (ECC Lux)*	0.03
Option trades in Phelix-DE Options	0.0025 (premium ≥ 0.15 €/MWh) 0.00125 (premium < 0.15 €/MWh)

* Only applicable for the trading participants who has requested physical delivery.

Reporting

EMIR

Please note that EEX Phelix-AT Futures, EEX Phelix-DE Day and Week Futures as well as EEX Phelix-DE Options have to be reported according to EMIR Article 9. Therefore ECC's EMIR Trade Reporting service will automatically be extended to these products.

Transactions on the non-MTF venue do not fall under the reporting requirement of EMIR Art. 9.

REMIT

EEX Phelix-AT Futures, EEX Phelix-DE Day and Week Futures, EEX Phelix-DE Options and Phelix-DE (non-MTF) Futures also have to be reported according to REMIT Article 8. The REMIT Data Service for the organised market place group "EEX RM and EEX Non-MTF" will automatically be extended to these products.

Preconditions for Participation

Clearing Member

The ECC clearing licence for Clearing Members already covers the clearing of EEX Phelix-AT Futures, EEX Phelix-DE Days and Weeks Futures, EEX Phelix-DE (non-MTF) Futures and EEX Phelix-DE Options.

Non-Clearing Member

Participants who have already been approved for participation in EEX Phelix-DE/AT Futures will be automatically approved for trading of EEX Phelix-AT Futures and EEX Phelix-DE Day and Week Futures as well as EEX Phelix-DE Options.

Participants who have already been approved for participation in EEX German non-MTF Market will be automatically approved for trading of EEX Phelix-DE (non-MTF) Futures.