

## Introduction of EEX and HUDEX Short-Term Power Futures

### Summary

From **12 November 2018** onwards ECC will offer clearing services for EEX short-term power futures for the market areas of the Czech Republic, Hungary, Romania and the Netherlands as well as for HUDEX short-term power futures for the market area of Hungary.

This Clearing Circular contains information regarding the product setup, the clearing and settlement processes as well as the preconditions for participation.

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## Product Setup

The EEX short-term power 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
QB01 – QB34	Dutch Base Day Future	EEX_FT_POWER_DWE_TNT
QP01 – QP34	Dutch Peak Day Future	
QWB1 – QWB5	Dutch Base Weekend Future	
QWP1 – QWP5	Dutch Peak Weekend Future	
Q0P1 – Q0P5	Dutch Peak Week Future	EEX_FT_POWER_TNT
FX01 – FX34	PXE Czech Base Day Future	EEX_FT_POWER_DWE_CZ
PX01 – PX34	PXE Czech Peak Day Future	
WXB1 – WXB5	PXE Czech Base Weekend Future	
WXP1 – WXP5	PXE Czech Peak Weekend Future	
F901 – F934	PXE Hungarian Base Day Future	EEX_FT_POWER_DWE_HU
P901 – P934	PXE Hungarian Peak Day Future	
W9B1 – W9B5	PXE Hungarian Base Weekend Future	
W9P1 – W9P5	PXE Hungarian Peak Weekend Future	
FHB1 – FHB5	PXE Romanian Base Week Future	EEX_FT_POWER_RO
FRP1 – FRP5	PXE Romanian Peak Week Future	

The HUDEX short-term power futures offered at HUDEX for order book trading and trade registration will be set up as follows within the ECC clearing system:

Product ID	Name	SMSS Product Group
F601 – F634	Hungarian Base Day Future	HUDX_FT_POWER_DWE_HU
P601 – P634	Hungarian Peak Day Future	
W6B1 – W6B5	Hungarian Base Weekend Future	
W6P1 – W6P5	Hungarian Peak Weekend Future	
F6P1 – F6P5	Hungarian Peak Week Future	HUDX_FT_POWER_HU

Detailed information on the product setup 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 or HUDEX, respectively, 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. In addition, the transactions can be retrieved via 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 purposes using product groups mentioned above.

### Financial settlement

All products are settled financially in Euro. For the open positions at the end of each ECC business day a variation margin is calculated using the settlement prices obtained from EEX and HUDEX, respectively. The settlement prices are published in the EUREX system at approximately 7:00 pm CET on each ECC business day.

### Margining

For open positions an initial margin will be calculated according to ECC's standard methodology (SPAN<sup>1</sup>). Margin parameters are updated and published daily in the SPAN parameter file on the ECC website.

The initial margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

### Fees and Invoicing

The following fees will be charged according to the ECC Price List:

Transaction	ECC Clearing Fee
Derivative trades in EEX Dutch, PXE Czech and PXE Hungarian Power Day and Weekend Futures	1.00 ct/MWh
Derivative trades in EEX Dutch and PXE Romanian Power Week Futures	0.50 ct/MWh
Derivative trades in HUDEX Hungarian Power Day and Weekend Futures	1.00 ct/MWh
Derivative trades in HUDEX Hungarian Power Week Futures	0.50 ct/MWh

<sup>1</sup> 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.

## EMIR Reporting

Please note that EEX short-term power futures as well as HUDEX short-term power futures have to be reported according to EMIR Article 9. Therefore ECC's EMIR Data Services 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 short-term financial power futures for the market areas of the Czech Republic, Hungary, Romania and the Netherlands as well as the clearing of HUDEX short-term financial power futures for the market area of Hungary.

### Non-Clearing Member

Participants who have already been approved for participation in EEX financial power futures and the mentioned market areas in particular will be automatically approved for trading of EEX short-term financial power futures for the market areas of the Czech Republic, Hungary, Romania and the Netherlands.

Participants who have already been approved for participation in HUDEX financial power futures will be automatically approved for trading of HUDEX short-term financial power futures for the market area of Hungary.

Clearing Members are requested to check the product assignments and quantity limits for their NCMs accordingly.