

Information on the intended merger of Powernext into EEX

Dear trading participants,

The European Energy Exchange AG (EEX) intends to merge Powernext activities into EEX on 1 January 2020, subject to the required approvals. Through the integration of Powernext into EEX, the exchange will offer all products at one single market place while simplifying the admissions of new participants. Members will be able to easily trade a larger EEX portfolio including natural gas, power and emission allowances while continuing to benefit from cross margining effects as ECC will remain the central counterparty for clearing transactions.

Once the merger has been completed, all trading in PEGAS natural gas spot and derivatives (Regulated Market and OTF) will be organised under the rulebooks of EEX for the Regulated Market and the OTF. The Guarantees of Origin auction and the registries activities will also be operated by EEX. Powernext will be incorporated into EEX, becoming a Paris based center of expertise, maintaining all stakeholder relations and know-how for natural gas markets and registry services.

This circular contains first relevant information. We will provide you with further information in due time.

Admission

Clearing Members

The clearing licence, which clearing members have with ECC already covers clearing of the new contracts and does not need to be adjusted.

Non-Clearing Members

After the merger, the natural gas products currently traded at Powernext will be traded under the EEX Regulated Market and EEX OTF rulebooks. Trading at EEX requires the admission with EEX as well as the recognition by ECC.

ECC Members currently approved by ECC for trading in natural gas do not need to enter any Clearing relevant admission forms (e.g. NCM02a). In the particular case where a member intends to expand its trading activities (e.g. joining the EEX Power Market Segment), the usual admission forms will be required.

For Powernext Trading Participants already admitted at EEX

Such members will be enabled to trade on EEX markets the respective natural gas products as they are used to at Powernext. In case the member intends to set-up new traders at EEX or to apply for new market areas, the relevant information, data and documents as requested by EEX/ECC need to be provided.

For Powernext Trading Participants not yet admitted at EEX

These members will have to provide EEX with all relevant information, data and documents requested by EEX that are not yet covered by Powernext current requirements, and provide their consent to forwarding the current information available at Powernext to EEX.

Next steps

EEX, Powernext and ECC aim to minimize as much as possible the admission related impact for their members. Therefore, the Powernext Membership team will contact each member with the details of the information and steps that will be required in order to ensure a smooth migration from Powernext to EEX.

Please find below the planned timeline for admission related tasks:

Date	Comment
Starting 16 September 2019	Detailed information and individualised documents for admission at EEX will be sent to current Powernext members via email
18 October 2019	Deadline to send back the required documents
16 – 31 December 2019	EEX approval letter will be sent to all members which are ready to transfer
31 December 2019	Last day of trading at PWX
1 January 2020	First day of trading at EEX

Please do not hesitate to contact us in case of questions.

Yours sincerely,

EEX and Powernext

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