EEX Japan Power Futures
Developing a liquid market together with the industry

30 January 2020
Tokyo
Introduction from Steffen Koehler, COO of EEX
Recap of activities in 2019 – a true industry journey
EEX Japan Power Futures – unveiling the details of the offering
EEX Japan Power Portal – an easy way into clearing
Roadmap towards a successful launch
Questions & Answers
Annual volumes in EEX Power Derivatives
Developing liquid markets together with the industry

TWh
6,000
5,000
4,000
3,000
2,000
1,000
0


US Power Futures
European Power Futures
Agenda

- Introduction from Steffen Koehler, COO of EEX
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Recap of activities in 2019
Building the client network

- Workshops in Tokyo, London and Singapore
- >150 individual client meetings
- Numerous hedging seminars in Japan
- Dedicated webinar series in co-operation with Bloomberg (Tokyo)
- Creation of Japanese Power Working Group with utilities and major market participants
- Thank you all - for your advice, feedback, constructive criticism and recommendations
Recap of activities in 2019

Connecting the Japanese and the global trading community

- EEX will provide services to Japanese utilities, PPS companies and trading houses
- EEX works with international banks, which provide tailor-made services for Japanese clients
- EEX collaborates closely with brokerage firms, located inside and outside Japan
- Many international EEX members are already setting up EEX Japanese Power Futures
Recap of activities in 2019
Establishing an EEX Japanese power team

- Diverse team of more than 20 experts from 4 different offices around the globe
- Local presence in Tokyo since July 2019
- EEX is hiring in Tokyo! Please approach us for more information about open positions.
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EEX Japan Power Futures
Product Specifications

**Kansai Area**

**Product Specifications:**
- Currency: Japanese Yen
- Pricing: in Yen/kWh
- Minimum price fluctuation: Yen 0.01 per kWh
- Contract Size: 1 MW (1,000kW) * number of hours in delivery period
- Minimum lotsize: 1 contract

**Tokyo Area**

- Peak definition: Japanese holiday calendar*, Mo-Fr 08:00am – 08:00pm

*EEX will use the Japanese holiday calendar for peak load contracts.

- Week Base / Peak: up to 5 weeks
- Month Base / Peak: up to 7 Months
- Quarter Base / Peak: up to 7 Quarters
- Season Base / Peak: up to 4 Seasons
- Years Base / Peak: up to 6 Years

* *EEX will use the Japanese holiday calendar for peak load contracts.*
EEX Japan Power Futures
Product Specifications #2

Japanese holiday calendar
- Only holidays that are known 6 years in advance will be taken into account
- Extraordinary holidays (e.g. Golden Week 2019) will not be considered by EEX
- A table showing ‘considered’ holidays will be published on the EEX website

Fallback mechanism in case of JEPX spot market suspension
- ANRE has presented proposals for a fallback mechanism in case of a spot market outage, e.g. in case of natural disasters
- EEX will follow the ANRE guidance to replace missing spot prices with the average spot price for one week before the power spot market outage

Cascading
- EEX Japan Power Futures follow a cascading mechanism
- Year contracts cascade into 3 months and 3 quarters
- Season contracts cascade into 3 months and 1 quarter
- Quarter contracts cascade into 3 months
How to trade EEX Japan Power Futures

EEXにおける取引のライフサイクル

1. 取引参加者 A
2. OTC ブローカー
3. 取引所（EEX）
4. クリアリングメンバー（清算参加者）
5. 清算機関 クリアリングハウス（ECC）
EEX Japan Power Futures

The Trade Registration Process

Trading via a broker of your choice

Broker submits transaction to EEX Japan Power Portal

Trade is checked against risk limits and collaterals of the clearing member

Trade is processed in EEX/ECC systems
EEX Japan Power Futures

When can transactions be registered with EEX?

Trades can be registered for clearing Monday to Friday between 9:00am and 19:00pm JST, unless on days when EEX is closed.

<table>
<thead>
<tr>
<th>Tokyo Local Time</th>
<th>09:00-10:00</th>
<th>10:00-11:00</th>
<th>11:00-12:00</th>
<th>12:00-13:00</th>
<th>13:00-14:00</th>
<th>14:00-15:00</th>
<th>15:00-16:00</th>
<th>16:00-17:00</th>
<th>17:00-18:00</th>
<th>18:00-19:00</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET+1 (European Summer Time)</td>
<td>02:00-03:00</td>
<td>03:00-04:00</td>
<td>04:00-05:00</td>
<td>05:00-06:00</td>
<td>06:00-07:00</td>
<td>07:00-08:00</td>
<td>08:00-09:00</td>
<td>09:00-10:00</td>
<td>10:00-11:00</td>
<td>11:00-12:00</td>
</tr>
<tr>
<td>CET (European Winter Time)</td>
<td>01:00-02:00</td>
<td>02:00-03:00</td>
<td>03:00-04:00</td>
<td>04:00-05:00</td>
<td>05:00-06:00</td>
<td>06:00-07:00</td>
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<td>08:00-09:00</td>
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<td>10:00-11:00</td>
</tr>
</tbody>
</table>
EEX Japan Power Futures

On which days can transaction be registered?

Transactions can be registered Mondays to Fridays, except on European bank holidays (examples for 2020), when EEX power markets are closed.

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year</td>
<td>1st January</td>
</tr>
<tr>
<td>Good Friday</td>
<td>10th April</td>
</tr>
<tr>
<td>Easter Monday</td>
<td>13th April</td>
</tr>
<tr>
<td>Labour Day</td>
<td>1st May</td>
</tr>
<tr>
<td>Christmas Eve</td>
<td>24th December</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>25th December</td>
</tr>
<tr>
<td>Boxing Day</td>
<td>26th December</td>
</tr>
<tr>
<td>New Year’s Eve</td>
<td>31st December</td>
</tr>
</tbody>
</table>
## EEX Japan Power Futures

### Fee schedule

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEX trade registration fee</td>
<td>0.002 JPY/kWh = 2.00 JPY/MWh</td>
</tr>
<tr>
<td>ECC clearing fee</td>
<td>0.001 JPY/kWh = 1.00 JPY/MWh</td>
</tr>
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All information (e.g. about the trade registration process and the product specifications) will be published on a dedicated website in English and Japanese.

EEX will also provide a comprehensive Questions & Answers document on that website in February.
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Roadmap towards a successful launch

Getting ready

Trading members

Regulatory Processes

Clearing Members

Brokers
EEX Japan Power Futures

When does it start?

Monday 18th May 2020
EEX Japan Power Futures
Next steps

- **Reach out to EEX**
  - We will be there to assist you!
  - EEX sales staff is available for bilateral meetings, individual client workshops, seminars and to answer all your questions

- **Find a Clearing Member**
  - The EEX Japan Power initiative is supported by various clearing banks. Today is a good chance for an initial discussion.

- **Contact brokers**
  - Domestic and international brokerage firms are currently setting up EEX Japanese Power Futures. Please approach them.

- **Ready**
  - We look forward to a successful start - building a robust and liquid Japanese Power Futures market.
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EEX Japan Power Futures
Questions & Answers
Thank you
ありがとうございます

EEX Reception

We hope you can join us at our EEX Japan Power Reception at 6:30pm