Q&A

Webinar on changes in OKTE's product portfolio, 04.03.2021

Question: How does the financial security work for the new products?

Answer: Each individual order must be covered by the financial security the same way as it is done currently in case it may cause a financial flow from the market participant (MP) →OKTE. This means that each order in the scope of its financial volume (maximum payment from the MP to the market organizer) must be covered by financial security. Financial volume of an order is calculated as follows:

- Positive price of a block order (average) * sum of the amount of the whole order in case of purchase order
- Negative price of the block order (average) * sum of the amount of the whole order in case of sell order

In case of exclusive group of block orders, the largest financial volume of an individual order in the group is considered the financial volume of the whole group given the fact that a maximum of one order can be accepted from the group.

Question: Do the prices in the blocks have to be in ascending/descending order?

Answer: Sorting of the prices in the blocks will still be required in case the original format of an order is used – so called standard hourly orders that will allow a maximum of 25 blocks within one order.

Question: What will be the ID of the first manually inserted simple order?

Answer: When it comes to their structure, the identifiers of the orders will not change with the introduction of the new products compared to the current setup. Additionally, the current version of the order will be displayed.

Example: By submitting an order, an order (for example) with ID = 123456 and version = 1 will be created.

Question: Isn't it simpler to delete the last order and enter a new one without the ID when modifying the order? To avoid the need to enter the ID.

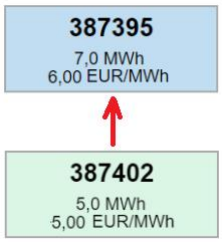
Answer: It depends on the way the orders are submitted by the MP (web form, external interfaces). In case of communication via the external interfaces, the MP must identify the specific order with its ID in order to delete it. The same process would be used for modification. In case the MP is trading via the web portal, of course the deletion of the specific order and subsequent import of a file without the ID of the existing order is possible.

Question: What is the purpose of a linked order?

Answer: Linking the orders enables the MP to use a trading strategy that conditions the willingness to trade order B only in case order A is successfully traded (accepted).

Example:

Order 387402 is a linked order, linked to a superior (mother) order 387395. Order 387402 will be considered in the matching process only if order 387395 will be fully accepted. Linking is allowed only among simple block orders and linked block orders in the same direction (purchase or sell).



Question: What is the direction of linking for linked block orders? From superior (mother) to inferior (daughter) or the other way around? Do the orders on the same level condition the acceptance of the orders from the next level?

Answer: When submitting a linked order, the ID of the superior (mother) order is indicated. The necessary condition for the matching of the linked order is the acceptance (successful matching) of the superior (mother) order.

Question: Will it be possible to submit multiple flexible block orders with different price and amount or is the MP allowed to submit only one flexible order?

Answer: A market participant can enter multiple flexible hourly block orders with any amount and price. This type of order is not inter-linked and each order is traded separately.

Question: If we create two separate flexible orders, can they both be assigned to the same trading hour?

Answer: Yes, given the fact that the criterion for the matching is the maximization of the level of social welfare, the situation when 2 separate flexible orders are traded within the same trading period is possible.

Question: What is the method of evaluation of exclusive order – which one will be matched?

Answer: The criterion for matching of the individual orders included in an exclusive group is the level of social welfare that is calculated as the sum of the total yield on the side of market participant with

purchase orders, the total yield on the side of market participant with sell orders and the total yield of the cross-border profiles of the bidding area (in case of cross-border matching).

Question: Will the gate closure time and results publication time in ISOT change?

Answer: No, the changes introduced from 01.04.2021 will not cause any modification in the timing of submission and matching of orders or results publication. The changes in these timings will be brought by the next development project focused on the geographical extension of the coupled market, with a planned go-live in June 2021.

Question: Does the planned introduction of the 15 minutes market time unit concern only Intraday or also Day-ahead market?

Answer: The introduction of 15 min MTU concerns both timeframes, day-ahead as well as intraday. In the intraday market, the switch to 15 minutes products is planned to go live together with the launch of cross-border intraday trading in Slovakia. In the day-ahead timeframe this is a long-term project of the EU level and is currently in its initial preparatory phase.

Question: When will the FB-related data be accessible? I mean the actual matrices, based on which the flow will be calculated. I suppose there will be a period when the calculation will take place in parallel with the ATC system.

Answer: The parallel calculation of capacities using the FB method and the currently used ATC method is already taking place within so-called external parallel run in the scope of Core FB MC project. The data is periodically made available to the market participants, published via a "Publication tool" available on the website of JAO: https://core-parallelrun-publicationtool.jao.eu/. Further information is available in the press release published on OKTE's website:
https://test.okte.sk/en/information/news/2020-11-19-core-fb-mc-project-announces-the-start-of-publication-of-flow-based-capacity-calculation-data-and-updated-project-planning/