

**Annex I**

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**Harmonised allocation rules for long-term  
transmission rights in accordance with  
Article  
51 of Commission Regulation (EU) 2016/1719  
of 26 September 2016 establishing a  
Guideline on Forward Capacity Allocation**

*Approved with ERE Board Decision No. 197, dated 26.11.2020*

### Whereas

- (1) This document sets out the harmonised allocation rules for long-term transmission rights on EU level (hereafter referred to as “**HAR**”) in accordance with Article 51 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “**FCA Regulation**”).
- (2) The HAR take into consideration the provisions on general principles of Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “**Regulation (EC) No 714/2009**”).
- (3) The HAR take into account the general principles, goals and other methodologies set out in the FCA Regulation. The goal of the FCA Regulation is the coordination and harmonisation of forward capacity calculation and allocation in the long term capacity markets, and it sets requirements for the TSOs to co-operate on a pan-European level; on the level of capacity calculation regions (hereinafter referred to as “**CCRs**”), and across bidding zone borders.
- (4) In accordance with Article 52(2) of the FCA Regulation, the HAR should contain at least harmonised definitions and scope of applications, the description of the allocation process/procedure for long-term transmission rights, including the minimum requirements for participation, financial matters, type of products offered in explicit auctions, nomination rules, curtailment and compensation rules, rules for market participants in case they are transferring their long-term transmission rights, the use-it-or-sell-it principle, rules as regards force majeure and liability. In addition, the HAR should contain a contractual framework between the single allocation platform and the market participants.
- (5) In accordance with Article 52(3) of the FCA Regulation, these HAR also contain regional or bidding zone border specific requirements with regard (but not limited) to the description of the type of long-term transmission rights which are offered on each bidding zone border within the CCR, the type of long-term transmission rights remuneration regime to be applied on each bidding zone border within the CCR according to the allocation in the day-ahead time frame, the implementation of alternative coordinated regional fallback solutions, the regional compensation rules defining regional firmness regimes. These specific requirements are detailed in the relevant annexes to the HAR for the concerned regions or bidding zone borders, which should be approved by the concerned National Regulatory Authorities (hereafter referred to as “**NRAs**”).
- (6) This document thus contains the provisions of the HAR, applicable to the bidding zone borders in the EU, unless otherwise decided by the relevant NRAs in accordance with Article 30 of the FCA Regulation.
- (7) The HAR generally contribute to the achievement of the objectives of Article 3 of the FCA Regulation. In particular, the HAR serve the objective of promoting effective long-term crosszonal trade with long-term cross-zonal hedging opportunities for market participants as

the harmonisation of all the relevant rules will ease the creation of a level-playing field across Europe. Currently, there are multiple allocation rules across the EU which should be aligned and implemented by the single allocation platform based on HAR.

- (8) The objective of optimising the allocation of long-term cross-zonal capacity is achieved with the HAR, notably because the harmonised rules will simplify the trading activities for long-term products across European borders
- (9) Also the HAR contribute to the provision of non-discriminatory access to long-term cross-zonal capacity by harmonising the process of participating in the long-term auctions (or transferring that right). To this end, HAR detail the necessary participation agreement to be signed by all interested parties. This agreement also allows access to the auction tools of the single allocation platform.
- (10) Furthermore, the HAR ensure fair and non-discriminatory treatment of all affected parties, as it sets rules to be applied by all parties. Additionally, the HAR assure transparency for the information relating to the auctions for long-term transmission rights.
- (11) Further, the HAR provide for a regime which respects the need for a fair and orderly forward capacity allocation and orderly price formation as a harmonised set of allocation rules is envisaged with a single capacity allocation algorithm based on merit order priority in the allocation.
- (12) Regarding the objective of transparency and reliability of information on forward capacity allocation, the HAR clarify which information is to be published by the single allocation platform in a centralized manner and which should be considered as confidential.
- (13) Also the HAR contribute to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union, as they optimise allocation of long-term capacity, reflecting congestion on all EU borders in an efficient way.
- (14) In conclusion, the HAR contribute to the general objectives of the FCA Regulation to the benefit of all market participants and electricity end consumers.

## **TITLE 1**

### **General Provisions**

#### *Article 1*

#### **Subject-matter and scope**

These Allocation Rules including the related regional and/ or border specific annexes, contain the terms and conditions for the allocation of Long Term Transmission Rights on Bidding Zone borders in the European Union, it being understood that the Registered Participant will accede to these rules by the signature of the Participation Agreement. In particular, the Allocation Rules set out the rights and

obligations of Registered Participants as well as the requirements for participation in Auctions, they describe the process of Auction, including the determination of Marginal Price as a result of Auction, the conditions for transfer and return of Long Term Transmission Rights, for remuneration of holders of such returned Long Term Transmission Rights, and the processes for curtailment of Long Term Transmission Rights and invoicing/payment.

The Auctions and transfer of Long Term Transmission Rights refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Long Term Transmission Rights allocated to them than the rights in accordance with the provisions of these Allocation Rules.

The Allocation Platform will publish and keep up-to-date on its website a list of borders where Long Term Transmission Rights are allocated, together with information on the type of Long Term Transmission Rights and the applicability of a cap on compensation for curtailment according to Article 59 paragraph 2 or paragraph 3.

## *Article 2*

### **Definitions and interpretation**

1. Capitalised terms used in these Allocation Rules shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, Article 2 of Regulation (EU) 2015/1222, Article 2 of Directive 2009/72/EC, and in Regulation (EU) 2016/1719.
2. In addition, the following definitions shall apply:

**Affiliate** means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control is defined in the EU Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings;

**Allocation Platform** means either the responsible TSO(s) at the respective Bidding Zone border(s) or an entity appointed and commissioned by them or nominated in accordance to national regulations to act on their behalf and on its own name it being a single allocation platform or regional platform(s) for the attribution of Long Term Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

**Allocation Rules** means the rules for Forward Capacity Allocation applied by Allocation Platform(s);

**Auction Tool** means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Allocation Rules such as transfer or return of Long Term Transmission Rights;

**Auction Specification** means a list of specific characteristics of a particular Auction, including the nature of offered products and relevant dates;

**Bank Guarantee** means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Bid Price** means the price which a Registered Participant is willing to pay for one (1) MW and hour of Long Term Transmission Rights;

**Bid Quantity** means the amount of Long Term Transmission Rights in MW requested by a Registered Participant;

**Bidding Period** means the time period within which the Registered Participants wishing to participate in an Auction may submit their Bids;

**Business Account** means a dedicated deposit account opened at the financial institution selected by the Allocation Platform in the name of the Allocation Platform or at the discretion of the Allocation Platform opened by the Registered Participant, but with the Allocation Platform as the beneficiary of the dedicated cash deposit, which may be used for payments by the Registered Participant;

**Credit Limit** means the amount of the collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;

**EIC Code** means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

**Financial Transmission Right Option** means a right entitling its holder to receive a financial remuneration based on the day ahead allocation results between two Bidding Zones during a specified period of time in a specific direction;

**Financial Transmission Right Obligation** means a right entitling its holder to receive financial remuneration or obliging its holder to provide financial remuneration based on the day ahead allocation results between two Bidding Zones during a specified period of time in a specific direction;

**Force Majeure** means any unforeseeable or unusual event or situation beyond the reasonable control of a Party and/or the relevant TSOs, and not due to a fault of the Party and/or the relevant TSOs, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view reasonably possible for the Party and/or the relevant TSOs, which has actually happened and is objectively verifiable, and which makes it impossible for the Party and/or the relevant TSOs to fulfil, temporarily or permanently, its obligations;

**Information System Rules** means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

**Interconnector** means the interconnector as defined in Article 2 of Regulation (EC) 714/2009;

**Marginal Price** means the price determined at a particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Long Term Transmission Right;

**Participation Agreement** means the agreement, by which the Parties undertake to comply with the terms and conditions for Cross Zonal Capacity Allocation as contained in these Allocation Rules;

**Party/ Parties** means the Allocation Platform and/or a Registered Participant referred to individually as Party or collectively as Parties;

**Physical Transmission Right** means a right entitling its holder to physically transfer a certain volume of electricity in a certain period of time between two Bidding Zones in a specific direction;

**Product Period** means the time and date on which the right to use the Long Term Transmission Right commences and the time and date on which the right to use the Long Term Transmission Right ends;

**Reduction Period** means a period of time, i.e. specific calendar days and/or hours, within the Product Period in which Cross Zonal Capacities with a reduced amount of MW are offered taking into account a foreseen specific network situation (e.g. planned maintenance, long-term outages);

**Registered Participant** means a market participant which has entered into a Participation Agreement with the Allocation Platform;

**Rights Document** means a document containing the information of the maximum amount of allocated Physical Transmission Rights that can be nominated by a market participant per Bidding Zone border per day per hour and per direction or the maximum amount of Financial Transmission Rights that will be considered for financial remuneration, taking into account the volume of Long Term Transmission Rights initially acquired, the subsequent transfers and returns, and any possible curtailments which occurred before the issuance of the Rights Document.;

**Working Day** means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform;

**Working Hours** means the hours on Working Days specified within the Participation Agreement;

3. In these Allocation Rules, including its annexes, unless the context requires otherwise:

- (a) Any reference to the word Bidding Zone border may cover all interconnectors collectively or, for the purpose of the application of a cap to compensations with the meaning of Article 59(2) or 59(3) of these Allocation Rules, only one or a subset of interconnector(s) at this Bidding Zone border
- (b) the singular indicates the plural and vice versa;
- (c) references to one gender include all other genders;
- (d) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Allocation Rules;
- (e) the word “including” and its variations are to be construed without limitation;
- (f) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- (g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
- (h) a reference to time is a reference to CET/CEST time unless otherwise specified;

- (i) where the Allocation Platform is required to publish any information under these Allocation Rules, it shall do so by making the information or data available on its website and/or via the Auction Tool; and
- (j) any reference to Financial Transmission Rights shall cover both FTR-Options and FTRObligations.

*Article 3*

**Allocation Platform**

1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules and in accordance with applicable European Union legislation.
2. For the purposes of these Allocation Rules the Allocation Platform shall be the party signing the Participation Agreement with the Registered Participant.
3. For the purpose of the Participation Agreement with the Registered Participant, the Allocation Platform shall publish a consolidated version of these Allocation Rules including the annexes thereto as they enter into force in accordance with the applicable national regulatory regimes. In case of a conflict between the consolidated version by the Allocation Platform and the Allocation Rules including the annexes as entered into force in accordance with the applicable national regulatory regimes, the latter shall prevail.

*Article 4*

**Regional specificities**

1. Regional or border specificities may be introduced for one or more Bidding Zone borders. Such regional or border specificities shall enter into force in accordance with the applicable national regulatory regime and be attached as annexes to these Allocation Rules. In case these annexes need to be amended based on a decision of the relevant National Regulatory Authorities, Article 68 shall apply.
2. If there is an inconsistency between any of the provisions in the main body of these Allocation Rules and the regional or border specific annexes, the provisions in the annexes shall prevail.
3. TSOs may propose such regional or Bidding Zone border specificities in particular for, but without limitation to:
  - (a) the description of the type of Long-Term Transmission Rights which are offered on each Bidding Zone border within the capacity calculation region;
  - (b) the type of Long-Term Transmission Rights remuneration regime to be applied on each Bidding Zone border according to the allocation in the day-ahead timeframe in derogation to the rules of Chapter 7 of these Allocation Rules;
  - (c) the implementation of alternative coordinated regional fallback solutions in derogation or in addition to the rules of Chapter 8 of these Allocation rules; and
  - (d) compensation rules defining regional or border specific firmness regimes pursuant to article 55 of Regulation (EU) 2016/1719.

*Article 5*

**Effective date and application**

1. These Allocation Rules shall enter into force in accordance with the applicable national regulatory regimes and on the date announced by the Allocation Platform.
2. These Allocation Rules apply to Capacity Allocation for Long Term Transmission Rights with the delivery period to be specified by the Allocation Platform on its website upon the entry into force of these Allocation Rules, it being understood that the said delivery period shall be from 1 January in the subsequent year following the adoption of these Allocation Rules in accordance with Article 4 of the FCA Regulation.
3. Unless expressly stated otherwise by the regional or border specific annex(es) or otherwise required by the applicable governing law, these Allocation Rules shall govern all rights and obligations in connection with Long Term Transmission Rights acquired before the entry into force of these Allocation Rules but with the delivery date after 1 January of the year published on the Allocation Platform's website in accordance with paragraph 2 of this Article.



## **TITLE 2**

### **Requirements and process for participation in Auctions and Transfer**

#### *Article 6*

##### **General Provision**

1. Market participants may acquire a Long term Transmission Right only from participation in Auctions or/and via transfer.
2. The participation both in Auctions and in transfers requires that the market participant:
  - (a) concludes a valid and effective Participation Agreement in accordance with Article 7 to Article 15; and
  - (b) has access to the Auction Tool in accordance with Article 16.
3. The participation in Auctions requires that market participants, in addition to the conditions set forth in the previous paragraph, fulfil also the following conditions:
  - (a) they comply with the requirements for provision of collaterals as specified in CHAPTER 3; and
  - (b) they accept additional financial terms where needed in accordance with Article 17.
4. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Allocation Rules.

#### *Article 7*

##### **Participation Agreement conclusion**

1. At least seven (7) Working Days before the first participation in an Auction, any market participant may apply to be a party to a Participation Agreement by submitting, to the Allocation Platform, two (2) signed copies of the Participation Agreement, as published on the website of the Allocation Platform, together with all duly completed information and documents required by Article 8 to Article 16. The Allocation Platform shall assess the completeness of the information submitted in accordance with Article 9 and Article 13 within five (5) Working Days of receipt of the completed and signed Participation Agreement.
2. The Allocation Platform shall before the expiration of the five (5) Working Days deadline ask the market participant to provide any outstanding information which the market participant fails to submit with its Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within an additional five (5) Working Days review the information and inform the market participant if any further information is required.
3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Participation Agreement signed by it to the market participant without undue delay. Signature of the Participation Agreement by the Allocation Platform shall not itself indicate

compliance with any other condition set in these Allocation Rules for the participation in the Auctions. The Participation Agreement comes into force on the date of signature by the Allocation Platform.

4. The Allocation Platform shall publish a list of Registered Participants eligible to transfer longterm transmission rights.

#### *Article 8*

#### **Form and content of the Participation Agreement**

1. The form of the Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Allocation Rules unless otherwise stated in these Allocation Rules.
2. As a minimum, the Participation Agreement will require the market participant to:
  - (a) provide all necessary information in accordance with Article 9 and Article 13; and
  - (b) agree to be bound by and comply with these Allocation Rules.
3. Nothing in these Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Participation Agreement additional rules, out of the scope of these Allocation Rules, including but not limited to the participation in day-ahead or Intraday Explicit Allocation or any fall-back process for day-ahead Implicit Allocation.
4. In the event of difficulty of interpretation, contradiction or ambiguity between these Allocation Rules and the Participation Agreement, the text of the Allocation Rules shall prevail.

#### *Article 9*

#### **Submission of information**

1. The market participant shall submit the following information with its completed and signed Participation Agreement:
  - (a) name and registered address of the market participant including general email, facsimile and telephone number of the market participant for notifications in accordance with Article 74.
  - (b) if the market participant is a legal person, an extract of the registration of the market participant in the commercial register of the competent authority;
  - (c) contact details and names of persons authorised to represent the market participant and their function;
  - (d) EU VAT registration number where applicable;
  - (e) Taxes and levies to be considered for invoices and collateral calculations;

- (f) Energy Identification Code (EIC);
  - (g) bank account information for payment to the applicant to be used by the Allocation Platform for the purposes of Article 65 paragraphs 8 and 9.
  - (h) financial contact person for collaterals, invoicing and payment issues, and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74;
  - (i) commercial contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74; and
  - (j) operational contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74.
2. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Allocation Rules (including information in its Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
  3. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least seven (7) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.
  4. The Allocation Platform will confirm the registration of the change or send a refusal note of registration of the change to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be sent via email to the commercial and operational contact person specified by the Registered Participant in accordance with paragraph 1 of this Article. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
  5. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
  6. If additional information is required from a Registered Participant as a consequence of an amendment to these Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within ten (10) Working Days after the request for such submission by the Allocation Platform.

*Article 10*  
**Warranties**

1. By the signature of the Participation Agreement the market participant warrants that:

- (a) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
- (b) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
- (c) no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
- (d) it has no overdue payment obligations towards any current, previous or future Allocation Platform.

*Article 11*

**Declaration for participation in transfer only**

As part of the submission of the information in accordance with Article 7 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to participate in transfer of Long Term Transmission Rights only. In such a case, it shall not be entitled to participate in any Auction.

*Article 12*

**Dedicated Business Account**

As part of the submission of the information in accordance with Article 7 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to open a dedicated Business Account for the purposes of depositing cash collaterals and/or for the purposes of making payments on the basis described in Article 65(8).

*Article 13*

**Acceptance of the Information System Rules**

By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

*Article 14*

**Costs related to the Participation Agreement**

All applications to become a Registered Participant and any subsequent participation in Auctions and/or the notification of transfer or the return of Long Term Transmission Rights shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any cost, damages, or expense in connection with the Registered Participant participating in Auctions and/or transfer or return of Long Term Transmission Rights unless otherwise explicitly stated in these Allocation Rules.

*Article 15*

### **Refusal of application**

1. The Allocation Platform may refuse to enter into a Participation Agreement with a market participant in the following circumstances:
  - (a) when the applicant has not submitted a duly completed and signed Participation Agreement in accordance with Article 7, Article 8 and Article 9; or
  - (b) the Allocation Platform has previously terminated a Participation Agreement with the applicant as a result of a breach of the Participation Agreement by the Registered Participant in accordance with Article 72(3) and (4) and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or
  - (c) if entering into a Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or
  - (d) if any of the warranties of the Registered Participant under Article 10 are found to be not valid or false.

### *Article 16*

#### **Access to the Auction Tool**

1. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
  - (a) the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established, including any third parties authorised to act on behalf of the Registered Participant for the purposes of return and transfer of Long Term Transmission Rights in accordance with Article 39 and Article 42; and
  - (b) the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include but are not limited to the obligation to provide an electronic certificate for signing and encryption or other technology for authentication purposes.
2. The Allocation Platform shall confirm the creation of the user account or may send a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be sent via email to the operational contact person specified by the Registered Participant in accordance with Article 9.
3. The Allocation Platform shall send the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

### *Article 17*

### **Conclusion of additional financial terms**

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for long term and other processes organized by the Allocation Platform in accordance with the Participation Agreement, as long as these additional financial terms comply with these Allocation Rules.

#### *Article 18*

### **Regulatory and legal requirements**

It is the responsibility of each market participant to ensure that it complies with national and European legislation, including requirements of any relevant competent authority, and obtained all necessary authorisations in connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights.

## **TITLE 3 Collaterals**

#### *Article 19*

### **General provisions**

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions of Long Term Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 17.
2. Only the following forms of collaterals shall be accepted:
  - (a) a Bank Guarantee;
  - (b) a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero. 5. The collaterals shall be provided in Euros (€).

#### *Article 20*

### **Form of cash deposit**

1. For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:
  - (a) the money shall be deposited in a dedicated Business Account at a financial institution selected by the Allocation Platform;

- (b) the dedicated Business Account shall be opened and used in accordance with additional financial terms to be concluded between the Allocation Platform, or where relevant the financial institution and the Registered Participant;
- (c) until withdrawal as permitted by the following provisions of Article 26, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 17;
- (d) withdrawals from the dedicated Business Account pursuant to Article 24 and Article 26 may be made solely on the instruction of the Allocation Platform;
- (e) the dedicated Business Account may be used in addition for settlement as set forth in Article 65 upon request of the Allocation Platform; and
- (f) interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

*Article 21*

**Form of Bank Guarantee**

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:
  - (a) the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template;
  - (b) the Bank Guarantee shall be written in English;
  - (c) the Bank Guarantee covers all Auctions organized by the Allocation Platform subject to these Allocation Rules;
  - (d) the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, up to the maximum amount guaranteed;
  - (e) the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from the Allocation Platform.
  - (f) the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
  - (g) the bank issuing the Bank Guarantee shall be permanently established, including via a branch in a EU member state, European Economic Area or Switzerland;
  - (h) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB+ by Standard and Poor's Corporation, BBB+ by Fitch or Baa1 by Moody's Investors Service Inc. If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the

issuing bank shall provide the Allocation Platform with a parental guarantee or an equivalent document issued by the financial group. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the relevant NRAs.

- (i) the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.
2. A Bank Guarantee shall contain the following:
  - (a) a maximum amount guaranteed;
  - (b) the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
  - (c) the Allocation Platform's bank account, as specified on the website of the Allocation Platform;
  - (d) the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
  - (e) the Registered Participant's full identification, including name, address, commercial/company register;
  - (f) full identification of the providing bank; and
  - (g) the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least two (2) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and the original of the Bank Guarantee has been received by the Allocation Platform.
5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 9. The refusal note shall include reasoning for refusal.



### **Validity and renewal of the Bank Guarantee**

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum periods as follows:
  - (a) for product(s) with a duration of more than one month, until at least thirty (30) days after the end of each next calendar month within the Product Period(s);
  - (b) for product(s) with a duration of one month, until at least thirty (30) days after the end of the Product Period(s); and
  - (c) for product(s) with a duration of less than one month, until at least sixty (60) days after the end of the Product Period(s).
2. The Registered Participant shall replace or renew the collaterals in form of a Bank Guarantee to fulfil the requirements of paragraph 1 of this Article.

#### *Article 23*

### **Credit Limit**

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the collaterals in place minus any outstanding payment obligations. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 22 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.
2. Outstanding payment obligations are calculated according to Article 63 subject to additional rules in paragraph 3 to 5 of this Article and in Article 34.
3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 64.
4. Reduction Periods are taken into consideration for the calculation of the Credit Limit as set forth in Article 63.
5. Maximum payment obligations for a Registered Participant resulting from its Bid(s) registered at the closure of the Bidding Period, calculated according to Article 34, shall be considered provisionally as the outstanding payment obligations. From the publication of the provisional Auction results until the moment when the Auction Results become final the due amount notified according to Article 36 paragraph 3(b) and (c) shall be provisionally considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised based on the actual allocated Long Term Transmission Rights when the provisional Auction results are published as described in CHAPTER 4.

#### *Article 24*

### **Modifications of the collaterals**

1. A Registered Participant may request in written form an increase of the collaterals in form of a Bank Guarantee, a decrease of the collaterals in form of a Bank Guarantee and/or cash

deposit or change of the form of the collaterals at any time in accordance to paragraphs 2 and 3 of this Article.

2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Article 21 and Article 22 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.

The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 9. The refusal note shall include reasoning for refusal.

#### *Article 25*

#### **Collateral incident**

1. A collateral incident occurs in the following cases:
  - (a) the collaterals are insufficient to secure the amount due for the Long Term Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 65 considering the amount and the validity of the collaterals; or
  - (b) the collaterals are not renewed in accordance with Article 22 paragraph 2; or
  - (c) the collaterals are not restored after a payment incident in accordance with Article 26 or new collateral was provided that is not compliant with the conditions specified in Article 19(3), Article 20 and Article 21.
2. The Allocation Platform shall notify the collaterals incident to the Registered Participant by email. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the collaterals provided by the Registered Participant remains insufficient after this period, the Allocation Platform may suspend or terminate the Participation Agreement in accordance with Article 71 and Article 72.

#### *Article 26*

#### **Calls on collaterals**

1. The Allocation Platform is entitled to call upon collaterals of a Registered Participant in the event of a registered payment incident in accordance with Article 67.

2. The Registered Participant shall restore its collaterals after a payment incident or collaterals incident by following the conditions as set forth in Article 19(3), Article 20 and Article 21 unless the Participation Agreement is suspended or terminated in accordance with Article 71 and Article 72.

## **TITLE 4 Auctions**

### *Article 27*

#### **General provisions for Auctions**

1. The Allocation Platform shall allocate Long Term Transmission Rights to Registered Participants by way of Explicit Allocation. Prior to the Auction the Allocation Platform shall publish Auction Specifications on its website.
2. The Auctions shall be organised via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids including against the respective Credit Limits of the Registered Participants.. The results of the Auction will be notified to Registered Participants via the Auction Tool.
4. The Allocation Platform shall provide information on forthcoming Auctions by publishing on its website a provisional Auction calendar with the dates of Auctions reasonably in advance before the Auctions take place. For standard Forward Capacity Allocation timeframes specified in Article 28(1) a provisional Auction calendar for each calendar year shall be published no later than 1 December of the year preceding including provisional information on the form of the product, Product Period and Bidding Period.

### *Article 28*

#### **Capacity Allocation timeframe and form of product**

1. The standard Forward Capacity Allocation timeframes, subject to product availability, are defined as follows:
  - (a) yearly timeframe: it starts on the first day and ends on the last day of a calendar year; and
  - (b) monthly timeframe: it starts on the first day and ends on the last day of a calendar month.
2. For the standard timeframes listed in paragraph 1 and subject to Cross Zonal Capacity availability, the Allocation Platform shall organise by default at least one Auction per year for the yearly timeframe and one Auction per month for the monthly timeframe. For the avoidance of doubt, this shall not exclude the possibility to perform a joint Auction of Cross Zonal Capacity of several Bidding Zones' borders and directions or to allocate Cross Zonal

Capacity on individual or different subsets of interconnector(s) of a Bidding Zone border separately.

3. The standard form of the Auction product shall be a base product by which a fixed amount of MW throughout the Product Period is allocated subject to announced Reduction Periods.
4. Additional timeframes and/or an additional form of products other than the standard products and timeframes described in paragraph 1, 2 and 3 of this Article may be offered, as specified in the regional design of LTRs in accordance with Article 31(4) of the FCA Regulation.

#### *Article 29*

#### **Auction Specification**

1. The Allocation Platform shall publish a provisional version of the Auction Specification and a final version of the Auction Specification as set forth in paragraphs 2 to 3 of this Article.
2. For yearly Auctions the Allocation Platform shall publish the provisional and the final Auction Specification no later than one (1) week and for any other shorter Capacity Allocation timeframe no later than two (2) Working Days before the end of the Bidding Period of an Auction. The provisional Auction Specification shall state in particular:
  - (a) the code identifying the Auction in the Auction Tool;
  - (b) type of Long Term Transmission Rights;
  - (c) Capacity Allocation timeframe (e.g. yearly, monthly or other, as described in Article 28);
  - (d) form of product (e.g. base, peak, off-peak as described in Article 28);
  - (e) identification of the Bidding Zone border(s) or a subset of the Interconnectors on the Bidding Zone border and direction covered;
  - (f) deadline for return of the Long Term Transmission Rights allocated in previous Auctions for the respective Bidding Zone border(s).
  - (g) the Product Period;
  - (h) Reduction Period(s) associated with the Product Period when applicable;
  - (i) the Bidding Period;
  - (j) the deadline for the publication of the provisional Auction results;
  - (k) the contestation period in accordance with Article 37;
  - (l) the provisional Offered Capacity which shall not include Cross Zonal Capacity released via return of Long Term Transmission Rights and Cross Zonal Capacity released in accordance with Article 71 and Article 72.

- (m) any other relevant information or terms applicable to the product or the Auction.
3. Not earlier than four (4) hours after publication of the provisional Auction Specification, the Allocation Platform shall publish the final Auction Specification for that Auction stating the final Offered Capacity and any other update of relevant information or terms applicable to the product or the Auction
  4. The final Offered Capacity shall consist of:
    - (a) the provisional Offered Capacity;
    - (b) the available Cross Zonal Capacity already allocated to Registered Participants for which a valid request for return of Long Term Transmission Rights has been submitted for this Auction in accordance with Article 38 and Article 39; and
    - (c) the available Cross Zonal Capacity already allocated to Registered Participants which will be reallocated as a result of suspension or termination in accordance with Article 71 and Article 72.
  5. The Allocation Platform shall publish the format of the bids to be used.

*Article 30*

**Reduction Periods of Offered Capacity**

1. The Allocation Platform may announce one or more Reduction Periods in the Auction Specification. In this case, the Auction Specification shall include for each Reduction Period information on the duration of the Reduction Period and the amount of Offered Capacities.
2. For the avoidance of doubt, Reduction Periods do not apply to already allocated Long Term Transmission Rights and shall not be considered for any purpose including compensation as a curtailment according to CHAPTER 9.

*Article 31*

**Bids submission**

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
  - (a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
  - (b) it shall identify the Auction via an identification code as specified in Article 29 paragraph 2 (a);
  - (c) it shall identify the Registered Participant submitting the Bid through its EIC code;
  - (d) it shall identify the Bidding Zones border and the direction for which the Bid is submitted;
  - (e) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant unless otherwise provided for in the Information System Rules, exclusive of

taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;

- (f) it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or set of Bids shall be taken into account for the Auction results determination.
  3. If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Registered Participant exceeds the Offered Capacity announced in the final Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.
  4. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the relevant Offered Capacity announced after the Bids submission, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
    - (a) chronological submission (time stamp); and/or
    - (b) Bid identification assigned by the Auction Tool; and/or
    - (c) rejection of all relevant Bids with the same Bid Price.
  5. The above mentioned process shall apply to all forms of an Auction product and all Forward Capacity Allocation timeframes.

#### *Article 32*

#### **Bid registration**

1. The Allocation Platform shall not register a Bid that:
  - (a) does not comply with the requirements of Article 31; or
  - (b) is submitted by a Registered Participant who is suspended in accordance with Article 71.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Article 31, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If the Allocation Platform

does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.

3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid and the reason for this rejection, without undue delay after the Bid is rejected.
4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to buy Long Term Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Allocation Rules and the relevant Auction Specification.

#### *Article 33*

#### **Default Bid**

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as a delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - (a) chronological submission (time stamp); and/or
  - (b) Bid identification assigned by the Auction Tool; and/or
  - (c) rejection of all relevant Bids with the same Bid Price.
4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the applicable Auction Bidding Period opening.
5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

#### *Article 34*

### Credit Limit verification

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations (MPO) connected with that Registered Participant's registered Bid(s) calculated according to paragraphs 4 and 5 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.
  
2. At closure of the Bidding Period the Allocation Platform shall check again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 5 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. The Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - (a) chronological submission (time stamp); and/or
  - (b) Bid identification assigned by the Auction Tool; and/or
  - (c) rejection of all relevant Bids with the same Bid Price.
  
3. The Allocation Platform shall indicate insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.
  
4. The Allocation Platform shall continuously assess all the Bids irrespectively to which Auction and with regard to which Bidding Zone border and direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 23
  
5. For the calculation of the maximum payment obligations related to one Bidding Zone border and direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligations according to the following equation:

$$1) * Bid\ Quantity\ (1); \quad 2 * \quad ; \dots$$

$$\dots; \quad 1 * \quad ; \quad *$$



6. When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take the following into account:
  - (a) if applicable, for each individual hour of the Reduction Period the maximum quantity of Long Term Transmission Rights which can be allocated to the Registered Participant during the Reduction Period;
  - (b) increase of the maximum payment obligations with applicable taxes and levies in force subject to Article 64; and
  - (c) in respect of Long Term Transmission Rights with a Product Period of one (1) or more months, one (1) or two (2) monthly instalments respectively should be secured in compliance with due amount calculation according to Article 63(5).

*Article 35*

**Auction Results Determination**

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 34, the Allocation Platform shall determine the Auction results and allocate the Long Term Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following:
  - (a) determination of the total quantity of the allocated Long Term Transmission Rights per Bidding Zone border and direction;
  - (b) identification of winning Bids to be fully or partially satisfied; and
  - (c) determination of the Marginal Price per Bidding Zone border and direction.
3. The Allocation Platform shall determine the Auction results using an optimisation function aiming at maximisation of the sum of the Registered Participants' surplus and the Congestion Income generated by the winning Bids while respecting the constraints of the optimisation function in form of relevant Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimisation function of the algorithm on its website.
4. The Allocation Platform shall determine the Marginal Price at each Bidding Zone border and direction based on the following criteria:
  - (a) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the relevant Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
  - (b) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the relevant Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.

5. If two (2) or more Registered Participants have submitted for one Bidding Zone border and direction valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Long Term Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Long Term Transmission Rights per Registered Participant as follows:
  - (a) the Cross Zonal Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Registered Participants which submitted these Bids;
  - (b) in case the quantity of Long Term Transmission Rights requested by a Registered Participant at Marginal Price is lower than or equal to the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;
  - (c) in case the requested quantity of Long Term Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;
  - (d) any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.
6. Where a Reduction Period is indicated in the Auction Specification for an Auction, the Allocation Platform shall determine the Auction Results in accordance with the provisions of paragraphs 3 to 5 of this Article, modified as follows:
  - (a) winning Bids and Marginal Prices for respective Bidding Zone border and direction are determined according to paragraphs 3 to 5 of this Article;
  - (b) for each Reduction Period the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants shall be calculated on a pro-rata basis taking into account the quantity of Long Term Transmission Rights corresponding to the respective winning Bids of each Registered Participant and the respective reduced Offered Capacities. The Allocation Platform shall publish on its website clarifications and examples concerning the calculation of the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants in the Reduction Period.
7. Whenever the calculation set forth in paragraphs 3 to 6 of this Article does not result in a whole MW amount in accordance with Article 31 paragraph 1(f), the Long Term Transmission Rights shall be rounded down to the nearest full MW. The case when Long Term Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.
8. The Long Term Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the Results and the contestation period is closed in accordance with Article 37. In the event that the Auction was not successfully performed, the fallback procedures as set forth in CHAPTER 8 shall apply.

*Article 36*

**Notification of provisional Auction results**

1. The Allocation Platform shall publish on its website the provisional Auction results as soon as possible but not later than specified in the final Auction Specification.
2. The publication of the provisional Auction results for each Bidding Zone border included in the Auction shall comprise at least the following data:
  - (a) total requested Long Term Transmission Rights in MW;
  - (b) total allocated Long Term Transmission Rights in MW;
  - (c) Marginal Price in Euros/MW per hour;
  - (d) number of Registered Participants participating in the Auction;
  - (e) list of names and number of Registered Participants who placed at least one winning Bid in the Auction;
  - (f) list of registered Bids without identification of the Registered Participants (bid curve);  
and
  - (g) Congestion Income per Bidding Zone.
3. No later than 30 minutes after the publication of the provisional Auction results the Allocation Platform shall make available via the Auction Tool to each Registered Participant who submitted a Bid to a specific Auction for each Bidding Zone border included in the Auction at least the following data:
  - (a) allocated Long Term Transmission Rights for each hour of the Product Period in MW;
  - (b) Marginal Price in Euros/MW per hour; and
  - (c) due amount for allocated Long Term Transmission Rights in Euro, rounded to two decimal places; and
  - (d) due amount for one monthly instalment for allocated Long Term Transmission Rights in Euro, rounded to two decimal places, in the event that the Product Period is longer than one month.
4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the provisional Auction Results in accordance with CHAPTER 8.

*Article 37*

**Contestation of Auction Results**

1. Registered Participants shall check the Auction results and, where reasonably appropriate, may contest Auction results within the contestation period set out in paragraph 2 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the Auction results.

2. The Registered Participant may contest the Auction results within the deadline set out in the relevant Auction Specification but no later than two (2) Working Days after the provisional Auction results have been notified to the Registered Participant.
3. The contestation shall be notified to the Allocation Platform and headed as “contestation”.
4. Any contestation shall contain the following:
  - (a) Date of contestation;
  - (b) identification of contested Auction;
  - (c) identification of the Registered Participant;
  - (d) name, e-mail address and telephone number of the Registered Participant;
  - (e) detailed description of the facts and the reason for contestation; and
  - (f) evidence of erroneous Auction results;
5. The Allocation Platform shall notify its decision on the contestation to the Registered Participant no later than four (4) Working Days after the provisional Auction results have been notified to the Registered Participant.
6. At the end of the fourth (4th) Working Day after the publication of the provisional Auction Results and unless an Auction is cancelled, the provisional Auction results shall be considered as final and binding with no further notification.

## **TITLE 5 Return of Long Term Transmission Rights**

### *Article 38*

#### **General Provision**

1. Long Term Transmission Right holder(s) may return some or all of their Long Term Transmission Rights to the Allocation Platform for reallocation at any subsequent long term Auction once the final Auction results are published.
2. Returned Long Term Transmission Rights shall be a constant band of whole MW(s) over the specific timeframe of the subsequent Auction. The Auction at which the Long Term Transmission Rights were allocated and the subsequent Auction to which the Long Term Transmission Rights are to be returned shall be for the same form of products.
3. The minimum volume for a returned Long Term Transmission Right shall be one (1) MW over the specific timeframe of the subsequent Auction.
4. The Allocation Platform shall make the volumes of returned Long Term Transmission Rights available at the subsequent long term Auction, increasing the Offered Capacity announced in the provisional Auction Specification accordingly and equally for each hour of the Product Period. The same applies for where the Offered Capacity announced in the provisional Auction Specification for the subsequent long term Auction contains a Reduction Period.
5. If the returned Long Term Transmission Rights are rounded down in accordance with the process described in Article 35(7), the Allocation Platform shall remunerate the Market Participant for the full amount of the returned Long Term Transmission Rights in accordance with Article 40.

### *Article 39*

#### **Process of the return**

1. Long Term Transmission Right holder(s) wishing to return their Long Term Transmission Rights shall send a notification, directly or indirectly through an authorised third party, via the Auction Tool to the Allocation Platform in line with the corresponding Information System Rules no later than the deadline specified in the provisional Auction Specification for the subsequent Auction to which the Long Term Transmission Right is to be returned.
2. A valid notification of the return pursuant to paragraph 1 of this Article shall contain the following information:
  - (a) EIC code of the Long Term Transmission Right holder;
  - (b) identity of the subsequent Auction to which the Long Term Transmission Right is returned; and
  - (c) the volume of the Long Term Transmission Rights for return.
3. In order to be able to return Long Term Transmission Rights the Registered Participant shall:

- (a) have a valid and effective Participation Agreement with the Allocation Platform;
  - (b) hold the relevant Long Term Transmission Rights at the time of the notification of the return;
  - (c) send the notification before the deadline pursuant to paragraph 1 of this Article; and
  - (d) fulfil or secure its financial obligations pursuant to these Allocation Rules .
4. If the requirements set forth in paragraph 3 of this Article are fulfilled, the Allocation Platform shall send without undue delay a notification to the Registered Participant via the Auction Tool containing:
  - (a) a message confirming the acceptance of the return subject to paragraph 7 of this Article; or
  - (b) a message rejecting the return including the reasons for rejection subject to paragraph 7.
5. If the return is accepted, the Allocation Platform shall decrease the total volume of the Long Term Transmission Rights held by the respective Long Term Transmission Right holder by the amount returned.
6. Long Term Transmission Right holder(s) wishing to modify their return as notified in accordance with paragraphs 1 and 2 of this Article, shall send a notification via the Auction Tool with the adjusted volume of the Long Term Transmission Rights to be returned before the deadline for return of Long Term Transmission Rights pursuant to paragraph 1 expires. Where the volume of the Long Term Transmission Rights to be returned is adjusted to zero (0) MW, the related return shall be deemed as cancelled.
7. If the Allocation Platform is unable to register a return as set forth in this Chapter, the Allocation Platform may apply a fallback procedure for data exchange pursuant to Article 53. If no fallback procedure for return is technically possible, no financial compensation may be claimed by the Registered Participants.

#### *Article 40*

#### **Remuneration of Long Term Transmission Right holders**

1. Registered Participants who returned Long Term Transmission Right are entitled to receive a remuneration equal to the value of the returned Long Term Transmission Rights set during the relevant subsequent Auction(s) calculated for each hour as follows:
  - (a) the Marginal Price of the Auction at which the returned Long Term Transmission Right was reallocated in Euros/MW per hour multiplied by
  - (b) the amount of MW which was reallocated.
2. On return the Registered Participant ceases to be holder of Long Term Transmission Right for the returned amount of Long Term Transmission Right. This means that all rights and obligations of the Registered Participant connected to the returned amount of Long Term

Transmission Right will cease except those connected to its payments obligations pursuant to CHAPTER 10 and the remuneration set forth in this CHAPTER 5. All rights and obligations of the Registered Participant related to the not returned proportion of Long Term Transmission Right will remain unaffected.

## **TITLE 6 Transfer of Long Term Transmission Rights**

### *Article 41*

#### **General provisions**

1. Long Term Transmission Right holder(s) may transfer some or all of their Long Term Transmission Rights to another Registered Participant once the Auction results in respect of those rights are final. Regardless of how the transfer was concluded, it shall be notified to the Allocation Platform following the process pursuant to Article 42 and via the Auction Tool according to a format specified on the Allocation Platform's website.
2. The minimum volume of Long Term Transmission Rights that may be transferred shall be one (1) MW over one (1) hour.

### *Article 42*

#### **Process of the transfer**

1. The transferor shall send a notification, directly or indirectly through an authorised third party, of the transfer to the Allocation Platform via the Auction Tool with the following information:
  - (a) the EIC codes of the transferor and transferee;
  - (b) the time period of the transfer including the start and end dates and hours; and
  - (c) the volume (MW) of the transferred Long Term Transmission Right in whole MW(s) defined per hour.
2. The notification of the transfer shall be delivered to the Allocation Platform no later than at 12:00 p.m. on the second (2<sup>nd</sup>) day preceding the day of delivery.
3. In order to be able to transfer the Long Term Transmission Rights the following requirements shall be fulfilled:
  - (a) the transferor and transferee have a valid and effective Participation Agreement with the Allocation Platform at least for transfer of Long Term Transmission Rights; the transferor holds the concerned Long Term Transmission Rights at the time of the notification of the transfer;
  - (b) the transferor has fulfilled or secured its financial obligations pursuant to this Allocation Rules regardless whether the transferor transfers all or only part of its Long Term Transmission Rights and even in the case of multiple transfers among several Registered Participants; and

- (c) the transferor has delivered the notification of the transfer before the deadline pursuant to paragraph 2 of this Article.
4. The Allocation Platform shall issue without undue delay an acknowledgement of receipt of the notification to the transferor. Where the notification fulfils the requirements pursuant to paragraph 3 of this Article the Allocation Platform shall inform the transferee about the notification of the transfer.
  5. In the event that the acknowledgement is not sent by the Allocation Platform, the concerned notification shall be deemed not to have been submitted.
  6. The notification of transfer shall be confirmed by the transferee within four (4) hours upon receiving the transfer information from the Allocation Platform and no later than at 12:00 p.m. the second (2<sup>nd</sup>) day preceding the day of delivery
  7. In the event that the transferee does not confirm the transfer by the deadline pursuant to paragraph 6, the Allocation Platform shall automatically cancel the process of the transfer notification.
  8. The Allocation Platform shall then issue without undue delay to the transferor and the transferee a second acknowledgement via the Auction Tool stating either:
    - (a) that the transfer notification has been accepted and is effective; or
    - (b) that the transfer notification has been rejected including the reason(s).
  9. If for any technical reason the acknowledgement is not sent by the Allocation Platform, the concerned transfer is deemed not to have been submitted.
  10. The Transferor shall not be entitled to withdraw the transfer notification once the transferee has accepted it. The transferee may initiate another transfer to transfer the Long Term Transmission Rights further.
  11. In the event of Auction Tool failure, a fallback procedure pursuant to CHAPTER 8 shall apply. If the process of the transfer notification cannot be completed in accordance with this Article due to an IT system and/or fallback procedure failure, Registered Participants shall not be entitled to claim any financial compensation from the Allocation Platform.

#### *Article 43*

#### **Legal consequences of the transfer**

All rights and obligations resulting from these Allocation Rules, with exception of the payment obligation of the original Long Term Transmission Right holder regarding the allocation of Long Term Transmission Right pursuant to Article 62(1), shall be transferred together with the Long Term Transmission Right.

#### *Article 44*

#### **Notice board**

1. The notice board shall facilitate only the exchange of information between the Registered Participants regarding their interest in buying and/or selling Long Term Transmission Rights.



No agreements may be concluded via this notice board. Use of the notice board is free of charge.

2. Any notices published via the notice board by the Registered Participants shall not be considered as an evidence for a valid and effective contract for the transfer of Long Term Transmission Rights.
3. The Allocation Platform shall not be held liable for the accuracy and completeness of the information published by a Registered Participant on the notice board.
4. The Allocation Platform may delete from the notice board any information it considers not relevant for the purpose of the notice board. In case of such a deletion, the Allocation Platform shall provide the reasons for the deletion to the respective Registered Participant.

## **TITLE 7 Use and remuneration of Long Term Transmission Rights**

### *Article 45*

#### **General principles**

1. Physical Transmission Rights shall be subject to the Use it or Sell It principle.
2. The holder of allocated Physical Transmission Rights may nominate the Physical Transmission Rights for its physical use in accordance with Article 46. The holder of allocated Financial Transmission Rights shall not be entitled to nominate them for physical delivery.
3. In case the Registered Participant does not nominate its Physical Transmission Rights, the Allocation Platform shall make the underlying Cross Zonal Capacity of the non-nominated Physical Transmission Rights available for the relevant daily allocation. The Physical Transmission Right holders who do not nominate their Physical Transmission Rights for physical use of their rights or has not reserved its Physical Transmission Rights for the balancing services shall be entitled to receive remuneration in accordance with Article 48.
4. Holders of Financial Transmission Rights shall be subject to the remuneration rules in accordance with Article 48.
5. In case the Long Term Transmission Rights holder reserves its Physical Transmission Rights for the balancing services, such Cross Zonal Capacity shall be excluded from the application of the remuneration processes as detailed in Chapter 7. The process of notification of such reservation shall be subject to the relevant rules entered into force in accordance with the applicable national regulatory regime and published by the responsible Allocation Platform.

### *Article 46*

#### **Nomination of Physical Transmission Rights**

1. Persons eligible to nominate Physical Transmission Rights shall fulfil the requirement described in applicable Nomination Rules. Eligible persons may be the following:
  - (a) the Physical Transmission Rights' holder; or
  - (b) the person notified by the Physical Transmission Rights' holder during the Nomination process to the respective TSOs in line with the relevant Nomination Rules; or
  - (c) the person authorised by the Physical Transmission Rights' holder to nominate in line with the relevant Nomination Rules and notified to the Allocation Platform.
2. The Allocation Platform shall provide on its website an overview of the options listed in paragraph 1 of this Article which are applicable on each Bidding Zone border.
3. For the process of the notification of the eligible persons to the Allocation Platform in accordance with paragraph 1(c) of this Article the following criteria should be met:
  - (a) the eligible person shall have an EIC Code in order to allow its identification in the Rights Document; and

- (b) the Physical Transmission Rights' holder shall notify the eligible person to the Allocation Platform via the Auction Tool in accordance with the Information System Rules and at the latest one (1) hour before the sending of the Rights Document for a specific day.
4. The Allocation Platform shall not take into account notifications of eligible persons which do not meet the criteria in accordance with paragraph 3 of this Article when sending the Rights Document in respect of a day of delivery of electricity.
  5. The Nomination shall be done in compliance with the Rights Document.
  6. The Allocation Platform shall publish a list with the relevant Nomination Rules for the Bidding Zone borders on its website.
  7. The long term nomination deadlines for respective Bidding Zone borders are set forth in the relevant Nomination Rules. The Allocation Platform shall publish information on its website on the long term nomination deadlines per Bidding Zone border. In case of any discrepancy between the deadlines published by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and the Allocation Platform shall not be held liable for any damages due to such a discrepancy.

*Article 47*

**Rights Document**

1. The Rights Document shall contain the information about the volume in MW that eligible persons are entitled to nominate at specific Bidding Zone borders or subsets of interconnectors of Bidding Zone borders and directions and for hourly periods in case of Physical Transmission Rights. In case of Financial Transmission Rights Options the Rights Document shall contain the information about the volume in MW at specific Bidding Zone borders or subsets of interconnectors of Bidding Zone borders and directions and for hourly periods for which the holder is entitled to financial remuneration in accordance with Article 48. In case of Financial Transmission Rights Obligations, the Rights Document shall contain the information about the volume in MW at specific Bidding Zone borders and directions and for hourly periods for which the holder is entitled to receive or obliged to pay a financial remuneration in accordance with Article 48.
2. The Allocation Platform shall send the Rights Document daily and no later than at 1:00 p.m. on the second (2nd) day preceding the delivery day via the Auction Tool to the eligible person according to Article 46(1) a) and/or c).

*Article 48*

**Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights**

1. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for the Long Term Transmission Rights which are reallocated at the relevant daily allocation. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for each MW which was non-nominated for the relevant hourly period in the case of Physical Transmission Rights and for all allocated MW per relevant hourly period in the case of Financial Transmission Rights. The remuneration shall be calculated in the case of Physical Transmission Rights as the

difference between the volumes stated in the Rights Document and the final volumes nominated and accepted by the relevant TSO, in the case of Financial Transmission Rights as

the volumes stated in the Rights Document, multiplied by a price, depending on the type of the day-ahead allocation, as follows:

- (a) in case of day-ahead Implicit Allocation, including in case of fallback allocation for Implicit Allocation, the price shall be the Market Spread at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation in which that Cross Zonal Capacity was reallocated, and 0€/MWh, otherwise. If specified in the respective regional or border specific annexes, this price may be adjusted to reflect Allocation Constraints on interconnections between Bidding Zones as defined in Regulation (EU) 2015/1222, Article 23, paragraph 3, where these Allocation Constraints are included in the day-ahead Cross Zonal Capacity allocation process.
- (b) in case of day-ahead Explicit Allocation different from fallback allocation for Implicit Allocation for Physical Transmission Rights, the price shall be the Marginal Price of the daily Auction at which that Physical Transmission Right was reallocated, for the concerned hourly period; and
- (c) in case of fallback allocation of Implicit Allocation or Explicit Allocation where no reference price is calculated for the daily allocation timeframe the price for the Long Term Transmission Rights remuneration shall be the Marginal Price of initial Auction.

Where Financial Transmission Rights Obligations are in place, holders of such Rights shall be obliged to provide remuneration to the Allocation Platform if the price difference is negative in the direction of the Financial Transmission Rights Obligation. The remuneration shall be calculated as the volumes of Financial Transmission Rights Obligations stated in the Rights Document multiplied by a price, calculated in line with the principles of paragraph 1, considering that the price difference is negative. . .

2. The Allocation Platform shall compensate the Long Term Transmission Rights holder for the Financial Transmission Rights and non-nominated Physical Transmission Rights which are not reallocated at the relevant daily allocation in accordance with CHAPTER 9 in case of the triggering event listed in Article 56.
3. The Allocation Platform shall compensate the Long Term Transmission Rights holder in accordance with Article 59(1) letter (a) and (b) for the Financial Transmission Rights and nonnominated Physical Transmission Rights which are not reallocated at the relevant daily allocation for other reasons than these mentioned in paragraph 2 of this Article.

## **TITLE 8 Fallback Procedures**

*Article 49*

**General provisions**

1. The Allocation Platform shall, to the extent reasonably practicable, organize a fallback procedure in the following cases of failure of a standard process:
  - (a) if it is technically not possible to hold an Auction following the process set forth in CHAPTER 4;
  - (b) if it is technically not possible to register a return of Long Term Transmission Rights following the process as set forth in CHAPTER 5;
  - (c) if it is technically not possible to register a notification of transfer of Long Term Transmission Rights following the process as set forth in CHAPTER 6; and
  - (d) if it is technically not possible to register a notification of an eligible person in following the process as set forth in CHAPTER 7.
2. The Allocation Platform may use one or all of the following fallback procedures:
  - (a) introduction of a fallback procedure for data exchange according to Article 50;
  - (b) postponement of the Auction to a later date/time;
  - (c) another ad hoc fallback procedure if considered appropriate by the Allocation Platform to overcome any technical obstacles.
3. The Allocation Platform shall, to the extent practicable and without undue delay, inform Registered Participants of possible deviations from the standard processes and the application of a fallback procedure via email and the Allocation Platform's website and using the Auction Tool.
4. Registered Participants shall immediately inform the Allocation Platform of any observed problems with the use of the Auction Tool and all potential consequences via e-mail. In case of an urgent problem, which shall be solved immediately and which is identified during Working Hours, the Registered Participant shall immediately contact the Allocation Platform by phone at the telephone number indicated on the website of the Allocation Platform for this type of problems.

*Article 50*

**Fallback procedure for data exchange**

1. In case of a failure at the site of the Allocation Platform of the standard processes for data exchange via the Auction Tool as described in these Allocation Rules, the Allocation Platform may inform Registered Participants that a fallback procedure for data exchange may be used as follows:
  - (a) by the applicable deadlines unless otherwise announced by the Allocation Platform the Registered Participant shall request via email the Allocation Platform to enter the relevant data into the Auction Tool by using this fallback procedure for data exchange;

- (b) with the request the Registered Participant shall provide to the Allocation Platform in the format specified in the Information System Rules the relevant data to be entered in the Auction Tool;
  - (c) the Allocation Platform shall enter the submitted data into the Auction Tool;
  - (d) the Allocation Platform may set in Information System Rules an identification process for the Registered Participant at the moment when the Registered Participant submits the relevant operational or commercial data and requests the Allocation Platform to enter this data into the Auction Tool on its behalf by means of the fallback procedure. If the Registered Participant or the person authorized by the Registered Participant for this purpose does not clearly identify itself, the Allocation Platform shall be entitled not to perform the data entry;
  - (e) the Registered Participant shall provide the Allocation Platform with a telephone number, which can be used in case of a necessary communication;
  - (f) once the Allocation Platform has entered the provided data into the Auction Tool on behalf of the Registered Participant, the Allocation Platform shall inform, without undue delay, the Registered Participant by telephone and/or via e-mail of the entry; and
  - (g) the Allocation Platform shall under no circumstances be held responsible if it fails to reach the Registered Participant through the means of communication above.
2. In case of application of the fallback procedure for data exchange, all necessary information which is made available via the Auction Tool during the standard processes may be distributed to the Registered Participants via email by the Allocation Platform or where appropriate published on the website of the Allocation Platform.

*Article 51*

**Fallback procedures for Auction**

1. The postponement of the Auction shall be the default fallback procedure for Auctions before the Bidding Period has opened. The Allocation Platform may postpone an Auction by notifying Registered Participants of the revised date and/or time of the new Auction.
2. After the Bidding Period has opened, the Allocation Platform shall:
  - (a) where reasonably practicable postpone the end of the Bidding Period by notifying Registered Participants about the revised deadlines in the Auction Specification; or
  - (b) cancel the initial Auction according to Article 52 and organise a new Auction for the same Product Period.
3. If the fallback procedure described in paragraph 1 and 2 of this Article cannot be implemented for the same Product Period, the respective Cross Zonal Capacities shall be offered in subsequent Capacity Allocation process.

4. The Allocation Platform shall inform all Registered Participants, without undue delay, of the postponement by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by e-mail.

#### *Article 52*

##### **Auction cancellation**

1. In case the Allocation Platform cancels an Auction, all Bids already submitted, all returns already accepted and any results of the respective Auction shall be deemed null and void.
2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on webpage of Allocation Platform and by e-mail.
3. An Auction cancellation may be announced in the following cases:
  - (a) before the end of the contestation period in case the Allocation Platform faces technical obstacles during the Auction process like a failure of standard processes and fallback procedures in the event of erroneous results due to incorrect Marginal Price calculation or in the event of incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons; and
  - (b) after the end of the contestation period, in the event of erroneous results due to incorrect Marginal Price calculation or incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons.
4. In case of Auction cancellation before the contestation period elapses, no compensation shall be paid to the Registered Participants.
5. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.

#### *Article 53*

##### **Fallback procedure for return of Long Term Transmission Rights**

1. In case of failure in the standard process for the registration of the return of Long Term Transmission Rights via the Auction Tool as set forth in CHAPTER 5, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights return.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the return of Long Term Transmission Rights, all requests for Long Term Transmission Rights return already submitted that cannot be registered in the Auction Tool shall be automatically cancelled.

#### *Article 54*

### **Fallback procedure for transfer of Long Term Transmission Rights**

1. In case of failure in the standard process for the registration of the transfer of Long Term Transmission Rights organised via the Auction Tool as set forth in CHAPTER 6 the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights transfer.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the transfer of Long Term Transmission Rights, all requests for Long Term Transmission Rights transfer already submitted and not confirmed by transferee shall be automatically cancelled.

#### *Article 55*

### **Fallback procedure for eligible person notification**

1. In case of failure in the standard process of eligible person notification to the Allocation Platform via the Auction Tool as set forth in CHAPTER 6, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for eligible person notification.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the eligible person, the eligible person shall be deemed notified as set forth in Information System Rules.

## **TITLE 9 Curtailment**

#### *Article 56*

### **Triggering events and consequences of curtailment on Long Term Transmission Rights**

1. Long Term Transmission Rights irrespectively of the Product Period may be curtailed in the event of Force Majeure, or to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline
2. Curtailment may be applied on allocated Long Term Transmission Rights including, where the case may be, on nominated Physical Transmission Rights.
3. Long Term Transmission Rights may be curtailed after the Day Ahead Firmness Deadline in the case of Force Majeure or emergency situation in accordance with Article 72 of Commission Regulation (EU) 2015/1222. For the avoidance of doubt, Long Term Transmission Rights when curtailed after the Day Ahead Firmness Deadlines shall be curtailed in the same way as dayahead and intraday capacity and compensated in accordance with the applicable legislation.



4. In the case of Physical Transmission Rights, each Registered Participant affected by curtailment shall lose its right to transfer, return or nominate for physical use the concerned Physical Transmission Rights or to receive remuneration based on the Use-It-Or-Sell-It principle. In the case of Financial Transmission Rights, each Registered Participant affected by curtailment shall lose its right to transfer or return the concerned Financial Transmission Rights or to receive remuneration in accordance to Article 48.
5. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to Article 59 to Article 60 and where applicable Article 61.

*Article 57*

**Process and notification of curtailment**

1. In all cases curtailment shall be carried out by the Allocation Platform based on a request by one or more TSO(s) at the Bidding Zone border where Long Term Transmission Rights have been allocated.
2. The Allocation Platform shall notify the affected holders of Long Term Transmission Rights as soon as possible of a curtailment of Long Term Transmission Rights including the triggering event via email and on the webpage of the Allocation Platform. The notification shall identify the affected Long Term Transmission Rights, the affected volume in MW per hour for each concerned period, the triggering events for curtailment as described in Article 56 and the amount of Long Term Transmission Rights that remain after the curtailment.
3. The Allocation Platform shall publish the triggering events for curtailment in accordance with Article 56 including their estimated duration on its website as soon as possible.
4. The curtailment shall be applied to Long Term Transmission Rights of the concerned periods on a pro rata basis, which means in proportion to the held Long Term Transmission Rights, regardless of the time of allocation.
5. In the event of curtailments of Physical Transmission Rights after the nomination deadline, and as long as the capacity has not been reallocated in the day-ahead allocation, the curtailment shall be applied on a pro rata basis to both nominated and not nominated Physical Transmission Rights.
6. Compensation rules according to Article 59 to Article 60 and where applicable Article 61 also apply if offered day-ahead Cross Zonal Capacities are lower than the amount of nonnominated Long Term Transmission Rights in case of Physical Transmission Rights and the total amount of Long Term Transmission Rights in the case of Financial Transmission Rights.
7. For each affected Registered Participant, remaining Long Term Transmission Rights which have not been curtailed shall be rounded down to the nearest MW. The same rounding applies for the curtailment of both nominated and non-nominated Physical Transmission Rights according to paragraph 4 of this Article.
8. In cases of curtailment, any transfer of Long Term Transmission Rights to be curtailed, which is not yet accepted by the transferee, shall be automatically cancelled and the transferor shall remain the holder of the Long Term Transmission Rights. If the transfer has already been

notified to the Allocation Platform and accepted by the transferee, the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the transferee.

9. The Allocation Platform shall cancel all notifications for return of Long Term Transmission Rights that have been accepted for a subsequent long term Auction for which curtailment is necessary and for which the final Auction Specifications have not yet been published. By this cancellation, the Long Term Transmission Rights are given back to the Long Term Transmission Right holders that have requested the return. If the final Auction Specification has already been published the return shall not be cancelled and the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the holder who returned the Long Term Transmission Rights.

#### *Article 58*

##### **Day Ahead Firmness deadline**

The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Day Ahead Firmness Deadline which for the purpose of these Allocation Rules is set sixty (60) minutes before the respective Day Ahead Market Gate Closure Time, unless otherwise specified in accordance with the process described in Article 69 of the Commission Regulation (EU) 2015/1222.

#### *Article 59*

##### **Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline**

1. In cases of curtailment to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline the compensation for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by a price calculated as follows:
  - (a) the Market Spread at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the curtailed Long Term Transmission Rights, and 0€/MWh, otherwise. If specified in the relevant annexes to these Allocation rules, this price may be adjusted to reflect Allocation Constraints on interconnections between Bidding Zones as defined in Article 23, paragraph 3 of Commission Regulation (EU) 2015/1222, where these Allocation Constraints are included in the day-ahead Cross Zonal Capacity allocation process. The direction of the curtailed Long-Term Transmission Right shall be determined by the destination and the origin Bidding Zones as defined in the Auction Specifications of the concerned Long Term Transmission Right; or
  - (b) the Marginal Price of the initial Auction if the day-ahead price is not calculated at least in one of the two relevant Bidding Zones.
2. If specified in the relevant annexes to these Allocation Rules, a cap shall be applied to the compensations on specific bidding zone borders. The cap shall be determined as the total amount of Congestion Income collected by the concerned TSOs on the respective Bidding Zone

border in the relevant calendar year, deducting all remunerations paid according to Articles 40 and 48 and compensations paid according to Article 60 and where applicable Article 61.

3. In case of Direct Current interconnectors, the cap shall be determined as the total amount of Congestion Income collected by the concerned TSOs on the Bidding Zone border in the relevant month, deducting all remunerations paid according to Article 40 and Article 48 and compensations paid according to Articles 60 and where applicable Article 61 for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction on the concerned Bidding Zone Border and the revenues generated by the monthly Auction and congestion income from other timeframes which occurred during this month on the concerned Bidding Zone border.
4. If, before application of the relevant cap described in paragraph 2 of this Article, the total calculated compensations of curtailed Long Term Transmission Rights exceed the relevant cap, the compensations of curtailed Long Term Transmission Rights shall be reduced on a pro rata basis. This will be based on the proportion of uncapped compensation of allocated Long Term Transmission Rights due to each Registered Participant in the relevant period (calendar month or calendar year). The compensations due to each Registered Participant will be calculated as follows:

[[Uncapped compensations of curtailed Long Term Transmission Rights due to Registered Participant]/(Total uncapped compensations of curtailed Long Term Transmission Rights due to all Registered Participants)] x (Relevant Cap as described in paragraph 2 of this Article)

#### *Article 60*

#### **Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline**

1. In the case of Force Majeure before the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as:
  - (a) the Marginal Price of the initial Auction; or
  - (b) in case the Marginal Price of the initial Auction cannot be identified, the weighted average of Marginal Prices of all the Auctions for which the Registered Participant holds Long Term Transmission Rights where the weight is given by Long Term Transmission Rights which the Registered Participant holds before the curtailment; multiplied by
  - (c) the volume in MW per hour corresponding to the difference between the Long Term Transmission Rights held by the Registered Participant before and after the curtailment.

#### *Article 61*

**Reimbursement or compensation for curtailments due to Force Majeure or emergency situation  
after the Day Ahead Firmness Deadline**

In the event of Force Majeure or an emergency situations after the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement in accordance with Article 72 of Commission Regulation (EU) 2015/1222.

## **TITLE 10 Invoicing and Payment**

### *Article 62*

#### **General principles**

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 63 for all Long Term Transmission Rights allocated to him. This obligation shall be fulfilled irrespective of any return or transfer or curtailment of all or some of these Long Term Transmission Rights in accordance with these Allocation Rules.
2. The Registered Participant may upon payment use the Cross Zonal Capacity connected with the allocated Long Term Transmission Rights as described in these Allocation Rules only. Any right for physical use of the transmission system in case of a Physical Transmission Rights may be subject to separate agreements between the Registered Participant and the concerned TSOs.
3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by applicable law or regulations.
4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
5. Payments shall be done in Euros (€).
6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Allocation Rules subject to Article 64.
7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Participation Agreement as well as any changes in this respect without undue delay.
8. Where Financial Transmission Right Obligations are in place, the Allocation Platform shall through a clearing house calculate the amounts to be remunerated to and received from the holders of such Long Term Transmission Rights. All costs incurred by the Allocation Platform associated with the clearing of Financial Transmission Rights Obligations will be invoiced to the holders of such Long Term Transmission Rights.

### *Article 63*

#### **Calculation of due amounts**

1. Registered Participants shall pay for each of the Long Term Transmission Rights allocated to them an amount equal to:
  - (a) the Marginal Price (per MW per hour); multiplied by

- (b) the sum of Long Term Transmission Rights in MW allocated in individual hours of the Product Period incorporating any Reduction Period where relevant in accordance with Article 35.
2. The amount due plus any applicable taxes and levies, duties or other charges subject to Article 64, shall be rounded to two decimal places.
3. The Allocation Platform shall calculate the due payments in monthly instalments when the Cross Zonal Capacity product has a duration of more than a month.
4. Monthly instalments shall be equal for each month and determined by dividing the amount due as set forth in paragraph 1 of this Article by the duration of the Cross Zonal Capacity products expressed in months and rounded to two decimal places. The last instalment shall in addition include the balance due to the rounding down applied in the other monthly instalments.
5. If the first payment date of the Cross Zonal Capacity product with a duration of more than one (1) month occurs after the start of the Product Period, then the first payment shall include two (2) monthly instalments.

*Article 64*

**Tax Gross-up**

1. Each Registered Participant must make all payments to be made by it under the Allocation Rules without any tax deduction, unless a tax deduction is required by law.
2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax as provided for in the VAT directive 2006/112/EC as amended from time to time and any other tax of a similar nature.

*Article 65*

**Invoicing and payment conditions**

1. Payments shall be settled before the start of the Product Period if the Auction timeline allows so. If the Cross Zonal Capacity product has a duration of more than one (1) month, each monthly instalment shall be settled before the start of each respective month if the Auction timeline allows so. If the settlement of an amount due for allocated Long Term Transmission Rights is not possible before the start of the Product Period then the payment will be settled at the next fixed invoice date.

2. The Allocation Platform shall issue invoices for payments for all Long Term Transmission Rights on a monthly basis and no later than the tenth (10th) Working Day of each month.
3. The invoices shall be issued for the following payments:
  - (a) the amount of the monthly instalment(s) if the Long Term Transmission Right has a duration of more than a month as set forth in Article 63(4) and (5);
  - (b) the amount due set forth in Article 63(2) if the Long Term Transmission Right has a duration equal to a month or less;
  - (c) if requested by the Registered Participant amounts for advanced payment of monthly instalments that would otherwise be settled with subsequent invoices; and
  - (d) any relevant taxes and levies subject to Article 64.
4. The Allocation Platform shall send the invoice only by e-mail to the Registered Participant at the e-mail address of the financial contact person submitted in accordance with Article 9(h) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent or the date when the invoice is made available via the Auction Tool if this is done during Working Hours or the next day if sent after Working Hours.
5. In the cases of curtailment of Long Term Transmission Rights, return of Long Term Transmission Rights according to Article 40 or remuneration of Long Term Transmission Rights according to Article 48, the invoices shall take into account any payments to be credited to the Registered Participant. The payments to be credited to the Registered Participants shall:
  - (a) be settled through self billing mechanism which shall allow the Allocation Platform to issue invoices in the name and on behalf of the Registered Participant; and
  - (b) be notified through the same invoice as the one used for the payments of the Registered Participant as set forth in paragraph 3 of this Article.
6. Where compensations are due to the Registered Participant in respect of curtailment of Long Term Transmission Rights and are subject to a cap set forth in Article 59(2), such compensations shall be settled with the first invoice to be issued after the end of the relevant month and subject to a cap determined as the total amount of Congestion Income collected by the concerned TSOs on the Bidding Zone border in the relevant month, deducting all remunerations paid according to Article 40 and Article 48 and compensations paid according to Article 60 and where applicable Article 61 for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction on the concerned Bidding Zone Border and the revenues generated by the monthly Auction and Congestion Income from other timeframes which occurred during this month on the concerned Bidding Zone border.
7. An invoice shall be issued after the end of the relevant period over which caps on compensation are calculated in accordance with Article 59(2), reconciling any discrepancy between the compensations paid out on a monthly basis and the compensations required to

be paid out in accordance with Article 59(2). In the case of default of a market participant, TSO cost recovery shall be ensured by relevant NRAs in accordance with the applicable legislation.

8. The payments due shall be netted by the Allocation Platform taking into account the amount as set forth in paragraph 3 and 5 of this Article.
9. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Registered Participant to the Allocation Platform, the Registered Participant shall settle this balance within five (5) Working Days after the date of issuance of the invoice.
10. Payments by the Registered Participant as set forth in paragraph 7 of this Article shall be collected as follows:
  - (a) based on the standard procedure, the Allocation Platform shall collect the payment automatically from the dedicated Business Account of the Registered Participant on the respective due date of the invoice; or
  - (b) alternatively, the Registered Participant shall ensure payment through a nonautomated transaction to the account of the Allocation Platform specified on the invoice by indicating the invoice reference.

The alternative procedure may be used upon request of the Registered Participant and with the consent of the Allocation Platform. The Registered Participant shall notify the Allocation Platform by email the request to use the alternative procedure at least two (2) Working Days before the date of issuing of the next invoice as set forth in paragraph 2 of this Article. Once the alternative procedure is agreed, it shall be deemed to be valid until otherwise agreed between the Registered Participant and the Allocation Platform.

11. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Allocation Platform to the Registered Participant, the Allocation Platform shall pay this balance within seven (7) Working Days after the date of issuance of the invoice to the bank account as announced during the accession process in accordance with Article 9 paragraph 1(g) by the Registered Participant who is entitled to the payments at the due date.
12. Upon the collection of the payment as set forth in paragraph 8 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
13. In case of an erroneous invoice resulting in an additional payment of the Allocation Platform or the Registered Participant the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as they have been notified to Registered Participant.
14. Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank, shall be covered by the Registered Participant.
15. The Registered Participant shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an Auction, against any claims towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to



offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

*Article 66*

**Payment disputes**

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the invoice or credit note by registered mail and email. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.
2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within ten (10) Working days after the notification, the procedure for the dispute resolution in accordance with Article 70 shall apply.
3. A dispute shall in no way relieve the Party from the obligation to pay the amounts due as set forth in Article 65.
4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 70 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:
  - (a) the Allocation Platform shall refund any amount including interest to be calculated according Article 62(4) to the Registered Participant in case that the amount paid by the Registered Participant as set forth in Article 65(3) and (6) was higher or the amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account indicated by the Registered Participant for this reimbursement in accordance with Article 9 paragraph 1 (g).
  - (b) the Registered Participant shall pay any amount including interest to be calculated according to Article 62(4) to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 65(3) and (6) was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 65(8). Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 65(10).
5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1st) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

*Article 67*

**Late payment and payment incident**

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident

will be registered if the amount including applicable interest due is not received within three (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.

2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals.
3. The Allocation Platform may suspend or terminate the Participation Agreement in case of registered payment incident in accordance with Article 71 and Article 72.
4. In case of late payment or refund, the Parties shall pay interest on the amount due including taxes and levies from the first (1<sup>st</sup>) day following the date on which the payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
  - (a) a flat rate of 100 €; or
  - (b) in accordance with Article 5 of Directive 2011/7/EU, eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and round up to the nearest half percentage point.

## **TITLE 11 Miscellaneous**

### *Article 68*

#### **Duration and amendment of Allocation Rules**

1. The Allocation Rules are of indefinite duration and are subject to amendment in accordance with the Article 4, paragraph 12 of Regulation (EU) 2016/1719. The Allocation Platform shall publish the amended Allocation Rules and send an amendment notice to Registered Participants.
2. The amendment shall apply at the date and time specified in the amendment notice but not earlier than thirty (30) calendar days after the amendment notice is sent to Registered Participants by the Allocation Platform.
3. Unless expressly stated otherwise by the Allocation Platform the amended Allocation Rules shall govern all rights and obligations in connection with these Allocation Rules including those acquired before the date of amendment but with the delivery date after the amendment takes effect. In case Financial Transmission Rights are introduced at a respective Bidding Zone border replacing Physical Transmission Rights, transitional arrangements may be introduced in a regional or border specific annex with regard to the return of already acquired Physical Transmission Rights according to CHAPTER 5 and with regard to the right to nominate such Physical Transmission Rights according to CHAPTER 7 after the amendment takes place.
4. Any amendment of these Allocation Rules shall apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Participation Agreement in accordance with Article 72(1). By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Allocation Rules and after these changes and/or adaptations of the Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Allocation Rules.
5. The Allocation Rules and the border and /or regional specific annexes included thereto shall be periodically reviewed by the Allocation Platform and the relevant TSOs at least every two years involving the Registered Participants. This biennial review is without prejudice of the competence of National Regulatory Authorities to request at any time amendments of the Allocation Rules and the annexes included thereto in accordance with the existing legislation.
6. These Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in legislation or any action by competent authorities at national or European Union level which have an effect on these Allocation Rules and/or their annexes then, notwithstanding any other provision of these Allocation Rules, the Allocation Rules shall be amended accordingly and pursuant to the Article 4, paragraph 12 of Regulation (EU) 2016/1719.

### *Article 69*

### **Liability**

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Allocation Rules and the Participation Agreement.
2. Subject to any other provisions of these Allocation Rules the Allocation Platform shall only be liable for damages caused by:
  - (a) fraud, gross negligence or wilful misconduct.
  - (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which any of them may suffer or incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Allocation Rules.
4. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:
  - (a) the timely arrival of Bids and transfer and return notifications by the Registered Participant;
  - (b) technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Allocation Rules.
6. In case of remuneration in accordance with Article 48 or curtailment compensation due to Force Majeure or in order to ensure operation remains within Operational Security Limits or in Emergency Situation in accordance with Article 59 and Article 60 and Article 61 or in accordance with any regional or border specific annex Registered Participants shall not be entitled to other compensation than the compensation described in these Allocation Rules.
7. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the Registered Participant's Participation Agreement.

### *Article 70*

### **Dispute resolution**

1. Without prejudice to paragraphs 6 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:
  - (a) the existence of a Participation Agreement between the Parties;
  - (b) the reason for the dispute; and
  - (c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Participation Agreement and in accordance with the governing law of these Allocation Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.
5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitration relating to any dispute

without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.

6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Allocation Rules.
7. In cases of late payment and notwithstanding Article 67 and paragraphs 1 to 4 of this Article, a Party may bring court proceedings against the other Party for any amount due under or in connection with these Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.
8. The Parties agree that proceedings referred to in paragraph 6 or paragraph 7 may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Allocation Rules and the Registered Participant's Participation Agreement.
10. This Article survives the termination of the Registered Participant's Participation Agreement.

#### *Article 71*

#### **Suspension of the Participation Agreement**

1. The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant's rights in connection with these Allocation Rules with immediate effect if the Registered Participant commits a major breach of an obligation in connection with these Allocation Rules which may have a significant impact to the Allocation Platform as follows:
  - (a) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 67;
  - (b) if a Registered Participant fails to provide and maintain collaterals in accordance with Article 25;
  - (c) any breach which may have a significant financial impact to the Allocation Platform;
  - (d) the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Allocation Rules unless termination applies according to Article 72.
2. In any case of a minor breach in relation to these Allocation Rules such as but not limited to the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 9, the Allocation Platform may by notice to the Registered Participant

inform the Registered Participant's that its rights in connection with these Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the suspended Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights and unless the payment of the Long Term Transmission Right is fully settled or fully secured by collaterals by the suspended Registered Participant, the suspended Registered Participant shall not be entitled to use Long Term Transmission Rights according to CHAPTER 7. For the avoidance of doubt, the Long Term Transmission Rights, which the Registered Participant is prohibited from using as a result of such suspension, may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not remunerate those Long Term Transmission Rights in accordance with Article 48.

3. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
4. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to use of its allocated Long Term Transmission Rights and its ability to participate in Auctions and/or the transfer and return of Long Term Transmission Rights by written notice to the Registered Participant. As from the date of effect of the reinstatement, the Long Term Transmission Rights allocated prior to the suspension and which remain unused may be nominated in the case of Physical Transmission Rights and the Registered Participant may participate in Auctions and/or the transfer and return of Long Term Transmission Rights and is entitled to receive remuneration for Long Term Transmission Rights in accordance with Article 48.
5. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 10, including its payment obligations in relation to the Long Term Transmission Rights for which the Registered Participant loses the right of use pursuant to paragraph 2.

#### *Article 72*

#### **Termination of the Participation Agreement**

1. A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled.
2. A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Allocation Rules or the Participation Agreement in the following cases:

- (a) where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;
- (b) where there is a significant breach of the confidentiality obligations in accordance with Article 75.

The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. A holder of Long Term Transmission Rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

3. If any of the termination events in paragraph 4 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform until the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.
4. The termination events referred to in paragraph 3 shall be the following:
  - (a) if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;
  - (b) if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 10;
  - (c) if a Registered Participant repeatedly breaches these Allocation Rules or a Participation Agreement, whether or not the breach is capable of remedy;
  - (d) if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions and transfer/return of Long Term Transmission Rights; or
  - (e) if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).



5. After the termination takes effect in accordance with paragraphs 1 to 3 of this Article and from that time, the Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights it has acquired. CHAPTERS 5,6 and 7 shall not apply to such acquired Long Term Transmission Rights. For the avoidance of doubt, the Long Term Transmission Rights, which the Registered Participant is prohibited from using as a result of termination, may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not remunerate those Long Term Transmission Rights in accordance with Article 48.
6. Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and liabilities. This paragraph shall apply without prejudice to other remedies available to the Allocation Platform under these Allocation Rules.

*Article 73*

**Force Majeure**

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The Party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 75.
3. Suspension under paragraph 2 is subject to the following:
  - (a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - (b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:
  - (a) the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
  - (b) the acquired Long Term Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Allocation Rules; and

- (c) where the Long Term Transmission Rights' holder is the party claiming the Force Majeure event, the Allocation Platform may, for its own benefit, reallocate the holder's Long Term Transmission Rights to the subsequent Auctions and for the duration of the Force Majeure event.
5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice. A holder of Long Term Transmission Rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.
6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 9 regarding the curtailment of Long Term Transmission Rights.

*Article 74*

**Notices**

1. Any notice or other communication to be given under or in connection with these Allocation Rules shall be in English.
2. Unless otherwise expressly provided in these Allocation Rules, all notices or other communications shall be in writing between the Allocation Platform and each Registered Participant and shall be sent to the email address and if not possible, by facsimile number and marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 9.
3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
- (a) the conclusion of the Participation Agreement in accordance with Article 6;
  - (b) the suspension and termination according to Article 71 and Article 72; and
  - (c) the submission of the bank Guarantee in accordance with Article 21 paragraph 3 .
4. All notices or other communications shall be deemed to have been received:
- (a) in the case of delivery by hand, when delivered against receipt; or
  - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
  - (c) in the case of facsimile, on acknowledgement of receipt by the addressee's facsimile receiving equipment; or

- (d) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail.
5. If a notice or other communication has been received outside normal Working Hours on a Working Day), it is deemed to have been received at the opening of business on the next Working Day.

*Article 75*

**Confidentiality**

1. The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Allocation Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party to a third party with the other Party's prior consent expressed in writing and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Allocation Rules directly enforceable by the other Party.
4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party:
  - (a) to the extent expressly permitted or contemplated by the Allocation Rules;
  - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Allocation Rules;
  - (c) as far as required in order to comply with applicable national or EU legislation such as REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant domestic administrative acts such as grid codes;
  - (d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
  - (e) as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Allocation Rules by themselves or through agents or advisers; or
  - (f) as far as required in order to obtain clearances or consents from a competent authority.
5. Moreover, the obligations arising from this Article shall not apply:

- (a) if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
  - (b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
  - (c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - (d) to information whose publication is explicitly provided for by the present Allocation Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Participation Agreement.
  7. The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Allocation Rules.

*Article 76*

**Assignment and subcontracting**

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. Without prejudice to Article 41, a Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Allocation Rules without the prior written consent of the Allocation Platform.
3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to this Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Participation Agreement or these Allocation Rules. Entry into a subcontracting agreement by the Allocation Platform does not relieve the Allocation Platform of any obligation or liability under these Allocation Rules.

*Article 77*

**Governing law**

These Allocation Rules shall be governed by and construed in all respects in accordance with the law of the location of the registered office of the Allocation Platform unless otherwise specified in the Participation Agreement.

*Article 78*

### **Language**

The applicable language for these Allocation Rules shall be English. For the avoidance of doubt, where TSOs need to translate these Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

### *Article 79*

#### **Intellectual property**

No Party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other Party in connection with these Allocation Rules.

### *Article 80*

#### **Relationship of the Parties**

1. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Allocation Rules, nothing contained or implied in these Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever including transfer of Long Term Transmission Rights or create or be deemed to create any partnership, agency or trust between the Parties.
2. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Allocation Rules, the Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Allocation Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Allocation Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Allocation Rules or the Participation Agreement.

### *Article 81*

#### **No third party rights**

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Participation Agreement between them, including any other market participant, has no rights to enforce these Allocation Rules or the Participation Agreement as between the Allocation Platform and that Registered Participant.

### *Article 82*

#### **Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Allocation Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Allocation Rules.

2. Any waiver of any right, power or remedy under these Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

*Article 83*

**Entire agreement**

These Allocation Rules and the Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Allocation Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Allocation Rules or the Participation Agreement.

*Article 84*

**Remedies exclusive**

The rights and remedies provided by these Allocation Rules and the Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Allocation Rules and the Participation Agreement. Accordingly, the Allocation Platform and each Registered Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Allocation Rules and the Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

*Article 85*

**Severability**

If any provision of these Allocation Rules or a Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Allocation Rules and the Participation Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect.

## ***Notice***

The document does not in any case represent a firm, binding or definitive TSOs position on the content. This version is released on behalf of the involved TSOs only for the purposes of the public consultation on the Harmonised Allocation Rules. Discussion of involved TSOs and NRAs with regard to the draft annex is not completed.

If any provision of the Harmonised Allocation Rules presented below are found to be in contradiction with applicable national legislation the allocation rules for relevant border(s) shall be amended to be either in line with respective legislation or to refer to relevant national legislation.

# **Specific Annex for the Bidding Zone borders serviced by SEE CAO to the Harmonised Allocation Rules for long-term transmission rights**

# CHAPTER 1

## General Provisions

### Article 1

#### Subject-matter and scope

1. This Annex to the harmonised allocation rules for long-term transmission rights on European Union level (hereafter referred to as "HAR") is related to the Article 51 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the "FCA Regulation") that is not directly applicable to the Bidding Zone borders outside of the European Union (hereafter referred to as "EU"). The purpose of this Annex to the HAR (hereafter referred to as the "Annex") is to include the HAR (as amended by this Annex) into the operation of the Allocation Platform. Unless otherwise expressly set out in this Annex, the provisions of this Annex equally apply to the Bidding Zone borders defined in Appendix 1 of this Annex.
2. The activities of the Allocation Platform cover jurisdictions where TSOs from the European Union, TSOs from contracting parties of the Energy Community Treaty and from one or more other countries. References to TSO or Transmission System Operator therefore include references to EU TSOs, transmission system operators from contracting parties of the Energy Community Treaty as well as transmission system operators from any other country for which services are provided by the Allocation Platform, and NRA or National Regulatory Authority include references to NRAs of the European Union, or NRAs from contracting parties of the Energy Community Treaty, or regulators of other countries which have jurisdiction over the relevant TSO or the Allocation Platform.
3. In accordance with Article 4 (*Regional specificities*) of the HAR, regional or border specificities may be introduced for one or more Bidding Zone borders.
4. For Bidding Zone borders (defined in Appendix 1 to this Annex), specific rules outlined below and further elaborated in this Annex shall apply in derogation of relevant parts of the HAR:
  - (a) Recitals to the HAR;
  - (b) for the designation of the Allocation Platform (Chapter 1, Article 3);
  - (c) for "*Requirements and process for participation in Auctions and Transfer*" (Chapter 2) - with regard to "*Submission of information*" (Article 9), "*Dedicated Business Account*" (Article 12) and "*Regulatory and legal requirements*" (Article 18);
  - (d) for "*Collaterals*" (Chapter 3) - with regard to "*Form of cash deposit*" (Article 20) and "*Form of Bank Guarantee*" (Article 21);
  - (e) for "*Return of Long Term Transmission Rights*" (Chapter 5) - with regard to "*Process of the return*" (Article 39);
  - (f) for "*Transfer of Long Term Transmission Rights*" (Chapter 6) - with regard to "*Process of the transfer*" (Article 42);



- (g) for "*Use and remuneration of Long Term Transmission Rights*" (Chapter 7) - with regard to the "*Nomination of Physical Transmission Rights*" (Article 46);
  - (h) the curtailment process and curtailment compensation rules (Chapter 9) - with regard to "*Triggering events and consequences of curtailment on Long Term Transmission Rights*" (Article 56) "*Day Ahead Firmness deadline*" (Article 58), "*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*" (Article 59), "*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*" (Article 60) and "*Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline*" (Article 61);
  - (i) for the "*Invoicing and payment*" (Chapter 10) - with regard to "*Invoicing and payment conditions*" (Article 65); and
  - (j) for the "*Miscellaneous*" (Chapter 11) – with regard to "*Governing law*" (Article 77).
5. Wherever the HAR contains reference to the above mentioned parts, the rules described in this Annex shall be considered accordingly with regard to the Bidding Zone borders (as defined in Appendix 1 to this Annex), in particular, but without limiting, wherever the HAR contain references to Article 58, Article 59, Article 60 and/or Article 61, they are replaced by compensation rules listed in this Annex. If there is an inconsistency between any of the provisions in the main body of the HAR and this Annex, the provisions in this Annex shall prevail.
6. The capitalized terms used in this Annex are defined in the HAR to which this Annex is attached unless otherwise specified below:

**Business Account** means a dedicated deposit account opened by the Allocation Platform at the financial institution selected by the Allocation Platform in the name of the Allocation Platform, which may not be used for payments by the Registered Participant;

**SEE CAO** means Coordinated Auction Office in South East Europe d.o.o. Podgorica; Montenegro.

## *Article 2*

### **Effective date and application**

1. This Annex is effective at the date of entry into force of the HAR, subject to an approval of relevant national regulatory authorities of the HAR and this Annex. This Annex may be reviewed upon request of the relevant national regulatory authority(ies). In case this Annex needs to be amended based on a decision of the relevant national regulatory authority(ies), Article 68 (*Duration and amendment of Allocation Rules*) of the HAR shall apply.
2. List of Bidding Zone borders (Appendix 1) to which the HAR and Annex apply including information on type of allocated Long Term Transmission Rights may be amended or supplemented in accordance with the provisions relating to the amendment of the HAR, provided that where for the amendment of this list the approval of one or more NRAs is/are required.

3. For the purpose of incorporating the amendment or supplement, only the approval of an NRA that has jurisdiction over the relevant TSO whose Bidding Zone border is amended or added, shall be required to be consulted or shall be asked for approval, as applicable.

## **CHAPTER 2**

### **Amendments to the HAR**

#### *Article 3*

##### **Recitals**

Recitals in the HAR shall apply to all TSOs, however, in relation to TSOs that are not from the European Union, they apply mutatis mutandis.

#### *Article 4*

##### **Allocation Platform**

Article 3 (*Allocation Platform*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules, applicable European Union legislation or applicable legal acts of the Energy Community, and/or applicable national legislation of one or more of the Bidding Zone border countries."; and
2. new paragraph 4 shall be added, as follows: "4. The Allocation Platform on the Bidding Zone borders (listed in Appendix 1 to this Annex) shall be SEE CAO."

#### *Article 5*

##### **Submission of information**

Article 9(1) (*Submission of information*) of the HAR shall be amended as follows:

1. paragraph (b) shall read: "(b) if the market participant is a legal person, business registration number, name of legal representative and an extract of the registration of the market participant in the commercial register of the competent authority;" and
2. paragraph (d) shall read: "(d) VAT and TAX registration number where applicable;"

#### *Article 6*

##### **Dedicated Business Account**

Article 12 (*Dedicated Business Account*) of the HAR shall be amended to read as follows: "The market participant shall declare to the Allocation Platform whether it intends to use a dedicated Business Account for the purposes of depositing cash collaterals."

#### *Article 7*

##### **Regulatory and legal requirements**

Article 18 (*Regulatory and legal requirements*) of the HAR shall be amended to read as follows: "It is the responsibility of each market participant to ensure that it complies with national legislation, and where applicable, European Union legislation or legal acts of the Energy Community, including requirements of any relevant competent authority, and obtained all necessary authorizations in

connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights."

#### *Article 8*

#### **Form of cash deposit**

Article 20(1) (*Form of cash deposit*) of the HAR shall be amended as follows:

1. paragraph (e) shall not apply.

#### *Article 9*

#### **Form of Bank Guarantee**

Article 21(1) (*Form of Bank Guarantee*) of the HAR shall be amended as follows:

1. paragraph (g) shall read: "(g) the bank issuing the Bank Guarantee shall be acceptable for the business bank of the Allocation Platform;" and
2. paragraph (h) shall read: "(h) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB- by Standard and Poor's Corporation, BBB- by Fitch or Baa3 by Moody's Investors Service Inc. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the relevant NRAs."

#### *Article 10*

#### **Process of the return**

Article 39 (*Process of the return*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. Long Term Transmission Right holder(s) wishing to return their Long Term Transmission Rights shall send a notification directly via the Auction Tool to the Allocation Platform in line with the corresponding Information System Rules no later than the deadline specified in the provisional Auction Specification for the subsequent Auction to which the Long Term Transmission Right is to be returned."; and
2. paragraph (3)(d) shall read: "(d) fulfil its financial obligations concerning relevant Long Term Transmission Rights pursuant to these Allocation Rules."

#### *Article 11*

#### **Process of the transfer**

Article 42 (*Process of the transfer*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. The transferor shall send a notification of the transfer directly, to the Allocation Platform via the Auction Tool with the following information:
  - (a) the EIC codes of the transferor and transferee;

- (b) the time period of the transfer including the start and end dates and hours; and
  - (c) the volume (MW) of the transferred Long Term Transmission Right in whole MW(s) defined per hour."; and
2. paragraph 3(b) shall read: "(b) the transferor has fulfilled its financial obligations concerning relevant Long Term Transmission Rights pursuant to this Allocation Rules regardless whether the transferor transfers all or only part of its Long Term Transmission Rights and even in the case of multiple transfers among several Registered Participants;"

#### *Article 12*

#### **Nomination of Physical Transmission Rights**

Article 46 (*Nomination of Physical Transmission Rights*) of the HAR shall be amended as follows:

1. paragraph 1(c) and paragraph 3 shall not apply.

#### *Article 13*

#### **Triggering events and consequences of curtailment on Long Term Transmission Rights**

Article 56 (*Triggering events and consequences of curtailment on Long Term Transmission Rights*) of the HAR shall be amended as follows:

1. paragraph 3 shall read: "3. Long Term Transmission Rights may be curtailed after the Day Ahead Firmness Deadline in accordance with applicable national legislations."; and
2. paragraph 5 shall read: "5. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to:
- (a) Article 14 (*Day Ahead Firmness deadline*) of this Annex (instead of the rules set out in Article 58 (*Day Ahead Firmness deadline*) of the HAR);
  - (b) Article 15 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 59 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the HAR);
  - (c) Article 16 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 60 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of the HAR); and
  - (d) Article 17 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of the HAR)."

#### *Article 14*

### **Day Ahead Firmness deadline**

Article 58 (*Day Ahead Firmness deadline*) of the HAR shall be amended to read as follows: "The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Day Ahead Firmness Deadline which for the purpose of these Allocation Rules is set at 07:00 a.m."

### *Article 15*

#### **Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline**

Article 59(1) (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows:

1. paragraph 1 shall read: "1. In cases of curtailment to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline the compensation for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction."; 2. paragraph 2, 3, 4 shall not apply.

### *Article 16*

#### **Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline**

Article 60 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows: "In the case of Force Majeure before the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction."

### *Article 17*

#### **Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline**

Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows: "In the event of Force Majeure or an emergency situations after the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction."

### *Article 18*

## **Invoicing and payment conditions**

Article 65 (*Invoicing and payment conditions*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. Payments shall be settled before the start of the Product Period if the Auction timeline allows so. If the Cross Zonal Capacity product has a duration of more than one (1) month, each monthly instalment shall be settled in the second (2<sup>nd</sup>) month preceding the month of delivery, by the deadline specified in Auction Calendar, published on Allocation Platform website.";
2. paragraph 2 shall read: "2. The Allocation Platform shall issue invoices for payments for all Long Term Transmission Rights on a monthly basis in accordance with Auction Calendar, published on Allocation Platform website.";
3. paragraph 4 shall read: "4. The Allocation Platform shall send the invoice by both, email and post, to the Registered Participant at the email and address of the financial contact person submitted in accordance with Article 9(1)(h) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent or the date when the invoice is made available via the Auction Tool if this is done during Working Hours or the next day if sent after Working Hours.";
4. paragraph 5 shall read: "5. In the cases of curtailment of Long Term Transmission Rights, the Allocation Platform will issue a credit note for the reimbursement, not later than the tenth (10<sup>th</sup>) Working Day of the following month. In the cases of return of Long Term Transmission Rights according to Article 40 or remuneration of Long Term Transmission Rights according to Article 48, the Registered Participant shall issue invoice to the Allocation Platform and submit it via email and in hard copy to the addresses published on the Allocation Platform website.";
5. paragraph 6 and 7 shall not apply:
6. paragraph 8 shall read: "8. The payments due may be netted by the Allocation Platform, upon request of Registered Participant, taking into account the amount as set forth in paragraph 3 and 5 of Article 65 of these Allocation Rules.";
7. paragraph 9 shall read: "9. The Registered Participant shall settle payment obligations resulting from paragraph 3 or paragraph 8 of Article 65 of these Allocation Rules, within ten (10) Working Days after the date of issuance of the invoice.";
8. paragraph 10 shall read: "10. Payments by the Registered Participant as set forth in paragraph 3 of this Article shall be collected through transaction to the account of the Allocation Platform specified on the invoice by indicating the invoice reference."
9. paragraph 11 shall read: "11. The Allocation Platform shall settle payment obligations resulting from paragraph 5 or paragraph 9 of Article 65 of these Allocation Rules, within fifteen (15) Working Days after the date of the receipt of the invoice."; and
10. paragraph 14 shall read: "14. All bank fees shall be covered by the Registered Participant."

### *Article 19*

#### **Governing law**

Article 77 (*Governing law*) of the HAR shall be amended to read as follows: "These Allocation Rules shall be governed by and construed in all respects in accordance with the law of Belgium, as specified in Participation Agreement."



## Appendix 1 List of Bidding Zone borders to which the HAR apply including information on type of allocated Long Term Transmission Rights

List of Bidding Zone borders and/or their subsets of interconnectors		Type of Long Term Transmission Rights
List of responsible TSO		
<b>Croatia (HR)</b> HOPS	<> <b>Bosnia and Herzegovina (BiH)</b> NOS BiH	PTRs
<b>Bosnia and Herzegovina (BiH)</b> NOS BiH	<> <b>Montenegro (ME)</b> CGES	PTRs
<b>Montenegro (ME)</b> CGES	<> <b>Albania (AL)</b> OST	PTRs
<b>Albania (AL)</b> OST	<> <b>Greece (GR)</b> IPTO	PTRs
<b>Greece (GR)</b> IPTO	<> <b>North Macedonia (MK)</b> MEPSO	PTRs
<b>Greece (GR)</b> IPTO	<> <b>Turkey (TR)</b> TEIAS	PTRs
<b>Kosovo (XK)</b> KOSTT	<> <b>Albania (AL)</b> OST	PTRs
<b>Kosovo (XK)</b> KOSTT	<> <b>Montenegro (ME)</b> CGES	PTRs
<b>Kosovo (XK)</b> KOSTT	<> <b>North Macedonia (MK)</b> MEPSO	PTRs

This List of Bidding Zone borders to which the HAR apply including information on type of allocated Long Term Transmission Rights may be amended or supplemented in accordance with the provisions



of Article 2 (Effective date and application) of this Specific Annex for the Bidding Zone borders serviced by SEE CAO shall apply.

SEE CAO

# **Rules for explicit Daily Capacity Allocation on Bidding Zone borders serviced by SEE CAO**

Version 1.0



**Podgorica, Montenegro**

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# CHAPTER 1

## General Provisions

### *Article 1 Subject-matter and scope*

1. These Allocation Rules contain the terms and conditions for the Explicit Allocation of Daily Transmission Rights on the Bidding Zone borders specified in Appendix 1, it being understood that the Registered Participant will accede to these rules by the signature of the Participation Agreement. In particular, the Allocation Rules set out the rights and obligations of Registered Participants as well as the requirements for participation in Auctions, they describe the process of Auction, including the determination of Marginal Price as a result of Auction and the processes for curtailment of Daily Transmission Rights and invoicing/payment.
2. In the event Transmission System Operators introduce market coupling as Capacity Allocation method on a Bidding Zone border listed in Appendix 1, the concerned Bidding Zone border is excluded from the Auctions regulated by these Allocation Rules in principle as of the time of the implementation of the respective market coupling. This change requires only the decision of the concerned Transmission System Operators and is subject to respective regulatory authorities' approval before it becomes valid.
3. The Auctions refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Daily Term Transmission Rights allocated to them than the rights in accordance with the provisions of these Allocation Rules.
4. It is recognized that the Allocation Platform operation covers the area where operate European Union TSOs, transmission system operators from the contracting parties of the Energy Community Treaty as well as transmission system operators from other countries. References to (a) TSO or Transmission System Operator therefore include references to EU TSOs, transmission system operators from the contracting parties of the Energy Community Treaty as well as transmission system operators from such other countries, and (b) National Regulatory Authorities or NRAs include references to EU NRAs and relevant national regulatory authority(ies) in the contracting parties of the Energy Community Treaty and other relevant countries.

### *Article 2 Definitions and interpretation*

1. Capitalized terms used in these Allocation Rules shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, Article 2 of Regulation (EU) 2015/1222, Article 2 of Directive 2009/72/EC and in Regulation (EU) 2016/1719.
2. In addition, the following definitions shall apply:

**Affiliate** means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control is defined in the EU Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings or, as it may be, similar national legislation;

**Allocation Platform** means an entity appointed and commissioned by responsible Transmission System Operator(s) to act on their behalf and on its own name it being a single allocation platform or regional platform(s) for the attribution of daily Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

**Allocation Rules** means the Rules for explicit Daily Capacity Allocation on Bidding Zone borders serviced by SEE CAO;

**Auction Tool** means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Allocation Rules;

**Auction Specification** means a list of specific characteristics of a particular Auction, including the nature of offered products and relevant dates;

**Bank Guarantee** means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Bid Price** means the price which a Registered Participant is willing to pay for one (1) MW and hour of Daily Transmission Rights;

**Bid Quantity** means the amount of Daily Transmission Rights in MW requested by a Registered Participant;

**Bidding Period** means the time period within which the Registered Participants wishing to participate in an Auction may submit their Bids;

**Business Account** means a dedicated deposit account opened by the Allocation Platform at the financial institution selected by the Allocation Platform in the name of the Allocation Platform, which may not be used for payments by the Registered Participant;

**Capacity Agreement Identification (CAI)** means unique identification code assigned to each Physical Transmission Right by Auction Tool during the Auction. The identification code is used also when the use of the Physical Transmission Right is nominated to Transmission System Operators;

**Credit Limit** means the amount of the collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;

**Daily Capacity Allocation** means the attribution of daily Cross Zonal Capacity through an Auction;

**Daily Transmission Right** means for the purposes of these Allocation Rules a Physical Transmission Right acquired in the Daily Capacity Allocation;

**EIC Code** means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

**Fallback Auction** means the process by which the Allocation Platform attributes capacities to a Registered Participant in case the fallback mode has been triggered;

**Force Majeure** means any unforeseeable or unusual event or situation beyond the reasonable control of a Party and/or the relevant Transmission System Operators, and not due to a fault of the Party and/or the relevant Transmission System Operators, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view

reasonably possible for the Party and/or the relevant Transmission System Operators , which has actually happened and is objectively verifiable, and which makes it impossible for the Party and/or the relevant Transmission System Operators to fulfil, temporarily or permanently, its obligations;

**Information System Rules** means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

**Marginal Price** means the price determined at particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Daily Transmission Right;

**National Regulatory Authorities** means the regulatory authorities referred to in Article 35(1) of Directive 2009/72/EC or, as it may be, similar national legislation;

**Participation Agreement** means the agreement, by which the Parties undertake to comply with the terms and conditions for capacity allocation as contained in these Allocation Rules;

**Party/ Parties** mean the Allocation Platform and/or a Registered Participant referred to individually as Party or collectively as Parties;

**Physical Transmission Right** means a right entitling its holder to physically transfer a certain volume of electricity in a certain period of time between two Bidding Zones in a specific direction;

**Product Period** means the time and date on which the right to use the Daily Transmission Right commences and the time and date on which the right to use the Daily Transmission Right ends;

**Registered Participant** means a market participant which has entered into a Participation Agreement with the Allocation Platform;

**Rights Document** means a document containing the information of the maximum amount of allocated Physical Transmission Rights (identified by CAI) that can be nominated by a market participant per Bidding Zone border per day per hour and per direction taking into account the volume of Daily Transmission Rights initially acquired and any possible curtailments which occurred before the issuance of the Rights Document;

**Working Day** means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform;

**Working Hours** means the hours specified within the Participation Agreement.

3. In these Allocation Rules, including its annexes, unless the context requires otherwise:

- (a) any reference to the word Bidding Zone border may cover all interconnectors collectively or only one or a subset of interconnector(s) at this Bidding Zone border as specified in Annex 1 of these Allocation Rules;
- (b) the singular indicates the plural and vice versa;
- (c) references to one gender include all other genders;
- (d) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Allocation Rules;



- (e) the word “including” and its variations are to be construed without limitation;
- (f) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- (g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
- (h) a reference to time is a reference to CET/CEST time unless otherwise specified; and
- (i) where the Allocation Platform is required to publish any information under these Allocation Rules, it shall do so by making the information or data available on its website and/or via the Auction Tool.

### ***Article 3 Allocation Platform***

1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules, applicable European Union legislation or applicable legal acts of the Energy Community, and/or applicable national legislation of one or more of the Bidding Zone border countries.
2. For the purposes of these Allocation Rules the Allocation Platform shall be the party signing the Participation Agreement with the Registered Participant.

### ***Article 4 Effective date and application***

1. These Allocation Rules shall enter into force in accordance with the applicable national regulatory regime and on the date announced by the Allocation Platform.
2. These Allocation Rules apply to Daily Capacity Allocation for Daily Transmission Rights with the delivery period from 01 January 2018.
3. The activities of the Allocation Platform cover jurisdictions where TSOs from the European Union, TSOs from contracting parties of the Energy Community Treaty and from one or more other countries. References to (a) TSO or Transmission System Operator therefore include references to EU TSOs, transmission system operators from contracting parties of the Energy Community Treaty as well as transmission system operators from any other country for which services are provided by the Allocation Platform, and (b) NRA or National Regulatory Authority include references to NRAs of the European Union, or NRAs from contracting parties of the Energy Community Treaty, or regulators of other countries which have jurisdiction over the relevant TSO or the Allocation Platform.

## **CHAPTER 2**

### **Requirements and process for participation in Auctions**

#### *Article 5 General Provision*

1. Market participants may acquire a Daily Transmission Right only from participation in Auctions.
2. The participation in Auctions requires that the market participant:
  - (a) concludes a valid and effective Participation Agreement in accordance with Articles 6 to 13; and
  - (b) has access to the Auction Tool in accordance with Article 14.
3. The participation in Auctions requires that market participants, in addition to the conditions set forth in the previous paragraph, fulfil also the following conditions:
  - (a) they comply with the requirements for provision of collaterals as specified in CHAPTER 3; and
  - (b) they accept additional financial terms where needed in accordance with Article 15.
4. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Allocation Rules.

#### *Article 6 Participation Agreement conclusion*

1. At least seven (7) Working Days before the first participation in an Auction, any market participant may apply to be a party to a Participation Agreement by submitting, to the Allocation Platform, two (2) signed copies of the Participation Agreement, as published on the website of the Allocation Platform, together with all duly completed information and documents required by Articles 7 to 14. The Allocation Platform shall assess the completeness of the information submitted in accordance with Articles 8 and 11 within five (5) Working Days of receipt of the completed and signed Participation Agreement.
2. The Allocation Platform shall before the expiration of the five (5) Working Days deadline ask the market participant to provide any outstanding information which the market participant fails to submit with its Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within an additional five (5) Working Days review the information and inform the market participant if any further information is required.
3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Participation Agreement signed by it to the market participant without undue delay. Signature of the Participation Agreement by the Allocation Platform shall not itself indicate compliance with any other condition set in these Allocation Rules for the participation in the Auctions. The Participation Agreement comes into force on the date of signature by the Allocation Platform.

4. It is the responsibility of each market participant to ensure that it complies with national legislation, and where applicable, European Union legislation or legal acts of the Energy Community, including requirements of any relevant competent authority, and obtained all necessary authorizations in connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights.

#### ***Article 7 Form and content of the Participation Agreement***

1. The form of the Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Allocation Rules unless otherwise stated in these Allocation Rules.
2. As a minimum, the Participation Agreement will require the market participant to:
  - (a) provide all necessary information in accordance with Article 8 and Article 11; and
  - (b) agree to be bound by and comply with these Allocation Rules.
3. Nothing in these Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Participation Agreement additional rules, out of the scope of these Allocation Rules, including but not limited to the participation in long-term or Intraday Explicit Allocation or any fallback process for day-ahead Implicit Allocation.
4. In the event of difficulty of interpretation, contradiction or ambiguity between these Allocation Rules and the Participation Agreement, the text of the Allocation Rules shall prevail.

#### ***Article 8 Submission of information***

1. The market participant shall submit the following information with its completed and signed Participation Agreement:
  - (a) name and registered address of the market participant including general email, facsimile and telephone number of the market participant for notifications in accordance with Article 58.
  - (b) if the market participant is a legal person, business registration number, name of legal representative and an extract of the registration of the market participant in the commercial register of the competent authority;

- (c) contact details and names of persons authorized to represent the market participant and their function;
  - (d) VAT and TAX registration number where applicable;
  - (e) Taxes and levies to be considered for invoices and collateral calculations;
  - (f) Energy Identification Code (EIC);
  - (g) bank account information for payment to the applicant to be used by the Allocation Platform for the purposes of Article 49 paragraphs 7 and 8.
  - (h) financial contact person for collaterals, invoicing and payment issues, and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 58;
  - (i) commercial contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 58; and
  - (j) operational contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules in accordance with Article 58.
2. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Allocation Rules (including information in its Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
  3. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least seven (7) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.
  4. The Allocation Platform will confirm the registration of the change or send a refusal note of registration of the change to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be sent via email to the commercial and operational contact person specified by the Registered Participant in accordance with paragraph 1 of this Article. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
  5. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
  6. If additional information is required from a Registered Participant as a consequence of an amendment to these Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within ten (10) Working Days after the request for such submission by the Allocation Platform.

### *Article 9 Warranties*

1. By the signature of the Participation Agreement the market participant warrants that:

- (a) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
- (b) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
- (c) no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
- (d) it has no overdue payment obligations towards the Allocation Platform.

### *Article 10 Dedicated Business Account*

As part of the submission of the information in accordance with Article 6 and Article 8, the market participant shall declare to the Allocation Platform whether it intends to use a dedicated Business Account for the purposes of depositing cash collaterals.

### *Article 11 Acceptance of the Information System Rules*

By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

### *Article 12 Costs related to the Participation Agreement*

All applications to become a Registered Participant and any subsequent participation in Auctions shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any costs, damages, or expenses in connection with the Registered Participant participating in Auctions unless otherwise explicitly stated in these Allocation Rules.

### *Article 13 Refusal of application*

The Allocation Platform may refuse to enter into a Participation Agreement with a market participant in the following circumstances:

- (a) when the applicant has not submitted a duly completed and signed Participation Agreement in accordance with Articles 6, 7 and 8; or
- (b) the Allocation Platform has previously terminated a Participation Agreement with the applicant as a result of a breach of the Participation Agreement by the Registered Participant in accordance with Article 56 (3) and (4) and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or

- (c) if entering into a Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or
- (d) if any of the warranties of the Registered Participant under Article 9 are found to be not valid or false.

#### **Article 14 Access to the Auction Tool**

1. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
  - (a) the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established; and
  - (b) the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include but are not limited to the obligation to provide an electronic certificate for signing and encryption or other technology for authentication purposes.
2. The Allocation Platform shall confirm the creation of the user account or may send a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be sent via email to the operational contact person specified by the Registered Participant in accordance with Article 8.
3. The Allocation Platform shall send the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

#### **Article 15 Conclusion of additional financial terms**

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for other processes organized by the Allocation Platform in accordance with the Participation Agreement, as long as these additional financial terms comply with these Allocation Rules.

#### **Article 16 Regulatory and legal requirements**

It is the responsibility of each market participant to ensure that it complies with national legislation, and where applicable, European Union legislation or legal acts of the Energy Community, including requirements of any relevant competent authority, and obtained all necessary authorizations in connection with its participation in Auctions or in the use of Daily Transmission Rights.

## **CHAPTER 3**

### **Collaterals**

#### **Article 17 General provisions**

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions of Daily Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 15.
2. Only the following forms of collaterals shall be accepted:
  - (a) a Bank Guarantee;
  - (b) a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero.
5. The collaterals shall be provided in Euros (€).

#### **Article 18 Form of cash deposit**

For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:

- (a) the money shall be deposited in a dedicated Business Account at a financial institution selected by the Allocation Platform;
- (b) the dedicated Business Account shall be opened and used as per additional financial terms in accordance with Article 15;
- (c) until withdrawal as permitted by the following provisions of Article 24, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 15;
- (d) withdrawals from the dedicated Business Account pursuant to Article 22 and Article 24 may be made solely on the instruction of the Allocation Platform;
- (e) the dedicated Business Account may not be used in addition for settlement; and
- (f) interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

#### **Article 19 Form of Bank Guarantee**

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:

- (a) the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template;
- (b) the Bank Guarantee shall be written in English;
- (c) the Bank Guarantee covers all Auctions organized by the Allocation Platform as per additional financial terms in accordance with Article 15;
- (d) the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, up to the maximum amount guaranteed;
- (e) the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a demand sent by SWIFT through intermediary bank confirming that the signatures on the request appear to conform to specimen held by the bank.
- (f) the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
- (g) the bank issuing the Bank Guarantee shall be acceptable for the business bank of the Allocation Platform;
- (h) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB- by Standard and Poor's Corporation, BBB- by Fitch or Baa3 by Moody's Investors Service Inc. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, at its own discretion if deemed necessary, decrease the required rating for a limited period of time, informing the Transmission System Operators and requesting them to inform the National Regulatory Authorities.
- (i) the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.

2. A Bank Guarantee shall contain the following:

- (a) a maximum amount guaranteed;
- (b) the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
- (c) the Allocation Platform's bank account, as specified on the website of the Allocation Platform;



- (d) the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
  - (e) the Registered Participant's full identification, including name, address, commercial/company register;
  - (f) full identification of the providing bank; and (g) the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least two (2) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
  4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and the original of the Bank Guarantee has been received by the Allocation Platform.
  5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

#### ***Article 20 Validity and renewal of the Bank Guarantee***

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum period until at least thirty (30) days after the end of calendar month of the Product Period.
2. During this period, the Registered Participant shall at all times maintain the collaterals in form of a Bank Guarantee, which shall include the obligation of the Registered Participant to replace or renew them as required.

#### ***Article 21 Credit Limit***

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the collaterals in place minus any outstanding payment obligations. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 20 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.
2. Outstanding payment obligations are calculated according to Article 47 subject to additional rules in paragraph 3 to 4 of this Article and in Article 32.
3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 48. Maximum payment obligations for a Registered Participant resulting from its Bid(s) registered at the closure of the Bidding Period, calculated according to Article 32, shall be considered provisionally as the outstanding payment obligations. From the publication of the Auction results the due amount notified according to Article 34 paragraph 3(b) and (c) shall be considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction and the Credit Limit shall be revised based on the actual allocated Daily Transmission Rights .

## *Article 22* **Modifications of the collaterals**

1. A Registered Participant may request in written form an increase of the collaterals in form of a Bank Guarantee, a decrease of the collaterals in form of a Bank Guarantee and/or cash deposit or change of the form of the collaterals at any time in accordance to paragraphs 2 and 3 of this Article.
2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Articles 19 and 20 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.
5. The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

## *Article 23*

### **Collateral incident**

1. A collateral incident occurs in the following cases:
  - (a) the collaterals are insufficient to secure the amount due for the Daily Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 53 considering the amount and the validity of the collaterals; or
  - (b) the collaterals are not maintained in accordance with Article 20 paragraph 2; or
  - (c) the collaterals are not restored after a payment incident in accordance with Article 24 or new collateral was provided that is not compliant with the conditions specified in Articles 17(3), 18 and 19.
2. The Allocation Platform shall notify the collateral incident to the Registered Participant by email. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the collaterals provided by the Registered Participant remains insufficient after this period, the Allocation Platform may suspend or terminate the Participation Agreement in accordance with Articles 59 and 60.

*Article 24* **Calls on collaterals**

1. The Allocation Platform is entitled to call upon collaterals of a Registered Participant in the event of a registered payment incident in accordance with Article 51.
2. The Registered Participant shall restore its collaterals after a payment incident or collaterals incident by following the conditions as set forth in Articles 17(3), 18 and 19 unless the Participation Agreement is suspended or terminated in accordance with Articles 55 and 56.

## **CHAPTER 4**

### **Auctions**

#### *Article 25 General provisions for Auctions*

1. The Allocation Platform shall allocate Daily Transmission Rights to Registered Participants by way of Explicit Allocation. Prior to the Auction the Allocation Platform shall publish Auction Specifications on its website.
2. The Auctions shall be organized via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids including against the respective Credit Limits of the Registered Participants. The results of the Auction will be notified to Registered Participants via the Auction Tool.

#### *Article 26 Capacity Allocation timeframe and form of product*

1. The Capacity Allocation timeframe subject to these Allocation Rules and subject to product availability is daily timeframe which consists of each individual hour throughout 24 hours of a calendar day (23 respectively 25 hours when daylight savings time changes). In an Auction Physical Transmission Rights are allocated separately for each individual hour of the Product Period therefore different amounts of MW per hour may be offered and separate Bids may be placed and different amounts of MW per hour may be allocated.
2. The daily Auction will be held daily on the day preceding the delivery day (Monday – Sunday).

#### *Article 27 Auction Specification*

1. The Allocation Platform shall publish the Auction Specification as set forth in paragraphs 2 of this Article no later than 09:00 a.m. on the day preceding the delivery day.
2. The Auction Specification shall state in particular:
  - (a) the code identifying the Auction in the Auction Tool;
  - (b) identification of the Bidding Zone border(s) or a subset of the Interconnectors on the Bidding Zone border and direction covered;
  - (c) the Product Period;
  - (d) the Bidding Period which in case of regular operational conditions starts at 09:00 a.m. and ends at 09:30 a.m. on the day preceding the delivery day;

- (e) the deadline for the publication of the provisional Auction results which is in case of regular operational conditions 09:32 a.m. on the day preceding the delivery day;
- (f) the deadline for the publication of the final Auction results which is in case of regular operational conditions 10:00 a.m. on the day preceding the delivery day;
- (g) the Offered Capacity which shall include Cross Zonal Capacity released in accordance with Articles 55 and 56.
- (h) any other relevant information or terms applicable to the product or the Auction.

*Article 28 Bids submission*

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
  - (a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
  - (b) it shall identify the Auction via an identification code as specified in Article 27 paragraph 2 (a);
  - (c) it shall identify the Registered Participant submitting the Bid through its EIC code;
  - (d) it shall identify the Bidding Zones border and the direction for which the Bid is submitted;
  - (e) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant, exclusive of taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;
  - (f) it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or set of Bids shall be taken into account for the Auction results determination.
3. If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction during the Bidding Period, by a Registered Participant exceeds the Offered Capacity announced in the Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.

*Article 29*  
**Bid registration**

1. The Allocation Platform shall not register a Bid that:
  - (a) does not comply with the requirements of Article 28; or
  - (b) is submitted by a Registered Participant who is suspended in accordance with Article 55.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Articles 28, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If the Allocation Platform does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.
3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid and the reason for this rejection, without undue delay after the Bid is rejected.
4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to buy Daily Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Allocation Rules and the relevant Auction Specification.

*Article 30 Default Bid*

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as a delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.
4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the applicable Auction Bidding Period opening.
5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

### Article 31 Default Bid for Fallback Auction

In case a Fallback Auction takes place in accordance with Article 42, default Bids submitted by 14:00h D-2 will be used as Default Bids for Fallback Auction.

### Article 32 Credit Limit verification

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations (MPO) connected with that Registered Participant's registered Bid(s) calculated according to paragraphs 4 and 5 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.
2. At closure of the Bidding Period the Allocation Platform shall check again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 5 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit.
3. The Allocation Platform shall indicate insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.
4. The Allocation Platform shall continuously assess all the Bids irrespectively to which Auction and with regard to which Bidding Zone border and direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 21.
5. For the calculation of the maximum payment obligations related to one Bidding Zone border and direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid  $n$  shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligations according to the following equation:

$$MPO = \sum_{hours} \text{MAX} [ \underset{n-1}{\text{BidPrice}(1) * \text{BidQuantity}(1); \text{BidPrice}^{(2)} * \sum_{i=1}^2 \text{BidQuantity}(i); \dots} \\ \dots; \text{BidPrice}(n-1) * \sum_{i=1} \text{BidQuantity}(i); \text{BidPrice}(n) * \sum_{i=1} \text{BidQuantity}(i) ]$$

6. When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take into account increase of the maximum payment obligations with applicable taxes and levies in force subject to Article 48.

#### *Article 33 Auction Results Determination*

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 32, the Allocation Platform shall determine the Auction results and allocate the Daily Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following:
  - (a) determination of the total quantity of the allocated Daily Transmission Rights per Bidding Zone border and direction;
  - (b) identification of winning Bids to be fully or partially satisfied; and
  - (c) determination of the Marginal Price per Bidding Zone border and direction.
3. The Allocation Platform shall determine the Auction results using an optimization function aiming at maximization of the sum of the Registered Participants' surplus and the Congestion Income generated by the winning Bids while respecting the constraints of the optimization function in form of relevant Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimization function of the algorithm on its website.
4. The Allocation Platform shall determine the Marginal Price at each Bidding Zone border and direction based on the following criteria:
  - (a) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the relevant Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
  - (b) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the relevant Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
5. If two (2) or more Registered Participants have submitted for one Bidding Zone border and direction valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Daily Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Daily Transmission Rights per Registered Participant as follows:
  - (a) the Cross Zonal Capacity available for the Bids which sets the Marginal Price shall be divided equally between the number of the Registered Participants which submitted these Bids;
  - (b) in case the quantity of Daily Transmission Rights requested by a Registered Participant at Marginal Price is lower than or equal to the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;



- (c) in case the requested quantity of Daily Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;
  - (d) any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.
  - (e) any remaining Cross Zonal Capacity after the allocation according to item (d), shall be allocated using chronological submission criteria (time-stamp).
6. Whenever the calculation set forth in paragraphs 3 to 5 of this Article does not result in a whole MW amount in accordance with Article 28 paragraph 1(f), the Daily Transmission Rights shall be rounded down to the nearest full MW.
  7. Whenever the calculation set forth in paragraphs 3 to 6 of this Article does not result in a whole MW amount in accordance with Article 28 paragraph 1(f), the Daily Transmission Rights shall be rounded down to the nearest full MW. The case when Daily Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.
  8. The Daily Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the results. In the event that the Auction was not successfully performed, the fallback procedures as set forth in CHAPTER 6 shall apply.

*Article 34 Notification of Auction results*

1. The Allocation Platform shall make it available in the Auction Tool the provisional Auction results as soon as possible, but not later than 9:40 a.m.
2. The publication of the Auction results for each Bidding Zone border and hour of the day included in the Auction shall comprise at least the following data:
  - (a) total requested Daily Transmission Rights in MW;
  - (b) total allocated Daily Transmission Rights in MW;
  - (c) Marginal Price in Euros/MW per hour;
  - (d) number of Registered Participants participating in the Auction;
  - (e) list of names and number of Registered Participants who placed at least one winning Bid in the Auction;
  - (f) list of registered Bids without identification of the Registered Participants (bid curve); and

- (g) Congestion Income per Bidding Zone.
3. No later than 30 minutes after the publication of the Auction results the Allocation Platform shall make available via the Auction Tool to each Registered Participant who submitted a Bid to a specific Auction for each Bidding Zone border included in the Auction at least the following data:
    - (a) allocated Daily Transmission Rights for each hour of the Product Period in MW;
    - (b) Marginal Price in Euros/MW per hour; and
    - (c) due amount for allocated Daily Transmission Rights in Euro (€), rounded to two decimal places; and
    - (d) CAI assigned to the allocated Daily Transmission Rights.
  4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the Auction Results in accordance with CHAPTER 6.
  5. Registered Participants shall check the Auction results and, where reasonably appropriate, may contest Auction results within the contestation period set out in paragraph 6 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the Auction results.
  6. The Registered Participant may contest the Auction results within the deadline set out in the relevant Auction Specification.
  7. The contestation shall be notified to the Allocation Platform and headed as “contestation”.
  8. Any contestation shall contain the following:
    - (a) Date of contestation;
    - (a) identification of contested Auction;
    - (b) identification of the Registered Participant;
    - (c) name, e-mail address and telephone number of the Registered Participant;
    - (d) detailed description of the facts and the reason for contestation; and
    - (e) evidence of erroneous Auction results;
  9. The Allocation Platform shall notify its decision on the contestation to the Registered Participant no later than one (1) hour after the provisional Auction results have been notified to the Registered Participant.
  10. In case that no contestation is received within the deadline set out in the relevant Auction Specification, the provisional Auction results shall be published as final and will be available on Auction Platform website.

## **CHAPTER 5**

### **Use of Daily Transmission Rights**

#### *Article 35 General principles*

1. Physical Transmission Rights allocated in Auction shall be subject to the Use it or Lose It principle, unless otherwise stated in the local market rules and/or bilateral agreements between relevant Transmission System Operators.
2. The holder of allocated Physical Transmission Rights may nominate the Physical Transmission Rights for its physical use in accordance with Article 36.
3. In case the Daily Transmission Rights holder reserves its Physical Transmission Rights for the balancing services, such Cross Zonal Capacity shall be excluded from the application of the Use It Or Lose It principle.

#### *Article 36 Nomination of Physical Transmission Rights*

1. Persons eligible to nominate Physical Transmission Rights shall fulfil the requirement described in applicable Nomination Rules. Eligible persons may be the following:
  - (a) the Physical Transmission Rights' holder;
  - (b) the person notified by the Physical Transmission Rights' holder during the Nomination process to the respective Transmission System Operators in line with the relevant Nomination Rules.
2. The Allocation Platform shall provide on its website an overview of the options listed in paragraph 1 of this Article which are applicable on each Bidding Zone border.
3. The Nomination shall be done in compliance with the Rights Document.
4. The Allocation Platform shall publish a list with the relevant Nomination Rules for the Bidding Zone borders on its website.
5. The nomination deadlines for respective Bidding Zone borders are set forth in the relevant Nomination Rules. The Allocation Platform shall publish information on its website on the nomination deadlines per Bidding Zone border. In case of any discrepancy between the deadlines published by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and the Allocation Platform shall not be held liable for any damages due to such a discrepancy.

#### *Article 37 Rights Document*

1. The Rights Document shall contain the information about the volume in MW that eligible persons are entitled to nominate at specific Bidding Zone borders and directions and for hourly periods.

2. The Allocation Platform shall send the Rights Document daily and no later than thirty (30) minutes after the Auction results have been notified to the Registered Participant to the eligible person according to Article 36 paragraph 1 (a).

*Article 38* **Reservation of Physical Transmission Rights for balancing services**

In accordance with applicable national legislation, a Transmission System Operator may be required to provide balancing services, in which case it may notify the Allocation Platform of its rules on balancing. If and to the extent that the Transmission System Operator shall provide balancing services in accordance with applicable national legislation, such rules on balancing shall become and form part of the Allocation Rules, applicable to the relevant Bidding Zone border.

## **CHAPTER 6**

### **Fallback Procedures**

#### *Article 39 General provisions*

1. The Allocation Platform shall, to the extent reasonably practicable, organize a fallback procedure in the following cases of failure of a standard process:
  - (a) if it is technically not possible to hold an Auction, for example in the following cases:
    - if it is technically not possible to use the standard data exchange procedure; or
    - in case the Allocation Platform faces technical obstacles during the Auction process; or
  - (b) in the event of erroneous results due to incorrect Marginal Price calculation; or
  - (c) in the event of incorrect allocation of Daily Transmission Rights to Registered Participants or similar reasons.
  
2. The Allocation Platform may use one or all of the following fallback procedures:
  - (a) introduction of a fallback procedure for data exchange according to Article 40;
  - (b) postponement of start of Bidding Period of the Auction to a later time, but no later than 10:30 a.m.;
  - (c) introduction of a Fallback Auction according to Article 42;
  - (d) another ad hoc fallback procedure if considered appropriate by the Allocation Platform to overcome the technical obstacles.
  
3. The Allocation Platform shall, to the extent practicable and without undue delay, inform Registered Participants of possible deviations from the standard processes and the application of a fallback procedure via email and the Allocation Platform's website and using the Auction Tool.
  
4. Registered Participants shall immediately inform the Allocation Platform of any observed problems with the use of the Auction Tool and all potential consequences via the available contact channels indicated on the website of the Allocation Platform in written form. In case of an urgent problem, which shall be solved immediately and which is identified during Working Hours, the Registered Participant shall immediately contact the Allocation Platform by phone at the telephone number indicated on the website of the Allocation Platform for this type of problems. The Allocation Platform shall confirm the receipt of the problem and inform Registered Participants of the status of the problem as soon as possible.

#### *Article 40 Fallback procedure for data exchange*

1. In case of a failure at the site of the Allocation Platform of the standard processes for data exchange via the Auction Tool as described in these Allocation Rules, the Allocation Platform may inform Registered Participants that a fallback procedure for data exchange may be used

as follows:

- (a) by the applicable deadlines unless otherwise announced by the Allocation Platform the Registered Participant shall request via email the Allocation Platform to enter the relevant data into the Auction Tool by using this fallback procedure for data exchange;
  - (b) with the request the Registered Participant shall provide to the Allocation Platform in the format specified in the Information System Rules the relevant data to be entered in the Auction Tool;
  - (c) the Allocation Platform shall enter the submitted data into the Auction Tool;
  - (d) the Allocation Platform may set in Information System Rules an identification process for the Registered Participant at the moment when the Registered Participant submits the relevant operational or commercial data and requests the Allocation Platform to enter this data into the Auction Tool on its behalf by means of the fallback procedure. If the Registered Participant or the person authorized by the Registered Participant for this purpose does not clearly identify itself, the Allocation Platform shall be entitled not to perform the data entry;
  - (e) the Registered Participant shall provide the Allocation Platform with a telephone number, which can be used in case of a necessary communication;
  - (f) once the Allocation Platform has entered the provided data into the Auction Tool on behalf of the Registered Participant, the Allocation Platform shall inform, without undue delay, the Registered Participant by telephone and/or via email of the entry; and
  - (g) the Allocation Platform shall under no circumstances be held responsible if it fails to reach the Registered Participant through the means of communication above.
2. In case of application of the fallback procedure for data exchange, all necessary information which is made available via the Auction Tool during the standard processes may be distributed to the Registered Participants via email by the Allocation Platform or where appropriate published on the website of the Allocation Platform.

#### ***Article 41 Fallback procedure for Auction***

1. The postponement of the Auction shall be the default fallback procedure for Auctions before the Bidding Period has opened. The Allocation Platform may postpone an Auction by notifying Registered Participants of the revised time of the new Auction.
2. After the Bidding Period has opened, the Allocation Platform shall:
  - (a) where reasonably practicable postpone the end of the Bidding Period by notifying Registered Participants about the revised deadlines in the Auction Specification; or
  - (b) cancel the initial Auction according to Article 43; and organize a new Auction for the same Product Period; or
  - (c) apply Fallback Auction as specified in Article 42.

3. If the fallback procedure described in paragraph 1 and 2 of this Article cannot be implemented for the same Product Period, the respective Cross Zonal Capacities shall be offered in subsequent Capacity Allocation process.
4. The Allocation Platform shall inform all Registered Participants, without undue delay, of the postponement by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by email.

#### **Article 42 Fallback Auction**

1. If the Allocation Platform, after publishing the Auction Specification, is unable to hold Auction Processes due to reasons listed in Article 39, paragraph 1, the Allocation Platform shall send the Notification to all Registered Participants of the application of Fallback Auction, as soon as possible and no later than 10:15 a.m. on the day preceding the delivery day.
2. In case of Fallback Auction, only the Default Bids for Fallback Auction, in line with Article 31, will be taken into account in the daily Auction Process. If default Bid Quantity or a quantity calculated as a sum of the Bid Quantities for several default Bids submitted for the same Auction by the Registered Participant exceeds the final Offered Capacity, Bid Quantity will be decreased to be equal to the Offered Capacity.
3. The Offered Capacity is split in proportional shares between the Registered Participants.
4. Marginal price of the Daily Transmission Rights is 0 €/MWh. Value of the Daily Transmission Rights will be rounded down to the nearest to the nearest full MW.
5. Registered Participants will be informed about the results by 10:45 a.m., on D-1.

#### **Article 43 Auction cancellation**

1. In case the Allocation Platform cancels an Auction, all Bids already submitted and any results of the respective Auction shall be deemed null and void.
2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on website of Allocation Platform and by email.
3. An Auction cancellation may be announced in the following cases:
  - (a) before the provisional Auction results publication in case the Allocation Platform faces technical obstacles during the Auction process like a failure of standard processes and fallback procedures or similar reasons; and
  - (b) after the provisional Auction results publication, in the event of erroneous results due to incorrect Marginal Price calculation or incorrect allocation of Daily Transmission Rights to Registered Participants or similar reasons.

4. In case of Auction cancellation before the final Auction results publication, no compensation shall be paid to the Registered Participants.
5. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.
6. The provisions of this Article 43 may also be applied to a Fallback Auction (in the event of erroneous results).



## **CHAPTER 7**

### **Curtailment**

#### ***Article 44 Triggering events and consequences of curtailment on Daily Transmission Rights***

1. Daily Transmission Rights may be curtailed only in the event of Force Majeure or emergency situation.
2. Curtailment may be applied on allocated Daily Transmission Rights, including, where the case may be, on nominated Physical Transmission Rights.
3. Each Registered Participant affected by curtailment shall lose its right to nominate for physical use the concerned Physical Transmission Rights if such right exists at the moment of curtailment.
4. In case of curtailment, the affected Registered Participant is not entitled to receive any reimbursement or compensation in connection or as a consequence thereof.

#### ***Article 45 Process and notification of curtailment***

In all cases curtailment shall be carried out by one or more Transmission System Operators at the Bidding Zone border where Daily Transmission Rights have been allocated.

## **CHAPTER 8**

### **Invoicing and Payment**

#### ***Article 46 General principles***

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 47 for all Daily Transmission Rights allocated to him.
2. The Registered Participant may upon payment use the Cross Zonal Capacity connected with the allocated Daily Transmission Rights as described in these Allocation Rules only. Any right for physical use of the transmission system may be subject to separate agreements between the Registered Participant and the concerned Transmission System Operators.
3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by applicable law or regulations.
4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
5. Payments shall be done in Euros (€).

6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Allocation Rules subject to Article 48.
7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Participation Agreement as well as any changes in this respect without undue delay.

#### **Article 47 Calculation of due amounts**

1. Registered Participants shall pay for each of the Daily Transmission Rights allocated to them and for individual hour an amount equal to:
  - (a) the Marginal Price (per MW per hour); multiplied by
  - (b) the Daily Transmission Rights in MW allocated in individual hour of a day.
2. The Daily Transmission Rights will be invoiced on a monthly basis. The Allocation Platform shall calculate the due amount to be paid retroactively for the preceding month. The amount due plus any applicable taxes and levies, duties or other charges subject to Article 48, shall be rounded to two decimal places.

#### **Article 48 Tax Gross-up**

1. Each Registered Participant must make all payments to be made by it under the Allocation Rules without any tax deduction, unless a tax deduction is required by law.
2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax (as provided for in the VAT directive 2006/112/EC or, as it may be, any similar national legislation, as amended from time to time) and any other tax of a similar nature.

#### **Article 49 Invoicing and payment conditions**

1. The Allocation Platform shall issue invoices for payments for all Daily Transmission Rights on a monthly basis and no later than the tenth (10<sup>th</sup>) Working Day of each month for the Auctions of the month preceding.
2. The invoices shall be issued for the following payments:
  - (a) the amount due set forth in Article 47(2);

- (b) any relevant taxes and levies subject to Article 48.
3. The Allocation Platform shall send the invoice by both, email and post, to the Registered Participant at the email and address of the financial contact person submitted in accordance with Article 8 (1)(h) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent or the date when the invoice is made available via the Auction Tool if this is done during Working Hours or the next day if sent after Working Hours.
  4. The payments due may be netted by the Allocation Platform upon the request of the Registered Participant, taking into account the amount as set forth in paragraph 2 and 4 of this Article.
  5. The Registered Participant shall settle payment obligations resulting from paragraph 2 or paragraph 5 of this Article, within ten (10) Working Days after the date of issuance of the invoice.
  6. Payments by the Registered Participant as set forth in paragraph 6 of this Article shall be settled to the Business Account of the Allocation Platform specified on the invoice by indicating the invoice reference.
  7. The Allocation Platform shall settle its payment obligations resulting from paragraph 4 or paragraph 5 of this Article within fifteen (15) Working Days after the date of its receipt of the invoice, by way of payment of the due amount to the bank account as announced during the accession process in accordance with Article 8 paragraph 1(g) by the Registered Participant who is entitled to the payments at the due date.
  8. Upon the collection of the payment as set forth in paragraph 7 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
  9. In case of an erroneous invoice resulting in an additional payment of the Allocation Platform or the Registered Participant, the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as they have been notified to the Registered Participant.
  10. All bank fees shall be covered by the Registered Participant.
  11. The Registered Participant shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an Auction, against any claims towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

#### ***Article 50 Payment disputes***

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the

invoice or credit note by registered mail and email. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.

2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within ten (10) Working days after the notification, the procedure for the dispute resolution in accordance with Article 54 shall apply.
3. A dispute about the amount of an invoice shall in no way relieve the Party from the obligation to pay such amounts as they fall due in accordance with Article 49.
4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 54 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:
  - (a) the Allocation Platform shall refund any amount including interest to be calculated according Article 46(4) to the Registered Participant in case that the amount paid by the Registered Participant as set forth in Article 49(2) and Article 49(5) was higher or the amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account indicated by the Registered Participant for this reimbursement in accordance with Article 8 paragraph 1(g).
  - (b) the Registered Participant shall pay any amount including interest to be calculated according to Article 46(4) to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 49(2) and Article 49(5) was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 49 (7). Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 49(9).
5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1<sup>st</sup>) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

#### **Article 51 Late payment and payment incident**

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident will be registered if the amount including applicable interest due is not received within three (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.
2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals.
3. The Allocation Platform may suspend or terminate the Participation Agreement in case of registered payment incident in accordance with Articles 55 and 56.

4. In case of late payment or refund, the Parties shall pay interest on the amount due including taxes and levies from the first (1<sup>st</sup>) day following the date on which the payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
  - (a) a flat rate of 100 €; or
  - (b) eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and round up to the nearest half percentage point.

## **CHAPTER 9**

### **Miscellaneous**

#### *Article 52 Duration and amendment of Allocation Rules*

1. The Allocation Rules are of indefinite duration and are subject to amendment in accordance with this Article. These Allocation Rules and any amendments thereof shall be consulted upon subject to paragraph 7 of this Article, proposed by the relevant Transmission System Operators and enter into force in accordance with the applicable national regulatory regime. The Allocation Platform shall publish the amended Allocation Rules and send an amendment notice to Registered Participants.
2. Subject paragraph 7 of this Article, an amendment shall enter into force at the date and time specified in the amendment notice but not earlier than thirty (30) calendar days after the amendment notice is sent to Registered Participants by the Allocation Platform.
3. Each amendment shall apply to all aspects of these Allocation Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
4. Unless expressly stated otherwise by the Allocation Platform the amended Allocation Rules shall govern all rights and obligations in connection with these Allocation Rules including those acquired before the date of amendment but with the delivery date after the amendment takes effect.
5. Any amendment of these Allocation Rules shall apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Participation Agreement in accordance with Article 56(1). By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Allocation Rules and after these changes and/or adaptations of the Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Allocation Rules.
6. The Allocation Rules shall be periodically reviewed by the Allocation Platform, the relevant Transmission System Operators at least every two years involving the Registered Participants.

In case the relevant Transmission System Operators consider the amendment of these Allocation Rules as a result of this review, the procedure described in this Article shall apply. This biennial review is without prejudice of the competence of National Regulatory Authorities to request at any time amendments of the Allocation Rules and the annexes included thereto in accordance with the existing legislation.

7. These Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in legislation or any action by competent authorities at national level, or European Union level, or, as it may be, at the level of the Energy Community which have an effect on these Allocation Rules and/or their annexes then, notwithstanding any other provision of these Allocation Rules, the Allocation Rules shall be amended accordingly and pursuant to this Article.
8. List of Bidding Zone borders (Appendix 1) to which the Allocation Rules apply may be amended or supplemented in accordance with the provisions relating to the amendment of the Allocation Rules, provided that where for the amendment of this list the approval of one or more NRAs is/are required.
9. For the purpose of incorporating the amendment or supplement, only the approval of an NRA that has jurisdiction over the relevant TSO whose Bidding Zone border is amended or added, shall be required to be consulted or shall be asked for approval, as applicable.

#### *Article 53 Liability*

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Allocation Rules and the Participation Agreement.
2. Subject to any other provisions of these Allocation Rules the Allocation Platform shall only be liable for damages caused by:
  - (a) fraud, gross negligence or willful misconduct.
  - (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which any of them may suffer or incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Allocation Rules.
4. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:

- (a) the timely arrival of Bids and transfer and return notifications by the Registered Participant;
  - (b) technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Allocation Rules.
6. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
7. This Article survives the termination of the Registered Participant's Participation Agreement.

#### *Article 54* **Dispute resolution**

1. Without prejudice to paragraphs 6 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:
- (a) the existence of a Participation Agreement between the Parties;
  - (b) the reason for the dispute; and
  - (c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second

arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Participation Agreement and in accordance with the governing law of these Allocation Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.

5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Allocation Rules.
7. In cases of late payment and notwithstanding Article 51 and paragraphs 1 to 4 of this Article,
  - a Party may bring court proceedings against the other Party for any amount due under or in connection with these Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.
8. The Parties agree that proceedings referred to in paragraphs 6 or 7 of this Article may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Allocation Rules and the Registered Participant's Participation Agreement.
10. This Article survives the termination of the Registered Participant's Participation Agreement.

#### ***Article 55 Suspension of the Participation Agreement***

1. The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant's rights in connection with these Allocation Rules with immediate effect if the Registered Participant commits a major breach of an obligation in connection with these Allocation Rules which may have a significant impact to the Allocation Platform as follows:
  - (a) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 51;
  - (b) if a Registered Participant fails to provide and maintain collaterals in accordance with Article 23;



- (c) any breach which may have a significant financial impact to the Allocation Platform;
  - (d) the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Allocation Rules unless termination applies according to Article 56.
2. In any case of a minor breach in relation to these Allocation Rules such as but not limited to the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 8, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant's that its rights in connection with these Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the suspended Registered Participant may no longer participate in an Auction.
  3. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
  4. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to its ability to participate in Auctions by written notice to the Registered Participant. As from the date of effect of the reinstatement the Registered Participant may participate in Auctions.
  5. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 8.

#### ***Article 56 Termination of the Participation Agreement***

1. A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled.
2. A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Allocation Rules or the Participation Agreement in the following cases:
  - (a) where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;

- (b) where there is a significant breach of the confidentiality obligations in accordance with Article 59.

The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline.

3. If any of the termination events in paragraph 4 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform until the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.
4. The termination events referred to in paragraph 3 shall be the following:
  - (a) if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;
  - (b) if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 9;
  - (c) if a Registered Participant repeatedly breaches these Allocation Rules or a Participation Agreement, whether or not the breach is capable of remedy;
  - (d) if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions; or
  - (e) if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case of any behavior that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).
5. After the termination takes effect in accordance with paragraphs 1 to 3 of this Article and from that time, the Registered Participant may no longer participate in an Auction.
6. Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and liabilities. This paragraph

shall apply without prejudice to other remedies available to the Allocation Platform under these Allocation Rules.

#### *Article 57 Force Majeure*

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The Party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 59.
3. Suspension under paragraph 2 is subject to the following:
  - (a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - (b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:
  - (a) the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
  - (b) the acquired Daily Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Allocation Rules; and
5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice.
6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 7 regarding the curtailment of Daily Transmission Rights.

#### *Article 58 Notices*

1. Any notice or other communication to be given under or in connection with these Allocation Rules shall be in English.

2. Unless otherwise expressly provided in these Allocation Rules, all notices or other communications shall be in writing between the Allocation Platform and each Registered Participant and shall be sent to the email address and if not possible, by facsimile number and marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 8.
3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - (a) the conclusion of the Participation Agreement in accordance with Article 6;
  - (b) the suspension and termination according to Article 56 and Article 55; and
  - (c) the submission of the bank Guarantee in accordance with Article 19
4. All notices or other communications shall be deemed to have been received:
  - (a) in the case of delivery by hand, when delivered against receipt; or
  - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
  - (c) in the case of facsimile, on acknowledgement of receipt by the addressee's facsimile receiving equipment; or
  - (d) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the email.
5. If a notice or other communication has been received outside normal Working Hours on a Working Day, it is deemed to have been received at the opening of business on the next Working Day.

#### **Article 59 Confidentiality**

1. The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Allocation Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party to a third party with the other Party's prior consent expressed in writing and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Allocation Rules directly enforceable by the other Party.

4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party:
  - (a) to the extent expressly permitted or contemplated by the Allocation Rules;
  - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Allocation Rules;
  - (c) as far as required in order to comply with EU legislation (such as Regulation (EU) No 1227/2011 and Regulation (EU) No 543/2013) or applicable legal acts of the Energy Community, and/or applicable national legislation or any other relevant domestic administrative acts such as grid codes;
  - (d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
  - (e) as may be required by the relevant Transmission System Operators for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Allocation Rules by themselves or through agents or advisers; or
  - (f) as far as required in order to obtain clearances or consents from a competent authority.
5. Moreover, the obligations arising from this Article shall not apply:
  - (a) if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
  - (b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
  - (c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - (d) to information whose publication is explicitly provided for by the present Allocation Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Participation Agreement.
7. The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Allocation Rules.

#### **Article 60 Assignment and subcontracting**

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. A Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Allocation Rules without the prior written consent of the Allocation Platform.
3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to this Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Participation Agreement or these Allocation Rules.

#### **Article 61 Governing law**

These Allocation Rules shall be governed by and construed in all respects in accordance with the Belgian law.

#### **Article 62 Language**

The applicable language for these Allocation Rules shall be English. For the avoidance of doubt, where Transmission System Operators need to translate these Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

#### **Article 63 Intellectual property**

No Party shall acquire any right, title, license or interest in or to any intellectual property rights of the other Party in connection with these Allocation Rules.

#### **Article 64 Relationship of the Parties**

1. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Allocation Rules, nothing contained or implied in these Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever or create or be deemed to create any partnership, agency or trust between the Parties.
2. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Allocation Rules, the Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Allocation Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Allocation Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Allocation Rules or the Participation Agreement.

#### **Article 65 No third party rights**

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Participation Agreement between them, including any other market participant, has no rights to enforce these Allocation Rules or the Participation Agreement as between the Allocation Platform and that Registered Participant.

#### **Article 66 Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Allocation Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Allocation Rules.
2. Any waiver of any right, power or remedy under these Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

#### **Article 67 Entire agreement**

These Allocation Rules and the Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Allocation Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Allocation Rules or the Participation Agreement.

#### **Article 68 Remedies exclusive**

The rights and remedies provided by these Allocation Rules and the Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Allocation Rules and the Participation Agreement. Accordingly, the Allocation Platform and each Registered Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Allocation Rules and the Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

#### **Article 69 Severability**

If any provision of these Allocation Rules or a Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Allocation Rules and the Participation Agreement which shall continue in full force and effect notwithstanding such

invalidity, unenforceability or illegality. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect.



## Appendix 1

### List of Bidding Zone borders to which the Allocation Rules apply

List of Bidding Zone borders	
List of responsible TSOs	
<b>Croatia (HR)</b>  HOPS	<>  NOS BIH
<b>Bosnia and Herzegovina (BiH)</b>  NOS BIH	<>  CGES
<b>Montenegro (ME)</b>  CGES	<>  OST
<b>Albania (AL)</b>  OST	<>  IPTO
<b>Greece (GR)</b>  IPTO	<>  TEIAS
<b>Greece (GR)</b>  IPTO	<>  MEPSO
<b>Kosovo (XK)</b>  KOSTT	<>  OST
<b>Kosovo (XK)</b>  KOSTT	<>  CGES
<b>Kosovo (XK)</b>  KOSTT	<>  MEPSO

This List of Bidding Zone borders to which the Allocation Rules apply may be amended or supplemented in accordance with the provisions of Article 52 (Duration and amendment of Allocation Rules) of these Allocation Rules.

# Participation Agreement

between

**Coordinated Auction Office in South East Europe d.o.o. Podgorica,**

with its registered office at Svetlane Kane Radević 1, 4<sup>th</sup> floor, 81000 Podgorica, Montenegro, registered with the Montenegro Central Register of Commercial Entities (*Centralni registar privrednih subjekata*) under number 5-0635601/9

hereinafter referred to as the “SEE CAO” or “**Allocation Platform**”

and

***[insert name of the Registered Participant]***

with its registered office at *[insert address]*  
registered with *[insert authority]* under number *[insert number]*

hereinafter referred to as the “**Registered Participant**”

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each referred to individually as a “**Party**” or together as the “**Parties**”

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The Parties hereby agree as follows:

For the purpose of interpretation of this Participation Agreement:

- a) term „**SEE CAO Set of Allocation Rules**” implies:
- Harmonized allocation rules for long-term transmission rights in accordance with Article 51 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation;
  - Allocation Rules for Forward Capacity Allocation on Italy- Montenegro Border;
  - Rules for Daily Capacity Allocation on Italy- Montenegro Border;
  - Specific Annex for the Bidding Zone borders serviced by SEE CAO to the Harmonized Allocation Rules for long-term transmission rights;
  - Rules for explicit Daily Capacity Allocation on Bidding Zone borders serviced by SEE CAO;
  - Financial terms;
  - Nomination Rules;
  - Information System Rules;
- b) Term “**Additional Rules**” has the meaning envisaged in Article 4 of this Participation Agreement;
- c) Term “**Additional Financial Terms**” has the meaning envisaged in Article 5 of this Participation Agreement;
- d) Working Hours means the hours between 07:00 am and 04:00 pm CET, Monday - Sunday.

#### *Article 1*

#### **Declarations of the applicant**

1. By signing and delivery of this Participation Agreement, the Registered Participant declares fulfillment of all participation requirements and commits to abide to the SEE CAO Set of Allocation Rules which are published on the website of the Allocation Platform from time to time and any agreed additional rules in accordance with Articles 4 and 5 of this Participation Agreement.
2. The Registered Participant unconditionally accepts SEE CAO Set of Allocation Rules and any agreed Additional Rules or Additional Financial Terms including future amendments.
3. Registered Participant warrants to the Allocation Platform that at the time of entering into this Participation Agreement and on a continuing basis:
  - (a) It has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor’s rights;
  - (b) No insolvency, bankruptcy or other similar legal proceeding affecting creditors’ rights have been commenced in relation to the applicant;
  - (c) No winding-up or liquidation proceedings have been commenced with regard to the applicant;

- (d) It has no overdue payment obligations towards any current, previous or future Allocation Platform;
  - (e) the information set out in Attachments 1 and 3 to this Participation Agreement is true, accurate and complete in all material respects;
  - (f) in the case of a Registered Participant that is not a natural person, it is duly incorporated and validly existing under the laws of its country of incorporation;
  - (g) it has full power and authority to enter into and perform this Participation Agreement and all necessary action has been taken by it to entry into and performance of this Participation Agreement; and
  - (h) this Participation Agreement and rights acquired under the Allocation Rules and, if applicable, the Additional Rules constitutes its legal, valid and binding obligation, enforceable against it in accordance with their respective terms.
4. If any of the above warranties ceases to be true with regard to the Registered Participant at any time prior to termination of this Participation Agreement, the Allocation Platform can terminate this Participation Agreement forthwith on written notice to the Registered Participant.

#### *Article 2*

#### **Entry into force and term**

1. This Participation Agreement enters into force on the date of signature by both Parties. The Participation Agreement has to be delivered (by courier or personal delivery) to the Allocation Platform at least seven (7) days prior to the Registered Participant's first participation in the Auction Process in two (2) hard copies, duly completed and signed.
2. Each Party undertakes with the other Party to comply with and to perform its obligations in accordance with and subject to the SEE CAO Set of Allocation Rules and any agreed Additional Rules or Additional Financial Terms.
3. This Participation Agreement is valid for an indefinite period of time and can be suspended or terminated according to Article 1(4) of this Participation Agreement, as provided in the SEE CAO Set of Allocation Rules and/or according to any agreed Additional Rules or Additional Financial Terms.

#### *Article 3*

#### **Framework contract**

1. The Participation Agreement creates a framework contract between the Allocation Platform and the Registered Participant for the allocation and use of the Long Term and Daily Transmission Rights and any other process for which these Parties may apply in line with Article 4 below, all in accordance with SEE CAO Set of Allocation Rules.
2. In the SEE CAO Set of Allocation Rules, there are:
  - (a) provisions where the Allocation Platform acts as a principal; and
  - (b) provisions, notably in relation to the execution of use of capacity, where the Allocation Platform acts as an agent of one or more TSOs.

#### *Article 4*

#### **Agreement on Additional Rules**

1. The Parties may agree on Additional Rules regarding their rights and obligations which are not regulated by SEE CAO Set of Allocation Rules including but not limited to the participation in day-ahead explicit allocation.
2. Such agreement shall become effective upon submission of a declaration of the Registered Participant (in the form set out in Attachment 1 to this Participation Agreement) to the Allocation Platform, whereupon the Registered Participant accepts the Additional Rules for such additional process, as a whole including future amendments.
3. These Additional Rules shall be published on the Allocation Platform's website and attached to the Participation Agreement.

#### *Article 5*

#### **Additional Financial Terms**

1. The Registered Participant hereby acknowledges the application of the additional Financial terms of the Allocation Platform as such are published on the website of the Allocation Platform from time to time.
2. The collaterals to be provided by the Registered Participant in accordance with the SEE CAO Set of Allocation Rules and any Additional Financial Terms are in relation to all processes organized by the Allocation Platform in accordance with this Participation Agreement, including but not limited to the participation in day-ahead explicit allocation.
3. Each collateral accepted by the Allocation Platform before the entry into force of the Additional Financial Terms shall remain valid until the date of its expiry.

#### *Article 6*

#### **General**

1. Capitalized terms defined in SEE CAO Set of Allocation Rules, relevant Additional Rules and/or Additional Financial Terms shall have the meaning ascribed to them in the SEE CAO Set of Allocation Rules, relevant Additional Rules and/or Additional Financial Terms unless otherwise defined herein.
2. The Allocation Platform undertakes to notify the Registered Participant of any changes to the details set out in Attachment 2 of this Participation Agreement, no later than one (1) Working Day before such changes take effect.
3. This Participation Agreement, shall be governed by and construed in accordance with the laws of Belgium.
4. In the case of a dispute under this Participation Agreement, relevant provisions of SEE CAO Set of Allocation Rules shall apply.
5. If any provision of this Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Participation Agreement which shall continue in full force and effect.

The Allocation Platform:

Name and position of the legal representative:

\_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

The Registered Participant:

Name and position of the legal representative:

\_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachments:**

- Attachment 1: Submission of information
- Attachment 2: Allocation Platform contact details
- Attachment 3: TSOs Designation

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**ATTACHMENT 1**  
**Submission of information**

**1. General information**

Company name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Business register  
number: \_\_\_\_\_  
VAT number: \_\_\_\_\_  
TAX number: \_\_\_\_\_  
Legal  
representative: \_\_\_\_\_  
Telephone  
number: \_\_\_\_\_  
Fax number: \_\_\_\_\_  
EIC code: \_\_\_\_\_

***General correspondence***

Contact:	
Address:	
Telephone number:	
Fax number:	
E-mail:	

***Financial contact person (invoicing and credit notes)***

(Please indicate a single telephone number, fax number and e-mail)

Contact:	
Address:	
Telephone number:	
Fax number:	
E-mail:	

**Operational contact person**

(Please indicate a single operational telephone number, fax number and e-mail)

Contact:	
Telephone number:	
Mobile phone number:	
Fax number:	
E-mail:	

**Commercial contact person**

(Please indicate a single operational telephone number, fax number and e-mail)

Contact:	
Telephone number:	
Mobile phone number:	
Fax number:	
E-mail:	

**Bank account information**

All payments made by the Allocation Platform to the Registered Participant will be made to the following bank account:

Bank: \_\_\_\_\_

Account Holder: \_\_\_\_\_

SWIFT Code: \_\_\_\_\_

IBAN Code: \_\_\_\_\_

**Additional documents required to be attached by the Registered Participant:**

Registration extract of the Registered Participant from relevant registry of companies or other competent authority (in cases where the Registered Participant is a legal entity).

**ATTACHMENT 2**  
**Allocation Platform Contact Details**

Mail, courier and personal messages must be delivered to the Allocation Platform at the following address:

**Coordinated Auction Office in South East Europe – SEE CAO**  
**Svetlane Kane Radević 1, 4<sup>th</sup> floor**  
**81000 Podgorica**  
**MONTENEGRO**

For attention of Nikolina Kažić, Legal Officer, additionally available at the following telephone number:

**+382 20 444 993**

Allocation Platform accepts the submitted documents only on Working Days during the Working Hours. For other operational communication, the following contacts shall be used:

Auction Office Operators:

	<b>Landline Phone No.</b>	<b>Mobile Phone No.</b>	<b>E-mail</b>
Available every day from: <b>07:00 – 16:00</b>	+382 20 240 000 +382 20 240 001 +382 20 444 998 +382 20 444 999	+382 69 240 001	auctionoffice@seecao.com

### **ATTACHMENT 3** **TSOs Designation**

For participation in long term and day-ahead explicit allocation and in return and transfer of Long Term Transmission Rights the Registered Participant declares that it has signed at least one of the following documents:

- A valid and effective Balance Responsibility Agreement signed with HOPS and/or valid Electricity Market Participation Agreement signed with Croatian Energy Market Operator (HROTE) (Auction Participant has to be recognized as Croatian Market participant in Croatia);
- A license for international trade issued by SERC and registration with NOSBiH as a Market Participant who belongs to some Balance Group or is registered as an independent Balance Responsible Party (BRP). BRP must have a valid Agreement on Balance Responsibility signed with NOSBiH, including the contracts for access to the network and for transmission;
- Balance responsibility agreement between COTEE, CGES and Balance Responsible Party;
- All relevant contracts with the OST, including the contracts for access to the network and for transmission;
- A Day Ahead Energy Transactions Contract with LAGIE (The Operator of Electricity Market S.A.) and a Transmission System Transactions Contract with ADMIE;
- All relevant contracts with the EPIAS (Market Operator) and TEIAS, including the contracts for access to the network and for transmission;
- A Contract related to conditions and methods for participation in Electricity Market with MEPSO;
- The Dispatching Contract with TERN in accordance with Congestion Management Rules on Italian Interconnections.

In accordance with SEE CAO set of Allocation Rules (as defined in Participation agreement), Coordinated Auction Office in South East Europe d.o.o. Podgorica (hereinafter referred to as the "SEE CAO" or "Allocation Platform"), Montenegro publishes

## **Financial terms**

for participation in processes organized by the Allocation Platform in accordance with the Participation Agreement

### **Attachments:**

- Attachment 1: Cash Deposit Contract template
- Attachment 2: Bank Guarantee template
- Attachment 3: Instructions for invoices settlement
- Attachment 4: Instructions for depositing collaterals

## Attachment 1

### Cash Deposit Contract template

Concluded in Podgorica, Montenegro on \_\_\_\_\_ between:

[insert name of the market participant], with registered office at [insert full address], Tax  
[insert], VAT No [ insert], represented by [ insert name and position ] ( No  
[ in

further text:

"Registered Participant"), on one side;

and

**Coordinated Auction Office in South East Europe doo Podgorica**, with its registered office at Svetlane Kane Radević 1, 4<sup>th</sup> floor, Podgorica, Montenegro, Tax No 02890909, VAT No 30/3111585-9 (in further text: "**SEE CAO**" or "**Allocation Platform**"), represented by Ivan Bulatović, Executive Director, on the other side;

hereinafter together referred to as the "**Parties**";

#### Article 1

The Registered Participant shall pay the amount of EUR \_\_\_\_\_ (**deposit amount**) to the Business Account of the Allocation Platform with specific purpose of collateral for participating to auctions on bidding zone borders serviced by SEE CAO in accordance with applicable allocation rules (as amended and/or restated from time to time).

#### Article 2

Each market participant who wishes to be recognized as the Registered Participant shall provide a cash deposit as a collateral (in this case deposit amount referred to in Article 1 herein), in accordance with the following:

- The cash deposit shall be managed, controlled and operated exclusively by the Allocation Platform;
- All bank charges relating to the cash deposit are to be borne by or credited to the Registered Participant;
- The Allocation Platform is entitled to withdraw the cash deposit from the Business Account and to use it only for the purpose of settlement of its claims against the Registered Participant. For the avoidance of doubt, this includes, without limitation, the right of the Allocation Platform to settle a claim in case of non-payment by the

Registered Participant of any amount due to the Allocation Platform following its insolvency, bankruptcy or any similar event (declared or not; voluntary or not);

- The amount of the cash deposit will be taken into account in the Credit Limit;
- The Registered Participant is entitled to receive interest accrued on the cash deposit paid in to the Business Account of the Allocation Platform in the amount defined by a decision, decree or other enactment about the interest rates issued by the bank where the cash deposit is placed;
- The cash deposit can only serve as a collateral and will not be used as an advance payment.

### **Article 3**

The cash deposit referred to in Article 1 will be held by the Allocation Platform on its Business Account until [insert date] (date, triggering event, or date following triggering event to be inserted).

The Registered Participant hereby agrees that, at the moment of the Registered Participant's payment of the cash collateral into the Business Account of the Allocation Platform:

- the full ownership of such cash deposit is transferred from the Registered Participant to the Allocation Platform for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations of the Registered Participant to the Allocation Platform;
- the Registered Participant has no proprietary claim in respect of such cash deposit;
- subject to Article 2 hereof, the Allocation Platform is entitled to deal with such cash deposit as its own; and
- upon the Allocation Platform being satisfied that the obligations of the Registered Participant have been irrevocably paid or discharged in full, the Allocation Platform shall (subject to any right of set-off) transfer to the Registered Participant full ownership of an amount of money transferred to the Allocation Platform by the Registered Participant, and the Registered Participant shall have a contractual claim against the Allocation Platform for the repayment of such amount.

### **Article 4**

Cash deposits may be modified in accordance with applicable allocation rules applied by the Allocation Platform.

The amount of the cash deposit that does not refer to outstanding payment obligation may be returned to the Registered Participant upon the Registered Participant's originally signed written request to the Allocation Platform and subject to agreement in writing by the Allocation Platform. The Allocation Platform shall initiate repayment within 2 (two) working days by submission of Bank order with regular value date (D+2).

The request for return of the cash deposit shall contain the following payment details: amount of the cash deposit to be returned, bank account no., IBAN, name and address of the bank and BIC/SWIFT code.

#### **Article 5**

The cash deposit may be used as stipulated in relevant allocation rules applied by Allocation Platform.

The Registered Participant shall not protest against or in any way contest the action of the Allocation Platform in case the Allocation Platform withdraws from the Business Account and uses the cash deposit for settling the Allocation Platform's claims against the Registered Participant.

#### **Article 6**

In the case of any discrepancy between this Deposit Contract and relevant allocation rules the provisions of this Deposit Contract shall prevail.

All capitalized terms used in this Deposit Contract have the meaning defined relevant allocation rules applied by Allocation Platform.

#### **Article 7**

This Deposit Contract shall be governed by Montenegrin law. In the case of any dispute with respect to this Deposit Contract, Commercial Court of Montenegro shall have the judicial jurisdiction.

#### **Article 8**

This Deposit Contract is made in 4 (four) identical copies, out of which Registered Participant shall retain 2 (two) and the Allocation Platform shall retain 2 (two).

On behalf of  
**Allocation Platform**

On behalf of  
**Registered Participant**

\_\_\_\_\_  
Bulatović, Executive Director

\_\_\_\_\_  
Ivan  
[insert name and position]

### **Attachment 2**



## Bank Guarantee template

Coordinated Auction Office in South East Europe doo Podgorica  
Svetlane Kane Radević 1, 4<sup>th</sup> floor  
81000 Podgorica  
Montenegro  
Commercial Register at Number: 5-0635601/01  
TAX ID: 02890909 VAT ID:  
30/31-11585-9 Bank  
Guarantee No. ....

We have been informed that .....**name of company, address**..... (the "Committer") will participate in "Coordinated Auction of Transmission Capacity in the SEE-Region" carried out by you (the "Auction Process").

The Committer's liabilities resulting from its participation in the Auction Process are to be secured by a bank guarantee.

Upon the Committer's instructions we, .....**Name of Bank, address**....., Id. No. ...., ..... registered in the Commercial Register at the Local Court in ....., hereby issue in your favor an irrevocable and unconditional guarantee up to the maximum amount of **EUR** ..... (in words: EURO .....) and undertake to pay you upon receipt by us of your first demand in writing without delay or objection to your account No. **01/501/0004349/3**, IBAN: **ME25550015010004349346** held at **Podgorička banka AD Podgorica, Member of OTP Group, Bulevar Revolucije 17, Podgorica (SWIFT: PDBPMEPG)**, any amount or amounts up to the total amount guaranteed by us under this bank guarantee, provided such request is in compliance with all terms and conditions of this bank guarantee and contains your statement in writing to which Committer.....**name of company, address**..... your request relates (the "Request").

Your Request addressed to us at .....**Name of Bank, address**....., **SWIFT**....., shall be submitted to us not later than the date of expiry mentioned below of this bank guarantee.

Your Request relative to this bank guarantee shall be sent only by SWIFT with full wordings and through intermediary bank confirming that the signatures on the request appear to conform to specimen held by the bank.

The amount of this bank guarantee shall decrease by every payment made by us to you hereunder.

This bank guarantee ceases to be valid upon the payment of the total amount guaranteed by us.

This bank guarantee will become effective on the date of its issue and is valid until .....**date, time**..... inclusive.

Following the lapse of the date this bank guarantee ceases to be valid.

This bank guarantee also ceases to be valid following the lapse of the date of receipt by us (return to us) of the original copy of this bank guarantee, provided such return takes place prior to the stated date of expiry of this bank guarantee.

This bank guarantee is not transferable.

This bank guarantee shall be governed by the laws of the [Montenegro] and shall be subject to the Uniform Rules for Demand Guarantees, published as No. 758 by the International Chamber of Commerce in Paris, except as stated above, i. e. in particular Article 15 of the Uniform Rules for Demand Guarantees does not apply.

All bank charges in connection with the issuance of this bank guarantee as well as any arranging fees are to be borne by the Committer. [Tariffs for the arranging fees may be published on Allocation Platform's website from time to time.]

## Attachment 3

### Instructions for invoices settlement

Instructions for invoices settlement:

Field 59 - IBAN: ME25550015010004349346

Remittance information (Field 70): number/date of invoice □

General payment information:

Field 56A: (Intermediary)	<b>RZBAATWW</b> Raiffeisen Bank International AG
------------------------------	---

Field 57A: (Account with Inst)	<b>PDBPMEPG</b> Podgorička banka AD Podgorica
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## Attachment 4

### Instructions for depositing collaterals

Instructions for depositing collaterals:

Field 59 - IBAN: ME25550015010004349346

Remittance information (Field 70): 23258088 □

General payment information:

Field 56A: (Intermediary)	<b>RZBAATWW</b> Raiffeisen Bank International AG
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Field 57A: (Account with Inst)	<b>PDBPMEPG</b> Podgorička banka AD Podgorica
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## Nomination Rules

*Disclaimer: In case of any discrepancy between the deadlines and information published in this document by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and SEE CAO shall not be held liable for any (supposed) damages due to such a discrepancy.*

These Nomination Rules are the rules with regard to the notification of use of Long Term/Daily Cross Zonal Capacity by a Physical Transmission Rights holder and their counterparty, or an authorized third party, to the respective Transmission System Operator(s).

Nomination rules consist of following information:

- Relevant agreements with TSOs
- Nomination principles/Type of nomination
- Designation of eligible person
- Long term nomination deadline
- Day ahead nomination deadline (subject to Daily allocation rules)
- Day Ahead Firmness Deadline

Relevant agreements with TSOs		
Country	TSO	Agreement
Albania	OST	All relevant contracts with the OST, including the contracts for access to the network and for transmission
Bosnia and Herzegovina	NOS BiH	A license for international trade issued by SERC and registration with NOSBiH as a Market Participant who belongs to some Balance Group or registered as an independent Balance Responsible Party (BRP). BRP must have a valid Agreement on Balance Responsibility signed with NOSBiH, including the contracts for access to the network and for transmission

<b>Croatia</b>	<b>HOPS</b>	A valid and effective Balance Responsibility Agreement signed with HOPS and/or valid Electricity Market Participation Agreement signed with Croatian Energy Market Operator (HROTE) (Auction Participant has to be recognized as Croatian Market participant in Croatia)
<b>FYROM</b>	<b>MEPSO</b>	A contract related to conditions and methods for participation in Electricity Market with MESPO
<b>Greece</b>	<b>IPTO</b>	A Day Ahead Energy Transactions Contract with LAGIE (The Operator of Electricity Market S.A.) and a Transmission System Transactions Contract with ADMIE
<b>Montenegro</b>	<b>CGES</b>	Balance responsibility agreement between COTEE, CGES and Balance Responsible Party
<b>Turkey</b>	<b>TEIAS</b>	All relevant contracts with the EPIAS (Market Operator) and TEIAS, including the contracts for access to the network and for transmission
<b>Italy</b>	<b>TERNA</b>	The Dispatching Contract with TERNA in accordance with Congestion Management Rules on Italian Interconnections

<b>Nomination principles per Bidding Zone border</b>		
<b>Bidding Zone border</b>	<b>Long term PTRs nominations</b>	<b>Daily PTRs nominations</b>
<b>HR &lt; &gt; BA</b>	<b>A:N</b>	<b>A:N</b>
<b>BA &lt; &gt; ME</b>	<b>A:N</b>	<b>A:N</b>
<b>ME &lt; &gt; AL</b>	<b>A:N</b>	<b>A:N</b>
<b>AL &lt; &gt; GR</b>	<b>A:N</b>	<b>A:B</b>

<b>GR &lt; &gt; MK</b>	<b>A:N</b>	<b>A:B</b>
<b>GR &lt; &gt; TR</b>	<b>A:N</b>	<b>A:B</b>
<b>IT &lt; &gt; ME</b>	<b>A:N</b>	<b>A:B<sup>1</sup></b>

<b>Designation of eligible person per Bidding Zone border</b>		
<b>Bidding Zone border</b>	<b>Long term PTRs nominations</b>	<b>Daily PTRs nominations</b>
<b>HR &lt; &gt; BA</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>BA &lt; &gt; ME</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>ME &lt; &gt; AL</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>AL &lt; &gt; GR</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>GR &lt; &gt; MK</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>GR &lt; &gt; TR</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>IT &lt; &gt; ME</b>	<b>Not applicable</b>	<b>Not applicable</b>

**Nomination deadlines per Bidding Zone border**

<sup>1</sup> The daily PTRs on ITME border can be nominated in the exporting bidding zone only by the PTR holder

<b>Bidding Zone border</b>	<b>Long term</b>	<b>Daily</b>	<b>Day ahead firmness deadline</b>
<b>HR &lt; &gt; BA</b>	<b>D-1 08:00</b>	<b>D-1 14:30</b>	<b>D-1 07:00</b>
<b>BA &lt; &gt; ME</b>	<b>D-1 08:00</b>	<b>D-1 14:30</b>	<b>D-1 07:00</b>
<b>ME &lt; &gt; AL</b>	<b>D-1 08:00</b>	<b>D-1 14:00</b>	<b>D-1 07:00</b>
<b>AL &lt; &gt; GR</b>	<b>D-1 08:00</b>	<b>D-1 14:00</b>	<b>D-1 07:00</b>
<b>GR &lt; &gt; MK</b>	<b>D-1 08:00</b>	<b>D-1 14:00</b>	<b>D-1 07:00</b>
<b>GR &lt; &gt; TR</b>	<b>D-1 08:00</b>	<b>D-1 14:00</b>	<b>D-1 07:00</b>
<b>IT &lt; &gt; ME</b>	<b>D-1 08:30</b>	<b>D-1 14:30</b>	<b>D-1 08:30</b>



## Information System Rules

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*These Information System Rules provide necessary information stated in SEE CAO Set of Allocation Rules, as defined in Participation agreement.*

*Information System Rules means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website.*

*By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.*

*For the purpose of these Information System Rules, Allocation Platform is Coordinated Auction Office in South East Europe d.o.o. Podgorica – SEE CAO.*

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## 1 Definitions

The capitalised terms used in these Information System Rules and Auction Tool are defined in the SEE CAO Set of Allocation Rules, which these Information System Rules are attached to, unless otherwise specified below:

**Return** means Resale.

**Reduction Period** means Planned Outage Period.

**Auction Specification** means Auction Detail.

**Bid Quantity** means Bid Amount.

**Marginal Price** means Auction Price / Auction Clearing Price.

**Product Period** means Auction Product.

**Auction Results** means Auction Statistics.

**Cash Deposit** means Cash on Deposit.

**Bank Guarantee** means Letter of Credit.

**Collaterals** means Letter of Credit / Cash on Deposit.

**Transmission Rights** means Capacity.

**Already Allocated Transmission Rights** means Already Allocated Capacity.

**Total Allocated Transmission Rights** means Total Allocated Capacity.

**Allocated Transmission Rights** means Allocated Capacity.

**Cancellation of bids** means Deletion of bids.

**Registration of bids** means Acceptance of bids.

**Transfer Rejection** means Transfer Cancellation.

**Bid Curve** means Price Curve.

## 2 Forms and requirements for access to Auction Tool

In order to acquire User account for access to Auction Tool, the Registered Participant has to sign and deliver a completed form as set forth in Annex 1 of these Information System Rules, identifying the person(s) for which the user account(s) in the Auction Tool shall be established.

Moreover, a user account can be assigned to multiple Registered Participants provided that User's details in Annex 1 User account form identifying the person for user accounts are identical in several forms for different Registered Participants.

### **3 Requirements on authentications**

The Registered Participant who wishes to gain access to Auction Tool must comply with the requirements on authentications as set forth in Annex 2 of these Information System Rules.

## **4 Hardware and software requirements**

### **4.1 Hardware requirements**

In order to use Auction tool without any obstacles, it is necessary to have a PC with adequate internet connection.

### **4.2 Software requirements**

Auction Tool works with Microsoft Windows operational systems (7 or later), and it is operated through Microsoft Internet Explorer (version 8 and later; it is necessary to add address of Auction Tool in Compatibility view settings) or Mozilla Firefox (version 3 and later).

## **5 Availability**

### **5.1 Availability of the Auction tool**

The Auction Tool is available 24 hours, 7 days in a week.

### **5.2 Planned maintenance**

In case of planned maintenance, Allocation Platform will make sure to, prior to the maintenance, in reasonable period of time, inform Registered Participants regarding planned maintenance and estimated outage time of the Auction Tool, caused by maintenance period. Allocation Platform

will give its best efforts not to affect Registered Participants by planned maintenance of the Auction Tool.

### 5.3 Unplanned outage

In case of unplanned outage of the Auction Tool, Allocation Platform will make sure to immediately inform all Registered Participants, by distributing notification via e-mail and publishing information on Allocation Platform's website.

## 6 Long term products

Long Term allocation products can be in form of:

### 6.1 Long term products with base (flat) product

If there are no planned outages in the observed long term period, the Base Product is defined, with flat ATC value throughout the LT period (year or month).

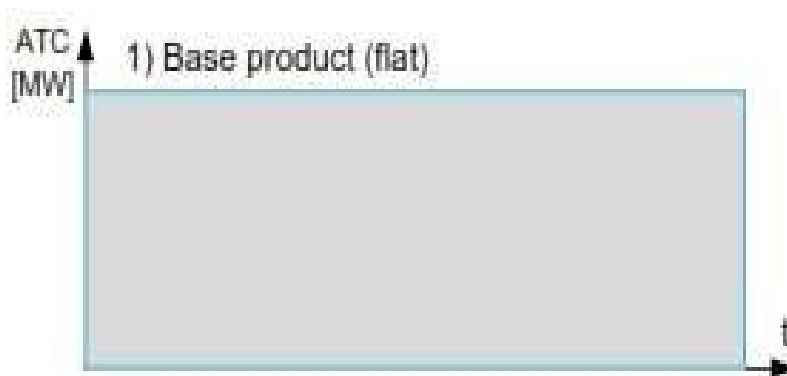


Figure 1: Base product

### 6.2 Long term products with planned outages (maintenance periods)

If there are some planned outages (maintenance periods) and the long term auction cannot be performed as the base (flat) amount for the whole long term period, the following products can be created:

- 2a) Product with planned outages - with pro rata reduction

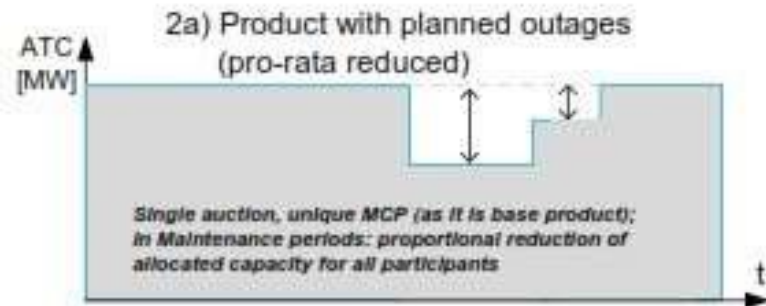


Figure 2: Product with planned outages - with pro rata reduction

- 2b) Allocation periods<sup>1</sup>

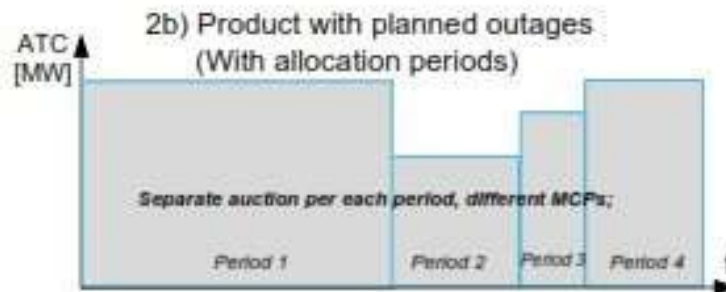


Figure 3: Allocation Periods

Figure

- 2c) Multiple products<sup>2</sup>.

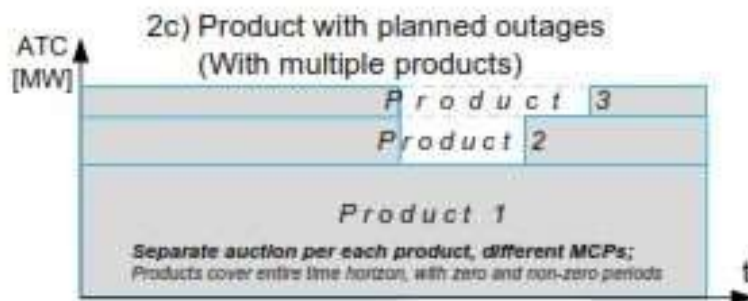


Figure 4: Multiple products

## 7 Bid submission

<sup>1</sup> Not applicable for MEIT border

<sup>2</sup> Not applicable for MEIT border

### **Article 31 Bid submission paragraph 1 of the Harmonized Allocation Rules:**

*“The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:*

...

*(e) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant unless otherwise provided for in the Information System Rules”*

is read as follows: Bid Price shall be different for each Bid of the same Registered Participant.

Therefore, the additional criteria for two cases set forth in Article 33 paragraph 3 rejection of default bids exceeding the OC with the same bid price and Article 34 paragraph 3 exclusion of bids exceeding the Credit Limit with the same bid price shall not be applicable.

For bid submission via BidDocument.xml, template of Bid document is set forth in Annex 3 of these Information System Rules for both, Long Term and Daily auctions. One BidDocument.xml (long term or daily) can be used for submitting Bids for all auctions organized by the Allocation Platform if the respective Bidding Period is open (multiple bidding).

## **8 Process of notification of the eligible persons by the Physical Transmission Rights’ holder**

Process of notification of the eligible persons by the Physical Transmission Rights’ holder defined in Article 46 of the Harmonized Allocation Rules is not applicable according to the Nomination rules.

## **9 Fallback procedures**

Fallback procedures introduced in SEE CAO Set of Allocation Rules as “Fallback procedure for data exchange” and “Fallback procedure for eligible person notification” are not applicable and will not be used by Allocation Platform.

## **10 Process of return**

Process of return of Long Term Transmission Rights is performed through Resale module in the Auction Tool. The process starts with publishing provisional Auction Specification and opening gate for the return of Long Term Transmission Rights, five (5) calendar days before opening of

Bidding Period, and it ends two (2) calendar days before opening of Bidding Period, 10 (ten) minutes prior to publication of final Auction Specification, unless otherwise specified in the Auction Calendar.

Long Term Transmission Rights holder(s) wishing to return their Long Term Transmission Rights shall send a notification via the Auction Tool to the Allocation Platform in line with the these Information System Rules no later than the deadline specified in the provisional Auction Specification for the subsequent Auction on which the Long Term Transmission Rights are to be returned.

A correct form of notification of the return shall contain the EIC code of the Long Term Transmission Rights holder, identity of the subsequent Auction to which the Long Term Transmission Rights are returned to, identity of the Auction from which the Long Term Transmission Rights are returned to and the volume of the Long Term Transmission Rights for return.

Only those Long Term Transmission Rights, for which relevant financial obligations are fulfilled, can be subject of process of return of Long Term Transmission Rights.

Cancellation of Long Term Transmission Rights notified for return is being done by adjustment of the volume of the returned Long Term Transmission Rights to zero (0) MW. Cancellation or adjustment of Long Term Transmission Rights to be returned should be notified before the deadline for return expires. .

## Annex 1 User account form

### Registered Participant/(s)

<b>Full Name:</b>						
<b>EIC code:</b>						
<b>Authorized person</b>						

The *Registered Participant/(s)* requests:

- setup
- modification
- deletion

of an Auction Tool user account for the following representative of the Registered Participant:

### User



<b>First, Last Name:</b>	
<b>E-mail:</b>	
<b>Phone:</b>	
<b>Certificate No/ID:</b>	
<b>Certificate Authority:</b>	
<b>Valid until:</b>	
<b>Issued to:</b>	

On the basis of the Information System Rules, the content of which is known to the aforementioned User, the User is authorized to perform operations in the Auction Tool in accordance with the Users rights, and in such a case, represents the Registered Participant specified above.

Login information (username and password) will be sent to the User on the above mentioned email, and he is obliged to change the password during his first login.

One user account can be assigned to multiple Registered Participants provided that User's details are identical in several User account forms for different Registered Participants.

Date \_\_\_\_\_

\_\_\_\_\_  
Registered Participant authorized person

\_\_\_\_\_  
User

## Annex 2 Requirements on authentications

A precondition that must be fulfilled in order to get unobstructed access to the Auction Tool, is that client possesses a valid electronic certificate.

### 2.1 Valid certificates

Client side must ensure that there has a valid certificate installed on site. Term "valid certificates" encapsulates all certificates issued by one of trusted certification authorities. Trusted certification authorities currently supported by Auction Tool are:

- Baltimore CyberTrust Root
- Class 3 Public Primary Certification Authority
- DigiCert Assured ID Root CA

- DigiCert Global Root CA
- DigiCert High Assurance EV Root CA
- GeoTrust Global CA
- GlobalSign Root CA
- GLOBALTRUST
- GTE CyberTrust Global Root
- Microsoft Root Authority
- Microsoft Root Certificate Authority
- Microsoft Root Certificate Authority 2010
- Microsoft Root Certificate Authority 2010
- Microsoft Root Certificate Authority 2011
- PostaCG CA
- POSTArCA
- sigen-ca
- I.CA
- Thawte Premium Server CA
- thawte Primary Root CA
- Thawte Timestamping CA
- VeriSign Class 3 Public Primary Certification Authority - G5
- VeriSign Universal Root Certification Authority

## 2.2 Data submission

In order to successfully link user account for Auction Tool to the respective client certificate, user shall deliver certificate information to Allocation Platform as set forth in Annex 1 of these Information System Rules.

One certificate can be used for more users from same company.

## Annex 3 Bid Document templates

### 3.1 Long term Bid Document template

```
<?xml version="1.0" encoding="UTF-8"?>
<BidDocument DtdRelease="0" DtdVersion="4" xmlns="http://auctions.seecao.com/xsd/bid-document.xsd"
xmlns:xsi="http://www.w3.org/2001/XMLSchema">
  <DocumentIdentification v="UNIQUE_DOC_ID"/>
  <DocumentVersion v="2"/>
  <DocumentType v="A24"/>
  <SenderIdentification v="35X-SEECAO-ME--Q" codingScheme="A01"/>
  <SenderRole v="A29"/>
  <ReceiverIdentification v="35X-SEECAO-ME--Q" codingScheme="A01"/>
  <ReceiverRole v="A07"/>
</BidDocument>
```

```

<CreationDateTime v="2016-04-06T05:18:04Z"/>
<BidTimeInterval v="2016-05-01T00:00Z/2016-06-01T00:00Z"/>
<Domain v="10YDOM-1001A054Q" codingScheme="A01"/>
<SubjectParty v="34X EGL-DOO-----6" codingScheme="A01"/>
<SubjectRole v="A29"/>
<BidTimeSeries>
  <BidIdentification v="10000000"/>
  <AuctionIdentification v="ALME-M-20160501-07763"/>
  <BusinessType v="A03"/>
  <InArea v="10YCS-CG-TSO---S" codingScheme="A01"/>
  <OutArea v="10YAL-KESH-----5" codingScheme="A01"/>
  <MeasureUnitQuantity v="MAW"/>
  <Currency v="EUR"/>
  <MeasureUnitPrice v="MWH"/>
  <Divisible v="A01"/>
  <BlockBid v="A02"/>
  <Period>
    <TimeInterval v="2016-05-01T00:00Z/2016-06-01T00:00Z"/>
    <Resolution v="P1M"/>
    <Interval>
      <Pos v="1"/>
      <Qty v="13"/>
      <PriceAmount v="15.29"/>
    </Interval>
  </Period>
</BidTimeSeries>
<BidTimeSeries>
  <BidIdentification v="10000001"/>
  <AuctionIdentification v="ALME-M-20160501-07763"/>
  <BusinessType v="A03"/>
  <InArea v="10YCS-CG-TSO---S" codingScheme="A01"/>
  <OutArea v="10YAL-KESH-----5" codingScheme="A01"/>
  <MeasureUnitQuantity v="MAW"/>
  <Currency v="EUR"/>
  <MeasureUnitPrice v="MWH"/>
  <Divisible v="A01"/>
  <BlockBid v="A02"/>
  <Period>
    <TimeInterval v="2016-05-01T00:00Z/2016-06-01T00:00Z"/>
    <Resolution v="P1M"/>
    <Interval>
      <Pos v="1"/>
      <Qty v="2"/>
      <PriceAmount v="0.16"/>
    </Interval>
  </Period>
</BidTimeSeries>
</BidDocument>

```

## 3.2 Daily Bid Document template

```

<?xml version="1.0" encoding="UTF-8"?>
<BidDocument DtdRelease="0" DtdVersion="4" xmlns="http://auctions.seecao.com/xsd/bid-document.xsd"
  xmlns:xsi="http://www.w3.org/2001/XMLSchema">
  <DocumentIdentification v="UNIQUE_DOC_ID"/>
  <DocumentVersion v="11"/>
  <DocumentType v="A24"/>

```

```

<SenderId v="35X-SEECAO-ME--Q" codingScheme="A01"/>
<SenderRole v="A29"/>
<ReceiverIdentification v="35X-SEECAO-ME--Q" codingScheme="A01"/>
<ReceiverRole v="A07"/>
<CreationDateTime v="2016-04-08T11:37:03Z"/>
<BidTimeInterval v="2016-04-15T23:00Z/2016-04-16T23:00Z"/>
<Domain v="10YDOM-1001A054Q" codingScheme="A01"/>
<SubjectParty v="EIC CODE" codingScheme="A01"/>
<SubjectRole v="A29"/>
<BidTimeSeries>
  <BidIdentification v="10000010"/>
  <AuctionIdentification v="ALME-DH-20160416-07557"/>
  <BusinessType v="A03"/>
  <InArea v="10YCS-CG-TSO---S" codingScheme="A01"/>
  <OutArea v="10YAL-KESH-----5" codingScheme="A01"/>
  <MeasureUnitQuantity v="MAW"/>
  <Currency v="EUR"/>
  <MeasureUnitPrice v="MWH"/>
  <Divisible v="A01"/>
  <BlockBid v="A02"/>
  <Period>
    <TimeInterval v="2016-04-15T23:00Z/2016-04-16T23:00Z"/>
    <Resolution v="PT60M"/>
    <Interval>
      <Pos v="1"/>
      <Qty v="13"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="2"/>
      <Qty v="12"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="3"/>
      <Qty v="1"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="4"/>
      <Qty v="1"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="5"/>
      <Qty v="1"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="6"/>
      <Qty v="1"/>
      <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
      <Pos v="7"/>
      <Qty v="1"/>
      <PriceAmount v="0.10"/>
    </Interval>
  </Period>
</BidTimeSeries>

```

```

<Interval>
  <Pos v="8"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="9"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="10"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="11"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="12"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="13"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="14"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="15"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="16"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="17"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="18"/>
  <Qty v="1"/>
  <PriceAmount v="0.10"/>
</Interval>
<Interval>
  <Pos v="19"/>
  <Qty v="1"/>

```

```

        <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
        <Pos v="20"/>
        <Qty v="1"/>
        <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
        <Pos v="21"/>
        <Qty v="1"/>
        <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
        <Pos v="22"/>
        <Qty v="1"/>
        <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
        <Pos v="23"/>
        <Qty v="1"/>
        <PriceAmount v="0.10"/>
    </Interval>
    <Interval>
        <Pos v="24"/>
        <Qty v="1"/>
        <PriceAmount v="0.10"/>
    </Interval>
</Period>
</BidTimeSeries>
<BidTimeSeries>
    <BidIdentification v="10000011"/>
    <AuctionIdentification v="ALME-DH-20160416-07557"/>
    <BusinessType v="A03"/>
    <InArea v="10YCS-CG-TSO---S" codingScheme="A01"/>
    <OutArea v="10YAL-KESH-----5" codingScheme="A01"/>
    <MeasureUnitQuantity v="MAW"/>
    <Currency v="EUR"/>
    <MeasureUnitPrice v="MWH"/>
    <Divisible v="A01"/>
    <BlockBid v="A02"/>
    <Period>
        <TimeInterval v="2016-04-15T23:00Z/2016-04-16T23:00Z"/>
        <Resolution v="PT60M"/>
        <Interval>
            <Pos v="1"/>
            <Qty v="2"/>
            <PriceAmount v="0.11"/>
        </Interval>
        <Interval>
            <Pos v="2"/>
            <Qty v="2"/>
            <PriceAmount v="0.11"/>
        </Interval>
        <Interval>
            <Pos v="3"/>
            <Qty v="2"/>
            <PriceAmount v="0.11"/>
        </Interval>
    </Period>
</BidTimeSeries>

```

```

<Interval>
  <Pos v="4"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="5"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="6"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="7"/>      <Qty
v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="8"/>      <Qty
v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="9"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="10"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="11"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="12"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="13"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="14"/>
  <Qty v="2"/>
  <PriceAmount v="0.11"/>
</Interval>
<Interval>
  <Pos v="15"/>
  <Qty v="2"/>

```

```

        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="16"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="17"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="18"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="19"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="20"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="21"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="22"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="23"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Interval>
        <Pos v="24"/>
        <Qty v="2"/>
        <PriceAmount v="0.11"/>
    </Interval>
</Period>
</BidTimeSeries>
</BidDocument>

```