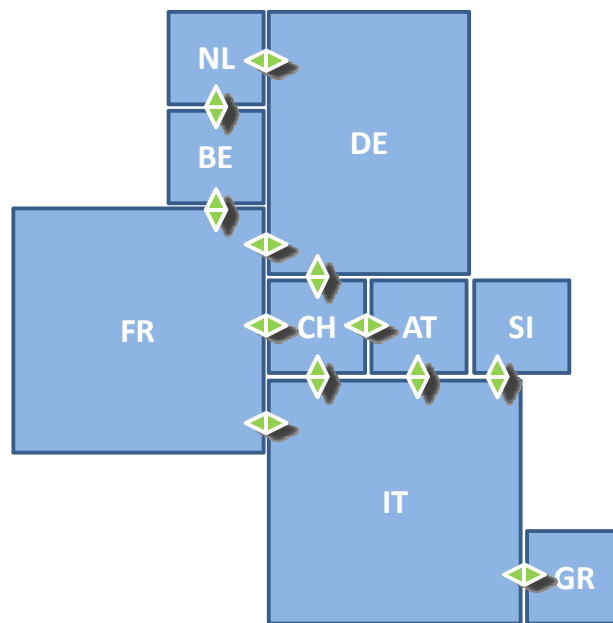


# Rules for Capacity Allocation by Explicit Auctions

within

Central West Europe Region (CWE),  
Central South Europe Region (CSE)  
and Switzerland

Version 1.0



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## **Section I. Introduction**

### **Article 1.01 General context**

In accordance with Regulation (EC) n°714/2009 of the European Parliament and of the Council, on conditions for access to the network for cross-Border exchanges in electricity and for the Swiss Borders in accordance with the relevant Swiss law (in particular Federal Electricity Supply Act of 23 March 2007 and Electricity Supply Directive of 14 March 2008) and the respective regulatory provisions, and with the statutory and regulatory provisions applicable in the below mentioned countries, the Auction Rules set out the terms and conditions governing the Allocation of Available Transmission Capacities via Auctions in both directions on the Country Borders within Central West Europe Region (CWE), Central South Europe Region (CSE) and Switzerland.

The auctioning of Country Border Capacity is not a commercially motivated activity but one aimed at providing a transparent market based method of congestion management.

Capacity is auctioned via a Joint Auction Office in the form of Physical Transmission Rights of electrical energy on a Yearly, Monthly, and as the case may be, Daily basis.

The Auction is in respect of Capacity only. Participants can invoke no other right than that Capacity is made available to them in accordance with the provisions set out in these Auction Rules.

### **Article 1.02 Auction Rules**

These Auction Rules describe, among other aspects, the requirements that Participants must fulfil to participate in Auctions, the Auction proceedings, the Allocation of Capacities and the conditions to access the Secondary Market.

For the relevant Allocations, the present Auction Rules cancel and replace all previous auction rules used to Allocate Capacity, in both directions, on the above mentioned Country Borders and for the same timeframes.

In the event of any inconsistency between these Auction Rules and the specific agreements for Nominating the Capacities, for matters relating to the implementation of Auctions and the Secondary Market on the respective Country Borders, the Auction Rules shall prevail.

### **Article 1.03 The Joint Auction Office**

The TSOs have decided to outsource parts of their tasks of Capacity Allocation to a Joint Auction Office, which shall, on behalf of the TSOs but in its own name, perform the registration process, handle necessary financial risk management, prepare and conduct the Auctions, manage the Secondary Market, provide all necessary information to the Participants and the TSOs and collect payments and/or pay according to Section IX of these Auction Rules.

CASC.EU S.A. is jointly appointed by the TSOs as the Joint Auction Office. The Available Transmission Capacity provided by the concerned TSOs is Allocated by the Joint Auction Office in the form of Physical Transmission Rights.

For the sake of clarity, the Joint Auction Office hereby enters into a contractual relationship with the Participants. The appointment of a new Joint Auction Office shall not affect the rights and

obligations resulting from an Auction or a Secondary Market activity that has already taken place.

For the usage of Programming Authorization, the Participants have to obey the respective agreements within the relevant country.

#### **Article 1.04 Auctions**

Auctions concern only Offered Capacity on a Yearly, Monthly, as the case may be Daily basis. They are explicit closed Auctions comprising a single round. Auction payment is made according to a Marginal Price.

The TSOs are required to provide the Participant with the Capacity corresponding to the Allocated Capacity and the Participant is required to pay the amount resulting from the Auction. The Participant thus acquires Physical Transmission Rights which it may exercise with the concerned TSOs under the conditions set out in the present Auction Rules and the respective agreements for Nominating the Capacities within each country.

#### **Article 1.05 Limitation of capacity**

In accordance with decision (B) 051201-CDC-494 of the CREG, the sum of the Bid Volumes submitted by a Participant on the Belgium – France Border in the direction from France to Belgium may not exceed 325 MW for the Yearly Auction and 325 MW for each Monthly Auction. Bids not respecting this limitation will be automatically rejected in accordance with Article 4.03(c).

The TSOs and the Joint Auction Office, individually or jointly, accept no other responsibility than the application of the here above-mentioned rejection with regard to the respect of these capacity limitations by the Participants.

#### **Article 1.06 Access to the Information System**

To receive Results and the Programming Authorizations and to send Bids, Transfer and Resale Notifications and to designate the Nomination Agents, the Participant accesses the Information System and uses the applications made available in accordance with the conditions defined by the Joint Auction Office, in the IS Rules.

The Participant will designate in the "Contact Registration" form, of which a specimen is supplied in the IS Rules, all persons authorized to act in its name and on its behalf in each application to which it has access. The Joint Auction Office will grant an access to the Information System by providing username and password as set forth in the IS Rules.

#### **Article 1.07 Fallback**

On the CWE Market Coupling Borders, the Allocation of Daily Capacities is done by the CWE Market Coupling. In the eventuality the CWE Market Coupling cannot take place, explicit Allocation of Capacities, in the form of CWE Shadow Auctions, are organized as backup solution, in accordance with the present Auction Rules. Furthermore, CWE Shadow Auctions can be organized at any time.

On the Italian-Slovenian Border, the Allocation of Daily Capacities is done by the Italian – Slovenian Market Coupling. In case of failure of the Italian – Slovenian Market Coupling and if the conditions set forth in Article 4.07 are met, Daily Auction will be run according to the Auction Rules.

On all Country Borders for all explicit Auctions, a Fallback Mode such as postponing the Auction, bidding by fax, or as the case may be, Equal Share can be organized (as specified in Section IV).

### **Article 1.08 Recovery of Payments**

The importance of interconnections for the liberalization of the European electricity market requires strict rules, in particular with regard to the collection of payments and default consequences. Therefore payments in respect of the Allocated Capacities will be collected automatically in accordance with Article 9.03.

The Joint Auction Office has a mandate from the concerned TSOs to recover Auctions payments.

If such payment is due, the Participant is officially released from its obligations once it has credited the Business Account with the appropriate amount and the Joint Auction Office has collected it from the Business Account or, for Participants to Shadow Auctions Only who did not open this Business Account, once the Joint Auction Office's Bank Account has been credited with the appropriate amount.

A claim made by a Participant against the Joint Auction Office and/or a TSO does not relieve such a Participant from the obligation to settle Auction payments owed to the Joint Auction Office. No set-off may be made between the amounts owed by/to the Participant and the amounts owed by/to the Joint Auction Office.

No set-off may be made between the amounts owed by/to the Participant by/to the TSOs on the one hand and the amounts owed by/to the Participant by/to the Joint Auction Office on the other hand.

### **Article 1.09 Entry into force and consequences**

The present Auction Rules apply to Capacity Allocations for the delivery period as from 1<sup>st</sup> January 2012.

Due to the Dutch Grid Code, the first Yearly Auctions for 2012 on the Dutch Borders will take place between 15<sup>th</sup> September and 15<sup>th</sup> October 2011 according to the Rules for Capacity Allocation by Explicit Auctions within the Central West Europe Region (hereafter "the CWE Auction rules") valid on that date. However, and for the avoidance of any doubt, the present Auction Rules shall also and automatically apply as of the date of their entry into force to the 2012 Yearly Capacities so already Allocated on the Dutch Borders. For the reminder, the second Yearly Auctions for the Dutch Borders will be based on the present Auction Rules.

## Section II. General

### Article 2.01 Definitions and interpretation

The terms used in the Auction Rules and which begin with a capital letter have the meaning attributed to them below

#### (a) Definition

|                                       |  |
|---------------------------------------|--|
| Allocated Capacity                    | The Capacity (MW) that a Participant acquired by Notification of the Auction Results and when the Contestation Period is closed if existing.   |
| Allocation or Allocate                | The process by which the Joint Auction Office attributes Capacities to the Participants. The Allocation can be via Yearly, Monthly Daily or CWE Shadow Auctions or via Equal Share.  |
| Article                               | An article of the Auction Rules  |
| Auction Id                            | The unique code identifying an Auction (included in the Auction Specification)   |
| Auction or Auctioning                 | The mechanism used to Allocate Capacity via explicit Yearly Auctions and/or Monthly Auctions and/or Daily Auctions and/or CWE Shadow Auctions as described in Section IV.  |
| Auction Rules                         | The present document.  |
| Auction Specification                 | The specific characteristics of an Auction, including amongst other the Product made available, the Day of the Auction, the conditions that Bids must meet in order to be accepted, the conditions for Notifying the Results of the Auction, the deadlines for contestation and the Auction session opening and closing times. |
| Auction Tool                          | The IT system used by the Joint Auction Office to receive Bids from Participants, process them and return the Auction results. A description of the Auction Tool is provided in the documentation available on the Joint Auction Office's Website.   |
| Available Transmission Capacity (ATC) | The Capacity made available jointly by the respective TSOs for an Auction and which they offer under the terms of the Auction Rules.   |
| Beneficiary of Transfer               | A Participant to which another Participant Transfers Capacity, in accordance with the mechanism described in Article 6.01. A Participant to CWE Shadow Auctions Only cannot be a Beneficiary.  |
| Bid                                   | A pair (Bid Volume, Bid Price) offered by a Participant for a Product.   |
| Bid Price                             | The financial part of the Bid made by the Participant, expressed in Euros/MWh.   |
| Bid Value                             | The product of the Bid Volume, Bid Price and the duration of the concerned Product in Hours, expressed in Euros  |
| Bid Volume                            | The Capacity part of the Bid made by the Participant, expressed in MW  |

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| Business Account    | The dedicated business account opened by the Joint Auction Office on its own name and for its own account from which the valuation amounts related to the Allocated Capacities will be automatically collected by the Joint Auction Office, after having been credited by the Participant.  |
| Border              | A Country Border or a TSO Border  |
| Capacity            | A Physical Transmission Right of electricity, defined by a value, expressed in whole Megawatts (MW) over a Border in one direction.   |
| Capacity Holder     | A Participant which Holds Capacity  |
| CET                 | Central European Time   |
| CEST                | Central European Summer Time  |
| Country Border      | <p>Set of power lines interconnecting two countries. The Auction Rules cover 12 Country Borders:</p> <ul style="list-style-type: none"> <li>• Belgium – Netherlands Border (BE&lt;&gt;NL);</li> <li>• Germany – Netherlands Border (DE&lt;&gt;NL);</li> <li>• Belgium – France Border (BE&lt;&gt;FR);</li> <li>• France – Germany Border (FR&lt;&gt;DE);</li> <li>• France – Switzerland Border (CH&lt;&gt;FR);</li> <li>• Germany – Switzerland Border (CH&lt;&gt;DE);</li> <li>• Austria – Switzerland Border (AT&lt;&gt;CH);</li> <li>• France – Italy Border (FR&lt;&gt;IT);</li> <li>• Italy – Switzerland Border (CH&lt;&gt;IT);</li> <li>• Austria – Italy Border (AT&lt;&gt;IT);</li> <li>• Italy – Slovenia Border (IT&lt;&gt;SI);</li> <li>• and Greece – Italy Border (GR&lt;&gt;IT).</li> </ul> <p>The abbreviation XX&gt;YY can be used to designate the Country Border in a specific direction, from country XX to country YY</p> |
| Contestation Period | The time given after the publication of the Auction Results to the Participant to send a contestation to the Joint Auction Office and the time for the Joint Auction Office to answer.  |
| CREG                | Belgian regulatory authority whose composition and powers are determined by chapter VI (articles 23 to 28) of the law of 29 April 1999 concerning the organisation of the electricity market.   |
| CSE                 | Central South Europe, the region composed of Austria, France, Germany, Greece, Italy and Slovenia.  |
| CWE                 | Central Western Europe, the region composed of Belgium, France, Germany, Luxembourg and the Netherlands   |
| Credit Limit        | The disposable balance on the Business Account of the Participant, being the funds in the Business Account minus the aggregate amount of debts payable to the Joint Auction Office, as blocked by the Joint Auction Office in accordance with Article 9.02, and released in accordance with Article 9.03(a), regardless whether or not these debts have been invoiced yet.  |

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| CWE Market Coupling                   | The coupling of daily electricity markets in Belgium, The Netherlands, Germany and France, which simultaneously effects an implicit Allocation of Daily Physical Transmission Rights and a clearing of energy offers-demands.   |
| CWE Market Coupling Borders           | The following Country Borders: <ul style="list-style-type: none"> <li>• Belgium – France Border;</li> <li>• Belgium – Netherlands Border;</li> <li>• France – Germany Border;</li> <li>• and Germany – Netherlands Border.</li> </ul>   |
| CWE Shadow Auction                    | The Auctioning by the Joint Auction Office of Capacity per hourly Period for a given Day as defined in Article 4.02(d) in case of short term unavailability of CWE Market Coupling.   |
| Day                                   | A calendar day of a Period of twenty-four (24) Hours, beginning at 0:00:00 and ending at 23:59:59. The Days upon which the legal time changes (daylight saving time) will be composed of either twenty-three (23) Hours or twenty-five (25) Hours.  |
| Daily Auction                         | The Auctioning by the Joint Auction Office of Capacity covering a Period of one Day.  |
| Declaration of Acceptance or DOA      | The declaration by which a legal entity undertakes to comply with the terms and conditions contained in the Auction Rules. The standard declaration form can be found in APPENDIX 1.  |
| EIC Code                              | ENTSO-E Energy identification code, known by the Joint Auction Office and the TSOs  |
| Entitlement or Entitled               | The right to participate in Auctions and/or in the Secondary Market under the terms of Article 3.03.  |
| Equal Share                           | The process by which the Joint Auction Office attributes Capacities to a Participant in case the Fall Back Mode has been triggered. If applicable, it can be used as Fall Back Mode for Daily and/or CWE Shadow Auctions. The Capacity is equally shared between the Participants registered on the relevant Country Border. The Capacity Price is equal to zero (0) €/MWh. |
| Equivalent Day                        | Concept used for recalculating the duration of a curtailment as if this curtailment was 100%, in accordance with Article 2.05(a)(iv)  |
| Exchange Program                      | Exchange Schedule accepted by the concerned TSOs on a specific Country Border   |
| Exchange Schedule                     | An exchange declaration established by a Nomination Agent in accordance with the Programming Authorisation and that specifies the power, expressed in Megawatts (MW) per Hourly Period, exchanged over a TSO Border in one direction or the other   |
| Fallback Mode                         | The process implemented according to the provisions set forth in Article 4.05, Article 4.06 and Article 4.07 if the Information System or the Auction Tool is unavailable to fulfil its functions correctly   |
| Functional Acknowledgement of Receipt | An electronic message sent by the Auction Tool to indicate that the information has been correctly received by the Joint Auction Office.  |
| Force Majeure                         | Has the meaning set forth in Article 10.09  |

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| Gross Negligence                    | An act or omission in disregard of due care to a severe degree.  |
| Held Capacity                       | The balance, for a given Product and before the Nominations at a given moment in time, between (i) the Capacities acquired at the Auction and/or via Equal Share and/or via the Secondary Capacity Market and (ii) the Capacities Transferred/Resold via the Secondary Capacity Market and taking into account any Reductions in Held Capacities.                |
| Hours                               | CET/CEST official time or a Period of 60 minutes   |
| Information System or IS            | The Joint Auction Office's computer environment, which can be accessed by the Participant.   |
| IS Rules                            | The rules for access to the Information System and use of the applications of the Joint Auction Office, including their appendices and definitions as published on the Joint Auction Office's Website.   |
| Italian Borders                     | The following Country Borders: <ul style="list-style-type: none"> <li>• France - Italy Border (FR&lt;&gt;IT);</li> <li>• Switzerland – Italy Border (CH&lt;&gt;IT);</li> <li>• Austria – Italy Border (AT&lt;&gt;IT);</li> <li>• Slovenia – Italy Border (SI&lt;&gt;IT);</li> <li>• and Greece – Italy Border (GR&lt;&gt;IT).</li> </ul>                         |
| Italian – Slovenian Market Coupling | The coupling of daily electricity markets in Slovenia and Italy, which simultaneously effects an implicit Allocation of physical daily transmission rights and a clearing of energy offers-demands.  |
| Joint Auction Office                | The entity in charge, among other activities, of allocating the Offered Capacity and of managing the Secondary Capacity Market, namely: <ul style="list-style-type: none"> <li>• CASC.EU SA Capacity Allocation Service Company S.A., the Joint Auction Office having its registered office LU-1273, Luxembourg Hamm, 2, Rue de Bitbourg, Luxembourg.</li> </ul> |
| Joint Auction Office's Bank Account | The Bank account on which the Joint Auction Office receives the payment for the CWE Shadow Auction. The bank account's details are indicated in the invoice of the Joint Auction Office  |
| Joint Auction Office's Website      | The internet site of the Joint Auction Office  |
| Maintenance Period                  | Period of time not necessarily continuous during which the Available Transmission Capacity offered to the Allocation is reduced due to planned maintenance.  |
| Marginal Price                      | The lowest Bid Price selected for a Product at an Auction.   |
| Monthly Auction                     | The Auctioning by the Joint Auction Office of Capacity covering a Period from the first Day to the last Day of a calendar month.   |
| Net Transfer Capacity or NTC        | Maximum exchange between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions.   |

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| Nomination or Nominate                       | The Exchange Schedule sent by a Participant and/or a Nomination Agent, to one of the two concerned TSOs, relating to the power, expressed in MW that it wishes to use under a Programming Authorization.  |
| Nomination Agent                             | A legal entity which is entitled to Nominate an Exchange Schedule in a specific country by holding the relevant agreement(s) listed in Article 3.03.  |
| Notification or Notify                       | The transmission of information between the Participant and the Joint Auction Office under the conditions set out in Article 10.02.   |
| Offered Capacity                             | Capacity offered in an Auction or Equal Share and which is the Available Transmission Capacity provided by the concerned TSOs along with, as the case may be, the Resales and Capacities withdrawn from suspended or excluded Participants.   |
| Participant                                  | A legal entity which has signed a Declaration of Acceptance and is registered with the Joint Auction Office.<br><br>For the avoidance of doubts and unless stated otherwise, this term also includes Participants to CWE Shadow Auctions Only.  |
| Participant's Financial Agreement or PFA     | The agreement between the Joint Auction Office and a Participant, setting forth their respective rights and obligations concerning the Business Account.  |
| Participants as Beneficiary of Transfer Only | A legal entity which has signed the Declaration of Acceptance and which, because of its participation limited to the Beneficiary of Transfer Only as set forth in Article 3.03, might but is not obliged to sign the Participant's Financial Agreement with the Joint Auction Office.   |
| Participants to CWE Shadow Auctions Only     | A legal entity which has signed the Declaration of Acceptance and which, because of its participation limited to the CWE Shadow Auctions as set forth in Article 3.03, might but is not obliged to sign the Participant's Financial Agreement with the Joint Auction Office. For the avoidance of any doubt, as soon as a Participant To CWE Shadow Auctions Only signs the Participant's Financial Agreement, it becomes a Participant. Participants to CWE Shadow Auctions Only are bound by the Auction Rules, as other Participants. For the avoidance of any doubt, where specific rules are to be applied to Participants to CWE Shadow Auctions Only, it is specified in the Auction Rules |
| Party or Parties                             | Designates the Joint Auction Office and/or a Participant.   |
| Period                                       | A given length of time  |
| Physical Transmission Rights                 | Right to use Country Border Capacity for electricity transports expressed in MW   |
| Power System                                 | The system made up of electrical networks, generating facilities connected to the said networks and which inject electrical energy, and consumption sites connected to the networks and which withdraw electrical energy.   |
| Product                                      | The whole or a part of the Yearly, Monthly or Daily Capacity offered in an Auction or Equal Share with reference to a specific period of time.  |

|                            |   |
|----------------------------|---|
| Programming Authorization  | <p>The Programming Authorization is a document that specifies the amount, for each Country Border or TSO Border, for each Hour of a given Day, and each Product or the aggregation of Products, of the Held Capacities.</p> <p>The Programming Authorization identifies clearly the Participant or if different, the Nomination Agents .</p>  |
| Reduction                  | The reduction in Held Capacities or Exchange Programs as referred to in Article 2.05 and Article 2.06.  |
| Resale                     | <p>The mechanism by which a Participant resells a Yearly Held Capacity to a Monthly Auction via the Joint Auction Office.</p> <p>A Participant only entitled for CWE Shadow Auctions cannot perform Resale.</p>   |
| Results                    | The Capacity selected per Auctioned Product and the Marginal Price of each Product.   |
| Safety of the Power System | The extent to which the Power System can be operated normally, limiting the number of incidents, avoiding major incidents and limiting their consequences where they do occur.  |
| Secondary Market           | The service permitting Transfer and Resale as described in Section VI and enabling a Participant to acquire or cede Capacity which was initially Auctioned.   |
| Transfer                   | <p>The mechanism by which a Participant passes over Yearly Held and/or Monthly Held Capacities to another Participant.</p> <p>A Participant only entitled for CWE Shadow Auctions Only cannot perform Transfer.</p>   |
| Transferor                 | A Capacity Holder that executes a Transfer to a Beneficiary in respect of a Transfer Notification.  |
| TSO                        | A Transmission System Operator. See list of TSOs below  |
| TSO Borders                | <p>A set of power lines interconnecting two TSOs; this specificity only concerns Country Borders linked to German TSOs:</p> <ul style="list-style-type: none"> <li>• RTE – EnBW TNG Border;</li> <li>• RTE – AMPRION Border;</li> <li>• Tennet TSO B.V. – Tennet GmbH Border;</li> <li>• Tennet TSO B.V. – AMPRION Border;.</li> <li>• Swissgrid – EnBW TNG Border</li> <li>• Swissgrid – AMPRION Border</li> </ul> <p>For all other TSOs, the TSO Border is equal to the Country Border.</p> |
| Week Days                  | The following days: Monday, Tuesday, Wednesday, Thursday and Friday.  |
| Working Days               | The following days: Monday, Tuesday, Wednesday, Thursday and Friday (Week Days) excluding the bank holidays of Luxembourg.  |
| Working Hours              | Every hour on a Working Day from 07:30 to 17:30 CET/CEST.   |
| Yearly Auction             | The Auctioning by the Joint Auction Office of Capacity covering a Period from the first Day to the last Day of a calendar year.   |

## List of the TSOs

| Name            | Address   |
|-----------------|---|
| AMPRION         | AMPRION GmbH, a German TSO, having its registered office at Rheinlanddamm 24, 44139 Dortmund, Germany.  |
| APG             | Austrian Power Grid AG, the Austrian TSO, having its registered office in A-1220 Wien, Wagramer Straße 19, IZD-Tower, Austria.                          |
| ELES            | Elektro-Slovenija, d.o.o., the Slovenian TSO, having its registered office in Hajdrihova 2, 1000 Ljubljana, Slovenija.                                  |
| ELIA            | Elia System Operator SA, the Belgian TSO, having its registered office at Boulevard de l'Empereur, 20, 1000 Brussels, Belgium.                          |
| EnBW TNG        | EnBW Transportnetze AG, a German TSO, having its registered office at Kriegsbergstr. 32, 70174 Stuttgart, Germany.                                      |
| HTSO            | Hellenic Transmission System Operator S.A., the Greek TSO, having its registered office at 72 Kastoros Street, 18545 Piraeus, Greece.                   |
| RTE             | RTE EDF Transport S.A., the French TSO, having its registered office at Tour Initiale, 1, terrasse Bellini, TSA 41 000, 92919 La Défense Cedex, France. |
| Swissgrid       | swissgrid AG, the Swiss TSO, having its registered office at Werkstrasse 12, 5080 Laufenburg, Switzerland.  |
| TenneT TSO B.V. | TenneT TSO B.V, the Dutch TSO, having its registered office at Utrechtseweg 310, NL-6812 AR Arnhem, the Netherlands.                                    |
| TenneT TSO GmbH | TenneT TSO GmbH, a German TSO, having its registered office at Bernecker Straße 70 in 95448 Bayreuth, Germany.  |
| TERNA           | TERNA S.p.a., the Italian TSO, having its registered office at Viale Egidio, Galbani 70 00156 Roma, Italy.  |

### (b) Interpretation

The titles and headings of the present Auction Rules are given for reference only, and in no way express the intentions of the Parties. They shall not be taken into account when interpreting the stipulations contained in the present Auction Rules.

### Article 2.02 Yearly, Monthly, Daily and CWE Shadow Auctions

Separate Auctions are implemented on all Country Borders in each direction and for several time scales in order to Allocate the Offered Capacities in accordance with Section IV.

The Offered Capacities to be allocated and Capacities Allocated to Participants are expressed in units of one (1) MW with a minimum of one (1) unit.

**(a) For the Yearly time scale**

The following Auctions are run:

| <b>Country Borders and concerned directions</b> | <b>Yearly Auctions</b>  |
|---|---|
| BE<>NL and DE<>NL                               | Two (2) Yearly Auctions with Products available from the first Day to the last Day of a calendar year.  |
| FR>IT, SI>IT and CH>IT                          | Two (2) Yearly Auctions with Products available from the first Day to the last Day of a calendar year, with a Maintenance Period for the second Yearly Product. |
| BE<>FR, DE<>FR, CH<>FR, CH<>DE                  | One (1) Yearly Auction with Product available from the first Day to the last Day of a calendar year   |
| AT<>CH, AT<>IT, IT>SI, GR<>IT and IT>FR, IT>CH  | One (1) Yearly Auction with Product available from the first Day to the last Day of a calendar year with potentially Maintenance Period.                        |

**(b) For the Monthly time scale**

Depending on the availability, if applicable, of the concerned Products, the following Auctions are run:

**Monthly base Auctions** occur:

| <b>Country Borders and concerned directions</b> | <b>Monthly base Auction</b>  |
|---|--|
| BE<>FR, BE<>NL, DE<>NL, DE<>FR, CH<>FR, CH<>DE  | One (1) Monthly base Auction with Product available from the first Day to the last Day of the calendar Month.                            |
| FR<>IT, CH<>IT, AT<>IT, SI<>IT, AT<>CH, GR<>IT  | One (1) Monthly base Auction with product available from the first Day to the last Day of the Month with potentially Maintenance Period. |

**Monthly peak Auctions** occur:

| <b>Country Borders and concerned directions</b> | <b>Monthly peak Auction</b>  |
|---|--|
| FR>IT, CH>IT, AT>IT, and SI>IT                  | From Monday to Friday and from 08:00 to 20:00, with potentially Maintenance Period and except Italian bank holidays. |
| IT>FR, IT>CH, IT>AT, IT>SI                      | From Monday to Friday and from 08:00 to 20:00, with potentially Maintenance Period.                                  |
| CH<>DE  | From Monday to Friday and from 08:00 to 20:00.   |
| GR<>IT  | From Monday to Saturday and from 06:00 to 22:00, with potentially Maintenance Period.                                |

**Monthly off peak Auctions** occur:

| <b>Country Borders and concerned directions</b> | <b>Monthly off peak Auction</b>  |
|---|--|
| IT>FR, IT>CH, IT>AT and IT>SI                   | From Monday to Friday between 00:00 and 08:00 and between 20:00 to 24:00, and Saturday and Sunday with potentially Maintenance Period. |
| IT<>GR  | From Monday to Saturday between 00:00 and 06:00 and between 22:00 to 24:00, and Sunday with potentially Maintenance Period.            |

**(c) For the Daily time scale**

Depending on the availability, the following Auctions are run:

- On all Country Borders except on CWE Market Coupling Borders and Slovenia – Italy Border for each direction, Daily Auctions for the Allocation of Capacities over each Hourly Period of a Day;
- On Slovenia – Italy Border in each direction, as a fallback when the Slovenia – Italy Market Coupling between Slovenia and Italy is unavailable, and according to Article 4.07, Daily explicit Auctions for the Allocation of Capacities over each Hourly Period of a Day;
- On CWE Market Coupling Borders in each direction, as a fallback when the CWE Market Coupling is unavailable, CWE Shadow Auctions for the Allocation of Capacities over each Hourly Period of a Day.

**Article 2.03 Available Transmission Capacities**

The Available Transmission Capacities are determined jointly by the concerned TSOs of a Country Border, taking into account the operational situations of the entire European electricity transmission system and the application of agreed capacity splitting rules between the different timeframes when existing.

For the Monthly Auctions when relevant the Joint Auction Office updates these Available Transmission Capacities by including the Resold Capacities.

For the Daily Auctions, CWE Shadow Auctions and Equal Share for Daily Products, the Available Transmission Capacities take into account the net values of the Exchange Programs made in the framework of the Programming Authorizations related to Yearly and Monthly Capacities.

Participants are informed on the Joint Auction Office's Website of the Offered Capacities for each Auction.

#### **Article 2.04 Secondary Market**

A Secondary Market as described in Section VI is established:

- It enables the Transfer of Capacities Allocated at Yearly and/or Monthly Auctions between Participants;
- It enables the Resale of Capacities Allocated at Yearly Auctions to Monthly Auctions performed by the Joint Auction Office when feasible.

The Participant which has acquired Capacities at the Auctions must fulfill its financial obligations towards the Joint Auction Office, even if it Transfers or Resell all or part of its Capacities.

Participants entitled only for Auctions performed by the Joint Auction Office as fallback of Market Coupling mechanisms (CWE Shadow Auctions for the CWE Market Coupling Borders or Daily Auctions for Italy – Slovenian Market Coupling) are not allowed to participate in the Secondary Market.

#### **Article 2.05 Firmness of Held Capacities**

##### **(a) For Yearly and Monthly Capacities**

- (i) Belgium – Netherlands, Germany – Netherlands, Belgium – France, France – Germany and France – Switzerland Borders in each direction and France - Italy Border in the direction from France to Italy**

For reasons linked to the Safety of the Power System or in the event of Force Majeure, the Held Capacities can be Reduced until the sending of Programming Authorizations. After sending and except in case of Force Majeure, the Programming Authorizations are firm for Nominating with the concerned TSOs.

- (ii) Switzerland – Italy, Austria – Italy, Austria – Switzerland, Germany – Switzerland, Slovenia – Italy and Greece – Italy Borders in each direction, and on the France – Italy Border in the direction from Italy to France**

For reasons linked to the Safety of the Power System or in the event of a Force Majeure, the Held Capacities can be reduced, until the deadline for the Nomination with the concerned TSOs.

##### **(iii) Reduction methodology**

Yearly and Monthly Held Capacities are reduced on a pro rata basis. Reductions are applied on a non discriminatory basis. Each Yearly and Monthly Capacity reduced is rounded down to the nearest MW value. Remaining Capacity after the rounding down is not attributed.

When reducing the Held Capacities, the Joint Auction Office blocks momentarily (i.e. during operational manipulations for Reduction) all services related to the Secondary Market, and cancels the Resales in accordance with Article 6.02(e).

#### (iv) Specific case of Italian Borders

On all Italian Borders in each direction except Greece-Italy Border, numbers of Capacities reduction for reasons linked to the Safety of the Power System is limited up to thirty five (35) Equivalent Days. On Greece – Italy Border, this number is limited up to forty five (45) Equivalent Days. The Equivalent Days are calculated per month separately for each direction of a Country Border as follows:

$$\text{Equivalent Days}_{(\text{for month } M)} = \frac{\text{Energy reduced}_{(\text{during month } M)}}{\text{Total Energy of Yearly and Monthly Capacities Allocated}_{(\text{for all month } M)}} \times \text{numbers of Days of month } M$$

*Example:*

Capacities Allocated during a month of thirty one (31) days:

- Yearly base Product 100 MW Allocated for all the month (31 days);
- Monthly base 50 MW Allocated for all the month except for one Day due to maintenance period (30 days);
- Monthly peak Product 20 MW Allocated for 23 days between 08:00 and 20:00 (12 hours).

Energy reduced:

- Reduction of 70 MW during two (2) days.

$$\text{Equivalent days} = (70 \times 24 \times 2) / (100 \times 31 \times 24 + 50 \times 30 \times 24 + 20 \times 23 \times 12) \times 31 = 0.9 \text{ days}$$

#### (b) For Daily Capacities

**On CWE Market Coupling Borders and for the Germany – Switzerland and the Austria - Switzerland Borders, in case of Force Majeure or for reasons linked to the Safety of the Power System,** Daily Capacities Allocated via Daily Auctions, CWE Shadow Auctions or Equal Share can be reduced. The Daily Programming Authorizations for Nominating to TSOs can be lower than the Daily Capacities Allocated. In these cases, provisions of reimbursement as set out in Article 9.01b apply.

**On all other Country Borders except in case of Force Majeure,** Daily Capacities Allocated via Daily Auctions or Equal Share are firm. Daily Programming Authorizations for Nominating to TSOs will be equal to Daily Capacities Allocated.

#### (c) Reimbursement and Compensation of Capacities Reduction

The Joint Auction Office shall, as soon as possible, Notify the Participant, by electronic message, of the Reduced Capacities.

The Joint Auction Office publishes on its Website, as soon as possible, the reasons for Reduction (Force Majeure or reasons linked to the Safety of the Power System).

Reduction of Capacities in case of Force Majeure or for reasons linked to the Safety of the Power System as described in (a) and (b) shall lead to the reimbursement or compensation as described in Article 9.01(b).

As stated in Article 10.03, the liability of the Joint Auction Office shall not be triggered by any damages caused to Participants due to the Reduction of Capacities as described in paragraphs (a) and (b).

## **Article 2.06 Firmness of Exchange Programs**

### **(a) Introduction**

The Joint Auction Office being in charge of refunding the possible reduction of Exchange Programs done in the framework of the Capacities Allocated under the present Auction Rules, the present article describes the firmness of Exchange Programs managed on TSOs side according to each respective set of rules dealing with Nomination.

### **(b) Cases of Reduction**

The Exchange Programs are firm except in the following cases:

#### **(i) In case of Force Majeure**

**On all Country Borders**, the Exchange Programs can be reduced by the concerned TSOs on a pro rata basis.

The Reduction applies on the Exchange Programs listed below when existing on a pro rata basis on the sum of:

- Nominations made in the framework of the Programming Authorization related to the Yearly and Monthly Capacities issued by the Joint Auction Office;
- Nominations made in the framework of the Programming Authorization related to the Daily Capacities (including CWE Shadow Auctions, if applicable) Allocated by the Joint Auction Office or Exchange Programs resulting from Market Coupling when existing (CWE Market Coupling and IT – SI Market Coupling) depending on the daily Allocation mechanism used;
- All intra-Day Exchange Programs, as the case may be for the CWE Market Coupling Borders.

#### **(ii) For reasons linked to the Safety of the Power System**

**On Germany – Netherlands Border, Germany – Switzerland Border, and Austria – Switzerland Border in each direction and on the France – Germany Border in the direction Germany to France**, the Exchange Programs can be reduced by the concerned TSOs on a pro rata basis. In such a case, Reductions are handled accordingly as specified in Article 2.06(b)(i).

**On all the other Country Borders**, the Exchange Programs are firm, i.e. the Exchange Programs cannot be reduced for reasons linked to the Safety of the Power System

**On Austrian – Italian Border**, in order to guarantee the Exchange Programs, APG will put in place all available measures according and available to the Austrian Market rules. Nevertheless, if all available measures on Austrian market side are not enough to guarantee the Exchange Programs, APG, in such circumstances, shall request from Austrian Balance Group to modify the Nominations on the Austrian-Italian interconnection.

### **(c) Reimbursement and Compensation of Exchange Programs Reduction**

The Joint Auction Office publishes on its Website, as soon as possible, the reasons for Reduction (Force Majeure or reasons linked to the Safety of the Power System).

Reduction in case of Force Majeure or for the Safety of the Power System as described in (a) and (b) shall lead to the reimbursement or compensation as described in the Article 9.01(c).

As stated in Article 10.03, the liability of the Joint Auction Office shall not be triggered by any damages caused to Participants due to the Reduction of Exchange Programs as described in paragraphs (a) and (b).

## **Article 2.07 Publication**

On the Joint Auction Office's Website, the following publications are made available:

- The present Auction Rules, and any amendments thereof;
- Bank holidays of Luxembourg;
- Announcements pursuant to these Auction Rules;
- Calendars of Yearly and Monthly Auctions;
- Auction Specifications;
- Names, fax and telephone numbers, e-mail addresses of Joint Auction Office;
- Formats of documents related to the Auction to be downloaded and used by Participants;
- Auction Results (bidding curve, Marginal Price, Allocated quantity for all Products);
- Number of Participants with successful Bids and overall number of Participants having taken part in the Auction;
- The name of the Capacity Holders of Yearly and Monthly Capacity;
- All information related to Reductions;
- All information related to the CWE Shadow Auctions, in particular the time schedule of the CWE Shadow Auctions when they are decided in advance;
- Notices related to Fallback Modes;
- PFA;
- IS Rules;
- All other relevant information.

## **Article 2.08 Conduct of Participants**

Prior to, during and after an Auction, Participant(s) must refrain from any action or behavior which adversely affects or threatens to adversely affect competition in the bidding proceedings or which aims at gaming or which in any other way disrupts or threatens to disrupt the Auction proceedings, or the transparency, cost-effectiveness or fairness thereof.

The Joint Auction Office shall report data to the TSOs so they can inform competent authorities and take appropriate measures against those who act or behave or have acted or behaved in violation of the previous paragraph, who misuse any right or position obtained pursuant to an Auction or who do not comply with any other provision of the Auction Rules.

The Participant shall closely monitor the Auctions. In case of any other irregularities occurring that have no impact on the Auction Results, the Participant may communicate these irregularities to the Joint Auction Office within the deadline as set out in Article 5.03.

**Article 2.09 Currency**

All financial information, are expressed in Euro (€).

**Article 2.10 Timing**

All timings set in the Auction Rules make reference to the Central European Time (CET) and Central European Summer Time (CEST) respectively.

## **Section III. Participation Requirements**

### **Article 3.01 Registration requirements**

#### **(a) Declaration of Acceptance**

At the latest two (2) weeks before the first participation in an Auction or in the Secondary Market, the legal entity wishing to participate, shall register with the Joint Auction Office, by submitting two (2) duly completed and signed copies of the Declaration of Acceptance. The Declaration of Acceptance will then be returned to the applying legal entity, countersigned by the Joint Auction Office, thereby certifying that the legal entity is registered as a Participant, as a Beneficiary of Transfer or as a Participant to CWE Shadow Auctions Only.

A legal entity identified by one EIC code and wishing to adhere to the Auction Rules may not hold more than one (1) Declaration of Acceptance.

In order to facilitate Transfers on the Secondary Market, the Participant agrees that its name is included in the list of Capacity Holders which is published on the Joint Auction Office's Website.

#### **(b) Participant Commitments**

By signing a Declaration of Acceptance, the Participant shall comply with all the provisions of the Auction Rules. The Participant shall keep the information contained in its Declaration of Acceptance, up to date, and Notify the Joint Auction Office of any changes in this information no later than five (5) Working Days before they take effect.

### **Article 3.02 Financial guarantees**

#### **(a) For the participation in any type of Auctions**

For each entity seeking for Entitlement to participate in any type of Auctions and/or in the Secondary Market, a dedicated Business Account is opened at the bank selected by the Joint Auction Office, allowing the Joint Auction Office to withdraw money in respect of the Allocated Capacities directly from that Business Account. The Business Account remains the property of the Joint Auction Office.

If the Participant also takes part in CWE Shadow Auctions, the amount corresponding to the Allocated Capacity obtained in CWE Shadow Auction is withdrawn from the Business Account at the same time as it is done for yearly and monthly Capacities by the Joint Auction Office.

At all times, the Business Account shall contain a positive disposable balance. The disposable balance (Credit Limit) is the funds in the Business Account minus the aggregate amount of debts payable to the Joint Auction Office, as blocked by the Joint Auction Office in accordance with Article 9.02, and minus the debts payable to the Joint Auction Office for the Capacity Allocated through CWE Shadow Auctions, regardless whether or not these debts have been invoiced yet. The Capacity Allocated through CWE Shadow Auctions is not taken into account to assess the Credit Limit.

The Participant must credit the appropriate amount on the Business Account in accordance with Article 9.02. Any bank charges or interests relative to the Business Account are to be borne by or credited to the Participant on the Business Account.

As indicated in more detail in the Participant's Financial Agreement, which sets forth all of the rights and obligations of the Parties with respect to the Business Account, the funds on the Business Account are blocked, which means that the Participant shall make a request to the Joint Auction Office if the Participant wishes to withdraw money from the Business Account. The agreement of the Joint Auction Office following such request depends in particular on the disposable balance of the Participant.

The Participant's Financial Agreement is available on the Joint Auction Office's Website.

**(b) For the Participation to CWE Shadow Auctions Only**

A legal entity willing to participate only to CWE Shadow Auctions as indicated in Article 2 of the Declaration of Acceptance (APPENDIX 1) or as modified in APPENDIX 4, may choose to comply with the financial guarantees specified for the Participation to all types of Auctions as set forth in (a). Nevertheless, for a Participant to CWE Shadow Auctions Only, the opening of the Business Account and the signature of the Participant's Financial Agreement are not mandatory. In such a case, the financial modalities described in Article 9.02 and Article 9.03 apply.

**(c) For the Participation as Beneficiary of Transfer Only**

For a legal entity willing to participate only as Beneficiary of Transfer as indicated in Article 2 of the Declaration of Acceptance (APPENDIX 1), the opening of the Business Account and the signature of the Participant's Financial Agreement are not mandatory.

The Participant may choose to comply with the financial guarantees specified for the Participation to all types of Auctions as set forth in (a). In such a case, the financial modalities described in Article 9.02 and Article 9.03 apply.

**Article 3.03 Entitlement**

In order to be Entitled to participate in the Auctions and/or in the Secondary Market, the Participant shall:

- meet the conditions set out in Article 3.01 and Article 3.02;
- for Participation in Yearly and Monthly Auctions and in Secondary Market on all Country Borders, have signed and abide the terms of at least one (1) of the following agreements:
  - a Participation Agreement for the Import/Export Rules with RTE, and/or
  - an ARP Contract with ELIA, and/or
  - a Bilanzkreisvertrag with EnBW TNG, and/or
  - a Bilanzkreisvertrag with Tennet GmbH, and/or
  - a Bilanzkreisvertrag with AMPRION, and/or
  - a Balance Group Contract signed with Slovenian Market Operator or signed a Contract for settlement of imbalances with the Balance Responsible Party in Slovenia, and/or
  - a Balance Group Contract with Swissgrid.
  - a PV Contract with TenneT TSO BV, and/or

- a Energy Transactions Contract with HTSO, and/or.
  - a Contratto di Dispacciamento with TERNA, and/or.
  - a Datenübermittlungsvertrags-Paar with APG and a BGV-Vertrag with APCS which together result in a valid Genehmigungsbeseid from Energie-Control Austria.
- for Participation in Daily Auctions and CWE Shadow Auctions, comply with the specific provisions per TSO Border and where applicable per direction as listed below:

| Per Country Borders and per direction | Agreements needed with the concerned TSOs or other legal entities depending on the relevant national legislation to be entitled                                 |     |   |
|---------------------------------------|---|-----|---|
| BE<>FR                                | ARP Contract with ELIA  | and | Import/Export Rules with RTE  |
| BE<>NL                                | ARP Contract with ELIA  | and | PV Contract with TenneT TSO BV  |
| DE<>NL                                | At least one Bilanzkreisvertrag with TenneT GmbH and/or AMPRION   | and | PV Contract with TenneT TSO BV  |
| DE<>FR                                | At least one Bilanzkreisvertrag with EnBW TNG and/or AMPRION  | and | Import/Export Rules with RTE  |
| FR<>IT                                | Import/Export Rules with RTE  | and | Contratto di Dispacciamento with TERNA <b>and</b><br>Congestion Management Rules on Italian Interconnections            |
| CH<>FR                                | Balance Group Contract with Swissgrid   | and | Import/Export Rules with RTE  |
| AT<>IT                                | Datenübermittlungsvertrags-Paar with APG and a BGV-Vertrag with APCS which together result in a valid Genehmigungsbeseid from Energie-Control Austria           | and | Contratto di Dispacciamento with TERNA <b>and</b><br>Congestion Management Rules on Italian Interconnections with TERNA |
| CH >IT                                | Balance Group Contract with Swissgrid   |     |   |
| SI>IT                                 | Balance Group Contract signed with Slovenian Market Operator <b>or</b><br>Contract for settlement of imbalances with the Balance Responsible Party in Slovenia. |     |   |
| GR>IT                                 | Energy Transactions Contract with HTSO  |     |   |
| IT>CH, IT>SI,                         | Contratto di Dispacciamento with TERNA <b>and</b>   |     |   |

| Per Country Borders and per direction | Agreements needed with the concerned TSOs or other legal entities depending on the relevant national legislation to be entitled |     |   |
|---------------------------------------|---|-----|---|
| IT>GR                                 | Congestion Management Rules on Italian Interconnections with TERNA  |     |   |
| CH<>DE                                | Balance Group Contract with Swissgrid   | and | at least one Bilanzkreisvertrag with EnBW TNG and/or Amprion  |
| CH<>AT                                | Balance Group Contract with Swissgrid   | and | Datenübermittlungsvertrags-Paar with APG and a BGV-Vertrag with APCS which together result in a valid Genehmigungsbescheid from Energie-Control Austria |

- sign the Participants Financial Agreement, as set forth in Article 3.02(a), Article 3.02(b) and Article 3.02(c);
- have an EIC Code and
- undertake to behave as a professional, preventing from any action which may lead to the damaging or reduction in effectiveness of the Auction Tool and/or Information System (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, DoS attack, ping of death attack, sniffing and spoofing, dictionary attack, ...); and
- not be under a Payment Incident as set out in Article 9.03(d).

Within the registration process, the Joint Auction Office checks if the Participant has signed the agreement(s) as specified above.

Entitlement is effective on the date indicated in the Declaration of Acceptance countersigned by the Joint Auction Office. Entitlement is granted for an undefined Period and may be suspended or withdrawn in accordance with the provisions of Article 3.04.

## **Article 3.04 Suspension and withdrawal of Entitlement**

### **(a) Suspension of Entitlement by the Joint Auction Office (temporary)**

#### **(i) General procedure**

The Participant's Entitlement may be suspended by the Joint Auction Office, at the end of a suspension procedure as described in this paragraph, without prejudice to immediate suspension in case of violation of essential contractual obligations, as stated in paragraph (ii) of the present Article.

When a Participant fails to comply with one or more of its contractual obligations, the Joint Auction Office Notifies in writing by registered letter or by fax with acknowledgment of receipt, to the Participant, the obligation to remedy to any breach or non-compliance of its contractual obligations.

This Notification indicates:

- the reasons for the launch of the general procedure of suspension and,
- the necessary action(s) that should be taken by the Participant to remedy to the breach and/or non-compliance of its contractual obligations which is (are) the reason(s) for launching the general procedure of suspension and,
- a deadline of minimum ten (10) Working Days, starting on the date of receipt of the Notification, within which these action(s) should be taken; and
- the possibility for the Participant, upon its request in writing to answer to this Notification and/or to discuss orally the reason(s) of the Notification with the Joint Auction Office.

The Participant has the right to discuss the reason(s) for the launch of the general procedure of suspension with the Joint Auction Office in order to address any contradictory information and to defend its position. If the Participant intends to request for such meeting and contradictory discussion, the Participant shall request for it to the Joint Auction Office and the meeting shall be held within the abovementioned deadline within which the Participant should take any action to remedy to the situation.

Without prejudice of the outcome of the meeting, if the Participant does not take the requested action(s) to remedy the situation, within the abovementioned deadline, the Participant's Entitlement may be suspended by the Joint Auction Office. This decision of suspension shall be taken within minimum five (5), and maximum ten (10), Working Days starting at the end of the abovementioned deadline. The Joint Auction Office Notifies in writing and confirmed by registered letter and/or by fax with acknowledgment of receipt, to the Participant, the suspension of its Entitlement.

This Notification of suspension indicates:

- the reasons for the suspension of the Participant's Entitlement; and
- the date and time of the suspension of Entitlement; and
- the consequences of the suspension.

Suspension of Entitlement takes immediately effect on the date and time indicated in the Notification of the suspension of Entitlement, unless the Participant has remedied the situation that causes the suspension.

Any suspension of a Participant's Entitlement will be communicated by the Joint Auction Office to the TSOs in order to enable them to inform the relevant competent authorities. This communication will enclose a copy of the Notification to the Participant.

Nothing in this article shall preclude the Participant from applying for injunctive relief in summary proceedings ("procédure en référé") before the Commercial Court in whose jurisdiction the Joint Auction Office is established, in application of Article 10.08.

#### **(ii) Immediate suspension in limited cases**

Notwithstanding the abovementioned suspension procedure, the Participant's Entitlements may be immediately suspended by the Joint Auction Office only in the following limitative cases of violation of an essential contractual obligation imposed to the Participant:

- the necessary agreement(s) as required in Article 3.03 is (are) suspended or withdrawn, during the time they are not replaced by another valid agreement; and/or

- the Participant is under a Payment Incident; and/or
- of an urgency, in the course of which the Participant jeopardizes the proper functioning of the Joint Auction Office or in case of any behavior that can be assimilated to an attack on the Information System.

Such a suspension is Notified by registered letter and by fax with acknowledgment of receipt by the Joint Auction Office to the Participant and shall take effect immediately.

Any suspension of a Participant's Entitlement will be communicated by the Joint Auction Office to the TSOs in order to enable them to inform the relevant competent authorities. This communication will enclose a copy of the Notification to the Participant.

### **(iii) Consequences of suspension**

The following provisions are applicable to any suspension decision taken in application of the general procedure of suspension (i) or in application of an immediate suspension (ii).

In case of suspension, the Participant may no longer take part in Auctions and/or in the Secondary Capacity Market. If relevant, any Held Capacities may no longer be Transferred or Resold and the Programming Authorizations for the Yearly and the Monthly Capacities are set to zero (0) until the Participant's Entitlement has been restored.

In case the conditions listed in Article 3.03 for participating in Daily Auction or CWE Shadow Auction are not fulfilled, the Participant may no longer take part in Daily Auctions or CWE Shadow Auction on the concerned Country Border.

In case the suspension is caused by a Payment Incident, the Held Capacity is not taken into account for the "Use it or sell it" valuation and the Resales previously accepted by the Joint Auction Office from Yearly to Monthly Auctions are cancelled.

The Capacities released as a result of a suspension are put at the disposal of the following Daily Auctions, for the CWE Market Coupling Borders to the CWE Market Coupling and for the Italian – Slovenian Border to the Italian Slovenian Market Coupling.

Suspension of Entitlement does not exonerate the Participant from its payment obligations in accordance with Section IX including for Capacities of which it loses the benefit. The Participant may not claim any indemnity as a result of the application of the present stipulation.

The Participant shall be Entitled again on the Day after the Working Day on which the Joint Auction Office observes before 15:00, that the conditions set out in Article 3.03 have once again been met.

If the suspension of the Entitlement lasts more than six (6) months, the Entitlement will be withdrawn by the Joint Auction Office without further Notice.

When the Participant's Entitlement has been restored, the Held Capacity prior to the suspension of Entitlement, related to a Period after the restoration of the Entitlement, and which has still not been Nominated may again be Nominated, Transferred or Resold and be taken into account for the "Use it or sell it" valuation. The Participant shall also be able to take part again in Auctions and in the Secondary Market.

### **(b) Withdrawal of Entitlement by the Joint Auction Office (definitive exclusion)**

A Participant's Entitlement is withdrawn by the Joint Auction Office:

- in the event of bankruptcy, liquidation or dissolution of the Participant; or

- following receipt by the Joint Auction Office of a decision by the European Commission or another competent authority stating that the Participant has committed a misusing or fraudulent act with regard to the Allocation of Capacities on one of the Borders and requesting for the withdrawal of Entitlement; or
- in the event of a persistent and/or intentional breach of the Auction Rules following the prior Notification thereof to the Participant.

The withdrawal of Entitlement takes effect on the date indicated in the Notification of the withdrawal of Entitlement, which also indicates the reasons for the withdrawal.

If the Joint Auction Office withdraws a Participant's Entitlement, the said Participant may no longer take part in Auctions and/or in the Secondary Capacity Market.

Any Held Capacity that has not yet been Nominated may no longer be Nominated, Transferred or Resold and will not be taken into account for the "Use it or sell it" valuation. Resales previously accepted by the Joint Auction Office are cancelled.

The Capacities released as a result of the withdrawal of Entitlement are put at the disposal of the following Allocation such as Monthly Auctions, Daily Auctions, for the CWE Market Coupling Borders to the CWE Market Coupling and for the Italian – Slovenian Border to the Italian Slovenian Market Coupling.

Withdrawal of Entitlement does not exonerate the Participant from its payment obligations in accordance with Section IX, including Capacities of which it loses the benefit. The Participant may not claim any indemnity as a result of the application of the present stipulation. If Entitlement is withdrawn, the Declaration of Acceptance is automatically terminated.

The Participant which Entitlement has been withdrawn at the initiative of the Joint Auction Office may not claim status as a Participant at a later date.

### **(c) Withdrawal of Entitlement by the Participant**

The Participant may request the withdrawal of Entitlement at any time, in order to terminate its participation in the Auction Rules.

Any such request must be made by registered mail with acknowledgement of receipt.

The withdrawal of the Participant's Entitlement takes effect ten (10) Days after the Joint Auction Office receives Notification of the request for withdrawal by the Participant.

If Entitlement is withdrawn at the request of the Participant, it may no longer take part in Auctions or in the Secondary Market. Any Held Capacity that has not yet been Nominated may no longer be Nominated or Transferred or Resold and will not be taken into account for the "Use it or sell it" valuation. Resales previously accepted by the Joint Auction Office are cancelled. The Capacities released as a result are put at the disposal of the following Monthly Auctions, Daily Auctions, for the CWE Market Coupling Borders to the CWE Market Coupling or for the Italian – Slovenian Border to the Italian Slovenian Market Coupling.

Withdrawal of Entitlement does not exonerate the Participant from its payment obligations in accordance with Section IX, including Capacities of which it loses the benefit. The Participant may not claim any indemnity as a result of the application of the present stipulation.

However, if the Participant considers that the Joint Auction Office has not fulfilled one or more of its essential contractual obligations and wishes to withdraw its Entitlement:

- it shall send a notice of default to the Joint Auction Office by Notification, demanding that the essential contractual obligations be fulfilled;
- if there is no response to this notice of default within ten (10) Days, the Participant may request the withdrawal of its Entitlement by Notification with immediate effect from the time of receipt by the Joint Auction Office. This Notification will state the reasons for the request for withdrawal.

If the Joint Auction Office has not fulfilled its essential contractual obligations, the Entitlement is withdrawn and the amount for acquisition of the Capacity is not due from the date of withdrawal of Entitlement onwards.

In either of these cases where Entitlement is withdrawn at the Participant's initiative, the Declaration of Acceptance is automatically terminated.

The Participant whose Entitlement has been withdrawn at its own initiative and under the terms of the present article may again claim Participant status by following the Auction Rules procedure.

## **Section IV. Auctions**

### **Article 4.01 Auctions Specification**

Before each Auction the Joint Auction Office publishes on its Website the Auction Specifications.

The Auction Specifications consist of information regarding:

- Products made available for Auctions:
  - o Time frame: Yearly, Monthly or Daily;
  - o Product (when applicable): base, peak, off-peak or Hourly blocks as specified in Article 2.02;
  - o Maintenance Period (when applicable);
- Capacities to be Allocated;
- Gate openings and closures;
- Timeframe for the publication of Auction Results;
- Deadline to contest Auction Results in accordance with Article 5.03;
- Other additional information.

### **Article 4.02 Yearly, Monthly, Daily, and CWE Shadow Auctions**

Yearly, Monthly and Daily Auctions as well as its fallbacks shall be performed by the Joint Auction Office.

#### **(a) Yearly Auctions**

The Joint Auction Office publishes on the Joint Auction Office's Website, for information, an Auction calendar setting the date of the Yearly Auctions for the coming calendar year.

The Yearly Auctions take place during Working Days.

Due to the Dutch Grid Code:

- the first Yearly Auctions on the Germany – The Netherlands and Belgian – The Netherlands Borders take place on a Working Day, between the 15<sup>th</sup> of September and 15<sup>th</sup> of October on the dates and time published in the Auction calendar.
- the second Yearly Auctions on the Germany – The Netherlands and Belgian – The Netherlands Borders take place on a Working Day, between the 15<sup>th</sup> of November and 15<sup>th</sup> of December on the dates and time published in the Auction calendar.

For each Country Border the Auction Specifications will be published by the Joint Auction Office at the Joint Auction Office's Website seven (7) Days before the Day of the Auction of the Yearly Auctions. Detailed information about the Yearly Auction is published in the Auctions Specifications according to Article 4.01.

Bids must have been Notified to the Joint Auction Office at the latest on the Day of the Yearly Auction in accordance with the Auction Specifications. Bidding is possible as soon as the Auction Specifications have been published.

Bids submitted by Participants in accordance with Article 4.03, or where applicable with Article 4.05, are taken into account on the Day of the Yearly Auction.

Each Participant is informed of the Result of its Bids, in accordance with Article 5.02, no later than thirty (30) minutes after the Yearly Auction has been closed. Data resulting from the Yearly Auction are published on the Joint Auction Office's Website no later than thirty (30) minutes after the Yearly Auction has been closed.

However, in exceptional circumstances, the Joint Auction Office may announce on Joint Auction Office's Website Auction dates and Auction Specifications which deviate from the above. Justification of such modification will be published on the Joint Auction Office's Website.

### **(b) Monthly Auctions**

The Joint Auction Office publishes on its Website, for information, an Auction calendar setting the dates of the Monthly Auctions, for the coming calendar year.

For each Country Border, the Joint Auction Office publishes the Auction Specification defining the Offered Capacity on the Auction Website no later than two (2) Working Days before the Day of the Monthly Auction.

The Monthly Auctions take place, on a Working Day, the Month before the Month concerned by the Auction on the dates and time published in the Auction calendar.

The Monthly Offered Capacity consists of:

- the Monthly Available Transmission Capacity provided by the concerned TSOs;
- the Resales,
- The Yearly Capacity already Allocated which has been withdrawn from a suspended or excluded Participant,
- The Yearly Capacity not Allocated in the Yearly Auction.

Bids must have been Notified to the Joint Auction Office at the latest on the Day of the Monthly Auction in accordance with the Auction Specifications. Bidding is possible as soon as the Auction Specifications have been published.

Bids submitted by Participants in accordance with Article 4.03 or where applicable with Article 4.05, are taken into account on the Day of the Monthly Auction.

Each Participant shall be informed of the Result of its Bids, in accordance with Article 5.02, no later than thirty (30) minutes after the Monthly Auction has been closed. Data resulting from the Monthly Auction are published on the Joint Auction Office's Website no later than thirty (30) minutes after the Monthly Auction has closed.

However, in exceptional circumstances, the Joint Auction Office may announce on its Joint Auction Office's Website Auction dates and Auction Specifications which deviate from the above. Justification of such modification will be published on the Joint Auction Auction Office's Website.

### **(c) Daily Auctions**

For each Country Border and each direction, the Daily Offered Capacity is equal to the Daily ATC calculated by TSOs. The ATC is calculated based on the NTC and the Exchange Programs in the framework of the Yearly and the Monthly Programming Authorizations.

The Daily Auction Specification is published on the Joint Auction Office's Website as follows:

| <b>Country Border concerned</b> | <b>Deadline for publishing the Auction Specification</b> |
|---------------------------------|--|
| Italian Borders                 | 07:45 in D-1   |
| AT<>CH, CH<>DE and CH<>FR       | 09:00 in D-1   |

Pre-bidding is possible as soon as the Auction is created in the Auction Tool. During the Pre-Bidding period, Participants may submit Bids (i.e. pre-bids) but the following checks will not be performed until the bidding gate opens:

- Sum of Bid quantities are not checked against Offered Capacity as Offered Capacity may still change during the pre-bidding phase;
- Financial guarantees are not checked.

Bids must have been Notified to the Joint Auction Office before the following timing:

| <b>Country Border concerned</b> | <b>Gate closure of the Daily Auction</b> |
|---------------------------------|--|
| Italian Borders                 | 08:15 in D-1                             |
| AT<>CH and CH<>DE               | 09:30 in D-1                             |
| CH<>FR                          | 09:45 in D-1                             |

Bids submitted by Participants in accordance with Article 4.03 or where applicable with Article 4.06 and Article 4.07, are taken into account on the Day of the Daily Auction.

Each Participant is informed of the Results of its Bids, in accordance with Article 5.02, no later than thirty (30) minutes after the Daily Auction has closed. Data resulting from the Daily Auction are published on the Joint Auction Office's Website no later than thirty (30) minutes after closure of the Daily Auction.

However, in exceptional circumstances, the Joint Auction Office may announce on its Website Auction dates and Auction Specifications which deviate from the above for all or some of the Country Borders. Justification of such modification will be published on the Joint Auction Office's Website.

#### **(d) CWE Shadow Auctions**

The CWE Shadow Auctions are explicit Auctions used on all CWE Market Coupling Borders to Allocate the daily Capacity by the Joint Auction Office in case of unavailability of CWE Market Coupling.

The CWE Shadow Auctions could be decided during the daily session of the CWE Market Coupling when an unforeseeable incident occurs or in advance if it is known that CWE Market Coupling will not be available for the next sessions.

Participants entitled to CWE Shadow Auctions have the possibility to submit default Bids for the Borders for which they are Entitled as stated in the Declaration of Acceptance (APPENDIX 1) and/or in the "Modification of the Borders on which the Participant shall be registered for CWE Shadow Auctions and/or Daily Auction" form (APPENDIX 4).

These Bids are permanent Bids, which means that the Bid Volume and Bid Price entered for each Hour are not related to a specific Day: they are valid for every Day, for a specific CWE Market Coupling Border and direction. These Bids can be updated and/or suppressed at any time before the launch of CWE Shadow Auctions according to the following paragraphs. When the activation of CWE Shadow Auctions is known in advance, the Participants have the possibility to update their Bids according to the following dispositions.

Bids submitted by Participants entitled to CWE Shadow Auctions must comply with Article 4.03.

**If CWE Shadow Auctions are triggered during a daily session of the CWE Market Coupling:**

In case of any problem detected during the course of the CWE Market Coupling (risk of delay or risk of decoupling), the Joint Auction Office will inform the concerned Participants that CWE Shadow Auctions may be triggered as fallback. In this situation and in order to gain time, CWE Shadow Auctions may be launched in parallel of the resolution of the problem of the CWE Market Coupling but the Results will only be published if a CWE Market Coupling decoupling is declared.

If the CWE Shadow Auctions are triggered in parallel with the daily session of the CWE Market Coupling, the Joint Auction Office imports the Bids submitted for CWE Shadow Auctions and then informs the Participants that the CWE Shadow Auctions are performed and they can not update their Bids anymore. Results of the CWE Shadow Auctions are not published at this moment.

If the decoupling of the CWE Market Coupling is finally declared, the Participant is informed of the Result of its Bids, in accordance with Article 5.02. Data resulting from the CWE Shadow Auction are published on the Joint Auction Office's Website.

The Joint Auction Office may under no circumstances be held responsible if it is unable to contact the Participants, or if it is unable to publish an announcement on its Joint Auction Office's Website.

**If the activation of the CWE Shadow Auctions is known in advance:**

If the CWE Shadow Auctions are decided in advance for one or several daily sessions of the CWE Market Coupling, the Joint Auction Office informs as soon as possible individually, by an email, the Participants that the CWE Shadow Auctions are performed for the Allocation of Daily Capacity for the CWE Market Coupling Borders with the corresponding new time schedule. The Offered Capacity for the CWE Shadow Auctions and the information related to the time schedule will be published on the Joint Auction Office's Website in order to give to Participants to update their Bids accordingly.

Each Participant is informed of the Result of its Bids, in accordance with Article 5.02. Data resulting from the CWE Shadow Auction are published on the Joint Auction Office's Website. The Joint Auction Office may under no circumstances be held responsible if it is unable to contact the Participants via the channels stated above, or if it is unable to publish an announcement on its Joint Auction Office's Website. However, under exceptional circumstances, the Joint Auction Office may announce on its Website practical Auction modalities which deviate from the above for all CWE Market Coupling Borders. Justification of such modification will be published on the Joint Auction Office's Website.

## **Article 4.03 Submitting Bids**

### **(a) Format of Bids**

Bids must be submitted in accordance with the formats defined in the documentation available on the Joint Auction Office's Website. Bids not submitted in the required format will not be taken into account.

Bids will be considered as unconditional and irrevocable after the Auction session closing time, as defined in the Auction Specification.

Bids are subject to Functional Acknowledgement of Receipt. If the Joint Auction Office does not issue a Functional Acknowledgement of Receipt for a Bid, such Bid is deemed not to have been submitted.

For CWE Shadow Auction, the Functional Acknowledgement of Receipt is delivered once the CWE Shadow Auction is run.

In case in the CWE Shadow Auctions mode is applied:

- Bids are considered as unconditional and irrevocable once the CWE Shadow Auctions are triggered if the CWE Market Coupling decoupling is only known during the daily session of the CWE Market Coupling.
- Bids are considered as unconditional and irrevocable once the Joint Auction Office has closed the time for updating Bids according to the time schedule communicated by the Joint Auction Office if the CWE Market Coupling decoupling is known in advance.

### **(b) Auction Tool**

The Auction Tool enables Participants to submit Bids for a given Auction.

The Participant accesses the Auction Tool according to the conditions set out in the documentation available on the Joint Auction Office's Website.

### **(c) Limitation**

Participants may submit a maximum of twenty (20) Bids for an Auction.

Bids Volumes contain whole MW units, and Bid Prices in Euros per MWh expressed to a maximum of two (2) decimal places.

If one Bid submitted (or several Bids submitted for the same Period) by a Participant for a specific Auction causes the total Bid Volume to (i) exceed the Offered Capacity for a given Auction or (ii) not to be compliant with the stipulations of Article 1.05, then this Bid (or these Bids) will be completely rejected.

In case the CWE Shadow Auctions mode is applied, Bid(s) submitted by a Participant to a CWE Shadow Auction are submitted in a priority order according to their Bid Identification (ID), lowest ID number being the highest priority. When a CWE Shadow Auction is run, Bids are created according to the priority order until the sum of the Bids meet the Offered Capacity. The last created Bid that exceeds the Offered Capacity is reduced so that the total of Bids does not exceed the Offered Capacity. These Bids are then used when determining the Marginal Price

Bids submitted by a Participant for CWE Shadow Auctions are not checked against the Credit Limit of the Participant. Moreover, the amount corresponding to the Capacity Allocated through CWE Shadow Auctions is not taken into account in the Credit Limit of the Participants.

#### **Article 4.04 Auction cancellation**

In the event of unavailability or technical difficulties with the Auction Tool or the Information System, on the Joint Auction Office may be forced to cancel an Auction:

- before and during the course of the Auction itself: Participants are informed by a message that appears directly on the Auction Tool, on the Joint Auction Office's Website and/or by an email;
- after the Auction Results have been sent, in the event of erroneous Results: Participants are informed on the Auction Tool, on Joint Auction Office's Website and/or by an email. The Results of the Auction are thereupon cancelled.

Financial settlements of the Auction cancellation are detailed in Article 9.01(e) for the UIOSI and in Article 9.01(b) in case the cancellation occurs after the deadlines for contestation.

The Joint Auction Office Notifies the Participants as soon as possible of the reasons which caused the Auction cancellation. Additionally, the Joint Auction Office publishes on its Joint Auction Office's Website, as soon as possible, the reasons which caused the Auction cancellation.

#### **Article 4.05 Fallback Mode of Yearly and Monthly Auctions**

If the Joint Auction Office is unable to hold Yearly Auctions or Monthly Auctions under the standard condition, the Joint Auction Office can organize a Fallback Mode. In this situation, the Joint Auction Office Notifies the Participant, by an email, via the Auction Tool and/or on the Joint Auction Office's Website or by fax, of the switch to Fallback Mode for the Auctions. Fallback Mode are:

1. Auction postponed to a later date: the Notification specifies, as a minimum, the new date scheduled for the Auction;
2. Auction performed by fax: the Notification specifies the Auction Specifications; in this case, Participants submit their Bids by fax;

The Notification of the switch to Fallback Mode for the Auctions indicates the type (1 or 2) of fallback and all details for the fallback procedures on the Yearly and Monthly Auctions.

The Joint Auction Office may under no circumstances be held responsible if it is unable to contact the Participants via the channels above, or if it is unable to publish an announcement on its Joint Auction Office's Website Bids submitted prior to the switch to Fallback Mode for the Auctions are deemed invalid and must be submitted again according to the conditions stipulated in case of Fallback Mode for the Auctions.

If the conditions stipulated in the event of Fallback Mode for the Auctions cannot be implemented in time for a given Auction, this Auction is postponed or is cancelled and Bids already submitted are automatically cancelled.

#### **Article 4.06 Fallback Mode of Daily Auctions and CWE Shadow Auctions**

If the Joint Auction Office is unable to hold Daily Auctions or CWE Shadow Auctions under the standard conditions stipulated, in Articles 4.02 (c) and (d), the Joint Auction Office shall Notify the Participants of the switch to Fallback Mode for the Daily Auction or CWE Shadow Auctions.

In this case and if applicable, an Allocation by Equal Share can be applied: the Offered Capacity on the Country Border is split in Equal Shares between the Participants entitled on the concerned Country Border. The price of the Allocated Capacity is 0 €/MWh.

#### **Article 4.07 Fallback mode of Slovenian – Italian Market Coupling Border**

Regarding the Slovenian – Italian Border, where Market Coupling is in place for Daily Allocation, the Joint Auction Office will perform the Daily Auction if the Slovenian – Italian Market Coupling were to fail.

In particular the following will be applied:

- if mentioned failure is known in a time compatible with the explicit Auction procedure, the Daily Auction will be run according to the present Auction Rules;
- otherwise, the daily Capacity will not be Allocated.

In any case, Participants will be informed of the abovementioned failure in due time via the concerned TSO websites and/or e-mail.

## **Section V. Determination of Auction results**

### **Article 5.01 Awarding of Capacities**

The Auction Results are determined according to the following principles:

- If the total Capacity for which valid Bids have been submitted is equal to or lower than Offered Capacity for the Auction in question, the Marginal Price is zero (0) €/MWh.
- If the total Capacity for which valid Bids have been submitted exceeds the Offered Capacity for the Auction in question, the Marginal Price is equal to the lowest Bid Price selected in full or in part.

The Auction Results are obtained using the resolution algorithm described below for each Product. This resolution algorithm is the one used by the Auction Tool.

1. First, for each Auction Product, the Joint Auction Office ranks the Bid Prices in decreasing order;
2. Only Bids that comply with the terms of Article 4.03 are taken into account in this ranking;
3. The highest Bid(s) received for a Capacity requested which does (do) not exceed the Offered Capacity is (are) selected. The residual Offered Capacity is then Allocated to the Participant(s) which has (have) submitted the next highest Bids Price, if the Capacity requested does not exceed the residual Offered Capacity; this process is then repeated for the rest of the residual Offered Capacity;
4. If the Capacity requested under the next highest Bid Price is equal to or greater than the residual Offered Capacity, the Bid is selected either in full, or partially up to the limit of the residual Offered Capacity. The price of this Bid constitutes the Marginal Price;
5. If two (2) or more Participants have submitted valid Bids with the same Bid Price, for a total requested Capacity which exceeds the residual Offered Capacity, the residual Offered Capacity is Allocated in proportion to the Capacity requested in the Bids by these Participants, in units of at least one (1) MW. The Capacities attributed are rounded down to the nearest MW. The price of these Bids constitutes the Marginal Price.

Capacity is deemed to have been Allocated to a Participant from the moment the Participant has been informed of the Results and the Contestation Period is closed if existing. In case the Auction was not successfully performed, Article 4.04 applies.

#### **(a) Yearly Auctions on all Country Borders except Austrian – Switzerland Border**

For the Yearly Auctions, the Credit Limit of the Participants is checked during the Auction iteration process against the amount resulting from two twelfth (2/12<sup>th</sup>) of the product of the Auction Marginal Price of the Yearly Product, the volume of selected Bids and the duration in Hours of the corresponding Product, and increased to include the taxes and levies if needed (no taxes and levies if the Participant is not located in Luxembourg and Luxembourgian VAT if the participant is located in Luxembourg).

In the event that the Credit Limit of one (1) or several Participant(s) is not respected during the Auction process, for all winning Bids of the Participant(s) for the concerned Auction iteration, a new Auction iteration will be run after elimination, for each Participant that did not respect its Credit Limit, of:

- all non winning Bids;
- one (1) by one (1), winning Bids, starting with the lowest Bid Price, until the Credit Limits are met.

**(b) Yearly Auctions on Austrian-Switzerland Border**

For Austrian - Switzerland Border only one auction iteration is performed where the check of the Credit Limit is disabled.

**(c) Monthly Auctions on all Country Borders**

For the Monthly Auctions, the Credit Limit of the Participants is checked during the Auction iteration process against the amount resulting from the product of the Auction Marginal Price, the volume of selected Bids and the duration in Hours of the corresponding Products, and increased to include the taxes and levies if needed (no taxes and levies if the Participant is not located in Luxembourg and Luxembourgian VAT if the Participant is located in Luxembourg).

In the event that the Credit Limit of one (1) or several Participant(s) is not respected during Auction iteration process, for all winning Bids of the Participant(s) for the concerned Auction iteration, a new Auction iteration will be run after elimination, for each Participant that did not respect its Credit Limit, of:

- all non winning Bids;
- one (1) by one (1), winning Bids, starting with the lowest Bid Price, until the Credit Limits are met.

**(d) Daily Auctions on all Country Borders**

For the Daily Auctions, all Bids submitted simultaneously by a Participant for a specific Auction in which the sum of the Bid Value(s) exceeds the Credit Limit of the Participant will be completely rejected. All submitted Bids for all concerned Country Borders are taken into account for checking the Credit Limit.

**(e) CWE Shadow Auctions**

For CWE Shadow Auctions, the Credit limit is not checked.

**Article 5.02 Notification of Auction results**

After each Yearly, Monthly, Daily or CWE Shadow Auction, each Participant is informed of its Auction Results by an email and/or on the Auction Tool. For CWE Shadow Auctions, the Auction Results are only communicated if the CWE Market Coupling decoupling is finally declared.

The Joint Auction Office Notifies the Auction Results file to the Participant, specifying the Capacity selected for each Auctioned Product and the Marginal Price of each Product, according to the format defined in the documentation available on the Joint Auction Office's

Website. If the Information System or the Auction Tool is unavailable, Participants are informed of the Auction Results via other means of communication.

### **Article 5.03 Contestation Period**

The Participant may contest the Auction Results according to the conditions and within the deadlines as follows:

- for Yearly and Monthly Auctions, no later than one (1) Working Day after the Results have been Notified to the Participant;
- for Daily Auctions, no later than one (1) Hour after the Results have been Notified to the Participant;
- for CWE Shadow Auctions if they have been triggered during the daily session of CWE Market Coupling, there is no Contestation Period;
- for CWE Shadow Auctions if they have been decided in advance, the Contestation Period will be communicated with the general time schedule of the CWE Shadow Auctions on the Joint Auction Office's Website;

The Participants' Contestation has to be marked as "contestation" and it has to be Notified by fax and confirmed by letter to the Joint Auction Office.

The Joint Auction Office shall reply to the Participant within the below indicated deadlines:

- for Yearly and Monthly, no later than two (2) Working Days after the Results have been Notified to the Participant;
- for Daily Auctions, no later than two (2) Hours after the Results have been Notified to the Participant;
- for CWE Shadow Auctions, if they have been triggered during the daily session of CWE Market Coupling, there is no Contestation Period;
- for CWE Shadow Auctions, if they have been decided in advance, the Contestation Period will be communicated with the general time schedule of the CWE Shadow Auctions on the Joint Auction Office's Website.

If the Participant does not contest the Auction Result within the deadline and under the condition specified above, the Participant shall be irrevocably deemed to renounce to any contestation.

## **Section VI. Secondary Market**

### **Article 6.01 Transfers**

#### **(a) Features of Transfers**

Capacities Allocated through Yearly and Monthly Auctions or resulting from Transfer may be transferred by a Transferor to a Beneficiary provided that the Transfer Notification is sent by the Transferor to the Joint Auction Office according to point (c) of this Article.

The Transfer Notification can only be initiated if:

- the Contestation Period is closed;
- the amount for the respective Capacity has been blocked on the Business Account of the Transferor, as described in Article 9.02;
- the Transferor and the Beneficiary comply with these Auction Rules.

The Capacities Allocated through Daily Auctions and/or CWE Shadow Auctions and/or Equal Share cannot be transferred.

The minimum volume for a Transfer is one (1) MW over one (1) hour.

A Capacity remains the same Product after Transfer, no matter what the period of Transfer is.

#### **(b) Financial arrangements**

The Participant which was Allocated Capacity at the Auctions must fulfil its financial obligations towards the Joint Auction Office, even if it Transfers all or part of its Capacity, and even in the case of multiple Transfers among several Participants.

The Participant can Transfer Capacities without any additional fee.

In case of Reduction according to Article 2.05, the refund or the compensation of the Reduced Transferred Capacities is done to the Participant which holds the Capacity at the moment the Reduction is performed.

#### **(c) Notification of Transfer**

After a successfully initiated Transfer by the Transferor, the Auction Tool generates information to the Beneficiary. Within four (4) Hours upon receiving the Transfer information, but at the latest until the Transfer deadline, the Beneficiary has to accept or reject the Transfer on the Auction Tool. If within four (4) Hours upon receiving the Transfer information or until the Transfer deadline the Beneficiary does not react, the Transfer is evaluated as rejected.

The Transfer Notification must be made by the Transferor to the Joint Auction Office and has to be accepted by the Beneficiary no later than two (2) Week Days at 12:00 CET before the Day to which the Capacity relates, that is

- no later than Thursday before 12:00 (noon) for a Transfer for which the start-date of the Period of Transfer is the following Saturday, Sunday or Monday;
- no later than Friday before 12:00 (noon) for a Transfer for which the start-date of the Period of Transfer is the following Tuesday;

- no later than Monday before 12:00 (noon) for a Transfer for which the start-date of the Period of Transfer is the following Wednesday;
- no later than Tuesday before 12:00 (noon) for a Transfer for which the start-date of the Period of Transfer is the following Thursday;
- no later than Wednesday before 12:00 (noon) for a Transfer for which the start-date of the Period of Transfer is the following Friday.

Notification is done in accordance with the format defined in the documentation available on the Joint Auction Office's Website. The Notification of a Transfer to the Joint Auction Office must include among others the information:

- the Transferor's EIC Code; and
- the Beneficiary's EIC Code; and
- the period of Transfer, i.e. the dates concerned for the Transfer, including start and end dates; and
- the volume (in MW) of Transferred Capacity defined per Hourly Periods.

Transfer Notifications are subject to Functional Acknowledgement of Receipt. If the Joint Auction Office does not issue a Functional Acknowledgement of Receipt for a Transfer Notification, the Transfer Notification in question is deemed not to have been submitted.

The Transfer Notification for the respective Border and the respective timeframe may however, in accordance with Article 2.05 be blocked momentarily (i.e. during operational manipulation for Reduction) when the Joint Auction Office has to apply a Reduction in Held Capacities.

In case of a Reduction in Held Capacities, all the Transfer Notifications that have not been yet accepted by the Beneficiary are automatically cancelled prior to the Reduction.

When receiving a Transfer Notification, the Joint Auction Office will check:

- that the Transferor and Beneficiary are Entitled up to the end of the Transfer Period; and
- that the Transferor holds the Capacity it wishes to Transfer at the time of Notification of that Transfer. For this, the Joint Auction Office calculates the Held Capacity at the time of receiving the Transfer Notification; and
- whether or not the relevant financial obligations have been fulfilled; and
- that the Notification time limit has not been exceeded.

The Functional Acknowledgement of Receipt sent by the Joint Auction Office to the Transferor and/or the Beneficiary after receiving this Transfer Notification includes:

- for the Transferor and the Beneficiary, a message accepting the Transfer if the Notification meets the aforementioned conditions; or
- for the Transferor only, a message that sets out the reasons for rejection if the Transfer was rejected.

If the Transfer is accepted by the Beneficiary, the Held Capacity by the Transferor is reduced and the Held Capacity by the Beneficiary is increased by the amount of the Transfer.

## **Article 6.02 Resale**

### **(a) Features of Resales**

Resale of Capacities is only possible coming from Yearly Auction to Monthly base Auction. Resale from Capacities coming from Yearly and/or Monthly Auction to Daily Auction is not possible as the “Use It Or Sell It” principle, as described in Section VIII, is in place.

The Capacity that can be Resold at a Monthly Auction must be a constant band of MW over all the Month. The minimum volume for a Resale through a Monthly Auction is one (1) MW over one (1) month.

**On Switzerland – Italy, Austria – Italy, Slovenia – Italy, Greece – Italy and Austria – Switzerland Borders**, in case the Monthly ATC provided by TSOs for the Monthly Auction contains a Maintenance Period, the Resale can be accepted. The Monthly Offered Capacity will then consist of a profile. The Allocation as described in Section V applies on the maximum value of the Monthly Offered Capacity and a pro-rata Allocation is applied during the Maintenance Period.

**On France – Italy Border**, in case the Monthly ATC provided by TSOs for the Monthly Auction contains a Maintenance Period, the resale can be rejected by the Joint Auction Office.

### **(b) Starting time for sending Resale**

#### **(i) For the CWE Market Coupling Borders**

Starting from the end of the Contestation Period, the Held Capacity in the framework of a Yearly Product may be Resold at the Monthly Auctions.

#### **(ii) For the Switzerland – France, Switzerland – Germany, Switzerland – Austria and all Italian Borders:**

Starting from the end of the Contestation Period and the corresponding amount of the relevant Capacity has been blocked on the Business Account of the Reseller, the Held Capacity in the framework of a Yearly Product may be Resold at the Monthly Auctions.

### **(c) Financial arrangements**

The financial conditions related to the Resale of Capacity are described in Article 9.01(d).

The Participant that has acquired Capacity at the Auctions must fulfill its financial obligations towards the Joint Auction Office, even if it Resells all or part of its Capacity.

### **(d) Notification of Resale**

Notification of Resale is done via an electronic message in accordance with the format defined in the documentation available on the Joint Auction Office’s Website. The Notification of a Resale to the Joint Auction Office must include among others, the following information:

- the Reseller's EIC Code; and
- the Period of Resale – i.e., the dates concerned for the Resale of Capacity, including start and end-dates; and
- the volume of Capacity for Resale being a constant band of Capacity (MW) over the whole calendar month to which the Monthly Auction relates.

Resale Notifications are subject to Functional Acknowledgement of Receipt. If the Joint Auction Office does not issue a Functional Acknowledgement of Receipt for a Resale Notification, the Resale Notification in question is deemed not to have been submitted.

Should the Participant want to correct a Resale, it must send a Notification of Resale to the Joint Auction Office with a modified volume of Capacity for Resale. If the minimum volume of a Capacity for Resale is zero (0) MW, this will effectively cancel the Resale.

**For all Country Borders:**

The Resale Notification must be made by the Reseller to the Joint Auction Office no later than 12:00 CET, four (4) Week Days before the Day of the relevant Monthly Auction.

The Resale Notification for the respective Border and the respective timeframe may however, in accordance to Article 2.05, be blocked momentarily (during operational manipulations for Reduction) when the Joint Auction Office has to apply a Reduction in Held Capacities.

When receiving a Resale Notification, the Joint Auction Office will check:

- that the Reseller is Entitled up to the end of the Resale Period; and
- that the Reseller holds the Capacity it wishes to Resell at the time of Notification of that Resale. In order to check this, the Joint Auction Office calculates the Held Capacity at the time of reception of the Resale Notification; and
- that the Resale Notification time limit has not been exceeded; and.
- that the Reseller Notifies a constant Capacity over the exact duration of the calendar month to which the Monthly Auction relates; and
- for Switzerland – France, Switzerland – Germany, Switzerland – Austria and all Italian Borders, whether or not the relevant financial obligations have been fulfilled.

The Functional Acknowledgement of Receipt sent by the Joint Auction Office to the Reseller after receiving this Resale Notification includes:

- a message accepting the Resale if the Notification meets the aforementioned conditions; or
- a message setting out the reasons for rejection if the Resale has been rejected.

If the Resale is accepted by the Joint Auction Office, the Held Capacity by the Reseller is reduced by the amount of the Resale.

A Reseller may Notify a Resale of Capacity that cancels and replaces a prior Notification, provided that:

- the new Notification has the same identifier as the Notification that it cancels and replaces; and
- the new Notification meets the aforementioned conditions and Resale Notification time limit mentioned above.

**(e) Reduction in Held Capacity**

In the event of Force Majeure or Reasons linked to the Safety of the Power System, the Joint Auction Office may have to apply a Reduction in Held Capacities of the month concerned by the Resale. In this circumstance, the Joint Auction Office will cancel all Resales that have been accepted to a Monthly Auction:

- for which the Auction Specifications have not been yet published

By this cancellation, the Capacity for Resale is given back to the Reseller before the Reduction in Held Capacities is applied.

**(f) Postponement of the Monthly Auction**

In the event of a postponement, in accordance with Article 4.05, of a Monthly Auction at which the Capacity was to be Resold, the Capacities for Resale are kept for the postponed Monthly Auction.

**(g) Cancellation of the Monthly Auction**

In the event of a cancellation, in accordance with Article 4.04, of a Monthly Auction at which the Capacity was to be Resold, the Capacity for Resale is given back to the Reseller.

**Article 6.03 Fallback Mode for Secondary Market**

If the modalities for Transfer or Resale Notifications cannot be put into effect, the Joint Auction Office will Notify the Participant, by electronic message or fax, of the switch to Fallback Mode for Transfer and Resale Notifications.

The Fallback Mode for Transfer and Resale Notifications consists of the sending by electronic message of a file according to the format defined in the documentation available on the Joint Auction Office's Website.

In case of Fallback Mode, the deadline for sending Resale and Transfer Notifications as described in Article 6.01 and Article 6.02 also apply.

In this regard, the Joint Auction Office will send acceptances or rejections of operations on the Secondary Market:

- before 17:00, three (3) Week Days before the Day of the Auction for a Resale at a Monthly Auction;
- before 12:30, on the Day of sending of Programming Authorizations for a Transfer.

In certain cases, an unexpected breakdown in the Information System may incur the suspension of the Secondary Market. Such suspension shall not give rise to any compensation against the Joint Auction Office.

The Joint Auction Office may under no circumstances be held responsible if it fails to reach the Participants through the means of communication above or if it fails to publish an announcement on the Joint Auction Office's Website.

## Section VII. Capacity usage rules

### Article 7.01 Programming Authorizations

#### (a) Yearly and Monthly Capacities

The Joint Auction Office Notifies by electronic message the Programming Authorization to the Participant and/or the Nomination Agents indicating for a given Day, by Hour, the Held Capacities for each Country Border or TSO Border, as defined in the Article 7.04, taking into account any Reductions made, as the case may be, in accordance with Article 2.05.

#### (i) Content of Programming Authorizations

The Programming Authorization identifies clearly for each Capacity the Participant and/or the Nomination Agents according to the format available on the Joint Auction Office's Website.

For all TSO Borders except France-Italy Border, the Programming Authorizations are detailed per Auction ID.

For the France – Italy Border:

- In the direction from France to Italy, the Programming Authorization is an aggregation of all Yearly and Monthly Held Capacities.
- In the direction from Italy to France, two Programming Authorizations are sent by the Joint Auction Office for the same Day, one aggregating all Yearly and Monthly Held Capacities for the Nomination with RTE and one detailing Held Capacities per Auction ID for the Nomination with TERNA.

#### (ii) Timing of sending

The Programming Authorizations are sent for all Country Borders except Germany – Switzerland and Austria – Switzerland Borders:

| <b>Day where the Programming Authorizations are sent, ...</b> | <b>..., the Programming Authorizations concerning:</b> |
|---|--|
| Monday  | Following Wednesday                                    |
| Tuesday   | Following Thursday                                     |
| Wednesday   | Following Friday                                       |
| Thursday  | Following Saturday, Sunday and Monday                  |
| Friday  | Following Tuesday                                      |

For Germany – Switzerland and Austria – Switzerland Borders, the Programming Authorizations are sent every calendar Day in D-2.

The deadline hour for sending the Programming Authorization depends on the Country Border:

| <b>Country Borders concerned</b>       | <b>Dead line</b> |
|--|------------------|
| DE<>CH, AT<>CH                         | 13:00 CET        |
| FR<>BE, FR<>DE, BE<>NL, NL<>DE         | 14:00 CET        |
| FR<>IT, CH<>IT, AT<>IT, SI<>IT, GR<>IT | 15:00 CET        |
| FR<>CH                                 | 20:00 CET        |

As stated in Article 2.05, in case Programming Authorizations have to be reduced after their sending, new versions of the Programming Authorization are sent by the Joint Auction Office.

**(b) Daily Capacities**

Daily Programming Authorizations are sent after the Contestation Period (Article 5.03) except for:

- CWE Shadow Auctions, Germany – Switzerland, Austria - Switzerland and France - Switzerland Borders where the Daily Programming Authorizations are sent no later than fifteen (15) minutes after the sending of the Results.

The Joint Auction Office Notifies by email and via the Auction Tool, the Programming Authorization to the Participant and/or the Nomination Agents indicating the Capacities acquired, for each Hour, at Daily Auctions or CWE Shadow Auctions or Equal Share. The Programming Authorizations identifies clearly for each Capacity the Participant and/or the Nomination Agents and the Country Border or TSO Border.

**(c) Portfolio information**

The Participant has access to the Held Capacities via the Auction Tool.

Additionally, the Participant may ask to the Joint Auction Office at any time by electronic message, in accordance with the format defined in the documentation available on the Joint Auction Office’s Website, the present status of its Held Capacities in the framework of a Yearly or a Monthly or a Daily Product or a CWE Shadow Auctions Product.

## Article 7.02 Nomination Agents

Nomination Agents are legal entities entitled to Nominate an Exchange Schedule under Programming Authorizations. They must have signed the agreement(s) listed in Article 3.03 with the corresponding TSOs or competent entities for the Nomination within each country.

### (a) Nomination principles

By default, the Participant is designated in the Auction Tool as Nomination Agent on both sides of the Country Borders for all its Products.

This designation may however be modified in accordance with the modalities defined in Article 7.02(b).

Depending on the TSO Border and direction the following combinations of Nomination Agents designation may be applied:

| Type of Nomination | Principle  | Diagram |
|--------------------|--|---------|
| A to A             | The Participant A shall be the Nomination Agent on both sides of the concerned TSO Border.   |         |
| A to B             | The Participant A may appoint one legal entity B as Nomination Agent on the importing TSO side.  |         |
| B to A             | The Participant A may appoint one legal entity B as Nomination Agent on the exporting TSO side.  |         |
| B to C             | The Participant A may appoint any legal entity, by TSO Border and direction, as Nomination Agents B or C on one or both sides of the concerned TSO Border. |         |
| A to N             | The Participant A may appoint several legal entities N as Nomination Agent on the importing side of the concerned TSO Border.                              |         |

| Type of Nomination | Principle  | Diagram |
|--------------------|--|---------|
| N to A             | The Participant A may appoint several legal entities N as Nomination Agent on the exporting side   |         |
| B to N             | The Participant A may appoint one legal entity, as Nomination Agent B on the exporting TSO and several legal entities N as Nomination Agent on the other side of the concerned TSO Border. |         |
| N to B             | The Participant A may appoint several legal entities N as Nomination Agent on the exporting side and on legal entity on the importing side   |         |

**(b) Nomination Principles applied per Country Border for Yearly, Monthly, and Daily Capacities and designation principle**

For the Yearly and Monthly Capacities Allocated via Yearly and Monthly Auctions and Daily Capacity Allocated by Daily Auctions, CWE Shadow Auctions or by Equal Share the following is applied:

For Yearly and Monthly Capacities (coming from Yearly and Monthly Auctions):

| Country Border                                   | Principle applied | Designation of Nomination Agent                                 |
|--|-------------------|---|
| FR<>BE, FR<>DE, CH<>DE, AT<>CH, CH<>FR and IT>FR | A to A            | Not applicable  |
| BE<>NL and NL<>DE <sup>1</sup>                   | B to C            | To the Joint Auction Office                                     |
| FR>IT  | A to N            | To the concerned TSO for N                                      |
| CH>IT  | A to N or N to A  | To the concerned TSO for N                                      |
| AT>IT, SI>IT and GR>IT                           | B to N or N to B  | To the concerned TSO for B and N                                |
| IT>CH, IT>AT, IT>SI and IT>GR                    | B to N            | To the Joint Auction Office for B<br>To the concerned TSO for N |

<sup>1</sup> For the Nomination on the German side of the Country Border, the Participant shall comply with the German market rules

For Daily Capacities (coming from Daily Auctions, CWE Shadow Auctions and Equal Share):

| Country Border   | Principle applied | Designation of Nomination Agent |
|--|-------------------|---------------------------------|
| FR<>BE, FR<>DE, CH<>DE, AT<>CH, CH<>FR and IT>FR, AT<>IT | A to A            | Not applicable                  |
| BE<>NL, NL<>DE <sup>2</sup>                              | A to B or B to A  | To the Joint Auction Office     |
| IT<>CH, IT<>SI, IT<>GR and FR>IT                         | A to B            | To the concerned TSOs           |

Designation of Nomination Agent to the Joint Auction Office is done by an email in accordance with the format defined in the documentation available on the Joint Auction Office's Website. Where applicable, the Notification of the modification of the Nomination Agents to the Joint Auction Office must include among others, the following information:

- the Participant,
- the Nomination Agent (s) according to the principles listed above.

Designation of the Nomination Agents is subject to Functional Acknowledgement of Receipt. If the Joint Auction Office does not issue a Functional Acknowledgement of Receipt, the designation of the Nomination Agents in question is deemed not to have been submitted.

This designation identifies the Nomination Agents by their EIC Code in respect with the modalities mentioned in Article 7.01. The Notification of the modification of the Nomination Agents must be made to the Joint Auction Office:

- no later than Thursday before 12:00 (noon) for the following Saturday, Sunday or Monday;
- no later than Friday before 12:00 (noon) for the following Tuesday;
- no later than Monday before 12:00 (noon) for the following Wednesday;
- no later than Tuesday before 12:00 (noon) for the following Thursday;
- no later than Wednesday before 12:00 (noon) for the following Friday.

### **Article 7.03 Exchange Schedules**

Following Auctions and Secondary Market, the Nomination Agent(s), as long as it (they) has (have) the appropriate agreement(s) with the concerned TSOs or other legal entity depending on the relevant national legislation, may Nominate their Exchange Schedules.

These Exchange Schedules must, in particular, comply with the Programming Authorization referred to in Article 7.01, as communicated to the respective TSOs by the Joint Auction Office based on the unique EIC Code of the respective Nomination Agent as mentioned in the

<sup>2</sup> For the Nomination on the German side of the Country Border, the Participant shall comply with the German market rules

Declaration of Acceptance or in the designation file of the Nomination Agents. The Joint Auction Office will at no moment verify during the whole process that the Nomination Agents designated, if other than the Participant, have signed the appropriate agreement(s). It is the sole responsibility of the Participants and the designated Nomination Agents to have signed the relevant agreement(s) to Nominate with the relevant TSOs.

#### **Article 7.04 Designation of the TSO Border**

This article only concerns German Country Borders as several TSOs operate in Germany.

##### **(a) On all German Country Borders except Germany – Switzerland Border**

As the Nomination has to be submitted by TSO Border, the Held Capacity of Yearly, Monthly and Daily Auctions and also Capacity acquired in a CWE Shadow Auction or Allocated by Equal Share on a Country Border will be attributed to one (1) of the respective TSO Borders, before the calculation of the Programming Authorization, in accordance with the TSO designation.

For Germany – Netherlands and France – Germany Borders, the initial TSO designation is defined, by the Participant, in the Declaration of Acceptance. This designation may however be modified in accordance with the form supplied in Appendix 2. The Notification of the modification of the TSO Designation must be made to the Joint Auction Office no later than seven (7) Working Days before the Day to which the Capacity relates.

##### **(b) On Germany – Switzerland Border**

On Germany-Switzerland Border there is a flexible TSO Designation.

The Programming Authorization for Yearly and Monthly Capacities is defined per Country Border and the Participant may choose the TSO Designation at the moment of the Nomination.

For Daily Capacity the Participant designates the respective TSO- Border during the bidding process of the Daily Auction.

## **Section VIII. Use It or Sell It (UIOSI)**

### **Article 8.01 Characteristics of unused Programming Authorizations**

The Programming Authorizations for Yearly and Monthly Capacities that were not Nominated by the Participant and/or the Nomination Agent are automatically resold to the relevant Daily Allocation except in case the Daily Offered Capacity becomes lower than the non-nominated Yearly and Monthly Programming Authorization for the concerned Country Borders (Article 8.02).

### **Article 8.02 Financial arrangements**

#### **(a) General case**

The non-Nominated Programming Authorizations for Yearly and Monthly Capacities after the Nomination deadline of the Participant and/or the Nomination Agent to the concerned TSOs are financially compensated to the Participant. This compensation is equal to the automatic Resale of this non-Nominated part to the relevant daily Allocation. The financial conditions and valuations of this compensation are specified in Article 9.01(e).

The non-Nominated Programming Authorizations for Daily Capacities after the Nomination deadline of the Participant and/or by the Nomination Agent are not financially compensated to the Participant.

#### **(b) Specific case of Daily Offered Capacities becoming lower than the non-nominated Yearly and Monthly Programming Authorizations**

*Disclaimer: On CWE Market Coupling Borders, this article is still under discussion between the TSOs and the Regulators regarding the necessity to introduce, on one or several Country Borders, a mechanism for hedging the financial risks of TSOs (including potential introduction of caps).*

On all Country Borders, except on CWE Market Coupling Borders in case, for whatever reason, the Daily Offered Capacity becomes lower than the non-nominated Yearly and Monthly Programming Authorization, the latter are curtailed on a pro-rata basis (Offered Capacity divided by the sum of all non-nominated Yearly and Monthly Programming Authorizations), for which the Participant will receive a financial provision as specified in Article 9.01 (e).

#### **(c) Specific case of no Daily Allocation**

In case of serious disturbance to the functioning of the Auction Tool or devices used by the Joint Auction Office leading to no Daily Auction and/or CWE Shadow Auction and/or Equal Share, specific financial provisions described in Article 9.01(e) apply accordingly.

## **Section IX. Financial provisions**

### **Article 9.01 Valuation of amounts for financial transfers**

The valuations of the different elements listed below are exclusive of tax. They will be increased to include the taxes and levies in force.

#### **(a) Valuation of Allocated Capacities at Auctions**

Participants are required to pay the valuation amounts of Allocated Capacities at Auctions to the Joint Auction Office, even if the Allocated Capacities at Auctions are subsequently Resold or Transferred by the Participant via the Secondary Market. The gross pre-tax valuation of an Allocated Capacity at an Auction is equal to the sum, by Hourly Period, of the products of:

- the Auction Marginal Price;
- the duration in Hours of the corresponding Product;
- the Allocated Capacity as it results from the Auction.

For Yearly Auctions on all Borders except Austrian – Switzerland Border:

For Allocated Capacities at Yearly Auctions, the valuation amount is divided into twelve (12) monthly installments, each monthly installment being one twelfth (1/12th) of the total amount, rounded down to the nearest Euro cent, with the balance in the last monthly installment.

For Yearly Auctions on the Austrian – Switzerland Border:

For Allocated Capacities at Yearly Auctions, because of the entire prepayment of the total amount, the valuation amount isn't divided in monthly installments.

#### **(b) Valuation of Reductions in Held Capacities and of Cancellation of an Auction after the end of the Contestation Period**

For the avoidance of any doubt, all costs which arise by guaranteeing the compensations to Participants for Reductions of Held Capacities are fully covered by the congestion revenues used as described in article 16.6 of Regulation (EC) No 714/2009 of the European Parliament and of the council of 13<sup>th</sup> July 2009 on conditions for access to the network for cross-Border exchanges in electricity and repealing Regulation (EC) No 1228/2003, as implemented respectively in national regulatory validation process, if any or in the case of Switzerland as described in Federal Electricity Supply Act.

#### **(i) For the Italian Borders and France – Switzerland, Austria – Switzerland and Germany – Switzerland Borders:**

The monthly valuation of all Reductions in Held Capacities, as defined in Article 2.05, and which affect a Held Capacity during the course of the month M, is equal to the sum, by Hourly Period, on the month M, of the products of:

- a coefficient of:
  - o in case Reduction due to Force Majeure, 100%
  - o in case Reduction for reasons linked to the Safety of the Power System, 100% on all Country Borders except France – Switzerland Border, Germany – Switzerland

Border and France – Italy Border in the direction France to Italy where a coefficient of 110 % applies.

- the Marginal Price of the initial Auction at which this Capacity was Allocated; and
- the energy in MWh corresponding to the difference between the Held Capacity before and after Reduction, for the considered Hourly Period.

For the France-Switzerland Border, Germany – Switzerland Border and France – Italy Border in the direction from France to Italy, the present provision also applies in the exceptional circumstance of the cancellation of an Auction after the end of the Contestation Period. In this situation, a coefficient of compensation equal to 110% (or 100 % in case of Force Majeure) is applied.

**(ii) For the Germany – Netherlands and Germany – France Borders:**

*The TSOs are requested by the Regulators to set up a new mechanism for compensating reductions of allocated capacities based on market-price spread compensation with a cap depending on monthly congestion revenues and time factors (in line with the Framework Guidelines on Capacity Allocation and Congestion Management for Electricity). A draft will be published shortly in a separate document to these Auction Rules.*

The monthly valuation of all Reductions in Held Capacities, as defined in Article 2.05, and which affect a Held Capacity during the course of the month M, is equal to the sum, by Hourly Period, on the month M, of the products of:

- a coefficient of :
  - o in case Reduction due to Force Majeure, 100%
  - o in case Reduction due to reasons linked to the Safety of the Power System, 110%.

and

- the Marginal Price of the initial Auction at which this Capacity was Allocated;

and

- the energy in MWh corresponding to the difference between the Held Capacity before and after Reduction, for the considered Hourly Period.

The present provision also applies in the exceptional circumstance of the cancellation of an Auction after the end of the Contestation Period. In this situation, a coefficient of compensation equal to 110% is applied (or 100% for Force Majeure) and the price used for the compensation of UIOSI corresponds to the Marginal Price at which the non nominated Capacity had been acquired.

In case of cancellation concerning a Yearly Auction, the remaining monthly installments to be paid by the Participant to the Joint Auction Office are deducted from the valuation of the compensation. The money is paid to the Participant which is the last owner of the Held Capacities.

**(iii) For the Belgium – France and Netherlands - Belgium Border:**

The “day-ahead spot market spread” term used in the next paragraphs is always defined as the importing market hourly price minus exporting market hourly price, being considered the

importing and exporting markets the ones that correspond respectively to the destination and the origin of the energy transaction.

The monthly valuation of Reductions in Held Capacities, as defined in Article 2.05, and which affects a Held Capacity during the course of the month M, and the monthly valuation of the UIOSI in the event of the cancellation of a CWE Shadow Auction at which Capacity was to be implicitly resold, are equal to the sum, by Hourly Period, on the month M, of the products of:

For reasons linked to the Safety of the Power System:

- positive day-ahead spot market spread in the affected period with a cap in the same direction as the Held Capacity Reduction (if the day-ahead spot market spread is on the opposite direction from the Reduction, the price taken into account for the compensation will be equal to 0 € / MWh);
- the energy in MWh corresponding to the difference between the Held Capacity before and after Reduction, for the considered Hourly Period.

For reduction due to Force Majeure:

- a coefficient of reimbursement equal to 100%;
- the Marginal Price of the initial Auction at which this Capacity was Allocated; and
- the energy in MWh corresponding to the difference between the Held Capacity before and after Reduction, for the considered Hourly Period.

In the exceptional circumstance of the cancellation of an Auction after the end of the Contestation Period, the coefficient of the compensation equals to 110% (or 100% for Force Majeure). In case the cancellation concerns a Yearly Auction, the remaining monthly installments to be paid by the Participant to the Joint Auction Office are deducted from the valuation of the compensation. The money is paid to the Participant which is the last owner of the Held Capacities.

Caps for compensations for the Belgium – France and Belgium - Netherlands Borders:

The caps described below apply to both kinds of compensations: Reductions in Held Capacity for reasons linked to the Safety of the Power System and “Use it or sell it” in case of cancellation of a CWE Shadow Auction: The first cap applies to the day-ahead spot market spread for each direction of the concerned Country Border. It is expressed in €/MWh.

The second cap applies to the total monthly amount of compensations coming from Reductions in Held Capacity for reasons linked to the Safety of the Power System and “Use it or sell it” in case of cancellation of a CWE Shadow Auction. This cap is defined for each month as the sum of:

- The Monthly Auction revenues (not taking into account the revenues from Resales) on – the concerned Country Border in the applicable direction raised in this particular Month;
- The part of the Annual Auction revenues corresponding to that Month (a twelfth of the revenues raised at Annual Auction on the concerned Country Border in the applicable direction).

Possible Resales from Yearly to Monthly Auctions are deducted from the above sum.

If this second cap is reached, it is shared per direction and per Country Border on a pro-rata basis between the Participants deserving compensations in that Month according to their compensation amount. This sharing is done after taking into account the cap on the day – ahead spot market spread. The two caps on the day-ahead spot market spread are published

on the Joint Auction Office's Website after the approval of the two caps by the concerned regulators.

### **(c) Valuation of Reductions in Exchange Programs**

For the avoidance of any doubt, all costs which arise in case of compensations or reimbursements to Participants for Reductions of Exchange Programs are fully covered by the congestion revenues used as described in article 16.6 of Regulation (EC) No 714/2009 of the European Parliament and of the council of 13<sup>th</sup> July 2009 on conditions for access to the network for cross-Border exchanges in electricity and repealing Regulation (EC) No 1228/2003, as implemented respectively in national regulatory validation process, if any or in the case of Switzerland as described in Federal Electricity Supply Act.

#### **(i) In case of Force Majeure**

In case of Force Majeure on one or more Country Borders as foreseen in Article 2.06 (b) (i), the monthly valuation of the reimbursement of all the Reductions in Exchange Program, and which affect an Exchange Program on the affected Country Borders during the course of month M is equal to the sum, by Hourly Period, on the month M, of the products of:

- the Marginal Price, for the considered hourly Period, of the initial Auction (average Marginal Prices of Yearly and Monthly Auctions for France – Italy Border in the direction France to Italy and Germany – Switzerland Border) at which the Capacity corresponding to the Exchange Program was Allocated; and
- the energy in MWh corresponding to the difference between the initial Exchange Program and the Reduced Exchange Program, for the considered Hourly Period.

#### **(ii) In case of reasons linked to the Safety of the Power System**

On Germany – Netherlands Border and France – Germany Border in the direction Germany to France, the monthly valuation of the compensation of all the Reductions in Exchange Programs, as foreseen in Article 2.06(b)(ii) and which affect an Exchange Programs during the course of month M is equal to the sum, by Hourly Period, on the month M, of the products of:

- in case of Reductions in Exchange Programs for Day D announced to the Participant before earliest gate closure of the respective day-ahead spot markets: the price-spread between the daily German and Dutch markets (respective day-ahead spot market prices of the relevant power exchanges) for the Netherlands-Germany Border or between the daily German and French markets (respective day-ahead spot market prices of the relevant power exchanges ) for the France-Germany Border in the direction Germany to France for the considered Hourly Period (which might be zero), as far as this price difference is positive in the concerned direction, of the relevant day-ahead spot markets; or
- for later announcements: the average price difference between the German and Dutch intraday markets (average intraday prices of the relevant power exchanges<sup>3</sup>) for the Netherlands-Germany Border or between the German and French intraday markets (average intraday prices of the relevant power exchanges) for the France-Germany Border in the direction Germany to France for the considered Hourly Period (which might be zero and which is zero if no trade during that hour was at the respective power exchange done), as far as this price difference is positive in the concerned direction; or

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<sup>3</sup> The relevant power exchanges here are EPEX and APX

- when the announcement was made after the gate closure of the relevant day-ahead spot market and the relevant intraday market for a certain hour: the price difference between the respective balancing markets, as far as this price difference is positive in the concerned direction; and
- the energy in MWh corresponding to the difference between the initial Exchange Programs and the Reduced Exchange Programs, for the considered Hourly Period.

On Austria – Switzerland Border and Austria – Italy Border the monthly valuation of all the Reductions in Exchange Program, as defined in Article 2.06, and which affect an Exchange Programs during the course of month M is equal to the sum, by Hourly Period, on the month M, of the products of:

- the Marginal Price, for the considered hourly period, of the initial Auction at which the Capacity corresponding to the Exchange Program was Allocated; and
- the energy in MWh corresponding to the difference between the initial Exchange Programs and the Reduced Exchange Programs, for the considered Hourly Period.

**On the Germany – Switzerland Border** the monthly valuation of the compensation of all the Reductions in Exchange Programs, as foreseen in Article 2.06(b)(ii) and which affect an Exchange Program during the course of month M is equal to the sum, by Hourly Period, on the month M, of the products of:

- 110 % of the average Marginal Prices of Yearly and Monthly Auctions and Marginal Prices of Daily Auction at which the Capacity corresponding to the Exchange Program was Allocated; and
- the energy in MWh corresponding to the difference between the initial Exchange Programs and the Reduced Exchange Programs, for the considered Hourly Period.

#### **(d) Valuation of Resale of Capacity**

The Capacity Resold from a Yearly Auction to a Monthly Auction is remunerated at the Marginal Price of the Monthly Auction at which that Capacity was Resold, which might be zero (0) €/MWh.

#### **(e) Valuation of “Use it or sell it”**

For the avoidance of any doubt, all costs related to the valuation of UIOSI are fully covered by the congestion revenues used as described in article 16.6 of Regulation (EC) No 714/2009 of the European Parliament and of the council of 13<sup>th</sup> July 2009 on conditions for access to the network for cross-Border exchanges in electricity and repealing Regulation (EC) No 1228/2003, as implemented respectively in national regulatory validation process, if any or in the case of Switzerland as described in Federal Electricity Supply Act.

#### **(i) For the France – Italy, Switzerland – Italy, Austria – Italy, Greece – Italy, Austria – Switzerland, Germany – Switzerland, France – Switzerland Borders:**

In accordance with Article 8.02, the Yearly and Monthly Capacities, as defined in the Programming Authorizations, that were not Nominated are implicitly resold to the daily Allocation. The monthly valuation of the “Use it or sell it” to be paid by the Joint Auction Office is the sum, by Hourly Period, on the month M, of the products of:

- a price equal to the daily Offered Capacity has been Allocated by Auction, the Marginal Price of the Auction at which that Capacity was implicitly resold (which might be zero), for the concerned Hourly Period; and
- the energy in MWh corresponding to the difference between the last version of Programming Authorization sent by the Joint Auction Office and the Exchange Program, for the considered Hourly Period.

**In the event of cancellation of a Daily Auction** at which Capacity was to be implicitly resold, the monthly valuation of the “Use it or sell it” to be paid by the Joint Auction Office to the Participant is the sum, by Hourly Period, on the month M, of the products of:

- a coefficient of 100 % for all concerned Country Borders except France – Switzerland, Germany – Switzerland Borders and France – Italy Border in the direction France to Italy where 110 % applies;
- the price equal to the Marginal Price paid by the Participant at the original auction (Yearly or Monthly) or the average Marginal Prices of the original Auctions for France – Italy in the direction France to Italy;
- the energy in MWh corresponding to the difference between the last version of the Programming Authorization and the Exchange Program, for the considered Hourly Period.

In this event, the total of the monthly valuation of the “Use it or sell it” and of the monthly valuation of all the Reductions in Exchange Programs will be summarized in the invoice.

#### **Temporary provision on France-Switzerland Border**

Daily Auctions will start as of January 4, 2012. For Participants which were Allocated Yearly and/or Monthly Capacities on this Country Border and which Nominate only a part of Yearly and Monthly Programming Authorizations for the delivery Days January 1, 2012, January 2, 2012, January 3, 2012, January 4, 2012, the usual UIOSI mechanism as described in the present Article will not be applied. For these delivery Days, such Participants will be reimbursed with a coefficient of one-hundred percent (100%) for the non-Nominated part of their Yearly and/or Monthly Programming Authorizations.

#### **(ii) For Slovenia – Italy Border**

For each Day, all no-Nominated Yearly and Monthly Programming Authorizations on Italy-Slovenia Border is compensated by Joint Auction Office, for the relevant hour, based on:

- the price difference between the daily Italian market price (GME Nord zone price) and the Slovenia market price (BSP price index) for the considered hourly period (which might be zero) as far as this price difference is positive for the yearly and monthly Programming Authorizations on direction from Slovenia to Italy
- the price difference between the Slovenia market price (BSP price index) and the daily Italian market price (GME Nord zone price) for the considered hourly period (which might be zero) as far as this price difference is positive for the yearly and monthly Programming Authorizations on direction from Italy to Slovenia

In case of failure of the Italian – Slovenian Market coupling, an explicit Daily Auction can be organized and the valuation of the UIOSI is performed like point (i) of the present article.

#### **(iii) For the CWE Market Coupling Borders**

In accordance with Section VIII, the yearly and monthly Capacities, as defined in the Programming Authorizations, that were not Nominated are implicitly resold at the daily implicit Allocation of CWE Market Coupling or at CWE Shadow Auctions in case of unavailability of the CWE Market Coupling.

The monthly valuation of the “Use it or sell it” to be paid by the Joint Auction Office to the Participant is the sum, by Hourly Period, on the month M, of the products of:

- a price equal to:
  - o when the daily Capacity has been Allocated through CWE Market Coupling: for all the concerned Country Borders, the price difference between the relevant day-ahead spot markets in Belgium, France, the Netherlands and Germany for the considered Hourly Period (which might be zero (0) €/MWh), as far as the direction of Programming Authorization equals the direction of the flow resulting from relevant power exchanges prices; or
  - o if the daily Offered Capacity has been Allocated by CWE Shadow Auctions (in case of unavailability of CWE Market Coupling) on all the Borders, the Marginal Price of the Auction at which that Capacity was implicitly resold (which might be zero (0) €/MWh), for the concerned Hourly Period;

and

- the energy in MWh corresponding to the difference between the Programming Authorization and the Exchange Program, for the considered Hourly Period.

In case of non harmonization of CWE power exchanges price boundaries, a difference of day-ahead spot market prices might remain, even if the daily Offered Capacity put at the disposal of the CWE Market Coupling is not Allocated in total. In this case, the payment to the Participant for “UIOSI” should not exceed the daily congestion revenue for each Border and each direction. If the congestion revenue is reached, then the compensation for UIOSI is reduced on a pro rata basis of the daily congestion revenue for this Border.

#### **In the event of cancellation of a CWE Shadow Auction**

In the event of cancellation of a CWE Shadow Auction, the monthly valuation of the “Use it or sell it” to be paid by the Joint Auction Office to the Participant is the sum, by Hourly Period, on the month M, of the products of:

- a price equal to the applicable compensation or reimbursement price in accordance with the Article 9.01 (b) in case of cancellation of a CWE Shadow Auction at which Capacity was to be implicitly resold; and
- the energy in MWh corresponding to the difference between the Programming Authorization and the Exchange Program, for the considered Hourly Period.

In this case, the total of the monthly valuation of the “Use it or sell it” and of the monthly valuation of all the Reductions in Exchange Program are summarized in the invoice.

#### **(iv) Specific case of Daily Offered Capacities lower than non-nominated Yearly and Monthly Programming Authorizations**

*Disclaimer: On CWE Market Coupling Borders, this article is still under discussion between the TSOs and the Regulators regarding the necessity to introduce, on one or several Country Borders, a mechanism for hedging the financial risks of TSOs (including potential introduction of caps).”*

On all Country Borders except on CWE Market Coupling Borders, if the Daily Offered Capacities become lower than the non-nominated Programming Authorizations for Yearly and Monthly Capacities, the following valuation is applied.

The non-nominated Programming Authorizations for Yearly and Monthly Capacities are curtailed on a pro rata basis (ATC divided by the sum of all non-nominated Yearly and Monthly Programming Authorizations).

- The reduction of the non-nominated Programming Authorizations is compensated as described in Article 9.01(b)

The UIOSI valuation of the remaining Capacity as described in Articles 9.01 (e) (i), (ii) and (iii) is performed considering the reduced non-nominated Programming Authorizations.

## **Article 9.02 Payment deposits**

All amounts referred to in this Article will have to be increased to include the taxes and levies in force if needed (not taxes and levies if the Participant is not located in Luxemburg and Luxembourgian taxes and Levies if the Participant is located in Luxemburg).

Prior to a Yearly<sup>4</sup>, Monthly or Daily Auction, the Participant must credit the appropriate amount to the Business Account in order to avoid limitations in accordance with Article 5.01.

### **(a) For Yearly Auctions on all Country Borders except Austrian – Switzerland Border**

For Allocated Capacities at Yearly Auctions, only the two (2) first monthly installments for January and February, as calculated in Article 9.01(a) will be blocked by the Joint Auction Office from the moment the corresponding Capacity, in accordance with Article 5.01, is deemed to have been Allocated to the Participant and the Credit Limit will be reduced accordingly.

The ten (10) remaining monthly installments must be paid by the Participant on the Business Account at the latest on the first (1st) Working Day of each month M for use of Capacities during Month M+1, starting from February included and ending in November included (e.g. monthly installment for March has to be paid to the Business Account latest by 1<sup>st</sup> of February). The corresponding amounts will be blocked by the Joint Auction Office from the first Working Day of each month M for use of Capacities during Month M+1.

If this amount is not credited before the first (1<sup>st</sup>) Working Day of the month M, the Joint Auction Office Notifies by registered letter with acknowledgment of receipt and/or registered e-mail on the first (1st) Working Day of Month M the Participant of the lack of credit on the Business Account regarding the payment of Yearly Capacities for use during the month M+1. If the amount is not credited on the Business Account within a deadline of five (5) Working Days following this Notification, the Joint Auction Office will Notify the Participant of a Payment Incident pursuant to Article 9.03(d).

### **(b) For Yearly Auctions on the Austrian – Switzerland Border**

For Allocated Capacities at Yearly Auctions, the entire valuation amounts, as calculated in Article 9.01(a) have to be deposited by the Participant on its Business Account within five (5) Working Days after the Results.

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<sup>4</sup> Except on the Austria – Switzerland Border

**(c) For Monthly and Daily Auctions**

For Allocated Capacities at Monthly and Daily Auctions, the entire valuation amounts, as calculated in Article 9.01(a) will be blocked by the Joint Auction Office from the moment the corresponding Capacity, in accordance with Article 5.01, is deemed to have been Allocated to the Participant and the Credit Limit will be immediately reduced in accordance.

**(d) For CWE Shadow Auctions**

There is no financial limitation prior to CWE Shadow Auctions but the Participant shall credit the appropriate amount to the Business Account. The Capacity Allocated through CWE Shadow Auctions is not taken into account in the assessment of the Credit Limit. If CWE Shadow Auctions have been performed during Month M-1 and if the Business Account of the Participant contains a negative disposable balance on the first Working Day of Month M, the Joint Auction Office Notifies by registered letter with acknowledgment of receipt and/or registered e-mail the Participant of the lack of credit on the Business Account on the first (1st) Working Day of month M.

If the balance on the Business Account allows the payment of all the debts related to month M-1 for the Capacity already used (including CWE Shadow Auctions, Monthly Auctions and Yearly Auctions related to Month M-1), the corresponding amount will be collected according to Article 9.03. The Participant has five (5) Working Days after the Notification to credit the Business Account with the amount of Yearly capacity for use during M and M+1 and of Monthly capacity for use during M. Otherwise, the Joint Auction Office shall Notify the Participant of a Payment Incident pursuant to Article 9.03(d).

If the balance on the Business Account does not allow the payment of all the debts related to month M-1 (including CWE Shadow Auctions, Monthly Auctions and Yearly Auctions related to Month M-1), according to Article 9.03, the Participant has five (5) Working Days after the Notification to credit the Business Account to recover a positive disposable balance (including all debts due for Months M-1, M and M+1). Otherwise, the Joint Auction Office Notifies the Participant of a Payment Incident pursuant to Article 9.03(d).

For the Participants to CWE Shadow Auctions Only who did not open such a Business Account, the corresponding amount for the Capacity Allocated during month M-1 has to be Transferred to the Joint Auction Office's Bank Account at the latest on the (6th) sixth Working Day of month M. If the Bank Account is not credited with the corresponding amount, the Joint Auction Office shall Notify by registered letter with acknowledgment of receipt and/or registered e-mail the Participant to CWE Shadow Auctions Only of the lack of credit at the latest on the (6th) sixth Working Day of month M.

The Participant to CWE Shadow Auctions Only has five (5) Working Days after the Notification to credit the Joint Auction Office's Bank Account with the corresponding amount. Otherwise, the Joint Auction Office Notifies the Participant of a Payment Incident pursuant to Article 9.03(d).

**Article 9.03 Invoicing and payment conditions**

**(a) Invoice and payment conditions**

All amounts referred to in this Article will be increased to include the taxes and levies in force.

For Yearly Auctions on all Country Borders except Austrian – Switzerland Border:

The valuation amounts of Allocated Capacities in the Yearly Auctions will be invoiced to the Participant in twelve (12) monthly installments calculated pursuant to Article 9.01(a). Each installment, corresponding to a month M, is invoiced to the Participant no later than on the fifth (5th) Working Day of the month M+1 and collected automatically from the Business Account the fifth (5th) Working Day of the month M+1. As soon as this amount has been collected from the Business Account by the Joint Auction Office, it is no longer blocked.

For Yearly Auctions on the Austrian – Switzerland Border:

The valuation amounts of Allocated Capacities in the Yearly Auctions will be invoiced one-time to the Participant within five (5) Working Days after providing the Results. The Participant has to pay the total valuation amount on the Business Account within five (5) Working Days after Notification of the Auction Results. Within two (2) further Working Days, the entire valuation amount will be automatically collected from the Business Account.

For Monthly and Daily Auctions on all Country Borders:

The valuation amounts of Allocated Capacities in the Monthly- and Daily Auctions for use during the month M will be invoiced to the Participant on a monthly basis no later than on the fifth (5th) Working Day of month M+1 and collected automatically from the Business Account on the fifth (5th) Working Day of the month M+1. As soon as this amount has been collected from the Business Account by the Joint Auction Office, it is no longer blocked.

For CWE Shadow Auctions:

The valuation amounts of Allocated Capacities in the CWE Shadow Auctions for use during the month M will be invoiced to the Participant on a monthly basis no later than on the fifth (5th) Working Day of month M+1 and collected automatically from the Business Account on the fifth (5th) Working Day of the month M+1.

The valuation amounts of Allocated Capacities in the Shadow Auctions for use during the month M will be invoiced to the Participants to Shadow Auctions Only, on a monthly basis no later than on the second (2nd) Working Day of month M+1 and must be transferred to the Joint Auction Office's Bank Account no later than the sixth (6th) Working Day of the month M+1.

Reimbursement and Compensation:

The monthly valuation amounts of:

- Reductions in Held Capacities within the month M,
- Reductions in Exchange Programs within the month M,
- Capacities Resold at Monthly Auctions for month M,
- "Use it or sell it" within the month M,
- Compensation in the exceptional circumstance of the cancellation after the end of Contestation Period of an Auction within the month M,
- Compensation of the "Use it or sell it" in case of cancellation of a Daily Auction or CWE Shadow Auction within month M.

will be sent via a self billing (i.e., the mechanism where the Joint Auction Office issues invoices in the name and on behalf of the Participant) to the Participant on a monthly basis no later than on the fifth (5th) Working Day of month M+1 and paid by the Joint Auction Office on the Participants' bank account no later than on the tenth (10th) Working Day of the month M+1.

Any bank charges relative to the settlement of the invoice are to be borne by the Participant.

## **(b) Issuance of Invoices and self billing**

### **(i) For the Participants to all types of Auctions**

No later than the fifth (5th) Working Day of each month M+1, the Joint Auction Office shall send to the Participant an invoice/self billing including the amounts due for:

- Yearly Auctions' Allocated Capacities<sup>5</sup> for use during month M;
- Monthly Auctions' Allocated Capacities for use during month M;
- Daily Auctions' Allocated Capacities for use during month M or CWE Shadow Auctions' Allocated Capacities for use during month M;
- Reductions in Held Capacities or in Exchange Programs applied during month M;
- Capacities Resold at Monthly Auctions for month M;
- "Use it or sell it" for use during month M;
- Compensation in the exceptional circumstance of a cancellation after the end of the Contestation Period of an Auction for use of Capacity during month M;
- Compensation or refunding in the case of cancellation of a Daily Auction or CWE Shadow Auction ("Use it or sell it").

#### For Yearly Auctions on all Country Borders except Austrian – Switzerland Border:

The charges due for Yearly Auctions are invoiced on a monthly basis: 1/12th of the gross valuation rounded down the nearest Euro cent each month for eleven (11) months, with the balance due in the twelfth (12th) month.

#### For Yearly Auctions on the Austrian – Switzerland Border:

The charges due for Yearly Auctions are invoiced all at once.

#### For Monthly Auctions on all Country Border:

The charges due for Monthly Auctions are invoiced all at once.

#### For Daily Auctions on all Country Border:

The charges due for Daily Auctions are all invoiced all at once and grouped together on a single line per Daily Auction. The unit prices indicated on the invoice are therefore average prices provided as an indication only.

#### For CWE Shadow Auctions:

The charges due for the CWE Shadow Auctions are all invoiced at once and grouped together on a single line per Shadow Auction for Participants and Participants to CWE Shadow Auctions Only.

Invoices and self billings are Notified to the Participant at the address indicated in the Declaration of Acceptance.

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<sup>5</sup> Except Austria – Switzerland Border, where the statement of account will include this information only in January.

The Participant Notifies the Joint Auction Office of any changes in its invoicing address. Such change will take effect on the first (1st) Day of month M+1, on condition that Notification of the change has been received at least five (5) Working Days before the end of Month M.

**(ii) For the Participants to CWE Shadow Auctions Only**

No later than the second (2nd) Working Day of each month M+1, the Joint Auction Office shall send to the Participant to CWE Shadow Auctions Only a statement of account including the amounts due for:

- CWE Shadow Auctions Allocated Capacities for use during month M;

No later than the fifth (5th) Working Day of each month M+1, the Joint Auction Office shall send to the Participant to CWE Shadow Auctions Only a statement of account including the amounts due for:

- Compensation in case of exceptional circumstance of a cancellation after the end of the Contestation Period (when existing) of a CWE Shadow Auction for use of Capacity during month M.

**(c) Claim related to an invoice**

To be admissible, any claims made relating to an invoice must be Notified by registered letter with acknowledgement of receipt to the Joint Auction Office, within thirty (30) Days of the invoice's date of issue. Beyond this period, the invoice will be deemed to have been accepted by the Participant. The above-mentioned registered letter must contain a precise and detailed description of the reasons for the objection to the invoice.

A claim in no way relieves the Participant from the obligation to pay the invoice in accordance with the terms of paragraph (a) of the present Article.

If the claim proves to be justified, reimbursement will be made, including interest. The rate of interest, determined on the Day on which the invoice is sent, is equal to the interest rate applied by the European Central Bank to its most recent refinancing operation, plus seven (7) percentage points. The interest is applied from the first (1st) Day following the date of payment by the Participant of the unjustified amounts up to the date of payment by the Joint Auction Office of the reimbursement of the unjustified amounts. This interest will be increased to include any applicable taxes and levies.

**(d) Payment incident**

On the first (1st) Working Day of the Month M, the balance of the Business Account shall cover all credits due pursuant to Article 9.02 and not collected pursuant to Article 9.03, corresponding to the sum of :

- The monthly installments blocked or payable and not collected regarding Allocated Capacity at a Yearly Auction;
- the amounts blocked and not collected regarding Allocated Capacity at Monthly Auctions;
- the amounts blocked and not collected regarding Allocated Capacity at Daily Auctions;
- The amount due for the Allocated Capacity at CWE Shadow Auctions for use of Month M-1;

Otherwise, the Joint Auction Office Notifies the Participant of the lack of credit in accordance with Article 9.02 on the first (1st) Working Day of the Month M. If the corresponding payment is

not done in full within five (5) Working Days after the Notification, the Joint Auction Office will register this and Notify by registered letter with acknowledgment of receipt and/or registered e-mail the Participant of a Payment Incident.

For the Participants to CWE Shadow Auctions Only who do not have a Business Account, the corresponding amount for the Capacity Allocated at Shadow Auctions within month M has to be transferred to the Joint Auction Office's Bank Account on the (6th) sixth Working Day of month M+1. If the Joint Auction Office's Bank Account is not credited with the corresponding amount at this date, the Joint Auction Office Notifies the Participants of the lack of credit. The Participant to CWE Shadow Auctions Only has five (5) Working Days after the Notification to credit the Joint Auction Office's Bank Account with the corresponding full amount. Otherwise, the Joint Auction Office will register this and Notify by registered letter with acknowledgment of receipt and/or registered e-mail the Participant of a Payment Incident.

As a consequence of the Payment Incident, the Participant's Entitlement will be suspended pursuant to Article 3.04.

Interest for late payments are charged and invoiced to the Participant without further notice on all amounts due and not paid by it at the due date for payment. Such interest will be at the rate of seven (7) percentage points per annum above the base lending rate of European Central Bank plc, and apply from the date due for payment until the date of actual payment. The minimum amount to be charged for late payment is €140. Interests are increased to include taxes and levies in force. The Payment Incident will run until the Participant pays on the Business Account (or on the Joint Auction Office's Bank Account) all overdue amounts and all interests for late payments pursuant to this Article.

The same disposition applies to the Joint Auction Office in case of late payment.

If the Auction Participant does not fulfil or only partially fulfils payment obligations resulting from Yearly Auction in time, the Joint Auction Office is entitled to enforce the completion of the obligations and hold the Auction Participant liable for the Auction price, interests, charges and expenses including attorney's fees, arising from the enforcing of the completion of the obligations. The Auction Participant shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claim of the Joint Auction Office.

## **Section X. Miscellaneous**

### **Article 10.01 Applicable law and language**

The Auction Rules are governed by Luxembourgian law.

Notwithstanding any translations that may be made, whether certified or not, the sole applicable language for questions of interpretation or application of the Auction Rules is English.

### **Article 10.02 Notification**

All Notifications made under the Auction Rules must be sent to the address specified in the Declaration of Acceptance or to any other address specified by one Party to the other Party, subject to the provisions of Article 9.03(b).

All Notifications shall be made by registered mail with acknowledgement of receipt, or by any other specific form required under the Auction Rules, or, if no specific form is required by the Auction Rules, by any other means that enables the date of receipt by the receiving Party to be certified.

### **Article 10.03 Liability**

As a legal consequence of the fact that the Joint Auction Office is, pursuant to Article 1.03, acting on behalf of the TSOs but in its own name under the present Auction Rules, the Joint Auction Office bears a contractual liability towards the Participants, whereas TSOs can only be held liable in tort towards the Participants.

This Article applies to damages resulting from a breach of any provision of the Auction Rules. This Article does not apply to the cancellation of an Auction after the end of the deadlines for contestation, to the compensation of the UIOSI in case of cancellation of a Daily or a CWE Shadow Auction, to the Reduction in Held Capacities or in Exchange Programs in the event of Force Majeure or for reasons linked to the Safety of the Power System and in case Daily Offered Capacity becoming lower than the non-nominated Yearly and Monthly Programming Authorization in accordance to Article 2.05, Article 2.06, Article 4.04 and Article 8.02 for which the respective compensation mechanisms are described in Article 9.01(b), Article 9.01(c) and Article 9.01(e). The application of these compensation mechanisms is strictly limited to the cases described in said Articles and does not extend to any breach of any provision of the Auction Rules.

The Joint Auction Office shall only be liable for damage caused to Participants if it is the result of willful misconduct or Gross Negligence.

No indemnification will be due unless the Party proves specifically that the damage suffered, resulted directly from the breach and that the Party took reasonable steps to mitigate the damages suffered.

The Participant shall only be liable for damage caused to the Joint Auction Office if it is the result of willful misconduct or Gross Negligence.

Neither the TSOs nor the Joint Auction Office are responsible for the timely arrival of Bids and Transfer and Resale Notifications or if the Joint Auction Office is unable to contact the Participants via the channels foreseen in accordance with the these Auction Rules.

#### **Article 10.04 Transfer of rights and obligations arising from the Declaration of Acceptance**

Neither Party may transfer, in any way, any of the rights and obligations arising from the Declaration of Acceptance without the prior written consent of the other Party, without prejudice to the operations undertaken in relation to the Secondary Market.

In the event of a change in the Participant's legal status, such as a merger or a takeover or a change in the company name, the Participant shall Notify the Joint Auction Office of the change by sending a registered letter with acknowledgement of receipt, as soon as possible, and in any event at least fifteen (15) Days before the date on which the change takes effect.

#### **Article 10.05 Intellectual property**

The signature of a Declaration of Acceptance does 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 the Auction Rules.

#### **Article 10.06 Confidentiality**

In compliance with the relevant statutory and regulatory provisions in the countries within the Central West Europe, Central South Europe regions as well as Switzerland, the Declaration of Acceptance and any other information exchanged relating to its preparation and application, are confidential.

Moreover, each Party will determine by all means available any other information of any type or on any support, which it considers confidential, without prejudice to application of the Articles of the present Auction Rules concerning publications which are made by the Joint Auction Office.

Without prejudice to the aforementioned statutory and regulatory provisions, the Party which receives such confidential information may only use it within the framework of the application of the Declaration of Acceptance. The confidential information may not be disclosed to a third party without the other Party's prior and expressed consent and subject to the strict condition that the Party has given assurance that such third party observes the same undertakings of confidentiality as those set out in the present Article.

These conditions shall not prejudice:

- the obligations to communicate to any competent authorities that might request such communication in relation to the exercise of their missions;
- the obligations to communicate to any court of law and arbitrators that might request such communication;
- the transmission by the TSOs and/or the Joint Auction Office of information for the purpose of accomplishing their missions or in relation to the contracts and/or rules with the foreign transmission system operators;
- the transmission by the TSOs and/or the Joint Auction Office of information to consultants (such as, legal, technical or other advisers), so long as they are not producers, suppliers, intermediaries or companies linked or associated therewith and that such consultants do work for the TSOs, the Joint Auction Office and/or one of the institutions mentioned above;
- the communication of information essential for technical or safety reasons;

- the obligation to publish data in accordance to the applicable law or as foreseen in the present Auction Rules;

so long as, in each of these circumstances, the Party has given assurance that the recipient of the information observes the same undertakings of confidentiality as those set out in the present Article.

Moreover, the obligations arising from the present Article are not applicable:

- if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
- 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;
- 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 player can be deduced;
- to information whose publication is explicitly provided for by the present Auction Rules.

Each Party undertakes to take all the measures necessary to ensure compliance with the present obligation to confidentiality by its staff.

Each Party shall Notify the other Party without delay of any violation of the obligations arising from the present Article.

The Parties shall comply with the present confidentiality obligation throughout the Entitlement period and for a period of five (5) years after Entitlement is withdrawn or suspended for whatever reason.

### **Article 10.07 Severability**

If any part or provision of the Auction Rules and/or its Appendices are or become invalid, illegal, void and/or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. 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 as far as possible.

### **Article 10.08 Settlement of Disputes**

In the event of a dispute regarding the interpretation or execution of the Auction Rules, the Parties and TSOs undertake to meet to look for an amicable solution. To this end, the requesting Party or TSO shall send Notification to the other Party or TSO indicating:

- the Declaration of acceptance reference; and
- the reason for the dispute; and
- a proposal for a future meeting with a view to settling the dispute amicably.

If no agreement is reached or no response received within a Period of thirty (30) days from the date of the aforementioned Notification, either Party or TSO may refer the matter to the Commercial Court in whose jurisdiction the Joint Auction Office is domiciled.

Should any related dispute arise in relation to the dispute opposing the Parties or TSOs, these disputes may be consolidated or joined into one single trial in accordance with Luxembourgian procedural law.

All disputes in connection with the Auction Rules can also be settled by way of arbitration in accordance with the rules of arbitration of the International Chamber of Commerce (ICC), by three (3) arbitrators. The place of arbitration shall be Luxembourg. The language to be used in the arbitral proceedings shall be English. The claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party or TSO shall nominate the chairman of the arbitral tribunal within three business (3) days from the confirmation of the appointment of the second arbitrator by the ICC. If the nominated arbitrators by each Party or TSO cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration decision is a final decision. Each Party or TSO acknowledges that it will be bound by the choice of the court (i.e. arbitral or commercial) made by the initial claimant. This Court shall be the only one competent to settle the dispute opposing the Parties or TSOs. Any other related disputes between the Parties and TSOs shall also be settled by the court to which the initial dispute is submitted.

Should any related dispute arise with third parties in relation to the dispute opposing the Parties or TSOs, the Parties and TSOs expressly agrees that these disputes may be consolidated in or joined into one single arbitration. The ICC Court will be requested by any interested Party or TSO or third party to take a decision within one (1) month of request for consolidation or joinder, and order consolidation or joinder of the disputes if such serves the interest of justice and efficiency. If the ICC Court so decides, the Parties and TSOs agree to the competency of the first appointed arbitral tribunal to handle the joined or consolidated proceedings, and to the jurisdiction of such existing arbitral tribunal on parties joined or consolidated to the proceedings. The first appointed arbitral tribunal shall therefore remain unchanged, except in case of conflict of interest as defined under ICC rules of arbitration. Disputes are related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.

Nothing in this Article shall preclude the Parties and TSOs from applying for injunctive relief in summary proceedings ("procédure en référé") before the Commercial Court in whose jurisdiction the Joint Auction Office is domiciled.

### **Article 10.09 Force Majeure**

Force Majeure means any unforeseeable event or situation beyond the reasonable control of a Party and/or a TSO, and not due to a fault of such Party and/or a TSO, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial and/or economic point of view, reasonably possible for the claiming Party and/or TSO, which has actually happened and is objectively verifiable, and which makes it impossible for such Party and/or a TSO to fulfill temporarily or definitively, its obligations hereunder in accordance with the terms of the Auction Rules.

The Party, which invokes Force Majeure, shall send the other Party Notification describing the nature of Force Majeure and its probable duration.

The affected obligations, duties and rights of a Party subject to the Force Majeure, shall be suspended from the beginning of the Force Majeure. Allocated Capacities that have been paid for and which become subject to a Force Majeure are reimbursed for the period of that Force Majeure.

The Party can in no circumstances be held responsible or held liable to pay any compensation for damage suffered, due to the non-performance or faulty performance of all or part of its obligations, when such non-performance or faulty performance is due to an event of Force Majeure.

The Party which invokes Force Majeure shall make every possible effort to limit the consequences and duration of the Force Majeure.

If a Force Majeure event lasts for more than thirty (30) Days, the Joint Auction Office may suspend Entitlement of the Participant and/or the Participant may request the withdrawal of its Entitlement by sending Notification by registered mail with acknowledgement of receipt, with due explanation. The withdrawal or suspension of Entitlement will take effect on the date of receipt of the said Notification.

### **Article 10.10 Duration and Amendment of Auction Rules**

The Auction Rules are valid for an indefinite duration but may be modified jointly, entirely or by chapter, by the TSOs, with the aim of clarifying them or supplementing them. These Auction Rules are subject to the technical and legal conditions at the time they take effect.

In case of material changes in these conditions, particularly following legal requirements, government action or rules jointly imposed by regulatory authorities, or if improvements are made to the Auction process, the Auction Rules will be modified at any time as appropriate.

The Auction Rules are amended according to the following procedure:

- a. Amendments: TSOs may at any time change the Auction Rules and Appendices. Participants are entitled to propose amendments to the Auction Rules. Every proposal shall be sent to the Joint Auction Office, as a single point of contact for all TSOs, by registered post with acknowledgement of receipt, containing a clear description of the proposed amendment and its motivation. Once a decision is taken about the proposed amendment(s), both the Participants and the respective national competent authorities shall be informed about the acceptability of the proposal, providing a justification for the decision taken.
- b. Consultation: Before submitting any significant amendment(s) of the Auction Rules to the respective competent authorities, the TSOs will organize for Participants the opportunity, and in any event not less than fifteen (15) Working Days, to review and give written comments on the proposed amendment(s). The definitive version of the amendment(s) to the Auction Rules takes into account, as much as possible, the results of the Participants consultation.
- c. Approval: The amended version of the Auction Rules, as well as any relevant information related to the Participants consultation and a report of Participants consultation, are submitted to the relevant national regulatory authorities for approval and/or advise as the case may be.

Amendments of the Auction Rules have no impact on the validity of the Declaration of Acceptance signed by the Participant. This Declaration of Acceptance continues to be in force and includes acceptance of the modifications made to the Auction Rules, without prejudice to the Participant's right to deregistration in accordance with Article 3.04.

**APPENDIX 1 Declaration of Acceptance (DoA) of the Rules for Capacity Allocation by Explicit Auctions within Central West Europe Region (CWE), Central South Europe Region (CSE) and Switzerland**

**Declaration of Acceptance N° \_\_\_\_\_**

**FOR**

\_\_\_\_\_, a company [give company form], with capital of \_\_\_\_ €, having its registered offices at \_\_\_\_\_ [give full address], registered under the number \_\_\_\_\_ [Trade and Business Register n° and Town] and with the intra-community VAT n° \_\_\_\_\_ represented by \_\_\_\_\_ acting in the capacity of \_\_\_\_\_, hereafter referred to as "Participant",

**Article 1 Definitions**

All the words or groups of words used in the present Declaration of Acceptance, whose first letter is a capital letter, have the meaning that has been given to them in the Auction Rules, as published on the Joint Auction Offices Website.

**Article 2 Object**

By signing this Declaration of Acceptance, the Participant declares that it is aware of and commits to abide by the Auction Rules, including any subsequent version thereof enacted in accordance with their Article 10.10.

Tick the box if the Participant is only entitled to:

- Participant to CWE Shadow Auctions Only
- Beneficiary of Transfer Only

**Article 3 Prerequisites**

By signing this Declaration of Acceptance, the Participant declares that it has signed the following contractual document(s) (tick the appropriate box(es)):

- a Participation Agreement for the Import/Export Rules with RTE, and/or
- an ARP Contract with ELIA, and/or
- a Bilanzkreisvertrag with EnBW TNG, and/or
- a Bilanzkreisvertrag with Tennet GmbH; and/or
- a Bilanzkreisvertrag with AMPRION, and/or
- a PV Contract with TenneT TSO BV; and/or
- a Energy Transactions Contract with HTSO; and/or

- a Contratto di Dispacciamento and to be compliant with Congestion Management Rules on the Italian Interconnection with TERNA; and/or
- a Datenübermittlungsvertrags-Paar with APG; and a BGV-Vertrag with APCS which together result in an valid Genehmigungsbescheid from Energie-Control Austria; and/or
- a Balance Group Contract signed with Slovenian Market Operator or signed a Contract for settlement of imbalances with the Balance Responsible Party in Slovenia; and/or
- a Balance Group Contract with Swissgrid.

**Article 4 Designation of the Border(s) on which the Participant shall be registered for the CWE Shadow Auctions.**

- Netherlands - Belgium Border,
- Netherlands - Germany Border,
- France - Belgium Border,
- France - Germany Border.

**Article 5 Designation of the Border(s) on which the Participant shall be registered for the Daily Auctions.**

Please refer to Article 3.03 of the Auction Rules to check if the prerequisites for Participation are met.

- |                               |                          |                                       |
|-------------------------------|--------------------------|---------------------------------------|
| France – Switzerland Border:  | <input type="checkbox"/> | in both directions                    |
| France – Italy Border:        | <input type="checkbox"/> | in both directions                    |
| Switzerland – Germany Border: | <input type="checkbox"/> | in both directions                    |
| Switzerland – Austria Border: | <input type="checkbox"/> | in both directions                    |
| Switzerland – Italy Border:   | <input type="checkbox"/> | in the direction Switzerland to Italy |
|                               | <input type="checkbox"/> | in the direction Italy to Switzerland |
| Austria – Italy Border:       | <input type="checkbox"/> | in the direction Austria to Italy     |
|                               | <input type="checkbox"/> | in the direction Italy to Austria     |
| Slovenia – Italy Border:      | <input type="checkbox"/> | in the direction Slovenia to Italy    |
|                               | <input type="checkbox"/> | in the direction Italy to Slovenia    |
| Greece – Italy Border:        | <input type="checkbox"/> | in the direction Greece to Italy      |
|                               | <input type="checkbox"/> | in the direction Italy to Greece      |

**Article 6 Access to the Information System (IS)**

By signing this Declaration of Acceptance, the Participant acknowledges that it has read and understood the IS Rules and undertakes to abide by them.

## Article 7 TSO Designation

As Nomination has to be submitted by TSO Border, the Held Capacity on a Country Border will be attributed to one (1) of the respective TSO Borders, before the calculation of the Programming Authorizations, in accordance with the TSO Designation. This TSO Designation is implicit for the Country Border equivalent to one (1) TSO Border. The present article includes the initial TSO Designation as defined by the Participant for the other Country Borders (tick the appropriate box(es)):

For France-Germany Border (only one TSO Border can be ticked):

- RTE – AMPRION Border, or
- RTE – ENBW TNG Border.

For Netherlands-Germany Border (only one TSO Border can be ticked):

- TenneT TSO BV – AMPRION Border, or
- TenneT TSO BV – TenneT GmbH Border.

## Article 8 Designation of the Border(s) on which the Participant shall be registered for the Allocation by Equal Share

In case of Fallback Mode for the Auctions, the Capacity may be Allocated by an allocation by Equal Share The Participant asks to be registered as Fallback Participant for following Country Borders (tick the appropriate box(es)):

- |                               |                          |                                       |
|-------------------------------|--------------------------|---------------------------------------|
| Netherlands – Belgium Border: | <input type="checkbox"/> | in both directions,                   |
| Netherlands – Germany Border: | <input type="checkbox"/> | in both directions,                   |
| France – Belgium Border,:     | <input type="checkbox"/> | in both directions                    |
| France – Germany Border.:     | <input type="checkbox"/> | in both directions                    |
| France – Switzerland Border:  | <input type="checkbox"/> | in both directions                    |
| France – Italy Border:        | <input type="checkbox"/> | in both directions                    |
| Switzerland – Germany Border: | <input type="checkbox"/> | in both directions                    |
| Switzerland – Austria Border: | <input type="checkbox"/> | in both directions                    |
| Switzerland – Italy Border:   | <input type="checkbox"/> | in the direction Switzerland to Italy |
|                               | <input type="checkbox"/> | in the direction Italy to Switzerland |
| Austria – Italy Border:       | <input type="checkbox"/> | in the direction Austria to Italy     |
|                               | <input type="checkbox"/> | in the direction Italy to Austria     |
| Slovenia – Italy Border:      | <input type="checkbox"/> | in the direction Slovenia to Italy    |
|                               | <input type="checkbox"/> | in the direction Italy to Slovenia    |
| Greece – Italy Border:        | <input type="checkbox"/> | in the direction Greece to Italy      |
|                               | <input type="checkbox"/> | in the direction Italy to Greece      |

**Article 9 Participant's contact details**

|                  |  |
|------------------|--|
| <b>EIC CODE:</b> |  |
|------------------|--|

The present EIC Code identifies in particular the Participant, as the case may be, in respect with the modalities mentioned in the Article of the present Auction Rules relative to the use of Programming Authorizations.

**Invoicing and credit notes**

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

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

**Operational contact**

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

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

**All correspondence**

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

**Article 10 Joint Auction Office's contact details**

|          |  |
|----------|--|
| Contact: |  |
|----------|--|

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

**Article 11 Bank details**

All payments made by the Joint Auction Office to the Participant will be made to the following Payment Account:

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

Agency: \_\_\_\_\_

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

Account N°: \_\_\_\_\_

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

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

**Article 12 Changes to information**

The Participant undertakes to Notify the Joint Auction Office of any changes in the information provided by the Participant in the present Declaration of Acceptance, no later than five (5) Working Days before such changes take effect.

**Article 13 Effective date**

The present Declaration of Acceptance will be effective as from \_\_\_\_\_<sup>6</sup>

The Declaration of Acceptance will expire in accordance with the Auction Rules.

For the Participant:

For the Joint Auction Office:

Name and position of the legal representative:

Name and position of the legal representative:

\_\_\_\_\_

\_\_\_\_\_

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

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

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

<sup>6</sup> Completed by the Joint Auction Office upon confirmation of Entitlement

## APPENDIX 2      Modification of the TSO Designation

### Form to be sent to the Joint Auction Office:

Address:

Fax number:

Declaration of Acceptance n°:

Under the terms of the Auction Rules, \_\_\_\_\_ informs the Joint Auction Office of the modification of its TSO Designation, from \_\_\_\_\_<sup>7</sup> on, as follow (tick the appropriate box(es)):

For France-Germany Border (only one TSO Border can be ticked):

- RTE – AMPRION Border,
- RTE – EnBW TNG Border.

For Netherlands-Germany Border (only one TSO Border can be ticked):

- TenneT – AMPRION Border,
- TenneT B.V. – TenneT GmbH Border.

Name and capacity of signatory:

\_\_\_\_\_

Signature:

\_\_\_\_\_

---

<sup>7</sup> The Notification of the modification of the TSO Designation must be made to the Joint Auction Office at the latest seven (7) Working Days before the Day to which the Capacity relates.

### APPENDIX 3      **Modification of the Borders on which the Fallback Participant shall be registered**

**Form to be sent to the Joint Auction Office:**

Address:

Fax number:

Declaration of acceptance n°:

Under the terms of the Auction Rules, \_\_\_\_\_ informs the Joint Auction Office of the modification of its registration as Fallback Participant, from \_\_\_\_\_<sup>8</sup> on, as follow (tick the appropriate box(es)):

- |                               |                          |   |
|-------------------------------|--------------------------|---|
| Netherlands-Belgium Border:   | <input type="checkbox"/> | in both directions                      |
| Netherlands-Germany Border:   | <input type="checkbox"/> | in both directions                      |
| France-Belgium Border:        | <input type="checkbox"/> | in both directions                      |
| France-Germany Border:        | <input type="checkbox"/> | in both directions                      |
| France – Switzerland Border:  | <input type="checkbox"/> | in both directions                      |
| France – Italy Border:        | <input type="checkbox"/> | in both directions                      |
| Switzerland – Italy Border:   | <input type="checkbox"/> | in the direction Switzerland to Italy   |
|                               | <input type="checkbox"/> | in the direction Italy to Switzerland   |
| Austria – Italy Border:       | <input type="checkbox"/> | in the direction Austria to Italy       |
|                               | <input type="checkbox"/> | in the direction Italy to Austria       |
| Slovenia – Italy Border:      | <input type="checkbox"/> | in the direction Slovenia to Italy      |
|                               | <input type="checkbox"/> | in the direction Italy to Slovenia      |
| Greece – Italy Border:        | <input type="checkbox"/> | in the direction Greece to Italy        |
|                               | <input type="checkbox"/> | in the direction Italy to Greece        |
| Switzerland – Germany Border: | <input type="checkbox"/> | in both directions                      |
| Switzerland – Austria Border: | <input type="checkbox"/> | in the direction Switzerland to Austria |
|                               | <input type="checkbox"/> | in the direction Austria to Switzerland |

Name and capacity of signatory:

\_\_\_\_\_

Signature:

\_\_\_\_\_

<sup>8</sup> The Notification of the modification of the registration as Fallback Participant must be made to the Joint Auction Office at the latest seven (7) Working Days before the Day to which the Capacity relates.

**APPENDIX 4 Modification of the Borders on which the Participant shall be registered for CWE Shadow Auctions and/or Daily Auction**

Form to be sent to the Joint Auction Office:

Address:

Fax number:

Declaration of acceptance n°:

Under the terms of the Auction Rules, \_\_\_\_\_ informs the Joint Auction Office of the modification of its designation of the Borders on which it shall participate to CWE Shadow Auctions and/or Daily Auctions, from \_\_\_\_\_<sup>9</sup> on, as follow (tick the appropriate box(es)):

Please refer to Article 3.03 of the Auction Rules to check if the prerequisites for Participation are met.

- Netherlands-Belgium Border:  in both directions
- Netherlands-Germany Border:  in both directions
- France-Belgium Border:  in both directions
- France-Germany Border:  in both directions
- France – Switzerland Border:  in both directions
- France – Italy Border:  in both directions
- Switzerland – Germany Border:  in both directions
- Switzerland – Italy Border:  in the direction Switzerland to Italy  
 in the direction Italy to Switzerland
- Austria – Italy Border:  in the direction Austria to Italy  
 in the direction Italy to Austria
- Slovenia – Italy Border:  in the direction Slovenia to Italy  
 in the direction Italy to Slovenia
- Greece – Italy Border:  in the direction Greece to Italy  
 in the direction Italy to Greece
- Switzerland – Austria Border:  in the direction Switzerland to Austria  
 in the direction Austria to Switzerland

Name and capacity of signatory:

\_\_\_\_\_

Signature:

\_\_\_\_\_

<sup>9</sup> The Notification of the modification must be made to the Joint Auction Office at the latest seven (7) Working Days before the Day to which the Capacity relates.

