

**Yearly and Monthly Auction Rules**  
**for the**  
**Coordinated Allocation of capacities on the interconnection between the control areas**

Of

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and of

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(EU Community VAT identification number: BG175201304)

-hereinafter **ESO**-

**(Yearly and Monthly Auction Rules)**

**(Annex./1 of the „AGREEMENT“)**

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## PREAMBLE

The demand for capacity at the Interconnection between TRANSELECTRICA and ESO is usually much higher than the ATC. In order to obtain maximum transparency in the allocation of the ATC and to avoid discrimination in allocating the ATC, auctions shall be held. The Yearly and Monthly Auction Rules are construed in accordance with the regulations set out by EU law, in particular by the EU Regulation, in accordance with Romanian, and Bulgarian laws and in accordance with regulations issued by the Romanian and the Bulgarian Regulatory Authorities. In order to correspond with these legal requirements the auction covers the reservation of the yearly and monthly ATC. The auctioning of the reservation of the yearly and monthly ATC aims at providing a transparent method of congestion management.

### 1. DEFINITIONS / TERMS

In these Yearly and Monthly Auction Rules (including any of its APPENDIXES and Forms) the terms defined in this article (where appropriate in plural) shall, for all purposes of these Yearly and Monthly Auction Rules, have the meanings specified in this article (unless the context requires otherwise).

**Allocated Capacity:** Reserved Capacity after fulfilling the payment conditions according to these Yearly and Monthly Auction Rules.

**Auction Office:** stands for TRANSELECTRICA as the entity executing the Yearly and Monthly auction procedures.

**Auction Participant:** A person and/or an entity taking part in the auction procedures set out in the Yearly and Monthly Auction Rules and submitting to the Yearly and Monthly Auction Rules. The auction participants have to complete and sign a Registration Form for participation in long term auctions (APPENDIX 1) confirmed by TRANSELECTRICA and must have concluded cross border allocation contracts with TRANSELECTRICA.

**Auction Price:** the price in EUR/MW per hour for each auction period/subperiod to be paid by Auction Participants receiving Reserved Capacity in case the total amount of the requested reservation of network capacity exceeds the ATC.

**Available Transmission Capacity (“ATC”):** the part of the NTC which is offered by the Auction Office (on behalf of ESO and TRANSELECTRICA) on the respective Interconnection and direction for further commercial activity and which shall be offered in the yearly and monthly auction procedures.

**Bank Guarantee:** Bail in form of an irrevocable and directly enforceable bank guarantee, valid for a limited period waiving any exceptions or set-offs. Under this term it is also covered any amendment of the initial Bank Guarantee, duly signed, approved by the Auction Office, when filed by the Auction Participant, in order to comply with the obligations arising from results of the auctions or in order to extend the validity of the initial Bank Guarantee or in order to perform all obligations arising from the Auction Rules.

**Bid:** an offer by an Auction Participant to purchase rights to use capacity submitted in an auction pursuant to and in compliance with these Yearly and Monthly Auction Rules; such an offer

consists of two values per product (capacity per direction): a Capacity in MW and a Bid Price in EUR per MW per hour.

**Bid Price:** the highest price which an Auction Participant is willing to pay for 1 MW of Capacity per hour.

**BRP (Balance Responsible Party):** a market participant recognized by TSOs (as nomination validators) for the nomination of allocated capacity. It must be identified by a unique EIC Code. On both TRANSELECTRICA and ESO side it is the Market Participant with a valid and effective balancing contract and with a valid and effective system usage contract.

**Calendar Day:** Calendar day includes the working and non-working days.

**Capacity Agreement Identification:** An identification code that uniquely identifies PTR.

**Capacity:** cross-border transmission capacity in MW.

**Capacity Allocation Platform (“DAMAS Platform”):** an internet based platform by which the Yearly and Monthly capacity auctions are held; technically hosted by DAMAS system and operated by TRANSELECTRICA and which can be accessed at: <https://markets.transelectrica.ro>.

**Curtailment of Allocated Capacities (Capacity Curtailment):** the reduction of Allocated Capacities by Auction Office (based on the request of EMS and/or TRANSELECTRICA) in respect of the Auction Participants. Curtailment of Allocated Capacities shall only be used in case of emergency situations. Any such procedure shall be applied in a non-discriminatory manner.

**CNTEE TRANSELECTRICA SA (“TRANSELECTRICA”):** Romanian Transmission System Operator, with registered office at 33, Magheru Blvd, Bucharest 010325, Romania and with the number of the commercial register No: J40/8060/2000. Address for correspondence: 2-4 Olteni Street, RO-030786, Bucharest 03.

**EIC-Code:** Energy identification code serving to clear the identification of Auction Participants in a cross-border trade (see [https://www.entsoe.eu/fileadmin/user\\_upload/edi/library/eic/cds/area.htm](https://www.entsoe.eu/fileadmin/user_upload/edi/library/eic/cds/area.htm)).

**Emergency Situation:** a situation where a TSO must act in an expeditious manner and redispatching or countertrading is not possible as defined by Article 16 of Regulation 714/2009/EC.

**ENTSO-E (European Network of Transmission System Operators for Electricity):** an International Association with membership of European Transmission System Operators.

**ELEKTROENERGIEN SISTEMEN OPERATOR EAD (“ESO”):** Bulgarian Transmission System Operator with registered office at 105, Gotse Delchev Blvd., 1404, Sofia, Bulgaria.

**EU-Regulation:** Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for internal market in electricity shall be applied.

**Force majeure:** operational conditions and/or events and/or circumstances which are beyond the reasonable control of TRANSELECTRICA and/or ESO, and which cannot be prevented or overcome with reasonable foresight and diligence, such as, but not limited to, international superimposed Loop Flows, atmospheric phenomena considered irresistible due to their cause or on account of their size or duration, unexpected or irresistible generation capacity outages or limitations if TRANSELECTRICA and/or ESO are only able to counteract them by endangering the security of supply, and/or which cannot be solved by measures which are from a technical, financial and/or economic point of view reasonably possible for TRANSELECTRICA and/or ESO.

**Gate-Closure Time (“GCT”):** is a specified time providing a deadline for submission of schedules by market parties. The GCT is related to the timestamp of reception.

**Interconnection:** a single and/or double circuit line between the Romanian and Bulgarian transmission system which connects the control areas of TRANSELECTRICA and ESO synchronously.

**Loop Flow:** the difference between the exchange programs and the physical flows at the transmission interconnections.

**Monthly ATC:** ATC which is offered to the Auction Participants in monthly auctions.

**Net Transfer Capacity (“NTC”):** the maximum exchange program between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions.

**Physical Transmission Right (“PTR”):** a right entitling its holder to physically transfer a certain volume of electricity in a certain period of time between two Bidding Zones in a specific direction;

**PTR Holder:** the Auction Participant which has obtained a PTR in an Auction or via transfer.

**PTR Transfer:** Mechanism by which a PTR Holder may transfer a PTR to another Auction Participant, in accordance with these Auction Rules.

**Reserved Capacity:** the capacity the Auction Participant obtains by notification of the Auction results.

**Reservation Subperiod:** number of days of the same month with different harmonized NTC/ATC; for each subperiod an auction will be organized.

**UIOSI (“Use It Or Sell It”):** an automatic application by which the underlying Cross Zonal Capacity of the non-nominated PTRs is made available to the Daily Capacity Allocation process and whereby PTR Holders that do not nominate to use their rights receive a pay-out.

**Working Day:** every day except for Saturdays, Sundays and any official holiday in Romania as listed in APPENDIX 8, attached to these Yearly and Monthly Auction Rules.

**Yearly ATC:** ATC which is offered to the Auction Participants in the yearly auction, in form of PTRs.

**Yearly and Monthly Auction Rules:** the regulations set out in this document applicable to the allocation of capacities at the transmission interconnections between the control areas of TRANSELECTRICA and ESO.

The headings in these Yearly and Monthly Auction Rules are intended solely as a matter of convenience and for reference and shall be given no effect in the construction or interpretation of these Yearly and Monthly Auction Rules.

## **2. SCOPE OF THE YEARLY AND MONTHLY AUCTION RULES**

This document contains the terms and conditions for the auctioning of the reservation of Yearly and Monthly ATC at the border between the control areas of ESO and TRANSELECTRICA that is jointly offered by ESO and TRANSELECTRICA.

Auctions for yearly and monthly ATC are held in order to ensure that reservations of ATC will be valid for each side of the interconnection.

Auctions for yearly and monthly ATC will be conducted by the Auction Office.

These Yearly and Monthly Auction Rules in particular are handling the reservations of Yearly and Monthly ATCs in the direction from Romania to Bulgaria and in the direction from Bulgaria to Romania conducted by TRANSELECTRICA.

The valid version of the Yearly and Monthly Auction Rules will be published on the website of TRANSELECTRICA ([www.transelectrica.ro](http://www.transelectrica.ro)) and ESO (<http://www.tso.bg>). TRANSELECTRICA and ESO reserve the right to amend and/or change the Yearly and Monthly Auction Rules after approval by relevant Regulatory Authorities. These changes which will be applied in the forthcoming yearly and monthly auction will be published at least 10 days before the deadline for publishing of Yearly and Monthly ATC for the respective auction.

TRANSELECTRICA and ESO will fully accept the results of the individual auction procedures held by the Auction Office.

## **3. THE AUCTION OFFICE**

The Auction Office is responsible for the allocation of Yearly and Monthly ATC to Auction Participants through auction proceedings pursuant to these Yearly and Monthly Auction Rules.

The Auction Office prepares and conducts the yearly and monthly auctions and shall serve as a point of contact and source of information for all Auction Participants.

Auction proceedings may be discontinued or interrupted temporarily by the Auction Office at any time without prior notice, in case of technical failures. Such temporary discontinuance will not affect the rights and obligations which have arisen as a consequence of a yearly and monthly auctions having taken place under these Yearly and Monthly Auction Rules prior to such discontinuance or interruption.

Receipt of Bids at the Auction Office is the decisive criterion in meeting the time limit.

#### 4. THE AUCTION OFFICE WEBSITE

The Yearly and Monthly ATC for each auction period/subperiod will be published on the Auction Office website ([www.transelectrica.ro](http://www.transelectrica.ro)) according to the dates set out in APPENDIX 3. In particular, the following information will be published on the Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro)) website:

- a) These Yearly and Monthly Auction Rules (valid release);
- b) Additional information on the auction proceedings;
- c) Facsimile and telephone number(s), e-mail address(es), contact persons of the Auction Office;
- d) Forms to be used by Auction Participants;
- e) Auction Specifications (border direction, deadline of bidding, currency, reservation period, subperiods, TTC, TRM, NTC, AAC, ATC);
- f) Summary of the results of the yearly and monthly auctions (border direction, currency, reservation period, subperiods, TTC, TRM, NTC, AAC, ATC, total requested capacity, total allocated capacity, non-allocated capacity, auction price, winners` name, winners` EIC, allocated capacity per participant, income, number of bid submitters, number of winners);
- g) Frequently asked questions and answers;
- h) Allocation Capacity Contract (framework contract between the Auction Office and Auction Participant);
- i) öDAMAS Userø Guideö;
- j) Other relevant information (e.g. description of reasons and effects of curtailment).

#### 5. GENERAL PROVISIONS

The yearly and monthly available capacities (ATC) are offered for reservation by TRANSELECTRICA through the use of the internet-based auction tool öDAMASö on the following link: <https://www.markets.transelectrica.ro>. The document öDAMAS Userø Guideö contains detailed rules for using the öDAMASö system. This document and the Yearly and Monthly Auction Rules are published on the website of TRANSELECTRICA: [www.transelectrica.ro](http://www.transelectrica.ro) .

By accessing the öDAMASö system, the Auction Participant has to fully accept the regulations set out in the Yearly and Monthly Auction Rules and in the öDAMAS Userø Guideö published on the website of TRANSELECTRICA ([www.transelectrica.ro](http://www.transelectrica.ro)), without any reservation.

If the öDAMAS Userø Guideö conflicts with the Yearly and Monthly Auction Rules, the Yearly and Monthly Auction Rules take priority.

##### 5.1. Violation of the Yearly and Monthly Auction Rules

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

In case of violation of these Yearly and Monthly Auction Rules the Auction Participant may be excluded from further auctions as set forth in article 5.4.



## 5.2. Separation of Auction and Fees for Grid Use

A successful Bid which leads to Reserved Capacity creates a contractual obligation between Auction Office and the Auction Participant under which TRANSELECTRICA/ESO is to provide the Auction Participant with an option to use capacity on the border (Reserved Capacity) and the Auction Participant is obliged to pay the respective Auction Price. By fulfilling the payment conditions in accordance with the Yearly and Monthly Auction Rules Reserved Capacity is guaranteed by TRANSELECTRICA/ESO (Allocated Capacity) with the exception for cases described in Article 13 and Article 17. The payment determined covers only the right for the Allocated Capacity at the border. This option does not include any use of the transmission system to and from the Interconnectors. Said use of the transmission system, including corresponding fees, if any, must be agreed separately with TRANSELECTRICA on the Romanian side of the border and with ESO on the Bulgarian side.

## 5.3. Curtailment

Should it become necessary to reduce the Allocated Capacities or schedules after cut-off time for matching process, ESO and TRANSELECTRICA will apply the curtailment procedure according to Article 13 and the Auction Participant will be reimbursed for the amount of the price paid for the curtailed capacity.

## 5.4. Acceptation of Yearly and Monthly Auction Rules

Furthermore, with the submission of a correctly filled, signed Registration Form (APPENDIX 1) and by signing the Cross Border Allocation Contract with TRANSELECTRICA, the Auction Participant accepts the auction regulations set out in these Yearly and Monthly Auction Rules and submits to the Yearly and Monthly Auction Rules without any reservation. If the Auction Participant does not conform to these Yearly and Monthly Auction Rules, the Auction Participant shall be expressly barred from the participation in further auctions and the Bids shall not be accepted by the Auction Office.

## 5.5. Avoiding of Dominant Market Positions

To avoid problems related to the potential use of dominant position of a market player, the relevant authorities of both countries may adopt joint decision for restrictions in general or on an individual company on account of market dominance. The Auction Office reserves the right to introduce such restrictions in the course of the year.

## 5.6. Payment

If the Auction Participant does not fulfill or only partially fulfills any obligation resulting from the Allocation Capacity Contract in due time, especially if the Auction Participant does not pay the full Auction Price within the time limits set out in the Yearly and Monthly Auction Rules, the Auction Office is entitled to enforce the completion of the contract 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 contract. 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 TRANSELECTRICA and/or ESO whether or not arising out of an auction. The detailed payment conditions are described in Article 11.

## 6. PARTICIPATION IN AUCTIONS

### 6.1 Registration requirements

In order to qualify for participation in yearly and/or monthly auctions, the Auction Participant must comply with all requirements set forth in these Yearly and Monthly Auction Rules, including the requirements set out in öDAMAS Userø's Guideö.

For participation in Yearly and/or Monthly Auctions, the Auction Participant must send the filled and signed Registration Form (see APPENDIX 1), to the Auction Office, before concluding the Cross border allocation contract.

With the delivery of the Registration Form, the Auction Participant declares legally binding and irrevocably that:

- É he is a business company or entrepreneur operating and incorporated under law and is not subject to bankruptcy or liquidation proceedings;
- É he has full and complete knowledge of the actually applicable Yearly and Monthly Auction Rules, which are published at the website of the Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro));
- É he accepts and submits without any reservation/restriction to these actually applicable Yearly and Monthly Auction Rules;
- É there are no court or other proceedings in progress against him that would threaten the fulfillments of the conditions set out in these Auction Rules;
- É the representative(s) who submit(s) the bid has/have all authorizations by law or from other organizations, based on which they are able to assume the obligations arising out of participation;
- É he does not have any outstanding debts to the concerned TSOs (TRANSELECTRICA and/or ESO).

In case the Auction Participant does not meet any of the above requirements he shall not be registered, thus be prevented from participation in the auctions.

### 6.2 Registration

In order to qualify for participation in Yearly and/or Monthly auctions, the Auction Participant shall comply with all requirements set forth in these Yearly and Monthly Auction Rules, including the requirements specified in the öDAMAS Users Guideö.

By submitting the duly signed and completed Registration Form (APPENDIX 1) to the Auction Office, the Auction Participant confirms that it has read, understood and accepted the present Yearly and Monthly Auction Rules and that it will follow any and all instructions given by the Auction Office, ESO and/or TRANSELECTRICA, in particular in case of ambiguity in these Yearly and Monthly Auction Rules or non-availability of the DAMAS System.

By signing and submitting the Registration Form to the Auction Office, the Auction Participant authorizes the Auction Office to verify the Auction Participant's respective statements. The Auction Participant shall be informed about the admission or rejection. In case of rejection of its registration request, the Auction Office shall inform the Auction Participant of the reasons for the rejection.

After the admission, the Auction Participant will sign the Allocation Capacity Contract with TRANSELECTRICA and after that, it will be added in the Auction Office "Register of Participants". This document shall be published on the Auction Office website and will be updated, when necessary.

Subject to all existing requirements being fulfilled, the original countersigned copy of the Cross Border Allocation Contract will be sent to the Auction Participant. To access the capacity auction system "DAMAS", the Auction Participant shall apply for a token and for a password and user ID. The password and user ID shall be received personally or through authorized person.

The password shall be kept with particular care and may under no circumstances be passed to others or made accessible in any other way (including non-authorized representatives of the Auction Participant). Responsibility for all transactions authorized using the password shall be borne by the Auction Participant.

### **6.3 Notification of Changes**

The requirements for participation set forth in these Yearly and Monthly Auction Rules must be fulfilled at all times when participating in Yearly and/or Monthly auction proceedings. As a consequence, the Auction Participant shall promptly inform the Auction Office in writing of any changes effecting fulfillment of the requirements concerned.

Changes concerning the Auction Participants contact data and statements set forth in the Registration Form submitted by the Auction Participant shall be notified to the Auction Office in writing, as soon as the change is known by the Auction Participant.

## **7. DEREGISTRATION AND EXCLUSION OF AUCTION PARTICIPANTS**

### **7.1 Deregistration**

If the Auction Participant does not wish to participate in any further auctions (yearly and monthly), it may submit a written request for deregistration to the Auction Office. The request will be granted on condition that:

1. the Auction Participant no longer possesses rights to use any Allocated Capacity awarded in yearly and/or monthly auctions and
2. the Auction Participant has fulfilled all its obligations towards ESO and/or TRANSELECTRICA.

Auction Participants who have been deregistered may apply for readmission by completing the registration process pursuant to article 6 above.

## 7.2 Exclusion

If the Auction Participant in any manner:

- a) infringes these Yearly and Monthly Auction Rules,
- b) declares bankruptcy or becomes insolvent,
- c) become object of a petition for bankruptcy, insolvency or suspension of payment; or
- d) be in default of any payment to TRANSELECTRICA and/or ESO,

then the Auction Participant can be excluded from further yearly and monthly auctions by the Auction Office without delay. The barring shall promptly be notified to the Auction Participant by facsimile transmission or e-mail and by registered mail (with acknowledgment of receipt) and shall be in effect on the date of acknowledgment of receipt or on the date specified in the Notification, if any. Exclusion does not free the Auction Participant from its payment obligations, so the Auction Participant shall be obligated to pay the Auction Price for already awarded Reserved Capacity.

The Auction Participant shall be obligated to pay any remaining invoices or claims of TRANSELECTRICA within a period of five working days after notification of its exclusion by Auction Office.

Yearly and Monthly PTRs acquired by the excluded Auction Participant will become available for the Daily auctions and the Auction Office will claim under the Bank Guarantee of the excluded Auction Participant or the money in the deposit account that were placed for the benefit of the Auction Office.

Auction Participants who have been excluded by the Auction Office may apply for new registration.

## 8. YEARLY AUCTION PROCEDURE

Separate yearly auction shall be held for the reservation of capacity in each of both directions:

**Auction BG-RO:** deals with the direction from Bulgaria to Romania;  
**Auction RO-BG:** deals with the direction from Romania to Bulgaria.  
Yearly auctions take place on the dates mentioned in APPENDIX 3.

### 8.1. Deadlines for Yearly Auctions

For the yearly auctions the following deadlines are valid and the respective dates are set out in APPENDIX 3:

**Deadline Y1:** deadline for Publishing of Yearly ATC and Subperiods (if applicable) at 18:00 (CET) on the date set out in APPENDIX 3;

**Deadline Y2:** deadline for Bid submission for allocation of Yearly ATC at 12:00 (CET) on the date set out in APPENDIX 3;

**Deadline Y3:** deadline for publication of yearly auction results at 18:00 (CET) on the date set out in APPENDIX 3.

## 8.2. Determination and Publication of Yearly ATC

The yearly NTC is determined by ESO and TRANSELECTRICA in accordance with the applicable technical rules, particularly in accordance with the applicable rules published by ENTSO-E, applicable laws and regulations.

The Yearly ATC (part of yearly NTC) and if applicable the Subperiods will be published on the website of the Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro)), according to the dates set out in APPENDIX 3.

## 8.3. Bidding for Yearly ATC

The Bids for allocation of Yearly ATC in the respective direction shall be submitted using the auction tool öDAMASö system, in accordance with the öDAMAS Userö Guideö.

Bids from Auction Participants are to be sent to the Auction Office through the auction tool öDAMASö, on the website: <https://www.markets.transelectrica.ro>.

Each registered Auction Participant shall submit his Bids for yearly auction from deadline Y1 till deadline Y2 (see APPENDIX 3). The Bids delivered to the Auction Office shall be binding until the end of the relevant yearly auction and cannot be withdrawn or modified after deadline Y2.

The Auction Participant is obliged to pay the Auction Price for his Reserved Capacity, in addition to other transmission fees.

For further consideration each Bid must contain the following unambiguous and legible specifications:

1. The specification of the relevant yearly auction (Auction RO-BG or Auction BG- RO).
2. The value of the Bid in EUR/MW in each hour (max. two decimals) ö the Bid Price ö it has to be bigger than zero.
3. The amount of the capacity to be reserved in MW without decimals. The minimum amount of a single bid is 1 MW or multiple of it but maximum of a single bid is 100% of the ATC. The Auction Participant accepts that he cannot request more than the published Yearly ATC per auction.

The offered price of each Bid is the highest price the Auction Participant is willing to pay.

For each auction, several bids (maximum 10 bids) may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of the delivery of the bids to the Auction Office.

In case the yearly auction cannot be performed because of failure of the DAMAS platform, the Auction Office will reschedule the auction.

#### **8.4. Allocation of Yearly ATC**

The Auction Office reviews and collects all Bids submitted between the deadline for Publishing of Yearly ATC (deadline Y1) and the deadline for bidding (deadline Y2). After deadline Y2 all valid Bids are listed in order of decreasing price offers.

The details of the allocation process of Yearly ATC to Auction Participants are described in APPENDIX 2.

#### **8.5. Notification on the Results of Yearly Auction**

The Auction Office will provide each Auction Participant with the following data approximately at 18:00 (CET) at the deadline for publication of yearly auction results (deadline Y3):

1. Specification of the relevant yearly auction,
2. Period of reservation and Subperiod(s),
3. Amount of Reserved Capacity for the Auction Participant in MW,
4. Value of payment for the purchased reservation of capacity in EUR/MW in each hour for the period/subperiod(s) of reservation
5. Capacity Agreement Identification for scheduling nomination.

The above mentioned data is available for the Auction Participant in the DAMAS system.

The overall, results of the yearly auction will be published on the website of Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro)) at approximately 18:00 (CET) at deadline Y3. The results will include, , for each subperiod, the following:

- total amount of Reserved Capacity ;
- auction Price ;
- the name and EIC of the winners Auction Participant and the related quantity of capacity assigned;
- number of bidders ;
- number of winners;
- total requested capacity;
- non-allocated capacity.

For a detailed description regarding the valid deadlines for yearly auction see article 8.1.

## 9. MONTHLY AUCTION PROCEDURE

Separate monthly auctions shall be held for the reservation of capacity in each of both directions:

**Auction RO-BG:** deals with the direction from Romania to Bulgaria;

**Auction BG-RO:** deals with the direction from Bulgaria to Romania.

Monthly auctions take place on the dates mentioned in APPENDIX4.

### 9.1. Deadlines for Monthly Auctions

For the monthly auctions the following deadlines are valid and the respective dates are set out in APPENDIX 4:

**Deadline M1:** deadline for Publishing of Monthly ATC and Subperiod(s) if applicable at 18:00 (CET) on the date set out in APPENDIX4;

**Deadline M2:** deadline for Bid submission for allocation of Monthly ATC at 12:00 (CET) on the date set out in APPENDIX 4;

**Deadline M3:** deadline for publication of monthly auction results at 18:00 (CET) on the date set out in APPENDIX4.

### 9.2. Determination and Publication of Monthly ATC

The monthly NTC is determined by TRANSELECTRICA and ESO in accordance with the applicable technical rules, particularly in accordance with the applicable rules published by ENTSO-E, applicable laws and regulations.

For each month of the year, a portion of the total ATC will be reserved for the daily auctions. The total remaining Monthly ATC will be calculated as 80% (eighty percent) of the minimum of the ATC from all subperiods of the respective month, thus creating one period for the whole month. The difference between the total ATC of the each subperiod and 80% of the smallest ATC from all subperiods of the respective month, shall be auctioned in the Daily Auctions.

The relevant Monthly ATC and the Subperiod(s) will be published on the website of the Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro)), according to the dates set out in APPENDIX 4.

### 9.3. Bidding for Monthly ATC

The Bids for allocation of Monthly ATC in the respective direction shall be submitted using the electronic platform DAMAS. Only the Bids that are delivered in the accepted format and in time will be considered by DAMAS platform.

Bids from Auction Participants are to be sent to the Auction Office through the auction tool ðDAMASö system, at the following address: <https://www.markets.transelectrica.ro/>.

In case the monthly auction cannot be performed because of failure of the DAMAS system, the Auction Office will reschedule the auction.

Each registered Auction Participant shall deliver his Bids for monthly auction from deadline M1 till deadline M2. The bids delivered to the Auction Office shall be binding until the end of the relevant monthly auction and cannot be withdrawn or modified after deadline M2.

The Auction Participant is obliged to pay Auction Price for his Reserved Capacity in addition to other transmission fees.

For further consideration each Bid must contain the following unambiguous and legible specifications:

1. The specification of the relevant monthly auction (Auction RO-BG or Auction BG- RO).
2. The value of the Bid in EUR/MW in each hour (max. two decimals) ó the Bid Price ó it has to be bigger than zero.
3. The amount of the capacity to be reserved in MW for each hour, without decimals. The minimum amount of a single bid is 1 MW or multiple of it but maximum of a single bid is 100% of the ATC. The Auction Participant accepts that he cannot request more than the published Monthly ATC by auction.

The offered price of each Bid is the highest price the Auction Participant is willing to pay.

For each auction, several Bids (maximum 10 Bids) may be submitted. Such Bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of the delivery of the Bids to the Auction Office.

#### **9.4. Allocation of Monthly ATC**

The Auction Office reviews and collects all Bids submitted between the deadline for Publishing of Monthly ATC (deadline M1) and the deadline for bidding (deadline M2). After deadline M2 all valid Bids are listed in order of decreasing price offers.

The details of the allocation process of Monthly ATC to Auction Participants are described in APPENDIX 2.

#### **9.5. Notification on the Results of Monthly Auctions**

The Auction Office will provide each Auction Participant with the following data approximately at 18:00 (CET) at the deadline for publication of monthly auction results (deadline M3):

1. Specification of the relevant monthly auction,
2. Period of reservation and Subperiod(s),
3. Amount of Reserved Capacity for the Auction Participant in MW,
4. Value of payment for the purchased reservation of capacity in EUR/MWh for the period of reservation and Superiod(s),
5. Capacity Agreement Identification for scheduling nomination.

The above mentioned data is available for the Auction Participant in the capacity auction DAMAS system.



The overall results of a monthly auction will be published on the website of Auction Office ([www.transelectrica.ro](http://www.transelectrica.ro)) at approximately 18:00 (CET) at deadline M3. The results will include for each subperiod the following:

- total amount of Reserved Capacity
- auction Price
- the name and EIC of the winners Auction Participant and the related quantity of capacity assigned
- number of bidders
- number of winners
- total requested capacity
- non-allocated capacity.

For a detailed description regarding the valid deadlines for monthly auctions see article 9.1.

## **10. EXCEPTIONAL CIRCUMSTANCES**

Exceptional circumstances shall be serious disturbances to the functioning of the IT System(s) or devices used by Auction Office.

Exceptional circumstances may be the reason for suspending and postponing the date of an Auction. In case of exceptional circumstances, the Auction Office shall inform all Auction Participants via telephone, fax or e-mail of the cancellation of the relevant auction(s) and inform Auction Participant about the new date of the auction. The TSOs will also publish information on their auction websites, if available.

In case auctions are suspended and postponed, all Bids already submitted to the Auction Tool(s) are deemed as invalid and must be submitted again.

## **11. ACCOUNTING, LOSING OF RESERVED CAPACITY**

The payment and accounting of the Auction Price will be handled by the Auction Office.

Payment for the yearly auctioned and Reserved Capacities shall be paid to the Auction Office against a monthly invoice of equal amount two months in advance. The amount of January and February will be invoiced at the same time and the other months will be invoiced month by month, the deadline for issuing invoices (date of performance) shall be no later than the twentieth day of the second preceding month before the use of PTR (e.g. the date of performance of the amount for March shall be no later than twentieth of January).

Payment for the monthly auctioned and Reserved Capacities shall be paid to the Auction Office against a monthly invoice in advance. The deadline for issuing invoices (date of performance) shall be no later than the twentieth day of the preceding month before the use of capacity right.

The issued invoice will be sent to the Auction Participant by e-mail.

## Account information:

Name of the bank:	BRD ó Sucursala ACADEMIEI
Account No.:	SV18545934100
IBAN	RO14BRDE410SV18545934100
SWIFT code:	BRDEROBU

The Auction Participant shall credit the invoiced payment to the Auction Office onto its account stated on the invoice. The invoice will mature within 7 calendar days of its receipt date. According to EU and Romanian tax law, value added tax (VAT) will be charged to the payment and will be shown separately on the invoice.

The Auction Participant must send the payment confirmations by e-mail to the Auction Office as soon as the payment is done but no later than the maturity date stated on the invoice, to the following address: [contracte.alocare@transelectrica.ro](mailto:contracte.alocare@transelectrica.ro) .

In case the Auction Participant declares its VAT registration in EU Member State the mode of the òReverse charge mechanismö is applied. In this mode the Auction Participant must provide the Auction Office with its EU VAT Number and is obliged to settle the VAT with the respective national tax office.

The Auction Office is entitled to make adjustments of the payment due to increases or introduction of taxes, duties, etc. VAT and other taxes or levies ó if any ó shall be invoiced in accordance with the applicable laws.

All bank fees have to be paid by the Auction Participant. The date of payment is the date upon which the given amount is credited to the stated account of the Auction Office. Invoices have to be fully paid not later than on the maturity date stated on the invoice, free of charge and without deduction and/or offsetting (receipt of payment at the account of the Auction Office).

If such a time limit expires on a public holiday, payment should be received on the preceding working day. Should the time limit expire on a Sunday or a public holidays following a Sunday, payment should be received on the following working day.

Pursuant to the General Provisions set out in Article 5 of the Yearly and Monthly Auction Rules, the Auction Participant is not entitled to offset any debts that arise in the connection with an Auction to any claim on TRANSELECTRICA or ESO, whether or not arising out of the Auction. Transmission fees will be charged independently of the payment for congestion management.

In case the payment is not settled on the day indicated on the invoice, the Auction Office is entitled to withdraw from the obligations resulting from the Yearly and Monthly Auction Rules and the Auction Participant loses his Reserved Capacity obtained in auction and shall be liable pursuant to the General Provisions of the Yearly and Monthly Auction Rules.

Moreover, TRANSELECTRICA will behave according to Article 7.2 and the Auction Participant shall be excluded from participating in the cross border auctions and secondary market and will not be allowed to nominate any cross border schedules until all payments of the respective Auction Participant are settled.

## 12. USE OF ALLOCATED CAPACITY

General grid access for the use of Allocated Capacity is not covered by the scope of the Yearly and Monthly Auction Rules, unless otherwise stipulated in the following provisions.

TRANSELECTRICA and ESO will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access in each control area and applicable market rules of TRANSELECTRICA and ESO.

Upon reservation of capacity in the course of an auction, TRANSELECTRICA and ESO will commit themselves to ensure that the Allocated Capacity is operationally feasible for the Auction Participant or the new holder of capacity solely at the border with the exception of emergency situations.

The use of Allocated Capacities operates via the delivery of fixed and binding schedules to TRANSELECTRICA and ESO in compliance with the legal requirements of grid access in each control area and applicable market rules of TRANSELECTRICA and ESO. The Allocated Capacities are used on the basis of the schedules disposal respecting the principle 1:1 (exclusive partnership).

The use of Allocated Capacity from yearly and/or monthly auctions is done via the delivery of fixed schedules to ESO and TRANSELECTRICA for the following day which must be received by gate closure time (GCT) for long term nominations which is 8:00 (CET).

If there is mismatch at GCT, affected market parties will send corrections of already submitted schedules to their respective TSO till 08:30 am (CET) (cut-off time (COT) for long term acceptance gate).

If there is a mismatch at COT, the TSOs modify the nominations in accordance with the following rules:

- i. when value is different, the lower value is decisive,
- ii. when there is missing counterpart or the directions are not correct, zero values are taken into account.

Modifications of schedules after this time are not possible. Use is generally based on the principle UIOSI (ōUse It Or Sell Itö). This means that reservations which are not used by fixed schedules by the above time will be made available to all Auction Participants in the daily allocation procedures, and the PTR Holder which did not nominate its capacity is entitled to a remuneration, according to the Daily Auction Price at which its respective amount of capacity has been sold in the Daily Auctions.

In order to use the Allocated Capacity a valid Cross Border Allocation Contract governing the participation in electricity market in Romania must be concluded with TRANSELECTRICA before the use of Allocated Capacity for transmission in Romanian network.

The Allocated Capacity used respecting the principle 1:1 (exclusive partnership) means, that the use is enabled only to a registered Auction Participants (one is registered on the TRANSELECTRICA side and he meets the requirements of TRANSELECTRICA and his partner

is registered on the ESO side and he meets requirements of ESO for the use of Allocated Capacities).

TRANSELECTRICA will carry out the registration of the subjects who fulfill 1:1 - system requirements for Bulgarian-Romanian border. The registration is possible only for whole calendar months.

The Auction Participant and his exclusive cross-border partner together have to deliver by fax and by e-mail (scanned copy) notification (see APPENDIX 5) with the specification of required validity of the exclusive cross-border partnership registration at least 5 working days prior the 1st day of the calendar month for which the notification/registration should be valid.

The fax numbers and e-mail addresses assigned for 1:1 - system notification are stated in APPENDIX 5. Changes of the already registered 1:1 couple are not allowed during the month. The registered 1:1 partnership is valid for the use of Daily, Monthly and Yearly Capacities.

### 13. CURTAILMENT

The curtailment of Allocated Capacity can be applied before the COT for the matching process. The reduction of schedules can be applied only in case of transmission constraints after the COT for the matching process.

Capacity curtailments or schedule reductions shall have as reference a time-period multiple of an hour.

In the case of Force Majeure the Auction Participant will be reimbursed according to the rules given in articles 13.1 and 13.2.

TSO, which requested curtailment, shall issue a description of reasons and effects of curtailment for solving network or system problems and that will be published by both TSOs.

In case of Curtailment of allocated capacities or schedules reduction, following priority order is used:

1. Capacity allocated in daily auction.
2. Capacity allocated in monthly and yearly auction.

Within each of the above listed groups of capacities, proportional curtailment will be used.

If there were monthly and yearly allocated capacities curtailed, the daily auctions will be suspended on the respective border direction.

#### 13.1 Curtailment before the COT for the matching process

Before the COT for the matching process, the allocated capacity shall be curtailed in emergency situations by Auction Office based on the request of ESO and/or TRANSELECTRICA according with these Yearly and Monthly Auction Rules.

Auction Office (based on request of ESO and/or TRANSELECTRICA) informs the Auction Participants of a Curtailment of allocated capacities and will submit the values of the reduced capacities. The Auction Participants have to submit their schedules to ESO and to TRANSELECTRICA taking into consideration the reduced capacities.

In case of curtailment of *Allocated Capacity* from a yearly and/or monthly *Auction* before the cut-off time for the matching process, the *Auction Participants* whose *Allocated Capacity* have been curtailed shall be reimbursed by the *Auction Office* for the curtailment. The amount for reimbursement is calculated as curtailed MWs multiplied by hours of the curtailment multiplied by *Auction Price*.

### 13.2 Curtailment after the COT for the matching process

After the COT for the matching process, the reduction of schedules shall be implemented, pursuant to the proceedings set forth in the relevant laws, and shall only be used in emergency situations where the relevant TSO must act in an expeditious manner and redispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.

The principle UIOSI (Use It Or Sell It) is applied. That means curtailment is applied to capacity corresponding to submitted schedules, proportionally and using the same rules regarding the priority order as in case of curtailment performed before the COT for the matching process.

The *Auction Participants* shall be reimbursed by the *Auction Office* for the curtailed capacity which have not been available for usage. The amount for reimbursement is calculated as curtailed MWs multiplied by hours of the curtailment multiplied by *Auction Price*.

## 14. TRANSFER OF ALLOCATED CAPACITIES

Allocated Capacities awarded in yearly and/or monthly auctions can be transferred by Auction Participants to other interested Auction Participants under the following conditions:

- It is allowed to transfer Allocated Capacity bought in the course of the yearly and monthly auction to Auction Participants;
- The number of transferable capacity can be 1 MW or integral multiple of 1MW. The transferable volume should not exceed the volume of Reserved Capacity (gained at auction);
- The nomination of the transfer has to be done at latest 3 (three) calendar days (D-3), 12:00 CET before the use of transferred capacity.

The transfer is performed electronically through the use of the auction tool öDAMASö system, operated by the Auction Office. Also, the Auction Participants have to submit the Transfer form from APPENDIX 6, for transfer of yearly/monthly capacities to the Auction Office, by e-mail to: [contracte.alocare@transelectrica.ro](mailto:contracte.alocare@transelectrica.ro).

The Auction Office shall not be liable for an uninterrupted provision of the öDAMASö system.

The rules and regulations for the transfer of Allocated Capacities obtained in course of Yearly and Monthly Auctions are laid down in these Yearly and Monthly Auction Rules and operational procedures are specified in the öDAMAS Userø Guideö published on the website of TRANSELECTRICA: [www.transelectrica.ro](http://www.transelectrica.ro). All detailed instructions concerning the

requirements for the accessing to the öDAMASö system and the handling of the transfer procedure in the öDAMASö system are laid down in the öDAMAS Userø Guideö.

By accessing the öDAMASö system the registered Auction Participant shall be obliged to accept the regulations set out in the Yearly and Monthly Auction Rules and in the öDAMAS Userø Guideö published on the website of TRANSELECTRICA [www.transelectrica.ro](http://www.transelectrica.ro) without any reservation.

The transfer of Allocated Capacity is allowed only between Auction Participants registered in öDAMASö system.

The transfer becomes effective by confirmation of both the old and the new holder of transferred capacity. After confirmation of the transfer only the new holder of the capacity shall be entitled to use the transferred capacity. Auction Office is not obliged to examine the rightful transfer between the old holder and the new holder of the capacity. In case the transfer does not comply with the Yearly and Monthly Auction Rules or the Auction Participant announces to transfer more and/or other capacity than it has obtained in the course of an auction the whole transfer shall not be valid. Any disputes arising from disagreements between the old and the new holder of the capacity do not affect the validity of the transfer after it becomes effective.

The old holder of the reservation is obliged to impose and assign all obligations resulting from the participation in the auction procedures to the new holder of the transferred reservation of capacity. The old and the new holder of such transferred reservation of capacity shall be jointly and severally liable for all obligations resulting from the participation in the auction procedures until all obligations resulting from the participation in the auction procedures are fulfilled.

This regulation is also applicable in case of several transfers. This means, that in case of transfer of the reservation of capacity to several Auction Participants, all Auction Participants involved in any such transfer shall be jointly and severally liable for all obligations resulting from the participation in the auction procedures.

## **15. WAIVER OF RIGHT TO COMPENSATE**

The Auction Participant is not entitled to offset and/or withhold any debts that arise in connection with a yearly and/or monthly auction to any claim on TRANSELECTRICA and/or ESO, whether or not arising out of a yearly and/or monthly auction.

## **16. NOTICES**

Except where these Yearly and Monthly Auction Rules provide otherwise, any notice given under these Yearly and Monthly Auction Rules must be in writing and addressed to the Auction Office as follows:

Notification by mail:

CNTEE TRANSELECTRICA SA

Commercial Division

Auction Office

2-4 Olteni Street, Bucharest 030786, Romania

Notification by E-mail: [contracte.alocare@transelectrica.ro](mailto:contracte.alocare@transelectrica.ro)

Notification by Phone: 004 021 303 5963

Notification by facsimile transmission: 004 021 303 5847

## 17. LIMITATION OF LIABILITY

TRANSELECTRICA and/or ESO shall not be liable for any damage caused by slight negligence. Claims for damages arising out or related to the Yearly and Monthly Auction Rules and/or the Allocation Contract are limited to the damages typical and foreseeable, unless TRANSELECTRICA and/or ESO have acted willfully or by gross negligence. In no event shall TRANSELECTRICA and/or ESO be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind. In any case the liability of TRANSELECTRICA and/or ESO for damages arising out or related to the Yearly and Monthly Auction Rules shall be limited to p 5000 - in total.

TRANSELECTRICA and ESO undertake to carry out the provisions set out in the Yearly and Monthly Auction Rules with the diligence of a careful businessman and control area manager in compliance with the applicable regulations set out by EU law, respectively by the EU-Regulation, Romanian and Bulgarian law and by the Romanian and Bulgarian Regulatory Authorities.

Deviating from the Romanian Civil Code the burden of establishing guilt is fully on the Auction Participant.

Liability for a breach of contract damaging life, physical well-being, or health that has been caused willfully, by gross negligence, or by a felony offense cannot be validly excluded.

Any contractual article shall be null and void if it beforehand limits or excludes liability for damage proceeding from willful or gross negligence; injury to life, physical well-being, or health; or the consequences of a crime.

## 18. FORCE MAJEURE

TRANSELECTRICA and/or ESO shall not be held liable for non-performance, defective performance or delayed performance of obligations arising from these Yearly and Monthly Auction Rules if and to the extent that said non-performance, defective performance or delayed performance is due to circumstances over which the obliged party has no influence, including but not limited to Force Majeure or other circumstances the relevant party is not responsible for and which cannot be solved by measures which, from a technical, financial and/or economic point of view, can reasonably be taken by TRANSELECTRICA and/or ESO.

## 19. MISCELLANEOUS

Notwithstanding special provisions set out in these Yearly and Monthly Auction Rules no modification of the contract between the Auction Office on the one hand and the Auction Participant on the other hand shall take effect unless it is in writing, by fax or e-mail confirmed, executed and delivered by the Auction Office.

If any part or provision of the Yearly and Monthly Auction Rules and/or its APPENDIXES 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.

## 20. CONFIDENTIALITY

By operation and performance under Yearly and Monthly Auction Rules, TRANSELECTRICA and/or ESO and its affiliates, if any, may receive or have access to Auction Participant's confidential information. Confidential information shall include all information delivered in writing and designated as "Confidential", or disclosed other than in writing, information as to which the person to whom such information is disclosed, prior to or essentially concurrent with such disclosure, is made aware that confidential information may be or is being disclosed. TRANSELECTRICA and ESO agrees to hold the confidential information in confidence and not to disclose or make such confidential information available, in any form, to any third person or to

use such confidential information for any purpose other than the contemplation of the provisions of these Yearly and Monthly Auction Rules except to public authorities.

The provisions of this article shall not apply to any information disclosed to TRANSELECTRICA and ESO as contemplated by said article if:

- a. before such disclosure it was public knowledge or, after such disclosure, becomes public knowledge through no fault of TRANSELECTRICA and ESO ;
- b. it was known to TRANSELECTRICA and ESO before that disclosure;
- c. after that disclosure the same information is received by TRANSELECTRICA and ESO from a third party owing no obligation of secrecy to the respective Auction Participant in respect to such information.

## 21. AMENDMENTS

Any amendments to these Yearly and Monthly Auction Rules, after coming into force having been approved by the respective Regulatory Authorities, shall be notified to the Auction Participants by means of publication of the respective new version of these Yearly and Monthly Auction Rules on the website of Auction Office. Such notification shall include reference to the articles amended and the date on which the new version of these Yearly and Monthly Auction Rules enters into force. Each version of these Yearly and Monthly Auction Rules shall bear its specific number.

## 22. APPLICABLE LAW AND DISPUTES

These Yearly and Monthly Auction Rules shall be governed by and construed in accordance with the Romanian laws without recourse to Romanian private international law as well as by EU law, Directive 2009/72/EC and Regulation 714/2009/EC. For the avoidance of doubt, the application of the UN Convention on the International Sale of Goods shall be excluded.

In case that court decisions rendered by the competent Romanian Court cannot be executed and/or enforced in the jurisdiction of the opponent/adversary of Auction Office these rules and all disputes arising out of these rules and its APPENDIXES or related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) (Vienna International Arbitral Centre, VIAC) by one or more arbitrators appointed in accordance with these rules.



The number of arbitrators shall be three. The substantive law of Austria shall be applicable. The language to be used in the arbitral proceedings shall be English.

The place of performance of all obligations of the Auction Participants resulting from the yearly and monthly auctions held in accordance with the Yearly and Monthly Auction Rules and its APPENDIXES shall be the registered seat of the Auction Office.

### **23. COMPLAINT PROCEDURE**

Should the Auction Participant come to conclusion that the Yearly and Monthly Auction Rules have been breached by an incorrect calculation, incorrect output from data check, or incorrect evaluation, the Auction Participant is entitled to initiate through its representative examination procedure. The request must be delivered to the contacts of Auction Office by signed fax message or via registered mail within two (2) working days from receiving the invoice or other relevant document, and must contain:

- date
- identification of Auction Participant
- name, e-mail address and telephone of contact person
- brief description of the situation ó i.e., the subject matter
- detailed description of the situation
- well-founded means of proof (downloads from logs, communication records, etc.)

The Auction Office will confirm the receipt of such a complaint via e-mail.

If the Parties could not reach an agreement within 30 days from the day of irregularity occurs the Auction Participant may refer a complaint to the relevant national Regulatory Authority, as defined in Directive 2009/72/EC.

The TSOs are obliged to give all information to the proceeding Regulatory Authority, which is necessary to handle the complaint in due time.

Then above described initiative shall not have suspensive effect on the results of the relevant yearly or monthly Auction.

### **24. PROVISION OF BANK GUARANTEE**

1. As a prerequisite for participation in the Cross Border Allocation Auctions executed by TRANSELECTRICA, the Auction Participant has to fill the request to provide a Bank Guarantee as follows:

#### **24.1 Yearly Auctions**

1. Each Bank Guarantee submitted to TRANSELECTRICA is subject to Romanian law and should be issued by a solvable Bank, legally operating in a member state of the European Union, or in Switzerland. This credit institution shall not be the Auction Participant itself or shall not control this Auction Participant or be controlled by the Auction Participant under the

meaning of corporate law. The wording of the Bank Guarantee is presented in APPENDIX 9. Each Bank Guarantee is submitted in sealed envelopes, which shall clearly bear the identification details of the Auction Participant, as per the Registration Requirements of these Auction Rules.

2. TRANSELECTRICA provides the possibility for the Auction Participant to deposit the amount of the Bank Guarantee, to an account opened at a bank which fulfills the same requirements as specified in Article 24.1. In this case, all parts of the Article 24.1 of these Auction Rules that have a reference to the filling of a Bank Guarantee will be replaced by the Cash Deposit (with certificate of coverage). TRANSELECTRICA accepts separately handled blocked cash deposits (with certificate of coverage), opened by the Auction Participant at a banking institution, with the beneficiary being TRANSELECTRICA, with the following conditions:
  - a) The bank which issues the certificate of coverage fulfills all the requirements as the ones specified for the bank guarantee;
  - b) The certificate of coverage states a specified sum, given in Euro (EUR);
  - c) The beneficiary is exclusively TRANSELECTRICA;
  - d) It is with fixed term, with the due date being at least 31<sup>st</sup> January 2017;
  - e) It contains the account number (IBAN), on which the deposit is blocked by the respective bank;
  - f) As a notice, it contains that the placement of the cash deposit is the provision of a bank guarantee for participating in the Auction Process.

The Auction Participant shall instruct the credit institution to fully or partially block the account, pointing out that he wishes to place a deposit in connection with participating in the Auction Process.

If the certificate of coverage accepted by TRANSELECTRICA expires within 15 working days of the due date, the Auction Participant is obliged to ensure the prolongation of the certificate of coverage, or the proper substitution of it, if the Auction Participant wishes to participate in the Auction Process even after the due date.

Unlocking of an account may be initiated at TRANSELECTRICA by the account owner, the Auction Participant. In this case unlocking of the collateral may be performed through the handing back of the certificate of coverage and the Auction Participant is excluded from the given Auction Process.

The Auction Participant is obliged to ensure that the acceptance value of the collaterals registered by the credit institution continuously meets the actual requirements of these Auction Rules.

In case of a financial default, TRANSELECTRICA submits its claim in a formal, duly signed request to the credit institution regarding the cash deposit to be exercised. Of this exercised deposit, TRANSELECTRICA has free disposal until the amount of its claims.

3. Auction Participants have to submit to TRANSELECTRICA, at least seven (7) Working Days before the Yearly Auction, a Bank Guarantee or a cash deposit (with certificate of coverage), in respect of participation in the Yearly Auction for the year 2016. The minimum amount is 20,000 (Twenty Thousand) Euros. The expiration date cannot be earlier than 31<sup>st</sup> of January 2017.

4. The Auction Participant who obtained the PTRs from the Yearly Auction has to increase the amount of the Bank Guarantee or the Cash Deposit (with Certificate of coverage) within five (5) Working Days after the allocation to the User of Yearly PTRs in order to cover 2/12 of the total amount corresponding to the PTRs allocated to the Auction Participant. In case that the Auction Participant does not increase the amount of the Bank Guarantee within the above mentioned deadlines, TRANSELECTRICA has the right to claim the Bank Guarantee. In such case the provisions of Article 7.2 and Article 11 will apply, until the Bank Guarantee with the amount requested is filed to TRANSELECTRICA and all other pending financial obligations, if any, have been arranged.
5. The Capacity Price from Yearly Auctions will be settled in advance on a monthly basis and before the use of PTRs. The PTR Holder is expected to pay the Capacity Price in twelve equal (12) installments, following a receipt of the respective invoices issued by TRANSELECTRICA. Each installment is paid by the PTR Holder as stipulated in Article 11.
6. In case the advance Payment for the Yearly Auction is not executed on the due date according to the invoice, the Bank Guarantee is forfeited and the Yearly Interconnection Capacity that was allocated to the Auction Participant is considered by TRANSELECTRICA as capacity available for allocation in each of the subsequent Daily Auctions for the respective month. Furthermore the PTR Holder will be charged by the relevant Auction Operator with any additional costs, expenses arising out of the demand for payment made under the Bank Guarantee.
7. When the Bank Guarantee is forfeited, the provisions of Article 7.2 and Article 11 will apply, until the Bank Guarantee with the amount requested is filed and all other pending financial obligations, if any, have been arranged.
8. In case the Bank Guarantee is not restored or other pending financial obligations are not settled as specified above, the provisions of Article 7.2 concerning Exclusion will apply. The Yearly Interconnection Capacity, if any, which was allocated to the Auction Participant, is considered by TRANSELECTRICA and ESO as capacity available for allocation in the Daily Auctions.
9. The Auction Participant is not relieved from its financial obligations to TRANSELECTRICA arising from its participation in the Auctions whereby PTRs were granted to the Auction Participant. TRANSELECTRICA will continue to issue invoices for the non-settled debts of the Auction Participant.
10. In order to start participating again in the Auctions or Secondary Market held by TRANSELECTRICA, the Auction Participant has to submit a new Bank Guarantee of at least equal amount with the Bank Guarantee in respect of which a demand for payment was made and with the same wording and expiration date as well as to settle and comply with all pending obligations arising from its participation in the Auctions.

## 24.2 Monthly Auctions

1. Each Bank Guarantee submitted to TRANSELECTRICA is subject to Romanian law and should be issued by a solvable Bank, legally operating in a member state of the European Union, or in Switzerland. This credit institution shall not be the Auction Participant itself or shall not control this Auction Participant or be controlled by the Auction Participant under the meaning of corporate law. The wordings of the Bank Guarantee are presented in APPENDIX 9. The Bank Guarantee is submitted in sealed envelopes which shall clearly bear the identification details of the Auction Participant as per the Registration Requirements of these Auction Rules.
2. TRANSELECTRICA provides the possibility for the Auction Participant to deposit the amount of the Bank Guarantee, to an account opened at a bank which fulfills the same requirements as specified in Article 24.2. In this case, all parts of the Article 24.2 of these Auction Rules that have a reference to the filling of a Bank Guarantee will be replaced by the Cash Deposit (with certificate of coverage). TRANSELECTRICA accepts separately handled blocked cash deposits (with certificate of coverage), opened by the Auction Participant at a banking institution, with the beneficiary being TRANSELECTRICA, with the following conditions:
  - a) The bank which issues the certificate of coverage fulfills all the requirements as the ones specified for the bank guarantee;
  - b) The certificate of coverage states a specified sum, given in Euro (EUR);
  - c) The beneficiary is exclusively TRANSELECTRICA;
  - d) It is with fixed term, with the due date being at least 31<sup>st</sup> January 2017;
  - e) It contains the account number (IBAN), on which the deposit is blocked by the respective bank;
  - f) As a notice, it contains that the placement of the cash deposit is the provision of a bank guarantee for participating in the Auction Process.

The Auction Participant shall instruct the credit institution to fully or partially block the account, pointing out that he wishes to place a deposit in connection with participating in the Auction Process.

If the certificate of coverage accepted by TRANSELECTRICA expires within 15 working days of the due date, the Auction Participant is obliged to ensure the prolongation of the certificate of coverage, or the proper substitution of it, if the Auction Participant wishes to participate in the Auction Process even after the due date.

Unlocking of an account may be initiated at TRANSELECTRICA by the account owner, the Auction Participant. In this case unlocking of the collateral may be performed through the handing back of the certificate of coverage and the Auction Participant is excluded from the given Auction Process.

The Auction Participant is obliged to ensure that the acceptance value of the collaterals registered by the credit institution continuously meets the actual requirements of these Auction Rules.

In case of a financial default, TRANSELECTRICA submits its claim in a formal, duly signed request to the credit institution regarding the cash deposit to be exercised. Of this exercised deposit, TRANSELECTRICA has free disposal until the amount of its claims.

3. Auction Participants have to submit to TRANSELECTRICA a Bank Guarantee for the Monthly Auction in respect of participation in the Monthly Auctions during the year 2016. The minimum amount is 20,000 (twenty thousand) Euros. The expiration date cannot be earlier than the 31<sup>st</sup> of January 2017. If the Auction Participant already submitted a Bank Guarantee or a cash deposit in TRANSELECTRICA's account in order to participate in the Yearly Auction Process, a new one for the Monthly Auctions won't be needed in order for it to participate in the Monthly Auctions, but that Bank Guarantee or cash deposit will also be subject to the Rules stated in Article 24.2.
4. The Bank Guarantee has to be presented to TRANSELECTRICA at least seven (7) Working Days before the first Monthly Auction in which the Auction Participant wants to participate. In case the Bank Guarantee is not provided up to the required deadline the Auction Participant shall not be permitted to participate in the Auction.
5. The Capacity Price from Monthly Auctions will be settled in advance on a monthly basis and before the use of PTRs. The Monthly PTRs Capacity Price is paid by the PTR Holder following a receipt of the respective invoice issued by TRANSELECTRICA, as stipulated in Article 11.
6. In case the advance Payment for the Monthly Auction is not executed on the due date according to the Invoice, the Bank Guarantee is forfeited to the amount of the due payment and the Monthly Interconnection Capacity that was allocated to the Auction Participant is considered by TRANSELECTRICA as capacity available for allocation in each of the subsequent Daily Auctions for the respective month, which are held by ESO. In case the amount of the due payment is above the amount of the Bank Guarantee, the PTRs Holder will be charged by TRANSELECTRICA with this extra amount separately, and also with any additional costs, expenses arising out of the demand for payment made under the Bank Guarantee.
7. When the Bank Guarantee is forfeited the provisions of Article 7.2 and Article 11 will apply, until the Bank Guarantee with the amount requested is filed and all other pending financial obligations have been arranged.
8. In case the Bank Guarantee is not restored or other pending financial obligations are not settled as specified above, the provisions of Article 7.2 concerning Exclusion will apply. The Monthly Interconnection Capacity if any that was allocated to the Auction Participant is considered by TRANSELECTRICA and ESO as capacity available for allocation in the Daily Auctions.
9. The Auction Participant is not relieved from its financial obligations to TRANSELECTRICA arising from its participation in the Auctions whereby PTRs were granted to the Auction Participant. TRANSELECTRICA will continue to issue invoices for the non-settled debts of the User.
10. In order to start participating again in the Auctions or Secondary Market held by TRANSELECTRICA the Auction Participant has to submit a new Bank Guarantee of at least equal amount with the Bank Guarantee in respect of which a demand for payment was made and with the same wording and expiration date as well as to settle and comply with all pending obligations arising from its participation in the Auctions.

## 25. Use it or Sell It (UIOSI)

### 25.1 General Principles

1. Physical Transmission Rights shall be subject to the *Use it or Sell It* (UIOSI) principle.
2. For each day, all non-nominated long-term (Yearly and Monthly) PTRs, if paid according to Article 11, are automatically considered in the ATC for the Daily Auction (see Daily Auction Rules), and they are refunded to the PTR holders, in accordance with Article 25.2.

### 25.2 Financial arrangements

1. The remuneration of the long-term PTR Holders for the non-nominated long-term PTRs is calculated as the difference between the long-term PTRs and the final nominations accepted by the relevant TSO multiplied by the Daily Auction Price at which that long-term PTR was reallocated for the concerned hourly period. Daily Auction Price is defined in the Daily Auction Rules between TRANSELECTRICA and ESO.
2. TRANSELECTRICA shall send a Settlement Notification for remuneration to PTR Holders (as per Appendix 11), concerning the PTRs which were not nominated and sold on the Daily Auctions and to the total amount of EUR to be remunerated, via the UIOSI principle, to the respective PTR Holder. This Settlement Notification is to be sent, at most, until the last calendar day of a month and will concern the PTRs and remuneration rights for the previous month to that in which it was sent.

After receiving the Settlement Notification and at most after five (5) working days, the respective PTR Holder shall issue an invoice to TRANSELECTRICA, regarding the owed amount, with a maturity date of ten (10) working days. At most at the due date of the respective invoice, TRANSELECTRICA will credit the bank account of the PTR Holder with the respective amount. Remuneration of the PTRs shall be done as far as TRANSELECTRICA has collected the respective amounts from ESO.

3. The Auction Participant will provide TRANSELECTRICA, via an official signed address, with a valid bank account in which the money will be paid to or to state if it prefers that the amounts to be paid in the bank account mentioned on the invoice that the Auction Participant issues to TRANSELECTRICA.
4. The Auction Participant is responsible for paying all bank fees which occur due to this remuneration of non-nominated long-term PTRs via the UIOSI principle.
5. In case of serious disturbance to the functioning of the IT System or devices used by the Daily Auction Office, the Daily Auction Rules apply accordingly.
6. If curtailment occurs due to network security reasons, in emergency situations or Force Majeure, the Daily Auction Rules will apply for the non-nominated PTRs.

**APPENDIX 1 - Registration Form****APPLICATION FOR REGISTRATION AS CROSS-BORDER AUCTION PARTICIPANT****Applicant's data**

Full name of the company:

Headquarters:

Certificate of registration tax (CUI/VAT number):

Chamber of Commerce Registration Number:

Share capital:

Contact details: telephone:

Fax:

E-mail:

Web page:

Applicant's license type:

License number:

IBAN / Bank Name and Branch:

*Applicant's legal representatives:*

Name:

Telephone:

Fax:

E-mail:

Name:

Telephone:

Fax:

E-mail:

*Contact persons:*

Name:

Telephone:

Cellphone:

Fax:

E-mail:

The solicitant declares that he has read the provisions of this procedure and of its APPENDIXES, as well as the regulations in force regarding the allocation of the interconnection capacities of the Romanian Power System and fully understands and accepts them.

Legal representative signature/stamp

**The Balancing Responsible Party assuming the balancing responsibility for the CBA participant for Romanian Auction Participant)**

Full name of the company:

Headquarters:

Telephone: fax:

E-mail: web page:

BRP Identification code:

BRP Statement on assuming the balancing responsibility for the CBA participant:

**APPENDIX 2 - Auction Procedure**

The Auction Office accepts all electronic Bids submitted through DAMAS platform which are received before the deadline - see article 8.1 for yearly auction and article 9.1 for monthly auction deadlines. In case of failure of the electronic platform DAMAS the auction will be postponed.

In case two or more delivered Bids offer the same price per MW for the auctioned capacities, the decisive criteria is the time stamp. Those Bids which came earlier will have priority.

If the total amount of the requested reservation of ATC is smaller than the ATC or equals the ATC, payment for congestion management procedure will amount to zero, i.e. each Auction Participant will receive the Reserved Capacity according to his Bid and free of charge at the border.

If the total amount of the requested reservations of ATC exceeds the ATC, the price for the reservation of capacities shall be determined by the Bid with the lowest price offer, accepted by the Auction Office in the allocation process of the auctioned ATC (Auction Price). If two or more delivered Bids offer the same price per MW and the same amount in MW and the requested reservation of ATC exceeds the ATC of reservation in the way that not all of the delivered Bids with same price per MW and the same amount in MW can be fully accepted, the offers will be listed by order of the time stamp and the offer that came earlier will be totally or partially accepted. Auction Price shall be determined by the Bid with the lowest price offer, fully or partially accepted by the Auction Office in the allocation process of the auctioned ATC.

This Auction Price shall be paid by all Auction Participants receiving a reservation of capacity. All Auction Participants receiving a reservation of capacity shall be deemed to have purchased the reservation of capacity.



**APPENDIX 3 - Scheduled dates of the Yearly Auction for the year 2016 (indicative)**

11.11.2015	<i>Publication of the Yearly ATC for year 2016</i>
18.11.2015	<i>Deadline of bidding for Yearly auction 2016</i>
19.11.2015	<i>Information of results of Yearly auction for 2016</i>

**APPENDIX 4 - Scheduled dates of the Monthly Auctions for the year 2016 (indicative)**

<b>Monthly Auction JANUARY 2016</b>	
03.12.2015	<i>Publication of the Monthly ATC for January</i>
09.12.2015	<i>Deadline for bidding monthly auction January</i>
10.12.2015	<i>Information of results of monthly auction January</i>
<b>Monthly Auction FEBRUARY 2016</b>	
07.01.2016	<i>Publication of the Monthly ATC for February</i>
14.01.2016	<i>Deadline for bidding monthly auction February</i>
15.01.2016	<i>Information of results of monthly auction February</i>
<b>Monthly Auction MARCH 2016</b>	
05.02.2016	<i>Publication of the Monthly ATC for March</i>
11.02.2016	<i>Deadline for bidding monthly auction March</i>
12.02.2016	<i>Information of results of monthly auction March</i>
<b>Monthly Auction APRIL 2016</b>	
04.03.2016	<i>Publication of the Monthly ATC for April</i>
10.03.2016	<i>Deadline for bidding monthly auction April</i>
11.03.2016	<i>Information of results of monthly auction April</i>
<b>Monthly Auction MAY 2016</b>	
06.04.2016	<i>Publication of the Monthly ATC for May</i>
12.04.2016	<i>Deadline for bidding monthly auction May</i>
13.04.2016	<i>Information of results of monthly auction May</i>
<b>Monthly Auction JUNE 2016</b>	
05.05.2016	<i>Publication of the Monthly ATC for June</i>
12.05.2016	<i>Deadline for bidding monthly auction June</i>
13.05.2016	<i>Information of results of monthly auction June</i>

<b>Monthly Auction JULY 2016</b>	
07.06.2016	<i>Publication of the Monthly ATC for July</i>
14.06.2016	<i>Deadline for bidding monthly auction July</i>
15.06.2016	<i>Information of results of monthly auction July</i>
<b>Monthly Auction AUGUST 2016</b>	
06.07.2016	<i>Publication of the Monthly ATC for August</i>
12.07.2016	<i>Deadline for bidding monthly auction August</i>
13.07.2016	<i>Information of results of monthly auction August</i>
<b>Monthly Auction SEPTEMBER 2016</b>	
05.08.2016	<i>Publication of the Monthly ATC for September</i>
11.08.2016	<i>Deadline for bidding monthly auction September</i>
12.08.2016	<i>Information of results of monthly auction September</i>
<b>Monthly Auction OCTOBER 2016</b>	
07.09.2016	<i>Publication of the Monthly ATC for October</i>
13.09.2016	<i>Deadline for bidding monthly auction October</i>
14.09.2016	<i>Information of results of monthly auction October</i>
<b>Monthly Auction NOVEMBER 2016</b>	
05.10.2016	<i>Publication of the Monthly ATC for November</i>
12.10.2016	<i>Deadline for bidding monthly auction November</i>
13.10.2016	<i>Information of results of monthly auction November</i>
<b>Monthly Auction DECEMBER 2016</b>	
04.11.2016	<i>Publication of the Monthly ATC for December</i>
10.11.2016	<i>Deadline for bidding monthly auction December</i>
11.11.2016	<i>Information of results of monthly auction December</i>

**APPENDIX 5 “1:1 Nomination”****1:1 - System notification**

	From	To
Period		

	TSO(A)	TSO(B)
Name of the company		
Address		
VAT No		
EIC code		
Company representative		
Telephone No.		
Fax No.		
E-mail		
Date		
Signature/Stamp		

**APPENDIX 6: Transfer Form****TRANSFER OF THE RIGHT OF USAGE FOR TRANSFER CAPACITIES**

	INITIAL OWNER OF THE RIGHT OVER TRANSFER CAPACITY	NEW OWNER OF THE RIGHT OVER TRANSFER CAPACITY
COMPANY NAME/NAME		
CONTACT PERSON		
PHONE		
FAX		
E-MAIL		
EIC CODE		
BORDER		
DIRECTION		
TRANSFERRED INTERCONNECTION CAPACITY [MW]		
TRANSFER PERIOD		
SIGNATURE AND STAMP		
DATE		

**APPENDIX 7 - National Romanian Holidays**

01.01.2016	New Yearø Day
02.01.2016	New Yearø Day
01.05.2016	Labor Day/ Easter day
02.05.2016	Easter Day
19.06.2016	Rusalii day
20.06.2016	Rusalii second day
15.08.2016	St Maria Day
30.11.2016	St Andrei Day
01.12.2016	Romanian National Day
25.12.2016	Christmas Day
26.12.2016	Christmas Day

**APPENDIX 8 – Contact List****TRANSELECTRICA****OPERATIONAL OFFICE (Scheduling, confirmation of capacity):**

Telephone: 004 021 303 5638  
Fax: 004 021 303 5699  
E-mail: [tsoplan@transelectrica.ro](mailto:tsoplan@transelectrica.ro)

**ANTON Mircea**

Tel.: 004 021 303 5678  
E-mail : [mircea.anton@transelectrica.ro](mailto:mircea.anton@transelectrica.ro)

**CONDOVICI Mihaela**

Tel.: 004 021 303 5854  
E-mail : [mihaela.condovici@transelectrica.ro](mailto:mihaela.condovici@transelectrica.ro)

**AUCTION OFFICE (Commercial Contact):****BUSCOVEANU Costel**

Tel: 004 021 303 5898  
E-mail: [costel.buscoveanu@transelectrica.ro](mailto:costel.buscoveanu@transelectrica.ro)

**NANIU Radu**

Tel: 004 021 303 5807  
E-mail: [radu.naniu@transelectrica.ro](mailto:radu.naniu@transelectrica.ro)

**AUCTION OFFICE****(Financial, contractual and commercial issues):**

Tel: 004 021 303 5963  
Fax: 004 021 303 5847  
E-mail : [contracte.alocare@transelectrica.ro](mailto:contracte.alocare@transelectrica.ro)

**APPENDIX 9: Bank Guarantee**

Payable on First Demand Noí .....í .. of Euro í í .....í .

To : CNTEE TRANSELECTRICA SA (TRANSELECTRICA)  
Blvd. General Gh. Magheru 33, s. 1, Bucharest  
Correspondence address: 2-4 Olteni street, s.3, Bucharest 030786

Sirs,

1. We hereby guarantee expressly, irrevocably, unconditionally and unreservedly, to your-selves (CNTEE TRANSELECTRICA SA hereinafter called TRANSELECTRICA), waiving all rights of objection and division and excussion (beneficium excussionis) for our part only, the full and prompt payment to you by the company with the name í í í í í í í í í í í . , the registered office of which are at í í í í í í í í í ..... (hereinafter called the Client), with tax registration number í í í í í í .....í ., free of any set off or counterclaim of up to euro [í í í .....*at least 20.000 euros*], which we undertake to pay to you (TRANSELECTRICA) immediately on demand being made by you, in the event of a failure by our Client to perform any of its obligations under the terms described in the Access Rules to Romania-Bulgaria Interconnection (Auction Rules to the Agreement between ESO and TRANSELECTRICA) for the year 2016 (hereinafter called the Auction Rules), mutually agreed by the Bulgarian and Romanian Transmission System Operators and published on their respective websites, copies of which were delivered to us, and by this present we confirm receipt, independently of the validity of the legal effects of the Statement of Acceptance, signed by our Client in accordance with the Auction Rules.
2. We agree as an independent and primary obligation to indemnify and keep indemnified yourselves for all losses, liabilities, costs and expenses incurred as a result of (1) the Client's failure to perform or discharge any of its payment obligations when due and (2) the unenforceability, invalidity or illegality of any of the Client's payment obligations in respect of the Auction Rules not exceeding in total the amount of [í .....í í *at least 20.000 euros*]. We agree as an independent and primary obligation to pay within 3 business days of demand by yourselves any amounts due in respect of the Auction Rules, not exceeding euro [í í .....í *at least 20.000 euros*]. Any amount due under this paragraph will be recoverable from ourselves as though the obligation had been incurred by us as sole or principal debtor.
3. This guarantee and indemnity is valid until such time as our Client honors in full all its obligations arising under the Auction Rules as regards our Client's participation, as described in the Auction Rules, until the thirty first (31<sup>st</sup>) day of January 2017.
4. We hereby promise and undertake to pay immediately to you (TRANSELECTRICA) upon receipt of your simple written demand, without contesting it or raising any objections, set off, or counter-claim, whatsoever, any amount up to the maximum of (SAY : \_\_\_\_\_), and which you have determined is owed to you (TRANSELECTRICA), in the event of any failure by our Client to perform all or any of its obligations under the Auction Rules.
5. TRANSELECTRICA's written demand for payment for the purpose of authentication must be presented to the Bank through the intermediary of .....(Bank of



TRANSELECTRICA) confirming that the signatures on it are legally binding upon TRANSELECTRICA. If in this respect, .....(Bank of TRANSELECTRICA) will make use of tested telex or swift, it will have to transmit in any case the full wording of TRANSELECTRICA's demand for payment and to confirm at the same time that the originals of these documents have been forwarded to us by special courier service.

6. Your decision shall be obligatory for ourselves and we hereby undertake to pay immediately on your demand, any stipulated sum or sums not exceeding the aggregate amount of (SAY \_\_\_\_\_), free from interest, costs and ancillary charges, or set off or counterclaim, as per your instructions, without demanding our Client's authorization, consent or any other action, and without having the right to take into consideration any opposition, objection or exception raised by our Client.
7. This present guarantee and indemnity is valid until its expiration date, namely 31.01.2017, at which point it shall lapse but without prejudice to our obligations hereunder in respect of any liability to yourselves incurred prior to that date which shall remain in full force and effect until discharged in full.
8. Modification or termination of factual or legal relations or links that may exist between us and our Client, will not release us from the present guarantee. Our obligations arising by this present guarantee and indemnity will remain valid and we will not be released from our obligations arising from this guarantee and indemnity if our Client is declared bankrupt, or is in liquidation or is dissolved, or in case of compulsory administration or any other relevant procedure or if our Client is granted any benefits or sets off any claim against you (TRANSELECTRICA). All the provisions of the present guarantee and indemnity will retain their full effect, irrespective of any change in the financial or legal status of our Client.
9. The present guarantee and indemnity and all matters arising from it are subject to Romanian law. Any dispute arising out of or in connection with this guarantee shall be submitted for judgment to the competent court of Bucharest, Romania.
10. In case of demand for payment being made under this guarantee and indemnity, if the amount payable by us is subject to any government taxes or fees, these are to be paid by our Client and failing which by ourselves. Reasonable and duly justified costs relative to the present guarantee will be borne by our Client.
11. By this present we hereby declare that the amount of the present guarantee does not exceed the limit set by the law for our bank.

IN WITNESS WHEREOF the present guarantee was signed on    í í í í í .. 20...

Issuer's signature.....

(Authorised signatures of the bank) (Name of the Bank)

**NOTE: As a payment guarantee TRANSELECTRICA accepts the above mentioned wording. If the Bank wants meaningful changes in the text, you have to approve it first with TRANSELECTRICA.**

**APPENDIX 10 : Bank Account of TRANSELECTRICA (for authorisation of exercising the Bank guarantee /cash deposit according to ART. 24)**

<b>Beneficiary</b>	<b>CNTEE TRANSELECTRICA SA</b>
<b>BANK</b>	
<b>IBAN</b>	
<b>SWIFT</b>	

**APPENDIX 11** ó Settlement Notification for remuneration to PTR Holders**Settlement Notification – UIOSI remuneration**

Ref. No.:  
Addressee: Sender:  
EIC-Code: Fax number:  
Trade name: Phone number:  
Fax number: Pages:

**Date:****Subject:** Settlement Notification for remuneration via UIOSI principle for the month of ..... 2016

Dear Mr. XY,

Please be informed that the collected values for your non-nominated PTRs that were sold on the Daily Auction, for the month of í í . , year 2016, are the following:

Auction Participant Name	EIC Code	Border Direction	Hours	Non Nominated PTR sold(MW)	Curtailed PTR (MW)	Total sum (EUR)

Sincerely Yours,

Name

Position