

Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones

Of

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and of

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-hereinafter “**ESO**”-

(“Daily Allocation Rules”)

for 2021

(APPENDIX./1 of the „AGREEMENT“)

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1. Definitions / Terms

Terms used herein and not otherwise defined herein shall have the meanings given such terms as follows:

Allocation Office (Daily Allocation Office): the entity executing the daily auction procedures and is commissioned by TRANSELECTRICA.

Auction Price: the price in EUR to be paid by *Registered Participants* for each MW and hour receiving daily PTRs in case the total amount of the requested reservation of network Capacity exceeds the daily ATC.

Available Transfer Capacity for Daily Auction (daily ATC): the part of the NTC that remains available, after each phase of the allocation procedure, considering the preserved capacity from the monthly ATC for daily allocation and the netting process, for further commercial activity and which shall be offered in the daily auction procedures.

Bid: an offer submitted during an auction by a *Registered Participant* to purchase rights to use capacity pursuant to and in compliance with these *Daily Allocation Rules*; such an offer consists of two values per product (capacity per direction): a *Capacity* in MW and a *Bid Price* in euros per MW/h.

Bid Price: the highest price which a *Registered Participant* is willing to pay for 1 MW of *Capacity*. He must be prepared to pay this Bid Price.

Bidding Zone: the largest geographical area within which market participants are able to exchange energy without allocation of *Capacity*.

Business Day: every calendar day.

BRP (Balance Responsible Party): a market participant recognized by TSOs as nomination validators for the nomination of *PTRs*. 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 responsibility contract and on the ESO side, with a valid and effective system usage contract.

PTRs Holder: *Registered Participant* which has obtained *PTRs* in an Auction.

Cross Zonal Capacity (“Capacity”): the capability of the interconnected system to accommodate energy transfer between *Bidding Zones*.

Cut Off Time (“COT”): specified time providing a deadline for TSOs’ final matching of mismatching *Schedules* submitted by market parties by GCT.

CNTEE TRANSELECTRICA SA (“TRANSELECTRICA”): The 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–3. TRANSELECTRICA is responsible for handling the daily auction procedures and operates on behalf of ESO and TRANSELECTRICA.

Curtailement: the reduction of PTRs by the *Allocation Office* (based on the request of ESO and/or TRANSELECTRICA) in respect of the *Registered Participants*. *Curtailement of PTRs* shall only be used in case of *Emergency Situation/Force Majeure* when a 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.

Daily Allocation Rules: the regulations set out in this document applicable to the allocation of the reservation of Capacities at the transmission *Interconnection* between the *Bidding Zones* of TRANSELECTRICA and ESO.

Day Ahead Firmness Deadline (DAFD): the point in time after which *Cross Zonal Capacity* becomes firm. For the Border Romania-Bulgaria it is 10:00 (CET) unless otherwise specified in accordance with the process described in Article 69 of the Commission Regulation (EU) No. 2015/1222.

EIC-Code: Energy identification code serving to clear the identification of Registered Participants in a cross-border trade (see <http://www.entsoe.eu/resources/edi/library/eic/cds/area.htm>).

Emergency Situation – the situation referred by Article 16 of Regulation (EU) 2019/943 where a TSO must act in an expeditious manner and Redispatching or Countertrading is not possible.

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

ESO-ELEKTROENERGIEN SYSTEMEN OPERATOR EAD (“ESO”): The Bulgarian Transmission System Operator with registered office at 201, Tsar Boris III Blvd., 1618, Sofia, Bulgaria.

EU-Regulation: the Regulation (EU) 2019/943 of the European Parliament and the Council of 5 June 2019, on the internal market for electricity and also Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU.

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

Gate-Closure Time (“GCT”): a specified time providing a deadline for submission of schedules by *Registered Participant* or a deadline for submission of *Schedules* for matching purposes. The GCT is related to the timestamp of reception.

Interconnection: the interconnector as defined in Article 2 of Regulation (EU) 2019/943.

Market Spread: the difference between the hourly day-ahead prices of the two concerned *Bidding Zones* for the respective market time unit in a specific direction.

Net Transfer Capacity (“NTC”): the maximum exchange program between two *Bidding Zones* 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.

Registered Participant (further market participant): means a market participant which has entered into a Cross Border Capacity Allocation Contract with the Allocation Office. The *Registered Participants* have to complete and sign a Registration Form (ANNEX 1) for participation in long term auctions confirmed by TRANSELECTRICA and must have concluded Cross Border Capacity Allocation Contract with TRANSELECTRICA. The model of Cross Border Capacity Allocation Contract can be accessed on website: www.transelectrica.ro.

Schedules: the notification of the use of Daily *Cross Zonal Capacity* by a *Physical Transmission Rights* holder and, where applicable, by their counterparty, to the respective Transmission System Operators.

Transfer: the changing of the ownership of *PTRs* obtained in the course of yearly and monthly auctions between *Registered Participants*.

Working Day: every day of the week except Saturday, Sunday and Public Romanian Holidays (see ANNEX 3).

2. General Rules for the Auctioning of the Reservation of ATC on the ESO - TRANSELECTRICA Interconnection

The following provisions shall in general apply to daily auctions:

A) Scope of the Daily Allocation Rules

1. 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 *Daily Allocation Rules* are construed in accordance with the regulations set out by European law, in particular by the *EU-Regulation* and Romanian law as well as these set by Romanian and Bulgarian Regulatory Authorities. In order to correspond with these legal requirements the auction covers the reservation of the ATC. The auctioning of the reservation of the ATC aims at providing a transparent method of congestion management.
2. This document contains the terms and conditions for the auctioning of the reservation of ATC at the *Interconnection* that is jointly offered by ESO and TRANSELECTRICA. TRANSELECTRICA will carry out the auctions of the *daily ATC* both for the Romanian and for the Bulgarian side.
3. Auctions for *daily ATC* will be held in order to ensure that reservations of ATC will be valid for each side of the *Interconnection*. Auctions for *daily ATC* will be held by TRANSELECTRICA. The auctions for the *daily ATC* will start on the 31st December with the publication of *daily ATC* for the 1st January.
4. TRANSELECTRICA and ESO will fully accept the result of the individual auction procedures held by the other party provided these procedures are consistent with the terms and conditions of the *Daily Allocation Rules* and will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access and applicable market rules.
5. The *Daily Allocation Rules* only deal with the reservation of *daily ATC* at the *Interconnection*. The auction of the reservation of *daily ATC* and the financial settlement of the reservation of *daily ATC* purchased via an auction do not include network usage fees, such as, but not limited to, access fees, transmission fees, resulting from the access to the network (on the Bulgarian side).

B) General Provisions

6. The *daily ATC* is determined by ESO and TRANSELECTRICA in accordance with the applicable technical rules, particularly in accordance with the applicable rules published by the ENTSO-E, applicable laws and regulations in a transparent and non-discriminatory way. The *daily ATC* is published according to the regulations set out in the *Daily Allocation Rules*.

7. The *daily ATC* is offered for reservation by TRANSELECTRICA through the use of the internet-based auction hold on DAMAS system, on the website of TRANSELECTRICA <https://www.markets.transelectrica.ro/>. The “Capacity User Guide Manual” document contains detailed information for using the DAMAS system. This document and the “Daily Allocation Rules” are published on the website of TRANSELECTRICA (www.transelectrica.ro).
8. If the “Capacity User Guide Manual” conflicts with the “*Daily Allocation Rules*”, the “*Daily Allocation Rules*” shall prevail.
9. The *Registered Participants* will be informed in due time in the DAMAS system about the *daily ATC* for the daily auction procedure.
10. The purchased *PTRs* or *PTRs* corresponding to submitted Schedules can be curtailed as described in Chapter I of Section 3.
11. Each purchase of *PTRs* made pursuant to the *Daily Allocation Rules* shall be deemed to constitute a contract between TRANSELECTRICA on the one hand and the *Registered Participant* on the other hand. With the purchase of *PTRs*, the *Registered Participant* assumes the rights and the duties set out in these *Daily Allocation Rules*, especially the full payment of the *Auction Price* in due time.
12. With the delivery of a bid the *Registered Participant* shall be obliged to pay the *Auction Price* for the *PTRs*, independent of network usage fees, such as, but not limited to, access fees, transmission fees, resulting from the access to the network (on the Bulgarian side). The *Registered Participants* shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claims of TRANSELECTRICA and/or ESO, whether or not arising out of an auction.
13. Furthermore, with the delivery of a bid the *Registered Participant* accepts the auction regulations set out in the *Daily Allocation Rules* and submits to the *Daily Allocation Rules* without any reservation. If the *Registered Participant* does not submit to the *Daily Allocation Rules*, the *Registered Participant* shall be expressly barred from the participation in the auction process and the bids shall not be accepted by the *Daily Allocation Office*.
14. By notification of the Auction result the *Registered Participant* obtains the guarantee of TRANSELECTRICA and ESO that by settlement of the payment (in accordance with the *Daily Allocation Rules*) *PTRs* shall be allocated in accordance with notified auction results with the exception of *Emergency Situations*, including *Force Majeure*.
15. 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 *Allocation Office* reserves the right to introduce such restrictions in the course of the year.

16. TRANSELECTRICA and ESO reserve the right to amend and/or adapt the *Daily Allocation Rules*. The actual version of the *Daily Allocation Rules* will be published on the website of TRANSELECTRICA (www.transelectrica.ro) as well as on the website of ESO (www.eso.bg) minimum 15 days before coming into force. By the delivery of a bid after the amendments and/or the adaptations being published, the *Registered Participant* submits to the new version of the *Daily Allocation Rules*.

C) Liability

17. TRANSELECTRICA and/or ESO shall only be liable for any damage caused by willful misconduct or gross negligence. Claims for such damages arising out of the *Daily Allocation Rules* are limited to the damages typical and foreseeable, unless TRANSELECTRICA and/or ESO have acted wilfully 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 damages of any kind. In any case the liability of TRANSELECTRICA and/or ESO for damages arising out or related to the *Daily Allocation Rules* shall be limited to € 5 000, in total.
18. TRANSELECTRICA and ESO undertake to carry out the provisions set out in the *Daily Allocation Rules* with the diligence of a careful businessman and control area manager in compliance with the applicable regulations set out by European law, respectively by the *EU-Regulation*, Romanian and Bulgarian law and by the Romanian and Bulgarian Regulatory Authorities.

D) Eligibility Requirements for participation in the Auctions

19. A precondition for participation in auctions for cross-border capacities is successful registration in the register of the *Allocation Office*.
20. In order to be included in the register of TRANSELECTRICA a legal entity has to fulfil the following requirements under the Romanian legislation:
- Must have a registered EIC code;
 - To be registered at the Bulgarian/Romanian power market following the market rules for electricity trading;
 - To have concluded contracts for transmission and for access to the network and to have effected and submitted the required guarantees under these contracts (only for the traders registered in the Bulgarian power market);
 - To be a company which is not under bankruptcy or liquidation proceedings;
 - To be a company without any outstanding debts to ESO and/or Transelectrica.
21. TRANSELECTRICA publishes on the *Allocation Office* website the list of *Registered Participant* who are eligible to apply for auction participation according to the requirements as per Article 20. Any objections against the list shall be submitted in written form or electronically to TRANSELECTRICA.

22. Without prejudice to the stated above the relevant *Allocation Office* has the right to ban access to the auctions to *Registered Participants* regardless of their register notification under section E) and F) in case there is enough evidence that at the time of an auction proceeding the *Registered Participant* does not meet the auction participation requirements.

E) Registration Procedure

23. By submitting the duly signed and completed Registration Form (ANNEX 1) to the *Allocation Office*, the market participant confirms that it has read, understood and accepted the present *Daily Allocation Rules* and that it will follow any and all instructions given by the *Allocation Office*, TRANSELECTRICA and/or ESO.
24. By signing and submitting the Registration Form to the *Allocation Office*, the market participant authorizes the *Allocation Office* to verify the market participant's respective statements. The market participant shall be informed about the admission or rejection within four (4) *Working Days* after receiving the Registration Form. In case of rejection of its registration request, the *Allocation Office* shall inform the market participant on the reasons for rejection.
25. After the admission, the market participant will sign the Cross Border Capacity Allocation Contract (model is on the TRANSELECTRICA's website: www.transelectrica.ro) with TRANSELECTRICA and after that it shall become *Registered Participant* and will be added in the *Allocation Office* "Register of Participants". This document shall be published on the *Allocation Office* website and will be updated when necessary.
26. Subject to all existing requirements being fulfilled, the original countersigned copy of the Cross Border Capacity Allocation Contract will be sent to the *Registered Participant*. To access the *Capacity* auction system "DAMAS", the *Registered Participant* shall apply for a token and/or for a password and a user ID. The password and user ID shall be received personally or through authorized person from Transelectrica.
27. 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 *Registered Participant*). Responsibility for all transactions authorized using the password shall be borne by the *Registered Participant*.

F) Update of Register

28. The requirements for participation set forth in these *Daily Allocation Rules* must be fulfilled at all times when participating in daily auction proceedings. As a consequence, the *Registered Participant* shall promptly inform the *Allocation Office* in writing of any changes affecting fulfillment of the requirements concerned.

29. Changes concerning the *Registered Participants* the statements set forth in the Registration Form submitted by the *Registered Participant* shall be notified to the Allocation Office in writing, as soon as the change is known by the *Registered Participant*.
30. If the *Registered Participant* does not wish to participate in any further auctions, he may submit a written request for deregistration to the *Allocation Office*. The request will be accepted on condition that:
 1. the *Registered Participant* no longer possesses any *PTRs* awarded in daily auctions and
 2. the *Registered Participant* has fulfilled all its obligations towards ESO and/or TRANSELECTRICA.
31. *Registered Participants* who have been deregistered may apply for readmission by completing the registration.
32. If the *Registered Participant*, in any manner:
 - a) infringes these *Daily Allocation Rules*,
 - b) declares bankruptcy,
 - c) is in default of any payment to TRANSELECTRICA or ESO.then the *Registered Participant* can be excluded from further daily auctions by the *Allocation Office* without delay. The ban shall promptly be notified to the *Registered Participant* by facsimile transmission or e-mail and by registered mail (with acknowledgement of receipt) and shall be in effect on the date of acknowledgement of receipt or on the date specified in the notification, if any. Exclusion does not free the *Registered Participant* from its payment obligations, so the *Registered Participant* shall be obligated to pay for already invoiced *PTRs*.
33. The *Registered Participant* shall be obligated to pay any remaining invoices or claims of TRANSELECTRICA within a period of five (5) *Working Days* after notification of its exclusion by the *Allocation Office*.
34. When the *Registered Participant* is excluded from the daily auctions, he loses any rights to take part in the daily *Capacity* auctions and also loses the right to nominate cross-border *Schedules*.
35. When the *Registered Participant* is excluded from the Long-Term Allocation (according to the Harmonised Allocation Rules for Long-term Transmission Rights and the Regional Specific Annex for CCR SEE performed by JAO – Join Allocation Office), he loses any rights over paid yearly and monthly *PTRs* and also loses the right to nominate yearly and monthly cross-border *Schedules*.
36. *Registered Participants* who have been excluded by the *Allocation Office* may apply for new registration after paying any remaining debts to TRANSELECTRICA and ESO.

G) Exceptional circumstances

37. Exceptional circumstances shall be serious disturbance to the functioning of the IT System(s) or devices used by the *Allocation Office*. Exceptional circumstances may be the reason for changing, cancelling or suspending an Auction. In case of exceptional circumstances the *Daily Allocation Office* shall inform all *Registered Participants* via telephone, fax or e-mail of the cancellation of the relevant auction(s), if possible. The TSOs will also publish information on their websites, if available. In cases where auctions are cancelled all *Bids* already submitted to the *Allocation Office* are deemed as invalid.

H) Miscellaneous

38. If any part or provision of the Daily Allocation Rules and/or its ANNEXES 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.

I) Place of Jurisdiction, Applicable Law, and Place of Performance

39. These *Daily Allocation Rules* shall be governed by and construed in accordance with Romanian law as well as by EU law and Regulation (EU) 2019/943. For the avoidance of doubt, the application of the UN Convention on the International Sale of Goods shall be excluded.
40. In case any dispute or differences arise from the *Daily Allocation Rules* and its ANNEXES or their violation, termination or becoming null or void, the parties concerned shall endeavour to reach an amicable settlement. The claimant is obliged to describe and present its claim in detail including the identification of the respective article/paragraph of the *Daily Allocation Rules*. However, in the event that such a settlement is not reached within thirty (30) days of first notification of the reason for the disputes, then all disputes arising in connection with the *Daily Allocation Rules* shall be resolved by the competent court. The place of jurisdiction for all disputes, arising from the auction processes, concerning the daily auctions, shall be the competent court at the registered seat of the *Allocation Office*.
41. To avoid any doubt, all disputes arising from these *Daily Allocation Rules* shall be settled according to the provision of Article 39 and Article 40. The application of clauses of any other contract concluded by the *Allocation Office* and a *Registered Participant* (e.g contract for transmission or access to the networks, etc.) shall be excluded.
42. The place of performance of all obligations of the *Registered Participants* resulting from the daily auctions held in accordance with these *Daily Allocation Rules* and its ANNEXES shall be the registered seat of the *Allocation Office*.

J) Contestation of Auction results

43. The *Registered Participants* may contest the Auction results within 1 (one) hour after the publication of the Daily Auction results, by sending a fax message to the *Allocation Office* containing the following information:
- identification of contested Auction;
 - identification of the *Registered Participant*;
 - name, e-mail address and telephone number of the *Registered Participant*;
 - detailed description of the facts and the reason for contestation; and
 - evidence of erroneous Auction results.
44. If a *Registered Participant* does not contest the Auction results within the deadline, the *Registered Participant* loses the right to contest.

3. Specific Rules for the Daily Allocation of the Reservation of Transmission Capacities on the ESO-TRANSELECTRICA Transmission Border (“Daily Allocation Rules”)

45. The Allocation of the reservation of the *daily ATC* at *Interconnection* points from TRANSELECTRICA and ESO will be organized and executed electronically by TRANSELECTRICA via DAMAS system.
46. The rules and regulations for the daily auctions are principally laid down in these Daily Allocation Rules and specifically in the “DAMAS User Guide Manual” published on the website of TRANSELECTRICA (www.transelectrica.ro).
47. By accessing the daily auction the *Registered Participant* shall be obliged to accept the regulations set out in the Daily Allocation Rules and in the “DAMAS User Guide Manual” published on the website of TRANSELECTRICA (www.transelectrica.ro) without any reservation.
48. With the entering of a bid into the daily auction the *Registered Participant* shall be obliged to pay the *Auction Price* for the obtained *PTRs*, independent of the actual use and other network usage fees, such as, but not limited to, access fees, transmission fees, resulting from the access to the network(on the Bulgarian side). The *Registered Participants* shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claims of TRANSELECTRICA and/or ESO, whether or not arising out of an auction.

49. TRANSELECTRICA and ESO reserve the right to change operationally a *Business Day* regime – i.e. time closures in reasonable cases, especially in case of technical problems, upon a public notification done with sufficient time in advance, including a brief description of the reasons.
50. TRANSELECTRICA and ESO reserve the right to amend and/or adapt the *Daily Allocation Rules* and TRANSELECTRICA reserve the right to adapt the “DAMAS User Guide Manual”. The actual version of the *Daily Allocation Rules* will be published on the website of TRANSELECTRICA (www.transelectrica.ro) and on the website of ESO (www.eso.bg) as well. The actual version of the “DAMAS User Guide Manual” will be published on the website of TRANSELECTRICA (www.transelectrica.ro). By accessing the daily auction after the amendments and/or adaptations being published, the *Registered Participant* submits to the valid version of the *Daily Allocation Rules* and/or the “DAMAS User Guide Manual”.
51. Daily auctions will be held from Monday to Sunday (seven days a week) without any regards to the holidays in Bulgaria and Romania.
52. Separate auctions shall be held for the reservation of Capacity in each of both directions.
53. ATC values are published by 08:55 AM (CET) in day D-1 for day D.
54. Each *Registered Participant* shall deliver his bids in the period starting from 9:00 AM (CET) until 09:45 AM (CET) in day D-1 for day D in the DAMAS System.
55. The bids shall be binding until the end of the auction and cannot be modified after deadline for delivery (9:45 AM (CET) in day D-1 for day D).

A) DAMAS System

56. The DAMAS system is an electronic web-based trade portal operated by TRANSELECTRICA. The address of the website of DAMAS is: <https://www.markets.transelectrica.ro/>. TRANSELECTRICA and/or ESO shall not be liable for an interrupted provision of the DAMAS system.
57. To access DAMAS the *Registered Participant* shall apply for a user name and password.
58. The security, technical and operational support concerning the DAMAS system and the website of DAMAS, particularly the “DAMAS User Guide Manual”, are provided by TRANSELECTRICA. TRANSELECTRICA executes and administrates the daily auctions in correct, non-discriminatory and transparent manner in compliance with applicable national and European laws and/or regulatory requirements.
59. If the DAMAS system and/or the website of TRANSELECTRICA is interrupted and/or suspended the allocation of *daily ATC* will be cancelled. All relevant users of the DAMAS

system will be informed immediately of the interruption and/or suspension of the DAMAS system and/or the website of TRANSELECTRICA.

60. The whole communication with the DAMAS system will be archived. Each message from the DAMAS system is attached by a time stamp, both messages leaving the DAMAS system or messages received by the DAMAS system. The time stamp used is the time system from the DAMAS system.

B) Capacities

61. The *daily ATC* will be published and offered for reservation for each hour of a day for each transmission direction separately.
62. When determining the *daily ATC* the following will be taken into account:
- Monthly *PTRs* that have not been allocated in the monthly auction in the previous auctions;
 - Yearly and/or monthly *PTRs* already allocated, which had to be withdrawn from the *Registered Participant* according to Long-term Allocation Rules;
 - Yearly and monthly *PTRs* which were allocated and have not been nominated to TRANSELECTRICA and ESO through long term nomination process by 08:00 (CET) for the following day;
 - The preserved *Capacity* from the monthly ATC which is calculated as the difference between the total monthly ATC of each subperiod and 80% of the smallest ATC from all subperiods of the respective month (see Methodology for Splitting Monthly Cross Zonal Capacity on Romania-Bulgaria Cross Border);
 - Netting effects based on nominations in the respective counter direction.
63. The *daily ATC* for reservation via daily auctions will be published, in the DAMAS system, daily by 8:55 AM (CET).

C) Bids Submission

64. In order to participate in the daily auction procedure, bids shall be submitted to the DAMAS system in accordance with the “DAMAS User Guide Manual” document.
65. Bids are submitted by the *Registered Participant* according to the requirements stipulated in these Daily Allocation Rules.
66. Each *Registered Participant* may submit a maximum of 10 *Bids*.

67. The total amount of the transmission capacities in the *Bids* for a given Auction shall not exceed the ATC.
68. Each *Registered Participant* bidding in the DAMAS system may submit a new version of the *Bid* file, until the deadline for submission of *Bid*. In this case (submission of multiple subsequent *Bid* files by the same *Registered Participant*), the most recent *Bid* file with respect to the corresponding deadline is considered for acceptance by TRANSELECTRICA.
69. Each *Bid* concerns *Interconnection Capacity* in units of 1 (one) MW with a minimum of 1 (one) unit and a maximum equal to the ATC over the *Interconnections* for each period of time.
70. Each *Bid* has to contain the following unambiguous and legible specifications:
 - The value of the *Bid* in €/MWh (maximum two decimals);
 - The amount in the *Bids* are integer quantity (MW), with minimum 1 MW of the required *Interconnection Capacity*;
 - The *Bid* (the most recent *Bid* in case of multiple subsequent *Bid* files) is unconditional and irrevocable;
 - The *Bid Price* shall be more than 0.00 €/MW.
71. In case a *Bid* does not fully comply with the above rules, it is considered unacceptable and it is rejected during the Auction clearing process.
72. All *Bids* shall be submitted in conformity with the requirements for access to the DAMAS system and the Capacity User Guide Manual.

D) Auction Procedure and calculation of the results

73. The results of each Auction are determined for the respective *Interconnection* and direction for each hour as follows:
 - a. The acceptable *Bids* for *Capacity* are classified by descending order of *Bids* prices. The *Bids* are summed in the order defined by the above classification.
 - b. If the above sum is equal to or less than the amount of the *Interconnection Capacity* offered for the Auction at the respective *Interconnection*, the clearing price is equal to zero.
 - c. If the above sum exceeds the *daily ATC* for the Auction in question, then the *Bid(s)* with the highest price for *Capacity* in an amount that does not exceed the *daily ATC* is (are) accepted. The remaining *Capacity* is awarded to the bidder(s) which has (have) submitted the next highest price *Bid(s)* for *Capacity* (next entrance in the classification) in an

amount that does not exceed the remaining *Capacity*; and so on for the *Capacity* remaining after that.

- d. In case two or more bidders have submitted *Bids* with the same price that qualify according to the provision of paragraph (c) and which relate to the *Capacity* in an amount that exceeds the offered or the remaining *Capacity*, the offered or the remaining *Capacity* will be awarded fully or partially, based on the submission time stamp of the *Bids*. The *Bids* will be listed by order of the time stamp and the offer that came earlier will have priority.
- e. *Capacity* is provided at the price of the last MW that is served due to insufficient auctioned *Capacity* (clearing price) which is the marginal price on the congested *Interconnection*. The clearing price shall be paid by all bidders that have been awarded *Capacity* for the respective direction.

E) Publication and Notification of the Results of an Auction

74. The *Allocation Office* will publish the final results of the daily auction procedure daily by 10:00 AM (CET) in the DAMAS system.
75. The following information in the auction results will be available:
 - Requested *Capacity*;
 - Awarded *Capacity*;
 - Auction price;
 - Number of *Registered Participants*;
 - Awarded companies.

F) Use of PTRs

76. General grid access for the use of *PTRs* is not covered by the scope of the *Daily Allocation Rules* unless otherwise stipulated in the applicable national regulations.
77. 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 *Bidding Zone* and applicable market rules of TRANSELECTRICA and ESO.
78. Upon *PTRs* award in the course of an auction, TRANSELECTRICA and ESO commit themselves to ensure that the *PTRs* are operationally feasible for the *Registered Participant* solely at the *Interconnection* with the exception of *Emergency Situations*, including *Force Majeure*.

79. The use of *PTRs* operates via the delivery of fixed and binding daily schedules (*PTR* nominations) to TRANSELECTRICA and ESO in compliance with the legal requirements of grid access in each *Bidding Zone* and applicable market rules of TRANSELECTRICA and ESO respecting the principle “M:N” schedule nomination.
80. “M:N” schedule nomination means the nomination of schedules by using *PTRs* and could be realized in one or more cross-border electricity exchanges in one direction with several cross-border partners, which are BRPs in the respective *Bidding Zones*.
81. The daily schedules for the following day must be received until Gate-Closure Time (GCT). The GCT is 14:30 (CET) in D-1 for day D.
82. TRANSELECTRICA and ESO perform the matching of delivered individual fixed daily schedules on common border. Modification of mismatching daily *Schedules* is possible until Cut-Off Time (COT) for short term matching process at 15:00 (CET). Modifications of these schedules after this time are prohibited.
83. If there is still a mismatch, TRANSELECTRICA and ESO will modify the delivered daily schedules in accordance with the following rules:
 - when the value is different but the direction is the same, the lower value is considered;
 - when there is missing exclusive cross-border partner or the directions are not correct, zero values are taken into account.
84. At the Cut-Off Time for matching process gate the fixed daily schedules will be fully accepted, partially accepted or rejected in accordance with the matching result.
85. TRANSELECTRICA and ESO set the following prerequisites for using *PTRs* and for using their transmission networks:
 - a. On TRANSELECTRICA side – to be BRP or to be part of existing BRP on TRANSELECTRICA side.
 - b. On ESO side – to be BRP on ESO side.
86. The payment determined in the auction covers only the right for reservation of the *daily ATC* at the bottleneck. Network usage fees, such as, but not limited to, access fees, transmission fees, resulting from the access to the network will be charged independent from the payment of the *Auction Price*.(only on the Bulgarian side).

G) Transfer of Daily PTRs

87. *Physical Transmission Rights* allocated in Auction shall be subject to the Use it or Lose It principle and cannot be transferred.

H) Accounting, Losing of PTRs and Exclusion of Participating in Daily Auction Procedures

88. Within 5 (five) *Working Days* after the performance of the last daily auction for a calendar month, TRANSELECTRICA shall issue to each *PTRs* Holder invoices with the amounts due for daily *PTRs* allocated in the timeframe of the month. TRANSELECTRICA will send the issued invoice to the *Registered Participant* by e-mail.
89. The *PTRs* Holder shall pay to TRANSELECTRICA the sum as per the invoice within the due date specified in the invoice, namely 5 (five) *Working Days* after the date when the invoice was sent.
90. In case a payment is not settled in due time, the *PTRs* Holder shall pay to TRANSELECTRICA in addition to the main payment also an interest for the due amount, according to the invoice, and TRANSELECTRICA as *Allocation Office* shall suspend the *PTR Holder* from the right to participate in the Auctions and from the right to nominate *PTRs* up to the payment of the due amounts.
91. When the *PTRs Holder* is suspended from the Daily auctions, he loses any rights to take part in the Monthly and Yearly Auctions.
92. When the *Registered Participant* is excluded from the Daily Allocation he loses any rights over paid yearly and monthly *PTRs* and also loses the right to nominate yearly and monthly *PTRs*.
93. In case of delayed payment the *Allocation Office* is entitled to charge default rates on a due amount for each day of delay. The default interest rate is calculated daily on the basis of yearly amount of the Effective Base Rate of the National Bank of Romania. Effective Base Rate is defined as the interest rate of the National Bank of Romania. Its value is specified and published on website www.bnr.ro by the National Bank of Romania.

I) Curtailment

94. In all cases *PTRs' Curtailment* shall be carried out by the *Allocation Office* based on a request by one or both TSO(s) at the Bidding Zone border where daily *Physical Transmission Rights* have been allocated.
95. TSO which requests the *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.
96. Before *COT* for the daily matching process, the Curtailment of *PTRs* may be applied in Emergency Situations when TSOs must act in an expeditious manner and Redispatching or Countertrading is not possible or in situation of *Force Majeure*.

97. The reduction of *Schedules* (nominated *PTRs*) may be applied after *COT* for the daily schedules matching process only in *Emergency Situations* when TSOs must act in an expeditious manner and Redispatching or Countertrading is not possible or in situation of *Force Majeure*.
98. *PTRs Curtailment* and/or reduction of submitted schedules shall be done in a non-discriminatory manner, meaning that daily *PTRs* (including submitted schedules) shall be curtailed/reduced in the same way as Yearly and Monthly *PTRs*/submitted *Schedules*.
99. In case of *Curtailment*, the *Registered Participant* will be reimbursed or compensated according to the rules given as follows:

I.1. Curtailment before the Cut-Off Time (COT) for the short time matching process

100. Before the *COT* for the matching process, the *PTRs* (Daily) shall be curtailed by *Allocation Office* based on the request of ESO and/or TRANSELECTRICA, according with present *Daily Allocation Rules*.
101. Before the *COT* the daily *PTRs' Curtailment* shall be done on a pro-rata basis, by applying the ratio between the sum of all daily *PTRs* and long term (yearly and monthly) *Schedules* after the *Curtailment* triggering event and the sum of all daily *PTRs* and long term *Schedules*, to both nominated *PTRs* from yearly and monthly auctions (long term schedules) and to *PTRs* from daily auction, if the *Curtailment* occurs between the time of publication of daily auction results and the *COT* for daily *Schedules* matching process
102. *Allocation Office* (based on request of ESO and/or TRANSELECTRICA) informs the *Registered Participants* of a *Curtailment* of *PTRs* and will submit the values of the curtailed Capacities. The *Registered Participants* have to submit their daily *Schedules* to ESO and to TRANSELECTRICA taking into consideration the curtailed *PTRs*.

I.2. Curtailment after the Cut-Off Time (COT) for the short time matching process

103. After the daily *COT* for the matching process of *Schedules* the principle “use it or lose it” applies. That means that *Registered Participants* who submit daily *Schedules* less than their *PTRs*, are losing any right over the remaining *PTRs*. In this case, *Curtailment* is applied to the nominated *PTRs* (submitted daily *Schedule*).
104. After the *COT* the reduction shall be done on a pro-rata basis, by applying the ratio between the sum of all daily and long term (yearly and monthly) *Schedules* after the *Curtailment* triggering event and the sum of all nominated *PTRs/Schedules* (yearly, monthly and daily).

I.3. Reimbursement or compensation of the Registered Participants in case of Curtailment

105. In case of *PTRs' Curtailment* applied no later than at DAFD, the *Registered Participants* whose *PTRs* have been curtailed in accordance with paragraph (I.1), shall be reimbursed by the *Allocation Office* for the curtailed *PTRs* for each affected hour, as follows:

- a) In the case of *Emergency Situation* with:
 - the *Auction Price* of the respective auction;
- b) In the case of *Force Majeure* with:
 - the *Auction Price* of the respective auction;

The value of compensation is calculated as curtailed *PTRs* in MW multiplied by hours of the *Curtailement* multiplied by the *Auction Price* for the respective hour as it is mentioned above.

106. In case of *PTRs' Curtailement* published by the Allocation Office on its website after DAFD the *Registered Participants* whose *PTRs* have been curtailed in accordance with paragraph (I.1) or paragraph (I.2) above, shall be compensated or reimbursed by the *Allocation Office* for the curtailed daily *PTRs/Schedules* for each affected hour, in accordance with provisions of EU Regulation 2015/1222, art. 72 (3), as follows:

- a) In the case of *Emergency Situation* with:
 - the Market Spread, in case the price difference is positive in the direction of the curtailed *PTRs*, and 0€/MWh, otherwise; or
 - the *Auction Price*, if the day-ahead price is not calculated at least in one of the two relevant *Bidding Zones*.
- b) In the case of *Force Majeure* with:
 - the *Auction Price* of respective auction.

The value of compensation is calculated as curtailed *PTRs* in MW multiplied by hours of the *Curtailement* multiplied by the *Market Spread* or *Auction Price* for the respective hour as it is mentioned above.

107. The Settlement Notification due to the *PTRs' Curtailement* will be sent no later than the last calendar day of a month and will concern the *Curtailement* produce in the previous month.
108. After receiving the Settlement Notification but after no more than five (5) Working Days, the respective *PTR Holder* shall issue an invoice to TRANSELECTRICA, with a maturity date of ten (10) Working Days. No later than the due date of the respective invoice, TRANSELECTRICA will credit the bank account of the *PTR Holder* with the respective amount.
109. In case of *PTRs' Curtailement* compensation due to *Force Majeure* or *Emergency Situation* in accordance with Articles 105 and 106 *Registered Participants* shall not be entitled to other compensation than the compensation described in these *Daily Allocation Rules*.

ANNEX 1 – Registration Form

APPLICATION FOR REGISTRATION AS CROSS-BORDER REGISTERED PARTICIPANT	
<u>Applicant's data</u>	
Full name of the company:	
Headquarters address:	
Certificate for tax registration (CIF (for Romania)/VAT number):	
Chamber of Commerce/National Office for Trade Registration Number:	
Contact details	Telephone/ Cellphone /Fax:
E-mail:	Web page:
EIC Code:	
IBAN / Bank Name and Branch:	
<i>Applicant's legal representatives:</i>	
Name:	Telephone/Fax:
E-mail:	
<i>Contact persons:</i>	
Name:	Telephone/Cellphone/Fax:
E-mail:	
The solicitant declares that he has read the provisions of this procedure and of its ANNEXES, as well as the regulations in force regarding the allocation of the <i>Capacities</i> between Bidding Zones of TRANSELECTRICA and ESO and fully understands and accepts them.	
Legal representative signature/stamp	
<u>The Balancing Responsible Party assuming the balancing responsibility for the cross-border Registered Participant which has a legal right to trade in the Romanian electricity market.</u>	
Full name of the company:	
Headquarters address:	
Name of legal representatives:	
Telephone/Cellphone/Fax:	
E-mail:	
BRP – EIC Code:	
BRP assume the balancing responsibility for the cross-border Registered Participant:	
Legal representative of BRP signature/stamp	

ANNEX 2 – Public Romanian holidays

No.	Date	Description
1	01.01.2021	New Year's Day
2	02.01.2021	New Year's Second Day
3	24.01.2021	The Union Day
4	30.04.2021	The Easter Friday
5	01.05.2021	Labor Day
6	02.05.2021	Easter Day
7	03.05.2021	Easter Second Day
8	01.06.2021	Children Day
9	21.06.2021	Penticost second day
10	15.08.2021	St Maria Day
11	30.11.2021	St Andrei Day
12	01.12.2021	Romanian National Day
13	25.12.2021	Christmas Day
14	26.12.2021	Christmas Second Day

ANNEX 3 – Contact list

TRANSELECTRICA

OPERATIONAL OFFICE CONTACTS (Scheduling, confirmation of Capacity):

Tel.: 004 021 303 5638
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E-mail: tsoplan@transelectrica.ro

Mr. ANTON Mircea

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E-mail : mircea.anton@transelectrica.ro

Mrs. CONDOVICI Mihaela

Tel.: 004 021 303 5854
E-mail : mihaela.condovici@transelectrica.ro

ALLOCATION OFFICE CONTACTS (Commercial and Financial):

Tel: 004 021 303 5963
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E-mail : contracte.alocare@transelectrica.ro

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