

**Daily Auction Rules  
for the Allocation of Cross Zonal  
Capacities  
at the Border  
between the Bidding Zones of  
EMS AD Beograd (“EMS”)  
and  
C.N.T.E.E. Transelectrica S.A.  
(“Transelectrica”)  
for 2021**

# **CONTENTS**

## **Definitions**

### **Section 1 Preamble**

Article 1.1 Considerations

Article 1.2 General Principles

Article 1.3 The Allocation Office

### **Section 2 General**

Article 2.1 Scope of the Daily Auction Rules

Article 2.2 Auctions

### **Section 3 Procedure and Requirements for Participating in the Auction**

Article 3.1 Registration and Acceptance of the Daily Auction Rules

### **Section 4 Auction Algorithm and Determination of the Auction Price**

Article 4.1 Border

Article 4.2 Algorithm

### **Section 5 Allocation Platform**

Article 5.1 General Conditions

Article 5.2 Access to the Allocation Platform

Article 5.3 Access to the Allocation Platform through web service

### **Section 6 Specific Rules for the Daily Auction**

Article 6.1 Bids for the Reservation of Capacity in Daily Auction

Article 6.2 Auction Proceeding

Article 6.3 Results of an Auction

### **Section 7 Payment**

Article 7.1 General Provisions

Article 7.2 Payment for Daily Auction

### **Section 8 Use of PTRs**

Article 8.1 National Commercial Terms and Conditions

Article 8.2 Scheduling

### **Section 9 Transfer of PTRs**

### **Section 10 Capacity Curtailment**

Article 10.1 General provisions

Article 10.2 Curtailment before the Cut-Off Time for the matching process

Article 10.3 Curtailment after the Cut-Off Time for the matching process

### **Section 11 Miscellaneous**

Article 11.1 Liability

Article 11.2 Communication

Article 11.3 Data Security and Protection

Article 11.4 Dispute Resolution, Venue and Applicable Law

Article 11.5 Daily Auction Rules Validity, Effectiveness and Changes

Article 11.6 Language

Article 11.7 List of Annexes

## Definitions

Terms used herein shall have the following meanings unless otherwise defined.

**Already Allocated Capacity (“AAC”):** the part of the Net Transfer Capacity which already was allocated in the previous auctions;

**Announcement of Auction Capacities** – document published on the *Allocation Office* website specifying offered *Capacities*, period of reservation, and any additional information necessary for the *Auction* process.

**Available Transmission Capacity (“ATC”):** the part of the Net Transfer Capacity which is offered by EMS and TRANSELECTRICA on the respective border between Bidding Zones and on one direction for further commercial activity and which shall be offered in the further auction procedures ( $ATC = NTC - AAC$ ).

**Auction** – congestion management mechanism adopted by *TSOs* in order to allocate the available *Capacities*.

**Allocation Office** – stands for *EMS* (in its function as the *Allocation Office*). *EMS* will be subject to all rights and responsibilities attributed to the *Allocation Office*.

**Allocation Platform** – an electronic web-based trade portal operated by the *Allocation Office* available at <https://damas.ems.rs>. Daily *Auctions* provided by the *Allocation Office* are carried out through the *Allocation Platform*.

**Auction Price** – the price in EUR determined for border and direction in accordance with Section 4, to be paid by each *Registered Participant* for each MW of *Capacity* for each hour.

**Bid** – a request of *Capacity* reservation (*Bid Amount*) at the specified price (*Bid Price*) submitted for the given border and direction.

**Bid Amount** – the requested amount of *Capacity* reservation in MW (integral part of a *Bid*).

**Bid Price** – the price in EUR which *Registered Participant* is willing to pay for 1MW of requested *Capacity* for each hour.

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

**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 EMS side, it is the market participant with a valid and effective balancing responsibility contract.

**Capacity** – cross zonal capacity in MW.

**Capacity Agreement Identification** – An identification that uniquely identifies capacity right.

**Congestion** – means a situation in which an interconnection linking national transmission networks, cannot accommodate all physical flows resulting from cross-border trade requested by market participants because of a lack of capacity of the interconnectors and/or the national transmission systems concerned.

**Contract** – contract between the *Allocation Office* and the *Registered Participant for Auctions* at Serbian-Romanian border created by confirmation of the Agreement of *Registered Participant* by the *Allocation Office*. The *Daily Auction Rules* constitute the terms and conditions of the contract.

**Cut-Off Time (“COT”)**: is a specified time providing a deadline for correction of nominated schedules in mismatch by using agreed rules between EMS and TRANSELECTRICA.

**Daily Auction Rules** – Daily Auction Rules for the Allocation of Cross Zonal Capacities between the *Bidding Zones* of EMS AD Beograd and C.N.T.E.E. Transelectrica S.A. for 2021.

**EIC-Code** – Energy identification code serving to clear the identification of entities 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** – the situation referred by Article 16 of *EU Regulation* where a TSO must act in an expeditious manner and Redispatching or Countertrading is not possible.

**EMS (EMS AD Beograd)** – company with registered office at Beograd, Kneza Miloša 11, Serbia and incorporated in the Serbian Business Register with the Company Identification No.20054182.

**Energy Community Treaty** – Treaty establishing the Energy Community between the European Community on the one hand and Albania, Bulgaria, Bosnia and Herzegovina, Croatia, FYR Macedonia, Montenegro, Romania, Serbia and UNMIK on the other hand, signed on October 25, 2005.

**ENTSO-E** – European Network of Transmission System Operators for Electricity – association of TSOs.

**(1M EURIBOR + 3%) p.a.** - one-month interest rate at which euro interbank term deposits within the euro zone are offered by one prime bank to another prime bank (see <http://www.euribor.org>) increased by 3% and calculated by using pro-rata method.

**EU-Regulation:** Regulation (Eu) 943/2019 of The European Parliament and of the Council of 5 June 2019 on the internal market for electricity.

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

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

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

**Offered Capacity** – *the Capacity* offered by the concerned *TSOs* on the border and direction for the period indicated in the *Auction* procedure and guaranteed by concerned *TSOs*.

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

**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 Registered Participant which has obtained a PTR in a Daily Auction or via transfer.

**Registered Participant** – market participant identified with a unique *EIC Code*, registered by the *Allocation Office* in accordance with Article 3.1. *EIC Codes* are issued by local issuers and published on the following web site:  
([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)).

**Reservation Period** – the period for which *Capacity* is offered in the *Auction*.

**Time Stamp** - the *Allocation Platform* system time assigned to a message when it leaves and/or comes into *the Allocation Platform*. The *Time Stamp* is definitive when settling disputes.

**Token** – media for electronic certificate storing.

**Transelectrica (C.N.T.E.E. Transelectrica S.A.)** – company with registered office at 33, Magheru Blvd, Bucharest - 010325, Romania and with the number of the commercial register No: J40/8060/2000. Address for general correspondence: 2-4 Olteni Street, RO-030786, Bucharest–3.

**TSO** - means a natural or legal person responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and where applicable its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.

**TSOs** - Transmission System Operators participating in this common auction procedure, i.e. *EMS* and *Transelectrica*.

**User** - a person entitled to use the *Allocation Platform* in the name of *Registered Participant*.

**Working Day** – the calendar days from Monday to Friday, with the exception of Serbian public holidays (see Annex 4).

**Yearly and Monthly Allocation Rules** – Yearly and Monthly Allocation Rules for the Coordinated Allocation of Cross Zonal Capacities at the Border between the Bidding Zones of C.N.T.E.E. Transelectrica S.A. and EMS AD Beograd for the year 2021.

Unless context requires otherwise, any wording in the *Daily Auction Rules* denoting the singular also applies to the plural as logic requires, and vice versa. Furthermore, the same principle of inclusion applies to references of gender.

## Section 1

### Preamble

#### Article 1.1 Considerations

The demand for cross zonal capacity reservations at the Serbian-Romanian border is usually much higher than the *ATC*.

According to *EU Regulation* and *Energy Community Treaty*, a market-based mechanism should be adopted to allocate cross zonal capacity among market players.

In order to achieve maximum transparency in the allocation of this *Capacity* and to avoid discrimination in allocating capacities, *TSOs* organize common auctions, i.e. a common allocation of cross zonal capacities.

#### Article 1.2 General Principles

*TSOs* agreed to introduce a common auctioning procedure of *Capacities* on the Serbian-Romanian border and to allocate available *Capacities* on the congested border.

Due to the technical constraints in the regional transmission grid, the border may be congested.

The *Daily Auction Rules* are constructed in accordance with the *EU Regulation*, mandatory national laws of *TSOs*, and regulations set forth by National Regulatory Authorities.

The aim of the common *Auction* is to offer the market participants an easy, transparent, and non-discriminatory system for *Capacity* allocation.

*Capacities* are offered firm, i.e. concerned *TSOs* have committed themselves vis-à-vis *Allocation Office* to guarantee the *PTRs* with the exception of cases described in Section 10.

*TSOs* have committed themselves vis-à-vis *Allocation Office* to offer through the *Allocation Office* and through the *Auctions* all *Capacity* recognized as available for commercial activity at the time of the *Offered Capacity* computation.

The methodology for calculation of capacity limits for Serbian-Romanian border shall be based on standard ENTSO-E methodology for calculation of *Available Transfer Capacity*. When determining the daily *Available Transfer Capacity* the following will be taken into account:

- the monthly *Capacity* that has not been allocated in the monthly *Auction* in the previous *Auctions*;
- the yearly and/or monthly capacity already allocated, which had to be withdrawn from the *Registered Participant*;
- the yearly and monthly *Capacity* which was allocated and has not been nominated to *EMS* and *Transelectrica* through long term nomination process by 08:00 (CET) for the following day.
- Netting effects based on nominations in the respective counter direction.

### Article 1.3 The Allocation Office

The *Allocation Office* is responsible for carrying out the *Auctions* in accordance with the *Daily Auction Rules*. The *Allocation Office* conducts the *Auctions* and provides the market participants and concerned *TSOs* with all relevant information. *TSOs* have agreed that the daily *Auctions*, the function of *Allocation Office* will be provided by *EMS* based on agreement between *Transelectrica* and *EMS*. Therefore, the contractual relations in the framework of these *Auctions* will only be between *EMS* and the *Registered Participant*.

*TSOs* have committed themselves vis-à-vis *Allocation Office* to make the *Capacity* available to the extent that it has been allocated to the *Registered Participants*, with the exception of cases described in Article 10.1.

## **Section 2 General**

### Article 2.1 Scope of the Auction Rules

These *Daily Auction Rules* contain the terms and conditions for the allocation of the daily *Capacity* in both directions of the Serbian-Romanian border.

Among other aspects, the *Daily Auction Rules* describe the requirements which the *Registered Participants* in the *Auction* must fulfill in order to participate, the *Auction* algorithm (including the determination of *Auction Price* as a result of *Auction*), and the conditions for using the *PTRs*.

By notification of the *Auction* result in case of daily *Auction*, the *Capacity* is allocated to the prospective *Registered Participants*. Information about *Auctions* is available on the website of the *Allocation Office*.

*TSOs* have committed themselves vis-à-vis *Allocation Office* to accept the result of the common *Auctions* and to reserve the *Capacities* for *Registered Participants* according to the individual *Auction* results. Each *TSO* has committed itself to carry out the transmission services in accordance with their individual respective prerequisites and in accordance with the legal requirements applicable to them (see Section 8).

Grid access is not covered and granted by the scope of *Daily Auction Rules* or the *Auction* results.

*Auction Price* is set forth independently of the actual use separately in each *Bidding Zone*.

### Article 2.2 Auctions

The *Allocation Office* organizes daily *Auctions* starting from *Auction* for January 1, 2021.

*Auctions* are held for *Capacity* to be reserved for both directions on the Serbian- Romanian border for the following *Reservation Periods*:



- for the daily *Auction* – the *Reservation Periods* lasts for each individual hour throughout 24 hours of a calendar day (23 or respectively 25 hours when daylight savings time changes).

The *Offered Capacities* for daily *Auctions* shall be published on the *Allocation Platform* (<https://damas.ems.rs>) at 09:00 (CET) on the day of the daily *Auction*.

## Section 3

### Procedure and Requirements for Participating in the Auction

#### Article 3.1 Registration and Acceptance of the Daily Auction Rules

The *TSOs* set the following prerequisites for participation in daily *Auction*:

- **On *EMS* side** – valid and effective balance responsibility contract with *EMS*
- **On *Transelectrica* side** – valid and effective balancing contract with *Transelectrica*

Only market participant who declare legally binding and irrevocably their full and complete knowledge, acceptance of application of the valid and effective *Daily Auction Rules* which are published at the website of the *Allocation Office* may take part in a daily *Auction*.

The declaration of acceptance of application of Daily Auction Rules is done by the market participant by signing and validation of model of Agreement on Participation in the Auctions for Allocation of the Right to Use the Cross-Border Transmission Capacity (hereinafter: Agreement) (see Annex 1) with which he attaches:

- Original or verified copy of an extract from the Commercial or Company register (in Serbian, Romanian or English) for market participants whose seat is not in the Republic of Serbia.
- A list of the authorized representatives who are entitled to communicate with the *Allocation Office* in the name of the market participant and to execute statements towards the *Allocation Office* which bind the market participant (see Annex 1).

The Agreement and encompassing documents must contain complete and true information.

Each market participant is identified with a valid and unique *EIC-Code* issued for the market participant as a subject of law and registered in the list of *EIC-Codes* published by *ENTSO-E*. *EIC-Code* of each of market participants has to be different.

The three signed copies of the Agreement are delivered to the *Allocation Office* in writing by mail, messenger/courier or personally. The Agreement has to be delivered to the *Allocation Office's* address or personally to the filing office of the *Allocation Office* (see Annex 2). The *Allocation Office* will notify the market participant that Agreement delivered by fax or e-mail will consider as not delivered.

The *Allocation Office* may verify information provided in the delivered Agreements and in

their Attachments. The *Allocation Office* is entitled to refuse to register a market participant in case of any discrepancy and/or misrepresentation in the Agreement.

The *Allocation Office* shall notify market participant whether *Allocation Office* accepts or refuses to register market participant as Registered Participant by sending a note to market participant no later than three (3) *Working Days* following the receipt of the Agreement by the *Allocation Office*.

The confirmation or refusal note will be sent by e-mail to the e-mail address filled in the Agreement. If the *Allocation Office* refuses to register a market participant, the reason(s) will be stated in the refusal note.

The deadline for delivery of the Agreement to register market participant as *Registered Participant* for the daily *Auction* is 12:00 (CET) three (3) *Working Days* before the performing day of the daily *Auction*.

The *Allocation Office* will announce the date from which the registration begins by publishing the *Daily Auction Rules* on its webpage <http://www.ems.rs>.

The declaration is valid for an indefinite number of *Auctions* which is conducted by *Allocation Office* for 2021, notwithstanding the obligation of the *Registered Participant* to inform the *Allocation Office* forthwith of any changes and notwithstanding the right of the *Allocation Office* to request any update or resubmission of any part of the registration documentation described above.

Accepted Agreement (signed by representative of the *Allocation Office*) is valid for an indefinite number of *Auctions* in 2021. Agreements rejected through a refusal note will be null and void.

The *Daily Auction Rules* constitute the terms and conditions of the aforementioned *Contract*.

Each *Registered Participant* may change its list of authorized representatives or other data listed in the Attachment of the Agreement. Based on a updated and validly-signed Attachment of the Agreement delivered by the *Registered Participant* by e-mail to the e-mail addresses of the persons responsible for Registration of market participant (see Annex 2), the *Allocation Office* will confirm the registration of the change to the *Registered Participant*, at the latest, three *Working Days* after the receipt of the updated and validly-signed Attachment(s) of the Agreement. The confirmation will be sent by e-mail to the e-mail address filled in the Agreement of the *Registered Participant*. The change becomes valid with the delivery of the confirmation to the *Registered Participant*.

With regard to the fact that *Auctions* are carried out through the *Allocation Platform* for 2021, a *Registered Participant* interested in participating in *Auctions* is also obliged to fulfill pre-requisites for access to the *Allocation Platform* stated in Article 5.2.

## **Section 4**

### **Auctions Algorithm and Determination of the Auction Price**

#### Article 4.1 Border

The Serbian – Romanian border is included in the common daily allocation procedures governed by the *Daily Auction Rules*.

The reservation of *Capacity* (equal to full or reduced *Bid Amount*) is a result of the *Auction* process based on the individual *Bid Prices* for the border and direction. This process takes into account *Offered Capacities* on the border.

#### Article 4.2 Algorithm

The *Allocation Office* arranges all *Auction Bids* received in descending order according to the individual *Bid Price* (merit order) on the border and direction to which the individual *Bids* relate.

If the considered *Bid*, together with already accepted *Bids*, does not exceed the *Offered Capacity* on the border, it will be accepted by the *Allocation Office*, and the required *Capacity* will be assigned to the *Registered Participant*.

If the considered *Bid*, together with already accepted *Bids*, exceeds the *Offered Capacity* on the border, the considered *Bid* will be accepted with a reduced *Bid Amount* up to the *Offered Capacity*. The *Capacity* allocation on the border and direction limited by the given limit is finished at this moment.

If there are two or more *Bids* on the merit order with an identical *Bid Price*, and the sum of all these *Bids* together with *Bids* already accepted, exceeds the limit on the border (marginal *Bids*), all marginal bids are accepted with a reduced *Bid Amount* up to the *Offered Capacity* using pro-rata reduction and rounding to a smaller integer. Remaining unallocated *Capacity* shall be assigned to the *Registered Participants*, who submitted marginal *Bids*, respecting *Bid* submission *Time Stamp*, per 1 MW, starting with the *Registered Participant* who first submitted marginal *Bid*, up until the remaining *Capacity* is fully allocated.

#### Determination of the Auction Price

If accepted *Bids* do not exceed the *Offered Capacity* on the Serbian - Romanian border and direction, then the *Auction Price* for the border and direction is equal to zero.

If received *Bids* exceed the *Offered Capacity* on the border, the *Auction Price* equals the lowest *Bid Price* of all *Bids* accepted on the border and direction, i.e. the price of the last accepted *Bid*.

The *Registered Participant* is obliged to pay the *Auction Price* determined for the border and direction for each MW of allocated *PTRs* according to Section 7 hereto.

## Section 5

### Allocation Platform

#### Article 5.1 General Conditions

The *Allocation Office* will organize and execute the common *Auction* of the daily available *Capacity* electronically in the *User* environment of the *Allocation Platform*.

The *Allocation Office* will provide the *Users* with documentation of the *Allocation Platform* (on web site <http://www.ems.rs>), and operational instructions, related to using of the *Allocation Platform* and *Users* support.

The *Allocation Office* reserves the right to change daily operational regime in reasonable cases, especially when the following technical problems arise: a general collapse of the Internet, a collapse of all Internet connections of the *Allocation Platform*, or a collapse of *Allocation Platform* (servers, database or *Allocation Platform* application error).

All *Users* of the *Allocation Platform* will be informed, without undue delay, of the actual operational situation.

All the time data specified in connection with the *Daily Auction Rules* – especially deadlines for data transfer, announcement of results, etc. – are in *Allocation Platform* system time. The system time is available in the *User* account environment.

A data receipt will be valid only if the data had been accepted by the *Allocation Platform* server by the deadline and if the *Allocation Platform* confirmed the receipt. After the deadline, the receipt of data given will be rejected due to the expiration of the deadline.

In order to participate in the *Auction* procedure, *Bids* shall be submitted to the *Allocation Platform*. Already submitted *Bids* may be modified by the *Registered Participant* before the deadline for delivery.

After entry/modification of the *Bids*, the *Registered Participant* receives a confirmation. Should there be a failure in entering or modifying the *Bids*, the *Bids* will be refused, and the *Registered Participant* will be informed of the reason(s) for refusal by a message in the *Allocation Platform*. The last accepted and confirmed modification of the *Bids* shall be binding on the *Registered Participant*.

Confirmation of receipt of the *Bids* at the *Allocation Platform* is the decisive criterion in meeting the time limit. The *Registered Participant* is responsible for the evidence of the timeliness of the delivery of *Bids* and/or its modifications to the *Allocation Office*.

*Bids* which do not fulfill any of the requirements stated in the *Daily Auction Rules* shall be excluded and shall not be included among the assessed *Bids*.

Unless otherwise provided for in any specific case, the *Users* can send data to (or receive data from) the *Allocation Platform* in two ways:

- via electronic forms (html),

- through the XML file.

## Article 5.2 Access to the Allocation Platform

Each *Registered Participant* is required to use a token with electronic certificate and *Auction Platform* User account for the purposes of accessing the *Auction Platform* and executing business transactions via the *Auction Platform*.

*Allocation Office* will provide two (2) tokens to each new *Registered Participant* licensed for participation in Serbian electricity market.

*Allocation Office* will provide one (1) token to each new *Registered Participant* which is not licensed for participation in Serbian electricity market.

Those *Registered Participants* who have already obtained token for participation in common auctions organized by *EMS* or for access to *EMS* scheduling system will use that token and an additional token will not be issued to them.

After confirmation of the *Registered Participant* registration by the *Allocation Office* (Article 3.1.), the *Allocation Office* shall set the *Allocation Platform* User account and issue a token with an electronic certificate within three (3) *Working Days*.

Taking over of tokens by the *Registered Participant* can be performed in the following manner:

- 1. The representative of the *Registered Participant* could take over the token and token password and sign three copies of the Declaration on take-over and use of the electronic certificate (see Annex 6) personally at *Allocation Office* premises (Vojvode Stepe 412, Belgrade, Serbia) each *Working Day* from 09:00 till 14:00 (CET) or
- 2. *Allocation Office* could send the token via express mail and three copies of the Declaration on take-over and use of electronic certificate (see Annex 6) to the official address of the *Registered Participant*. After receiving the token and documentation, the *Registered Participant* shall sign all three copies of the Declaration on take-over and use of the electronic certificate (see Annex 6) and send two copies back to the *Allocation Office* (original by mail and scanned copy by fax). One copy of the Declaration on take-over and use of the electronic certificate is kept by the *Registered Participant*. After receipt of the Declaration on take-over and use of the electronic certificate by the *Allocation Office*, the token password will be sent to the *Registered Participant* by e-mail to the e-mail address stated in Attachment 1 of the Agreement.

The *Registered Participant* shall inform the *Allocation Office* on the preferred manner for token take-over one *Working Day* after receiving the confirmation of registration.

The *Allocation Office* will activate the token after receipt of the signed Declaration on take-over and use of the electronic certificate and send by e-mail User name and initial password for access to the *Allocation Platform* to the *Registered Participant*. After receipt of information on the User name and initial password, the *Registered Participant* should change the password.

The *Registered Participant* shall keep all information related to the access to the *Allocation Platform* as personal and confidential and shall be liable for any direct or indirect damages resulting from any unauthorized disclosure of such information. The *Allocation Office* is not liable for any and all unauthorized use of the token, User name and password.

The *Allocation Office* shall be entitled to prevent the *Registered Participant* from accessing the *Allocation Platform* in the case it finds any discrepancy such as, but not limited to, the following: information on the *Registered Participant*, the certificate, or expiration of the certificate, or the *Contract* is not effective.

### Article 5.3 Access to the Allocation Platform through web services

*Allocation Office* will provide one (1) electronic certificate for usage of Allocation platform through web services upon request of *Registered Participant*.

*Allocation Office* shall issue electronic certificate for usage of Allocation platform through web services within three (3) *Working Days* after the request.

Additional electronic certificate for usage of *Allocation platform* through web services will not be issued to *Registered Participants* who have already obtained electronic certificate for usage of Allocation platform through web services.

Taking over of electronic certificate for usage of *Allocation platform* through web services by the *Registered Participant* can only be performed in the following manner: The representative of the *Registered Participant* shall take over the certificate and sign three copies of the Declaration on take-over and use of the electronic certificate (see Annex 6) personally at *Allocation Office* premises (Vojvode Stepe 412, Belgrade, Serbia) each *Working Day* from 09:00 till 14:00 (CET).

## **Section 6**

### **Specific Rules for the Daily Auction**

The *Allocation Office* will organize and execute the common *Auction* of the daily available *Capacity* electronically in the *User* environment of the *Allocation Platform*.

Daily *Auctions* will be held daily (Monday – Sunday).

### Article 6.1 Bids for the Reservation of Capacity in Daily Auction

Each *Bid* submitted to the daily *Auction* must contain the following unambiguous and legible specifications:

- a) The identification of the *User*.
- b) The specification of the border and direction.
- c) The day to which the *Bid* refers.
- d) For each hour of the day, *Bids* with following specifications:

- i. The amount of the *Capacity* to be allocated in MW without decimals; the minimum amount of a single *Bid* is 1 MW; the maximum amount of a single *Bid* for the border and direction is 70 MW or it is equal to the *Offered Capacity* in case the *Offered Capacity* is less than 70 MW.
- ii. The *Bid Price* in EUR/MWh with a maximum of two decimals. The *Bid Price* has to be more than zero (minimum value is 0.01 EUR/MWh).

Each *Registered Participant* can deliver up to 10 (ten) *Bids* for the border and direction.

Only *Registered Participants* fulfilling the prerequisites for use of the *Capacity* on the given border (see Section 8) may take part in the daily *Auction* on this border.

Each *Registered Participant* shall deliver its *Bids* in the period starting with the *Offered Capacity* publication at 9:00 (CET) until 09:30 (CET) in the *Allocation Platform*, with the exception of changing of the time closure according to a daily operational regime change (see Article 5.1).

#### Article 6.2 Auction Proceeding

In the event the *Offered Capacities* of a daily *Auction* cannot be published by 12:00 (CET) due to any daily operational regime change (see Article 5.1), the daily *Auction* for this day and the border will not be organized, and no compensation may be claimed by the *Registered Participant*.

All *Users* of the *Allocation Platform* will be informed, without undue delay, of the actual operational situation.

If the *Allocation Platform* and/or IT system(s) or devices used by *Allocation Platform* and/or the website <https://damas.ems.rs> is interrupted and/or suspended before the *Offered Capacities* for the daily *Auction* are published, the daily *Auction* will not be organized. The *Allocation Office* shall undertake all efforts to avoid instances when a daily *Auction* is not organized or cancelled.

Each set of the *Bids* received by the *Allocation Platform* is automatically assigned a number by the electronic system. That number is part of the receipt confirmation, and it must always be used for identifying the set of the *Bids* during communication with the *Allocation Office*.

*Bids* which do not fulfill any of the requirements stated in the *Daily Auction Rules* shall be excluded and shall not be included among the assessed *Bids*.

All *Bids* which fulfill the above-mentioned requirements will be evaluated, and the *Auction Price* will be determined in accordance with the rules stated in Section 4.

#### Article 6.3 Results of an Auction

The *Allocation Office* will publish the results of the daily *Auction* procedure daily at 10:15 (CET) – with the exception of a change of this time closure according to a daily operational regime change (see Article 5.1). The following results will be published through the

*Allocation Platform* and on the website of the *Allocation Office* (<http://www.ems.rs>)

- *Date and Reservation Period*
- *Specification of border and direction*
- *Total Requested Capacity* by the *Registered Participants* for each hour in MW.
- *Total PTRs* allocated to the *Registered Participants* for each hour in MW.
- *Auction Price* for each hour in EUR/MWh.
- *Net Transfer Capacity* (NTC)
- *Offered Capacity*

Each *Registered Participant* in a specific *Auction* shall visit the *Allocation Platform* after 09:45 (CET) on the relevant *Auction* day. The following data is available after 09:45 (CET) (with the exception of a change of this time closure according to a daily operational regime change (see Article 5.1) for the *Registered Participant* in *Allocation Platform* for each border and direction on which his *Bids* were evaluated.

- *Date and Reservation Periods*
- *Auction ID*
- *Specification of border and direction.*
- *Offered Capacity*
- *PTRs* in MW
- *Auction price* in EUR/MWh
- *Bid* status
- *Capacity Agreement Identification* for scheduling nomination (available after 11:00 CET)

If the results of the daily *Auction* are not published through the *Allocation Platform* until 13:00 (CET) due to any daily operational regime change (see Article 5.1), the daily *Auction* will be cancelled for that day and the border concerned; and no compensation may be claimed by the *Registered Participant* except the reimbursement for long term non-nominated capacities as defined in Article 25.2 from Yearly and Monthly Allocation Rules.

All relevant *Users* of the system *Allocation Platform* will be informed, without undue delay, of the interruption and/or suspension of the system *Allocation Platform*.

## **Section 7**

### **Payment**

#### Article 7.1 General Provisions

The relevant currency for invoicing is EUR. The payment is executed in EUR for non-Serbian resident companies and in RSD using the middle exchange rate of the National Bank of Serbia on the date of payment for Serbian resident companies.

The date of payment or settlement of payment is the date upon which the given amount is credited to the account of the *Allocation Office*. Invoices have to be paid no later than on the due date stated on the invoice, free of charge and without deduction. The *Registered Participant* shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an *Auction*, against any claims of the *Allocation Office*, whether or not arising out of an *Auction*.



The *Allocation Office* will invoice the *Registered Participant* for amounts due resulting from the *PTRs* allocated to *Registered Participant*, rounded to two decimal places.

Original of the invoice is sent to the *Registered Participant* concerned by mail or e-mail. In case of sending the original of the invoice by mail copy of the invoice is sent by e-mail on the issue date stated in the invoice.

All bank fees connected with the payments resulting from participation in *Auction* procedure have to be paid by the *Registered Participant*.

In case of delayed payment, the *Allocation Office* is entitled to charge interest rates on the amount due for each day which has commenced during the delay. The daily interest rate for payments in EUR is set regularly on the first *Working Day* of each calendar month of the year as an amount equaling (1M EURIBOR + 3%) p.a. calculated using pro-rata method. The daily interest rate for payments in RSD is the default interest rate calculated in compliance with the law.

Each payment is identified by the payment identification number, which is the number of the invoice. The payments shall match the amount of the debt (*i.e.* the amount indicated on the relevant issued invoices) via the payment identification number stated as a number on the invoice and the invoiced/paid amount. In case the amount of the payment and/or payment identification number of the payment differs from the invoiced data, the debt is considered as unpaid until its final manual clearance.

**The following VAT modes will be used:**

For Serbian resident companies:

- VAT as given by Serbian law mode. In this mode, the *Allocation Office* will charge VAT on the payment and will show it separately on the invoice and the *Registered Participant* will pay total amount in EUR, VAT included, according to the note given in the invoice.

For non-Serbian resident companies:

- No VAT is charged. In this mode, the *Registered Participants* must provide the *Allocation Office* with their European or national VAT Number and are obliged to settle the VAT with the respective national tax office.

If the *Registered Participant* does not fulfill or only partially fulfils any obligation resulting from the *Contract* in due time, especially if the *Registered Participant* does not pay the full amount of Invoice for *PTRs* within the time limits set out in the *Daily Auction Rules*, *EMS* and *Transelectrica* are entitled to enforce the termination of the *Contract* and hold the *Registered Participant* liable for the *Auction Price*, interests, charges and expenses arising from the enforcing of the termination of the *Contract* and for the total damage resulting from the termination, such as, but not limited to fees, expenses and deficiencies caused by lower *Auction Prices* in the event of a re-auctioning of the capacity. The *Registered 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 *EMS* and/or *Transelectrica* whether or not arising out of an *Auction*.

### Article 7.2 Payment for Daily Auction

Payment for the *PTRs* will take the form of an invoice for the monthly amount. The amount is to be paid for the preceding month. The amount has to be paid based on the invoice issued by the *Allocation Office*.

The invoice includes all daily *Auction* payments and is issued by the deadline 1D for the relevant month (see Annex 3). The due date of the invoice shall be the deadline 2D for the relevant month (see Annex 3).

If the payment is not settled by the due date, the *Allocation Office* will warn the *Registered Participant* by e-mail that the payment of the invoice has not been credited to the account of the *Allocation Office*.

If the payment is not received two *Working Days* after the deadline 2D for the relevant month (see Annex 3) the participation of *Registered Participant* in monthly, daily *Auctions*, as well as intraday allocation, will be suspended until the date when all due payments of the *Registered Participant* are settled.

## Section 8

### Use of PTRs

#### Article 8.1 National Commercial Terms and Conditions

General grid access for the use of *PTRs* is not covered by the scope of the *Daily Auction Rules* unless otherwise stipulated in the following provisions.

EMS and *Transelectrica* 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 *EMS* and *Transelectrica*.

Upon reservation of *Capacity* in the course of an *Auction*, *EMS* and *Transelectrica* will commit themselves to ensure that the *PTRs* are operationally feasible for the *Registered Participant* solely at the border with the exception of *Force majeure* and/or *Emergency Situation*.

The *TSOs* set the following prerequisites for using *PTRs* on the Romanian-Serbian border and for using their transmission networks:

- **On EMS side** – *Registered Participant* who has a valid and effective balance responsibility contract with *EMS*.
- **On Transelectrica side** – *Registered Participant* who has a valid and effective balance responsibility contract with *Transelectrica*.

i.e. only *BRPs* can nominate *PTRs*.

#### Article 8.2 Scheduling

The use of the *PTRs* must be in compliance with the requirements stated in Article 8.1.

After finishing daily *Auction* procedure, the use of the *PTRs* takes place by delivery of fixed schedules using daily *PTRs*. The delivery of fixed and binding schedules to *EMS* and *Transelectrica* for each hour of the following day should be sent until *GCT* for daily nominations, which is at latest by 14:30 (CET) in accordance with individual national market rules of each of the *TSOs* valid at the time of delivery.

Nomination of schedule by using *PTRs* could be realized in one or more cross-border electricity exchanges in one direction with several cross-border partners where one cross-border partner has to be *BRP* who has *PTRs* (“M:N” schedule nomination).

The submitted schedule data of cross-border electricity exchange shall contain data which unambiguously determine the *PTRs* (*Capacity Agreement Identification* and *Capacity Contract Type*).

*Transelectrica* and *EMS* perform the matching of delivered individual fixed schedules on common border. Modification of mismatching schedules is possible till Cut-Off Time (COT)

for matching process at 15:30 (CET). Modifications of these schedules by *BRPs* after this time are prohibited.

If still there is a mismatch *Transelectrica* and *EMS* will modify the delivered schedules in accordance with the following rules:

- when values are different, the lower value is decisive,
- when there is missing cross-border partner or the directions are not correct, zero values are taken into account.

At the Cut-Off Time for matching process gate the fixed schedules will be fully accepted, partially accepted or set on zero in accordance with the matching result.

The use is based on the principle "use it or lose it". This means that *PTRs* which was allocated in the daily *Auction* which is not used by fixed schedules at this moment will be made available to all market participants under the intraday allocation procedure.

## **Section 9**

### **Transfer of PTRs**

The transfer of *PTRs* is not provided for *PTRs* allocated in daily *Auctions*.

## **Section 10**

### **Capacity Curtailment**

#### Article 10.1 General provisions

The *PTRs* or *PTRs* corresponding to submitted schedules can be curtailed/reduced in case of *Emergency Situation* or *Force Majeure*.

The curtailment of *PTRs* can be applied before the Cut-Off Time for the matching process.

The reduction of schedules can be applied after the Cut-Off Time for the matching process.

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

The *TSO* which requested curtailment shall issue, as soon as possible, a description of reasons (including the triggering event) and effects of curtailment for solving network or system problems, which will be published by both *TSOs* on their webpages.

In cases of curtailment of *PTRs* or reduction of submitted schedules, these shall be done in a non-discriminatory manner for each *Registered Participant*, meaning that daily *PTRs* or schedules and yearly and monthly *PTRs* or schedules will be curtailed/reduced in the same way, proportionally on a pro-rata basis with the held amount of *PTRs*/submitted schedules by each *Registered Participant*.

After curtailment of *PTRs*/reduction of submitted schedules, the capacity holders shall be compensated in accordance with the applicable rules.

#### Article 10.2 Curtailment before the Cut-Off Time (COT) for the matching process

Before the COT for the matching process the *daily PTRs* shall be curtailed by *Allocation Office* based on the request of *EMS* and/or *Transelectrica* according to the present *Daily Auction Rules*.

Curtailment shall be done on a pro-rata basis, by applying the ratio between the sum of all long term schedules and daily *PTRs* that remain after the curtailment triggering event and the sum of all long term schedules and daily *PTRs* before curtailment, to both long term schedules and to daily *PTRs*, if the curtailment occurs between the time of publication of daily *Auction* results and the cut-off time for daily schedules matching process.

*Allocation Office* (based on request of *EMS* and/or *Transelectrica*) informs the *PTRs* holders of the curtailment of *PTRs* and submits the values of the curtailed *PTRs*. The *PTRs* holders have to submit their schedules to *EMS* and to *Transelectrica* taking into consideration the curtailed *PTRs*.

In case of curtailment of *PTRs* from daily *Auction* – before the *COT* for the matching process – the *Registered Participant* whose *PTRs* have been curtailed will pay only for the *PTRs* which was not curtailed.

#### Article 10.3 Curtailment after the Cut-Off Time (COT) for the matching process

After the *COT* for the matching process, the reduction of the confirmed schedules shall be implemented pursuant to the proceedings set forth in the relevant laws, and shall only be used in case of *Force Majeure* or 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 “use it or lose it” applies. That means that *Registered Participants* who submit schedules less than their *PTRs*, shall lose any right over the remaining non-notified *PTRs*.

Curtailment shall be done on a pro-rata basis, by applying the ratio between the sum of all long term schedules, daily schedules and intraday *PTRs* or schedules that remain after the curtailment triggering event and the sum of all long term schedules, daily schedules and intraday *PTRs* or schedules before curtailment, as follows:

- to long term schedules and daily schedules, if the curtailment occurs between the *COT* for daily schedules matching process and publication of intraday auction results.
- to long term schedules, daily schedules and intraday *PTRs* allocated in intraday auction process, if the curtailment occurs between publication of intraday auction results and the *COT* for intraday schedule matching process.

- to long term schedules, daily schedules and intraday schedules, if the curtailment occurs after COT for intraday schedules matching process.

In case of reduction of schedules – after the *COT* for the matching process – the *Registered Participant* whose *PTRs* has been curtailed will pay only for the corresponding *PTRs* not affected by schedule reduction.

## **Section 11**

### **Miscellaneous**

#### Article 11.1 Liability

The *Allocation Office* shall be liable for damage caused by gross negligence or willful misconduct of the *Allocation Office*. In such a case the following rules apply: Claims for damages arising out of or related to these *Daily Auction Rules* are limited to the damages typical and foreseeable. The *Allocation Office* shall not be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind. The liability of the *Allocation Office* shall be limited to € 5 000 in total for a *Registered Participant* and a year.

The same limitations apply to *EMS* (in its function as *TSO*) and *Transelectrica*, should they be considered liable despite the fact that the *Contract* is concluded between the *Allocation Office* and the *Registered Participant*. In this case, the limit of € 5 000 counts for the *Allocation Office*, *EMS* (in its function as *TSO*) and *Transelectrica* together.

The *Allocation Office* undertakes to carry out its duties and comply with its obligations under these *Daily Auction Rules* with the diligence of a specialized professional and as a responsible *Bidding Zone* manager, in compliance with the applicable laws and regulations in the electricity sector. *TSOs* have undertaken a similar obligation vis-à-vis *Allocation Office*.

#### Article 11.2 Communication

The contact persons of *Allocation Office* appointed for communication are listed in Annex 2.

The *Allocation Office* and each *Registered Participant* have the right to change the list of contact persons.

The *Allocation Office* shall announce each change to the list of contact persons on the web site and inform *Registered Participants* by e-mail or by fax. The new contact details of *Allocation Office* will be considered official on the *Working Day* following the transmission of the e-mail or the fax. The *Registered Participant* shall announce the change in accordance with Article 3.1 hereto.

These *Daily Auction Rules* and all related notices, legal procedures, and communications thereunder, and the dispute settlement procedures provided in Article 11.4 of *Daily Auction*

*Rules*, shall be carried out in English, to the extent permitted by rules of public policy relating directly or indirectly to these procedures.

Unless stated otherwise in these *Daily Auction Rules*, e-mail service shall be deemed effective at the time when the electronic message is confirmed to the sender as delivered to the recipient and/or the recipient acknowledges the receipt thereof.

In the event of difficulties in using e-mail, notices may be served by fax, hand delivery, courier or post; and the service will be deemed as effective on the date of receipt.

In case of any uncertainty, the *Registered Participants* or the *Allocation Office*, respectively, is entitled to ask the sending party to repeat the effort.

The entire communication with the *Allocation Platform* will be archived by the *Allocation Office*. Each *Registered Participant*, as well as the *Allocation Office*, undertakes herein not to dispute or claim as invalid any action carried out via the *Allocation Platform* in accordance with these *Daily Auction Rules*, on the basis that the respective acts have been done in the form of an electronic data exchange. Furthermore, each *Registered Participant*, as well as the *Allocation Office*, state that they shall consider the *Allocation Office* data logs from the databases of the *Allocation Office* made in line with these *Daily Auction Rules*, to be reliable evidence, unless it is proved otherwise.

A time stamp is attached to every message leaving the *Allocation Platform* or received by the *Allocation Platform*. The time stamp uses the system time as that from the *Allocation Platform*.

If the *Allocation Platform* and/or IT system(s) or devices used by *Allocation Platform* and/or the website <https://damas.ems.rs> is interrupted and/or suspended, all relevant *Users* of the *Allocation Platform* will be informed, without undue delay, of the interruption and/or suspension of the *Allocation Platform*.

### Article 11.3 Data Security and Protection

Commercial data transferred from the *Registered Participant* to the *Allocation Platform* via the Internet is secured by means of encryption (SSL). Every *Registered Participant* has to have his own electronic certificate to access the system. For every business data exchange, the standard PKI (Public key infrastructure) is used. This mechanism enables the authorization of transactions and retrospective identification of *Registered Participant* who entered data into the *Allocation Platform* or who executed specific operations. All operations done via the *Allocation Platform* system are registered with the information of *Registered Participant* and time stamp.

Each *Registered Participant* undertakes to follow all the security rules specified in the *Daily Auction Rules*. In particular, the *Registered Participant* undertakes to make sure that:

- The *Allocation Platform User* entitled to submit *Bids* keeps his private key in a manner so that no other person can get access to the key;
- The *Allocation Platform User* entitled to submit *Bids* shall use his private key and a certificate exclusively in line with the *Daily Auction Rules* for communication;
- The *Allocation Platform User* entitled to submit *Bids* shall inform the *Allocation Office* immediately of any disclosure or possible disclosure of his private key.

The *Allocation Office* is entitled to process all data of the *Registered Participant* and the *Auctions* and to send it to *TSOs* and to publish it according to the terms of these *Daily Auction Rules*.

For the rest, *TSOs* undertake not to use or otherwise process the data they obtained pursuant to these *Daily Auction Rules* for any purpose except those strictly required for the performance of the obligations hereunder. Also, they will not disclose any of the information or related information to any third party other than those of their directors, employees, professional advisors, and representatives, as well as regulatory authorities, which have a strict need to know the information for the proper performance and monitoring of these *Daily Auction Rules* and who are correspondingly bound in writing by the same strict obligations of confidentiality.

Nothing herein shall prevent *TSOs* from disclosing data (i) upon the order of any court or administrative agency, (ii) upon the request or demand of, or pursuant to any regulation of, any regulatory agency or authority, (iii) to the extent reasonably required in connection with the exercise of any remedy hereunder, (iv) to a party's legal counsel or independent auditors, and (v) to any permitted assignee hereunder, provided that such assignee agrees in writing to be bound by the provisions of these *Daily Auction Rules*.

#### Article 11.4 Applicable Law and Dispute Settlement

This *Daily Auction Rules* shall be governed by the Laws of the Republic of Serbia.

In case of a dispute which may arise as result of application of the *Daily Auction Rules* as its integral part, or as result of breaching, suspending or declaring them null and void, the Allocation Office and the market participant need to put efforts in finding the mutually acceptable solution. A party to the Agreement who invokes the reason for a dispute is obligated to provide the other party with the justified notification on the existence of the reason for dispute; namely the notification will mention which article of the Agreement and Auction Rules has been breached and it will include the invitation to the other party for amicable settlement

Where the Allocation Office and the market participant failed to reach an acceptable amicable settlement within thirty (30) days as of the first notification about the reason for dispute, the Parties to the Agreement concur that the resolution to dispute should be sought before the Commercial Court in Belgrade.

The place where the market participant shall discharge all its obligations arising from this Agreement is the official headquarter of the Allocation Office.

#### Article 11.5 Daily Auction Rules Validity, Effectiveness and Changes

The *Daily Auction Rules* are valid and effective for the allocation of *Capacity* in both directions on the Serbian – Romanian border.



The principles of the *Daily Auction Rules* could be changed. *Registered Participants* will be informed in advance about changes.

The *Daily Auction Rules* and its prospective changes are the subject of National Regulatory Authorities approval before they become valid.

If any provision of these *Daily Auction Rules* is declared - in an arbitral, judicial or regulatory decision - to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected.

The same applies in case of an involuntary gap in these *Daily Auction Rules*.

Prospective changes in the *Auction Rules* concerning daily *Auctions* have to be published on web page of the *Allocation Office*, at the latest, 10 calendar days before the changes coming into force.

By accessing the *Auction* after the amendments and/or adaptations are published, the *Registered Participant* submits to the valid and effective version of the *Daily Auction Rules*.

#### Article 11.6 Language

The reference language for these *Daily Auction Rules* shall be English. For the avoidance of doubt, where *TSOs* need to translate *Daily Auction Rules* into their national language(s), in the event of inconsistencies between the English version published by *TSOs* and any version in another language, the relevant *TSO* shall be obliged to dispel any inconsistencies by providing a revised translation of *Daily Auction Rules* to its relevant national regulatory authorities.

#### Article 11.7 List of Annexes

|         |  |
|---------|--|
| Annex 1 | Agreement  |
| Annex 2 | List of Contacts   |
| Annex 3 | Auctions Procedure Schedule                                    |
| Annex 4 | List of Serbian Public Holidays                                |
| Annex 5 | Complaint procedure  |
| Annex 6 | Declaration on take-over and use of the electronic certificate |

The annexes shall constitute an integral part of these *Daily Auction Rules*.

## **Annex 1 Agreement**

1. Joint stock company Elektromreža Srbije Beograd, Kneza Miloša 11 street, company registration number: 20054182, TIN 103921661 (hereinafter referred to as: the Allocation Office or JSC EMS) represented by Mr. Aleksandar Kurćubić, Executive Director for System Operation and Market (under the EMS General Manager's Authorisation no. \_\_\_\_\_ of \_\_\_\_\_)

2. XXXXX, \_\_\_\_\_ (place, address), company registration number: \_\_\_\_\_, TIN \_\_\_\_\_, EIC \_\_\_\_\_ (hereinafter referred to as: the Market Participant), represented by \_\_\_\_\_ (title of the person authorised to represent the company),

enter into

## **Agreement on Participation in the Auctions for Allocation of the Right to Use the Cross-Border Transmission Capacity**

(hereinafter: the Agreement)

### **Article 1**

#### **Subject-matter of the Agreement**

By means of this Agreement the Allocation office and the Market Participant regulate their mutual relations in respect of exercising the rights of the Market Participant to participate in the Auctions for transmission capacities at the border between the bidding zone of JSC EMS Beograd and Transelectrica and rights and obligations in case of allocation of the capacity in the Auction, pursuant to the Daily Auction Rules for the Allocation of Cross Zonal Capacities at the Border between the Bidding Zones of EMS AD Beograd ("EMS") and C.N.T.E.E. Transelectrica S.A. ("Transelectrica") for 2021.

Auction Rules are published on the Allocation Office's website: [www.ems.rs](http://www.ems.rs) and constitute an integral part of this Agreement.

Terms used in this Agreement have the same meaning as the terms mentioned in the Definitions of the Daily Auction Rules.

### **Article 2**

#### **Declarations of the Market Participant**

Market Participant declares that it has gained full understanding of the Daily Auction Rules and hence it commits itself to abide to and to irrevocably accepts, without any reservations and limitations, the provisions of the Daily Auctions Rules as well as any later published amendments to the Daily Auction Rules, which will be notified to the Market participant in due time, compliant to the Article 11.5 of the Daily Auction Rules.

Market Participants warrants that the data and information contained in the Appendix to this Agreement are true, accurate and complete.

Market Participant declares that it has been incorporated and validly existing under the laws of its country of incorporation, that it has not gone bankrupt, that no liquidation procedure nor any court procedure or other procedure have been conducted against it, which might affect the fulfilment of the conditions specified in the Daily Auction Rules, as well as that it has no unsettled amounts due to the Allocation Office or C.N.T.E.E. Transelectrica S.A..

### **Article 3**

#### **Obligations of the Allocation Office and Market Participant**

The Allocation Office and the Market Participant undertake to professionally discharge their respective duties and to act in line with their respective obligations set out in the Agreement and the Daily Auction Rules which form an integral part of this Agreement.

### **Article 4**

#### **Applicable Law and Dispute Settlement**

This Agreement shall be governed by the Laws of the Republic of Serbia.

In case of a dispute which may arise as result of application of the Agreement and Auctions Rules as its integral part, or as result of breaching, suspending or declaring them null and void, the Allocation Office and the Market Participant need to put efforts in finding the mutually acceptable solution. A party to the Agreement who invokes the reason for a dispute is obligated to provide the other party with the justified notification on the existence of the reason for dispute; namely the notification will mention which article of the Agreement and Daily Auction Rules has been breached and it will include the invitation to the other party for amicable settlement

Where the Allocation Office and the Market Participant failed to reach an acceptable amicable settlement within thirty (30) days as of the first notification about the reason for dispute, the Parties to the Agreement concur that the resolution to dispute should be sought before the Commercial Court in Belgrade.

The place where the Market Participant shall discharge all its obligations arising from this Agreement is the official headquarter of the Allocation Office.

### **Article 5**

#### **Non-disclosure**

Parties concur that the obligations stipulated in this Agreement, as well as the information provided over the course of implementation of the Agreement shall be deemed confidential and shall not be published or disclosed to any third party.

Should any such information need to be submitted to the state authorities, organisations and institutions, or to the bodies of the international organisations whose members are the Republic of Serbia and/ or JSC EMS, each party shall send written notification to the other party before providing any information.

### **Article 6**

The list of Authorized Market Participants (Appendix 1) is an integral part of the Agreement.

Each Market Participant may change its list of authorized representatives or other information specified in Appendix 1 by submitting a validly signed Appendix 1 to the Allocation Office.

**Article 7**

This Agreement enters into force after being signed by authorised representatives of the Market Participant and the Allocation Office and expires on 31.12.2021.

This Agreement is executed in three (3) identical copies, two (2) of which are for the Allocation Office and one (1) copy is for the Market Participant.

*For Market Participant*

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

\_\_\_\_\_

Signature

For JSC EMS Beograd

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

\_\_\_\_\_

Signature

**Annex 1 - Attachment 1****A list of authorized representatives of the Registered Participant**

The *Registered Participant* appoints the following persons to be authorized to act on behalf of the *Registered Participant*:

- for signing of the *Contract*

| Name | Telephone No. | Mobile phone No. | Fax No. | E-mail |
|------|---------------|------------------|---------|--------|
|      |               |                  |         |        |
|      |               |                  |         |        |

- for signing of the Declaration on take-over and use of electronic certificate (Annex 6) for the *Registered Participant* according to *Daily Auction Rules*

| Name | Telephone No. | Mobile phone No. | Fax No. | E-mail |
|------|---------------|------------------|---------|--------|
|      |               |                  |         |        |
|      |               |                  |         |        |

- for submitting bids to *Allocation Office*

| Name | Telephone No. | Mobile phone No. | Fax No. | E-mail |
|------|---------------|------------------|---------|--------|
|      |               |                  |         |        |
|      |               |                  |         |        |

- for financial issues

| Name | Telephone No. | Mobile phone No. | Fax No. | E-mail |
|------|---------------|------------------|---------|--------|
|      |               |                  |         |        |
|      |               |                  |         |        |

|  |  |
|--|--|
| <b>Valid postal address for sending the Agreement:</b> |  |
| <b>Valid postal address for sending the Invoices:</b>  |  |
| <b>Official e-mail for sending Invoices:</b>           |  |

The *Registered Participant* is obliged to inform *Allocation Office* promptly in case of any changes identified in the table above.

Date:

For the *Registered Participant*

\_\_\_\_\_

Signature

## Annex 2 List of Contacts

**Agreements** (see Annex 1) must be delivered by market participants to the *Allocation Office* at the following address:

**EMS AD Beograd**  
**Allocation Office/Market Division**  
**Vojvode Stepe 412**  
**11040 Beograd**  
**Srbija**

For personal deliveries on the above mentioned address filing office is open between 09:00 and 14:00 (CET) on *Working Days*

Any confirmation issued by the filing office of the *Allocation Office* confirms only the date and time of receiving of the document - not the document's accuracy or whether or not it is correct.

*Registered Participants* may use for other communication with *Allocation Office* following fax numbers and contacts:

### Daily Auction Rules

| Name               | Phone No.         | e-mail   | Fax No.           |
|--------------------|-------------------|--|-------------------|
| Mr. Marko Janković | +381 11 39 57 028 | <a href="mailto:marko.jankovic@ems.rs">marko.jankovic@ems.rs</a> | +381 11 39 70 695 |
| Mr. Nikola Tošić   | +381 11 39 57 177 | <a href="mailto:nikola.tosic@ems.rs">nikola.tosic@ems.rs</a>     |                   |

### Registration of market participants

| Name               | Phone No.         | e-mail   | Fax No.           |
|--------------------|-------------------|--|-------------------|
| Ms. Jelena Pejović | +381 11 39 57 112 | <a href="mailto:jelena.pejovic@ems.rs">jelena.pejovic@ems.rs</a> | +381 11 39 70 695 |
| Mr. Jasmin Ličina  |                   | <a href="mailto:jasmin.licina@ems.rs">jasmin.licina@ems.rs</a>   |                   |

### Allocation Platform Helpdesk – User support (Allocation Platform Operators) – Daily Auctions operation and other operational issues

|                     | Phone No.         | e-mail   | Fax No.           |
|---------------------|-------------------|--|-------------------|
| Mr. Radomir Živić   | +381 11 39 57 176 | <a href="mailto:radomir.zivic@ems.rs">radomir.zivic@ems.rs</a>     | +381 11 39 70 695 |
| Ms. Jovana Petrović | +381 11 30 91 876 | <a href="mailto:jovana.petrovic@ems.rs">jovana.petrovic@ems.rs</a> |                   |
|                     |                   | <a href="mailto:alokacija@ems.rs">alokacija@ems.rs</a>             |                   |

**Allocation Platform Helpdesk – IT support**

– Access to IT system, Electronic certificates (tokens)

|                               | Phone No.         | e-mail   | Fax No.           |
|-------------------------------|-------------------|--|-------------------|
| Ms. Jovana Tekić<br>Novaković | +381 11 39 57 100 | <a href="mailto:jovana.tekicnovakovic@ems.rs">jovana.tekicnovakovic@ems.rs</a> | +381 11 39 70 695 |
| Ms. Svetlana<br>Blagojević    | +381 11 39 57 066 | <a href="mailto:svetlana.blagojevic@ems.rs">svetlana.blagojevic@ems.rs</a>     |                   |

**Financial issues**

|                   | Phone No.         | e-mail   | Fax No.           |
|-------------------|-------------------|--|-------------------|
| Ms Jelena Pejović | +381 11 39 57 112 | <a href="mailto:jelena.pejovic@ems.rs">jelena.pejovic@ems.rs</a> | +381 11 39 70 695 |
| Mr Jasmin Ličina  |                   | <a href="mailto:jasmin.licina@ems.rs">jasmin.licina@ems.rs</a>   |                   |



## Annex 3 Auctions Procedure Schedule (Payment Schedule for 2021)

### Daily Auction

|           | Issuing invoices | Due date of invoices |
|-----------|------------------|----------------------|
| 2021      | Deadline 1D      | Deadline 2D          |
| January   | 03.02.2021.      | 11.02.2021.          |
| February  | 02.03.2021.      | 10.03.2021.          |
| March     | 01.04.2021.      | 09.04.2021.          |
| April     | 04.05.2021.      | 12.05.2021.          |
| May       | 01.06.2021.      | 09.06.2021.          |
| June      | 01.07.2021.      | 09.07.2021.          |
| July      | 03.08.2021.      | 11.08.2021.          |
| August    | 01.09.2021.      | 09.09.2021.          |
| September | 01.10.2021.      | 09.10.2021.          |
| October   | 02.11.2021.      | 10.11.2021.          |
| November  | 01.12.2021.      | 09.12.2021.          |
| December  | 04.01.2022.      | 12.01.2022.          |

*The Allocation Office* reserves the right to operationally change dates and times according to the Article 5.1.

## **Annex 4 List of Serbian Public Holidays**

|             |            |                                       |
|-------------|------------|---------------------------------------|
| 01.01.2021. | (Friday)   | New Year's Day (RS)                   |
| 02.01.2021. | (Saturday) | New Year's Day (RS)                   |
| 07.01.2021. | (Thursday) | Christmas Day (RS)                    |
| 15.02.2021. | (Monday)   | National holiday (RS)                 |
| 16.02.2021. | (Tuesday)  | National holiday (RS)                 |
| 30.04.2021. | (Friday)   | Easter Friday (RS)                    |
| 01.05.2021. | (Saturday) | Easter Saturday (RS), Labour Day (RS) |
| 02.05.2021. | (Sunday)   | Easter Sunday (RS), Labour Day (RS)   |
| 03.05.2021. | (Monday)   | Easter Monday (RS)                    |
| 11.11.2021. | (Thursday) | Armistice Day (RS)                    |

## Annex 5 - Complaint procedure

### Specific initiative concerning the daily Auctions

Should the *Registered Participant* come to conclusion that the *Daily Auction Rules* have been breached by an incorrect calculation, incorrect output from data check, or incorrect evaluation of data by the *Allocation Platform*, the *Registered Participant* is entitled to initiate through its representative, the *Allocation Platform* User examination procedure. The request must be delivered to one of the contacts of *Allocation Platform* operators (Annex 2) by signed fax message, an electronically signed e-mail, or via registered mail, and must contain:

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

*Allocation Platform* operator will confirm the receipt of such a complaint via e-mail.

If the *TSOs* and the *Registered Participant* could not reach an agreement within 10 days the *Registered Participant* may refer a complaint pursuant to the process described in the *Daily Auction Rules* to the relevant national Regulatory Authority in accordance with national law implementing *EU Regulation*.

The *TSOs* are obliged to give all information to the proceeding National 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 daily *Auction*.

The complaint procedure according to *EU Regulation* described in this article does not affect the right of the *Registered Participant* set forth in Article 11.4.

## Annex 6 - Declaration on take-over and use of the electronic certificate

For:

|  |  |
|--|--|
| <b>Name of the <i>Registered Participant</i></b>             |  |
| <b>Address, Country</b>                                      |  |
| <b>Name of the person authorized to sign the Declaration</b> |  |

### I.

*Daily Auction Rules*, Section 5 specify the conditions of use of electronic certificates. This document is made only with the intention to allow the *Registered Participant* to communicate with the *Allocation Platform* by using the electronic certificate.

### II.

The electronic certificate does not identify a specific *User* but it only identifies and recognizes the *Registered Participant* as a legal person or entrepreneur.

### III.

The *Registered Participant* declares that it has implemented a technical device for the purposes of communication with the *Auction Platform* (by means of web browser or web services) in order to carry out the transactions and to accept obligations specified in the *Daily Auction Rules*.

### IV.

As of the signature date of this document by the *Registered Participant's* representative, all of the *Registered Participant's* transactions in connection with the use of *Auction/Allocation Platform* identified by its electronic certificate bind the *Registered Participant* as if performed by any of all the Authorized representatives as nominated in Attachment 1 of Annex 1 of the *Daily Auction Rules* (Agreement).

### V.

The *Registered Participant* declares that he took over the following electronic certificate:

Hardware token/certificate specification:

Hardware No.: \_\_\_\_\_

Certificate No. : \_\_\_\_\_ Valid till: \_\_\_\_\_

### VI.

In case of loss, damage of token or/and compromised security of the electronic certificate the *Registered Participant* is obliged to inform the *Allocation Office* as soon as possible and the *Allocation Office* will revoke the certificate immediately.

Date:

For EMS AD Beograd as *Allocation Office*

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Signature

For the *Registered Participant*

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Signature