
Proposal for nomination rules for Physical Transmission Rights for the bidding zone border(s) Hungary and Romania in accordance with Article 36 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation

11 October 2017

All TSOs of the bidding zone border(s) Hungary and Romania taking into account the following,

Whereas

- (1) This document is the common proposal developed by the Transmission System Operators of the bidding zone border(s) Hungary and Romania (hereafter referred to as “**related TSOs**”) for Nomination rules for Physical Transmission Rights (hereafter referred to as the “**Proposal**”) in accordance with Article 36 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “**FCA Regulation**”).
- (2) Article 31 of the FCA Regulation foresees that long-term cross-zonal capacity shall be allocated to market participants in the form of Physical Transmission Rights pursuant to the UIOSI principle or in the form of FTRs — options or FTRs — obligations. This Proposal only applies to the Physical Transmission Rights acquired in forward capacity allocation. It lays down the rules for nomination of Physical Transmission Rights for the bidding zone border(s) of related TSOs.
- (3) In accordance with Article 36(2) of the FCA Regulation, this Proposal is subject to consultation. Article 6 of the FCA Regulation requires that proposals submitted at bilateral or at multilateral level shall consult at least the Member States concerned and that the consultation shall last for a period not less than one month. Accordingly, this Proposal was consulted from 27 June 2017 until 18 August 2017.
- (4) This Proposal is submitted for the approval of all National Regulatory Authorities (hereafter referred to as the “**NRAs**”) of the bidding zone border(s) of related TSOs .
- (5) TSOs on the bidding zone border(s) of related TSOs consider that the FCA Regulation allows the submission of this Proposal on bidding zone border level, since proposals for nomination rules for electricity Scheduled Exchanges between bidding zones are not listed in Article 4 of the FCA Regulation. They acknowledge that Article 36(3) of the FCA Regulation requires all TSOs to progressively harmonise the nomination rules on all bidding zone borders on which Physical Transmission Rights are applied. The TSOs therefore undertake to progressively examine the potential and the need for harmonisation of these rules, taking into account their technical nature.
- (6) This Proposal generally contributes to the achievement of the objectives of Article 3 of the FCA Regulation. In particular, this Proposal serves the objective of promoting effective long-term cross-zonal trade with long-term hedging opportunities for market participants by promoting a transparent framework for the nomination rules for Physical Transmission Rights.
- (7) This Proposal contributes to the provision of non-discriminatory access to long-term cross-zonal capacity by detailing the process of nominating the Physical Transmission Rights already allocated in the long-term auctions (or the process of transferring that right in accordance with Article 44 of the FCA Regulation).
- (8) Furthermore, this Proposal ensures fair and non-discriminatory treatment of all affected parties, as it sets rules to be applied by all parties. Before being approved, the rules detailed in this Proposal are subject to public consultation in accordance with Article 6 of the FCA Regulation.
- (9) Regarding the objective of transparency and reliability of information on forward capacity allocation, this Proposal includes provisions on the necessary exchange of information between the holder of the transmission rights and the nomination platform for executing the nomination.
- (10) In conclusion, this Proposal contributes to the general objectives of the FCA Regulation to the benefit of all market participants and electricity end consumers.

SUBMIT THE FOLLOWING PROPOSAL TO ALL REGULATORY AUTHORITIES OF THE BIDDING ZONE BORDER(S) HUNGARY AND ROMANIA:

TITLE 1

General provisions

Article 1

Subject matter and scope

1. This document describes the provisions governing Nomination Rules on bidding zone border(s) between related TSOs.
2. In accordance with the FCA Regulation and the applicable harmonised allocation rules for long-term transmission rights developed as per Article 51 of the FCA Regulation, this Proposal shall bind the holders of Physical Transmission Rights, their counterparties where applicable, and eligible parties acting on their behalf.

Article 2

Definitions and interpretation

1. Capitalised terms used in this nomination rules Proposal shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, Article 2 of Regulation (EC) 2015/1222, Article 2 of Directive 2009/72/EC, Regulation (EU) 2016/1719 and in the applicable harmonised allocation rules for long-term transmission rights.
2. In addition, the following definitions shall apply:
 - (a) TRANSELECTRICA means CNTEE TRANSELECTRICA SA, the Romanian TSO;
 - (b) MAVIR means MAVIR Hungarian Independent Transmission Operator Company Ltd., the Hungarian TSO;
 - (c) CAI means Capacity Agreement Identification;
 - (d) CCT means Capacity Contract Type;
 - (e) EIC means Energy Identification Code;
 - (f) PTR means Physical Transmission Rights;
 - (g) BT means Business Type;
 - (h) RD means Rights Document;
 - (i) COT means Cut-off-time;
 - (j) ACK means Acknowledge document;
 - (k) CNF means Confirmation Report;
 - (l) ANO means Anomaly Report;
 - (m) ESS means ETSO Scheduling System.

Article 3

Effective date and application

This nomination rules Proposal shall enter into force in accordance with the applicable national regulatory regimes. The rules described in this Proposal shall apply on the earliest possible date following the approval of the respective NRAs in Accordance with Article 4 of the FCA Regulation. This date will be published for the bidding zone border(s) of the relevant TSOs on their website.

TITLE 2

Nomination rules

Article 4

Entitlement of a physical transmission rights holder to nominate Scheduled Exchanges

Related TSOs set the following prerequisites for using PTRs and for using their transmission networks:

MAVIR	PTRs holders must have a valid and effective balancing contract with MAVIR or membership of a Hungarian balance-group, and a valid and effective system usage contract.
TRANSELECTRICA	PTRs holders must have a valid and effective balancing contract with TRANSELECTRICA or membership of a Romanian balance responsible party . This market participant is allocated capacity holder or has cross-border counter party on MAVIR side who is allocated capacity holder.

Article 5

Minimum technical requirements to nominate

Related TSOs set the following minimum technical requirements to access their local scheduling system to nominate PTRs:

MAVIR	MAVIR scheduling system is a web-based application, to which the minimum technical requirements are published on MAVIR homepage. (www.mavir.hu)
TRANSELECTRICA	TRANSELECTRICA scheduling system is a web-based application, to which the minimum technical requirements are published on TRANSELECTRICA homepage. (www.transelectrica.ro)

Article 6

Description of the nomination process

1. Scheduled Exchanges will be sent to the TSOs in accordance with local market rules in ESS standards defined in Article 8 of this Porposal;
2. A nomination will be accepted under following conditions:
 - (a) The sender market participant has grid access in the area of the receiver TSO;
 - (b) The sender is responsible for the party in the area of the receiver TSO.

Any error regarding these conditions leads to a negative ACK.
3. A CAI and CCT of a nomination is valid if
 - (a) the combination of CCT and CAI exists in the RD;
 - (b) at least one of InParty or OutParty of the nomination is the “RightsHolder” transmitted in the RD;

Any error regarding these conditions results in an ANO or ACK message, depending on local market rules.

4. Basic rules for nomination and schedule matching process:
 - (a) the direction of nominations and the direction of the relevant capacity right must be the same;
 - (b) the total of the volume in the nominated time series using the same CAI must not exceed the volume of the respective capacity right
5. When a document with a Scheduled Exchange is received by a TSO it will be formally checked immediately. If the result of the formal check is OK, the trader gets a positive ACK. In case of formal errors TSO doesn't accept the document;
6. Nomination without RD function depends on local market rules;
7. If a validation against the RD couldn't be executed during the formal check because of non-availability of the RD, the market participant will be informed by an additional ACK. If the RD is available to the TSO at the time of receiving the nomination, trader will be informed by the TSO about any exceeded capacity rights within an ANO. If the RD is received later on or a nomination from another market participant leads to an exceeding of capacity rights, the trader will be informed by an ANO after the indication was detected.
8. In case of nomination rejection reason codes and reason texts are given in the ACK;
9. Besides the exceeding of capacity rights the ANO can contain detected mismatches depending on the process step;
10. An ANO will always contain the original values of the sender and, if available, the original values of the partner;
11. TRANSELECTRICA and MAVIR will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access in each control area and applicable market rules of TRANSELECTRICA and MAVIR.
12. TRANSELECTRICA and MAVIR will commit themselves to ensure that the allocated capacity is operationally feasible for the market participant solely at the border and/or unplanned network conditions.
13. The allocated capacity may only be used by the market participant if the market participant fulfils the prerequisites for cross-border transmission network use on the Romanian-Hungarian.
14. The submitted schedule data of cross-border electricity Scheduled Exchange shall contain data which unambiguously determine the allocated capacity (CAI and CCT).
15. If the nomination gate is cancelled due to technical failures, the unused capacity is made available to the day-ahead market. The owner of the PTR will be refunded for the non-nominated capacity via the UIOSI principle.”

Article 7 Nomination timings

Process	Start of the process (CET)	End of the process (CET)
Long term nomination	D-2 12:00	D-1 08:00
Correction cycles of long term nominations	D-1 08:00	D-1 08:30
Long term matching cycle at COT	D-1 08:30	D-1 08:45

1. During the correction cycle market participants may send corrected nominations. Only mismatched time series or time series with exceeded capacity rights can be re-nominated at this stage of the process. Already matched time series must not be changed.
2. The correction cycle ends with the long term COT. During correction cycle a new matching process between the TSOs will be started every 15 minutes until COT. As a result of every matching process traders will be informed about confirmation and errors of Scheduled Exchanges by a CNF or ANO reports. A CNF confirming all traders' nominations is sent only once. Sending will not be repeated after further matching processes during correction cycle. Depending on local market rules the result of the matching process is an intermediate or a final CNF report sent to the market participant.
3. If the nominations do not match at COT the nominations are modified to the lower of both values.
4. Relevant Allocation Platform shall publish information on its website on the long term nomination deadline. In case of any discrepancy between the deadline published by the relevant Allocation Platform and this valid and legally binding nomination rules Proposal, the latter shall prevail and the relevant Allocation Platform shall not be held liable for any damaged due to such a discrepancy.

Article 8 Format of nomination and communication

1. Relevant TSOs set the following communication standards to be applied:
 - (a) ETSO ESS 2.3 / 3.3 or higher;
 - (b) ETSO ECAN 4.0 or higher;
 - (c) ENTSO-E General Code list For Data Interchange;
 - (d) ENTSO-E Acknowledgement Document (EAD) 5.0 or higher;
 - (e) ENTSO-E Reference Manual 5.0. or higher;
2. General rules for the format of nominations are defined in the local market rules, but content of used elements and the use of some elements used for nomination on bidding zone border(s) between related TSOs may differ:
 - (a) InParty / OutParty: Beside the own EIC the EIC of the traders partner within a sources-ink relation shall be used;
 - (b) BT: Use of "A03" is mandatory;

- (c) CAI: given by relevant allocation office in the Rights Document;
- (d) CCT: in accordance with the allocation rules, depending on auction type;
- (e) Local market rules can require resolutions of 15 Minutes for nominations. In this case, market participants have to send 4 equal values for each quarter within one hour and TSOs have to check the existence of 4 equal values for each quarter within the same hour. The violation of this condition results in the rejection of the nomination.

TITLE 3
Miscellaneous

Article 9
Amendment of the nomination rules

Any change of the nomination rules for Physical Transmission Rights for the bidding zone border(s) Hungary and Romania shall lead to an amendment of this proposal.

Article 10
Language

The reference language for this Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this Proposal into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 4(13) of the FCA Regulation and any version in another language the relevant TSOs shall, in accordance with national legislation, provide the relevant NRAs with an updated translation of the nomination rules Proposal.