

## Nemo Link Non-IEM Access Rules v~~2~~3

### **Notice**

The Belgian and British transmission systems are connected by a 1000MW interconnector between Herdersbrug in Belgium and Richborough in England known as Nemo Link. The Interconnector will support electricity trading in both directions and is jointly owned by National Grid and Elia.

Nemo Link Limited and Elia began commercial operation of the Interconnector on 31<sup>st</sup> January 2019.

These Rules cover the operation of the Explicit Auctions where GB is not part of the EU Internal Energy Market for Long Term, Day Ahead and Intraday timescales.

~~August 2019~~ October 2020

## Contents

Section A – General Provisions .....	7
A1 Subject Matter and Scope .....	7
A2 Parties and Participation .....	7
A3 Allocation Platform.....	7
A4 Arrangements for maximising the available interconnector capacity .....	7
A5 Effective Date and Application .....	7
A6 Amendment.....	8
Section B – Requirements and process for participation in Auctions and Nominations.....	9
B1 General provisions.....	9
B2 Costs related to the Participation Agreement.....	109
B3 Regulatory and legal requirements .....	10
B4 Other Issues .....	10
Section C – Collateral.....	11
C1 General Provisions .....	11
Section D – Information System Rules.....	12
D1 General Provisions .....	12
D2 Interfaces with the Auction and Nomination tool.....	12
D3 Security and confidentiality of communications.....	12
D4 Training.....	12
Section E – Auctions .....	13
E1 General Provisions.....	13
Section F – Not Used.....	14
Section G – Nomination Rules .....	15
G1 General Principles.....	15
G2 Submission of Physical Nominations .....	15
Section H – Use It Or Lose It (UIOLI) .....	16
H1 General Principles.....	16
H2 UIOLI applying on Daily Nominations.....	16
Section J – Outages .....	17
J1 General provisions.....	17
J2 Changes in outages.....	17
J3 Forced outages and trips.....	17
Section K – Curtailment.....	18
K1 General Provisions .....	18
K2 Curtailment reimbursement.....	18
Section L – Invoicing and Payment.....	19

L1	General Provisions.....	19
Section M – Miscellaneous .....		20
M1	Liability.....	20
M2	Dispute Resolution .....	20
M3	Suspension of the Participation Agreement.....	20
M4	Termination of the Participation Agreement .....	21
M5	Force Majeure .....	23
M6	Notices.....	23
M7	Confidentiality .....	23
M8	Assignment and subcontracting .....	23
M9	Governing Law .....	24
M10	Language.....	24
M11	Intellectual property.....	24
M12	Relationship of the Parties .....	24
M13	No third party rights .....	24
M14	Waiver.....	24
M15	Entire agreement.....	25
M16	Remedies exclusive.....	25
M17	Severability .....	25
Appendix 1: Rules for Forward Capacity Allocation on the GB-Belgian Border .....		26
CHAPTER 1 General Provisions .....		27
Article 1	Subject-matter and scope .....	27
Article 2	Definitions and interpretation.....	27
Article 3	Allocation Platform.....	29
Article 4	Regional specificities .....	30
Article 5	Effective date and application .....	30
CHAPTER 2 Requirements and process for participation in Auctions and Transfer .....		31
Article 6	General Provision .....	31
Article 7	Participation Agreement conclusion .....	31
Article 8	Form and content of the Participation Agreement.....	32
Article 9	Submission of information .....	32
Article 10	Warranties .....	33
Article 11	Declaration for participation in transfer only.....	33
Article 12	Dedicated Business Account.....	33
Article 13	Acceptance of the Information System Rules .....	34
Article 14	Costs related to the Participation Agreement.....	34
Article 15	Refusal of application .....	34

Article 16	Access to the Auction Tool .....	34
Article 17	Conclusion of additional financial terms .....	35
Article 18	Regulatory and legal requirements .....	35
CHAPTER 3	Collaterals .....	36
Article 19	General provisions .....	36
Article 20	Form of cash deposit .....	36
Article 21	Form of Bank Guarantee .....	36
Article 22	Validity and renewal of the Bank Guarantee .....	38
Article 23	Credit Limit .....	38
Article 24	Modifications of the collaterals .....	39
Article 25	Collateral incident .....	39
Article 26	Calls on collaterals .....	<del>40</del> 39
CHAPTER 4	Auctions .....	41
Article 27	General provisions for Auctions .....	41
Article 28	Capacity Allocation timeframe and form of product .....	41
Article 29	Auction Specification .....	41
Article 30	Reduction Periods of Offered Capacity .....	42
Article 31	Bids submission .....	43
Article 32	Bid registration .....	<del>44</del> 43
Article 33	Default Bid .....	44
Article 34	Credit Limit verification .....	<del>45</del> 44
Article 35	Auction Results Determination .....	46
Article 36	Notification of provisional Auction results .....	47
Article 37	Contestation of Auction Results .....	48
CHAPTER 5	Return of Long Term Transmission Rights .....	<del>50</del> 49
Article 38	General Provision .....	<del>50</del> 49
Article 39	Process of the return .....	<del>50</del> 49
Article 40	Remuneration of Long Term Transmission Right holders .....	<del>51</del> 50
CHAPTER 6	Transfer of Long Term Transmission Rights .....	<del>52</del> 51
Article 41	General provisions .....	<del>52</del> 51
Article 42	Process of the transfer .....	<del>52</del> 51
Article 43	Legal consequences of the transfer .....	<del>53</del> 52
Article 44	Notice board .....	<del>53</del> 52
CHAPTER 7	Use and remuneration of Long Term Transmission Rights .....	<del>54</del> 53
Article 45	General principles .....	<del>54</del> 53
Article 46	Nomination of Physical Transmission Rights .....	<del>54</del> 53
Article 47	Rights Document .....	<del>55</del> 54

Article 48	Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights .....	<u>5554</u>
CHAPTER 8	Fallback Procedures .....	<u>5655</u>
Article 49	General provisions .....	<u>5655</u>
Article 50	Fallback procedure for data exchange .....	<u>5655</u>
Article 51	Fallback procedures for Auction .....	<u>5756</u>
Article 52	Auction cancellation .....	<u>5756</u>
Article 53	Fallback procedure for return of Long Term Transmission Rights .....	<u>5857</u>
Article 54	Fallback procedure for transfer of Long Term Transmission Rights .....	<u>5857</u>
Article 55	Fallback procedure for eligible person notification .....	<u>5957</u>
CHAPTER 9	Curtailment .....	<u>6059</u>
Article 56	Triggering events and consequences of curtailment on Long Term Transmission Rights .....	<u>6059</u>
Article 57	Process and notification of curtailment .....	<u>6059</u>
Article 58	Firmness deadline .....	<u>6160</u>
Article 59	Compensation for curtailments to ensure operation remains within Operational Security Limits before the Firmness Deadline .....	<u>6160</u>
Article 60	Reimbursement for curtailments due to Force Majeure before the Firmness Deadline .....	<u>6160</u>
Article 61	Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Firmness Deadline .....	<u>6261</u>
CHAPTER 10	Invoicing and Payment .....	<u>6362</u>
Article 62	General principles .....	<u>6362</u>
Article 63	Calculation of due amounts .....	<u>6362</u>
Article 64	Tax Gross-up .....	<u>6463</u>
Article 65	Invoicing and payment conditions .....	<u>6463</u>
Article 66	Payment disputes .....	<u>6665</u>
Article 67	Late payment and payment incident .....	<u>6665</u>
CHAPTER 11	Miscellaneous .....	<u>6867</u>
Article 68	Duration and amendment of Allocation Rules .....	<u>6867</u>
Article 69	Liability .....	<u>6968</u>
Article 70	Dispute resolution .....	<u>6968</u>
Article 71	Suspension of the Participation Agreement .....	<u>7170</u>
Article 72	Termination of the Participation Agreement .....	<u>7271</u>
Article 73	Force Majeure .....	<u>7372</u>
Article 74	Notices .....	<u>7473</u>
Article 75	Confidentiality .....	<u>7574</u>
Article 76	Assignment and subcontracting .....	<u>7675</u>
Article 77	Governing law .....	<u>7675</u>
Article 78	Language .....	<u>7675</u>

Article 79	Intellectual property.....	<u>7675</u>
Article 80	Relationship of the Parties .....	<u>7675</u>
Article 81	No third party rights .....	<u>7776</u>
Article 82	Waiver.....	<u>7776</u>
Article 83	Entire agreement.....	<u>7776</u>
Article 84	Remedies exclusive.....	<u>7776</u>
Article 85	Severability .....	<u>7876</u>
Appendix 2: Nomination Rules for Long Term Transmission Rights on the GB-Belgian Border.....		<u>7978</u>
Appendix 3: Rules for Daily Capacity Allocation on the GB-Belgian Border.....		<u>9392</u>
Appendix 4: Rules for Intraday Capacity Allocation on the GB-Belgium Border .....		<u>138137</u>
Appendix 5: Day Ahead and Intraday Nomination Rules .....		<u>177175</u>
Annex to the Explicit Day Ahead and Intraday Nomination Rules.....		<u>189186</u>
Business Rules for Nemo Link.....		<u>189186</u>
Appendix 6: Definitions and Interpretation.....		<u>191188</u>

## Section A – General Provisions

### A1 Subject Matter and Scope

A1.1 These Rules set out:

- a) the terms for use of Interconnector Capacity; and
- b) the procedures for auctioning rights to use Annual, Quarterly, Monthly (Long Term), Daily and Intraday Interconnector Capacity; and
- c) the terms on which Registered Participants may participate in the Auctions referred to in (b).

### A2 Parties and Participation

A2.1 A person wishing to participate in Auctions, and/ or wishing to use Interconnector Capacity shall comply with Section B and must agree to be bound by and comply with these Rules.

A2.2 Nemo Link Limited will from time to time, and at least once per year, invite Registered Participants to meet and to discuss future Auctions and the commercial and operational aspects in relation to the Interconnector. Details of those who may attend the meetings, the agenda and location will be notified by Nemo Link Limited within a reasonable time before the meeting.

### A3 Allocation Platform

A3.1 The Allocation Platform shall undertake the allocation functions in accordance with these Rules and in accordance with applicable legislation.

A3.2 Nemo Link and Elia operate the Interconnector jointly. Together, they are the Allocation Platform referred to in these Rules and are jointly and severally liable for all acts and omissions of the Allocation Platform under these Rules.

A3.3 Nemo Link and Elia appoint JAO to operate the Auctions.

### A4 Arrangements for maximising the available interconnector capacity

A4.1 Nemo Link Limited shall maximise the available interconnector capacity in accordance with the relevant methodologies as approved by the Regulatory Authorities where relevant.

A4.2

### A5 Effective Date and Application

A5.1 These Rules shall enter into force in accordance with the applicable national regulatory regimes upon the approval by the relevant National Regulatory Authorities and on the date announced by the Allocation Platform.

A5.2 Subject to A6.4, an amendment made under this Rule takes effect from the later of:

- a. the start of the Contract Day commencing 10 Business Days after the Amendment Notice is notified to Registered Participants by the Allocation Platform; or
- b. the date and time specified in the Amendment Notice.

A5.3 Each amendment applies to any aspect of these Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.

A5.4 Unless expressly stated otherwise by the Allocation Platform, the amended Rules shall govern all rights to use Interconnector Capacity and all other rights and obligations acquired under these Rules including those acquired before but for use after the amendment takes effect.

A5.5 Any amendment of these Rules will apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign the amended Participation Agreement but without prejudice to the Registered Participant's right to request termination of its Participation Agreement in accordance with paragraph A6.4

## A6 Amendment

A6.1 Subject to this Rule A6, the Allocation Platform is entitled to amend these Rules from time to time by giving an Amendment Notice to Registered Participants.

A6.2 Nothing in this Rule A6 shall prevent a Registered Participant from proposing in writing amendments to these Rules at any time.

A6.3 In the event that a Rule amendment is proposed by a Registered Participant, the Allocation Platform shall, within 5 Business Days, confirm receipt of the proposed amendment and provide timescales for consideration of the proposal.

A6.4 These Rules are subject to the law prevailing at the time at which they take effect. In the event that there is a change in law or any action by Competent Authorities at national or international level which have an effect on these Rules then, notwithstanding any other provision of these Rules, these Rules will be amended accordingly and, where possible, pursuant to this Rule.

A6.5 Before making any amendment to these Rules under this Rule, the Allocation Platform will, unless the amendment is urgent or minor in its nature, give Registered Participants a reasonable opportunity, and in any event not less than 10 Business Days, to review and give written comments to the Allocation Platform on the proposed amendment. If the Allocation Platform decides to modify a proposed amendment as a result of comments from Registered Participants, they may give Registered Participants a further opportunity to review and comment on the modified proposals under this Rule indicating timescales for provision of such comments

A6.6 These Rules are approved by the relevant regulatory authorities. Accordingly, any Amendment Notice will be issued to Registered Participants only after such approval(s) (as required) has/have been received by the Allocation Platform. Following receipt of such approval(s) the amended Rules will be published on the Nemo Link website.

## Section B – Requirements and process for participation in Auctions and Nominations

### B1 General provisions

B1.1 Section B sets out the rules which are applicable to participation by Registered Participants in Auctions, and the Nominations process.

B1.2 To qualify as a Registered Participant, a person must become a party to a Participation Agreement in accordance with the relevant provisions of;

- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 4 – Rules for Intraday Capacity Allocation.

B1.3 To be eligible to participate in Auctions a person must fulfil all applicable conditions specified in:

- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 2 (Requirements and process for participation in Auctions) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.

For the avoidance of doubt, participation in Auctions requires a person to be compliant with the provisions related to Collateral as specified in:

- Chapter 3 (Collaterals) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 3 (Collaterals) of Appendix 3 – Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 3 (Collaterals) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.

B1.4 In order to nominate a Physical Transmission Right, a PTR Holder must have a signed Nomination Participation Agreement in accordance with Article 3 of Title 2 of Appendix 2 – Long Term Nomination Rules and Article 3 of Title 2 of Appendix 5 - Day Ahead and Intraday Nomination Rules.

## B2 Costs related to the Participation Agreement

- B2.1 All Registered Participants will participate in Auctions and/ or will Nominate at their own cost, expense and risk. The Allocation Platform shall have no liability to any person for any cost, claim, or expense of any Registered Participant in connection with the Registered Participant participating in Auctions and/ or the Nominations process.

## B3 Regulatory and legal requirements

- B3.1 It is the responsibility of each Registered Participant to ensure that it has complied with all requirements, including Applicable Laws and the requirements of any Competent Authority, and obtained all necessary authorisations in connection with its participation in Auctions and its use of Interconnector Capacity.

## B4 Other Issues

- B4.1 All Registered Participants participate in Auctions on the terms of these Rules and the relevant Auction Specifications.
- B4.2 There must be no collusion by any Registered Participants with any other Registered Participants and Registered Participants must not otherwise seek to improperly influence the outcome of any Auction. As a result of evidence of collusive or other improper behaviour which might be considered as unlawful, the Allocation Platform will refer the matter to the relevant Competent Authorities or jurisdictions, inform the Regulators and, upon decision of the Competent Authority or jurisdiction that the Registered Participant's behaviour is unlawful, may disqualify the relevant Bids.

## Section C – Collateral

### C1 General Provisions

C1.1 Collateral must be provided and subsequently maintained and may be increased or decreased in accordance with:

- Chapter 3 (Collaterals) of Appendix 1 – Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 3 (Collaterals) of Appendix 3 – Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 3 (Collaterals) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.

## Section D – Information System Rules

### D1 General Provisions

- D1.1 Each Registered Participant must establish and maintain, at its own cost, its own Registered Participant Systems. The Allocation Platform shall have no liability in the event that the Registered Participant's System fails, for any reason, to communicate with the Auction or Nomination Tool.

### D2 Interfaces with the Auction and Nomination tool

- D2.1 JAO SA will give Registered Participants the information (including updates as applicable) reasonably necessary to enable Registered Participant Systems to interface with the Auction Tool.
- D2.2 The Allocation Platform will give Registered Participants the information (including updates as applicable) reasonably necessary to enable Registered Participant Systems to interface with the Nomination Tool.
- D2.3 Each Registered Participant must demonstrate to the reasonable satisfaction of JAO SA and the Allocation Platform its ability to exchange information with the Auction and Nomination Tool before being eligible to participate in the Auctions and the Nominations process.
- D2.4 The Allocation Platform shall endeavour to give Registered Participants access to a test platform for the Nomination Tool to test their interfaces.

### D3 Security and confidentiality of communications

- D3.1 The Allocation Platform may from time to time, where reasonably necessary for the purpose of protecting the security of communications under these Rules, including those between the Nomination Tool and Registered Participant Systems, establish communication protocols and standards with which Registered Participants must comply.
- D3.2 Registered Participants accept that data sent to the Auction and Nomination Tool is binding, and that Registered Participants are fully responsible for those individuals who have access to the Auction and Nomination Tool on behalf of the Registered Participants.

### D4 Training

- D4.1 Standard training for the use of the Auction and Nomination Tool is available to Registered Participants:
- a. Standard Auction Tool training is available by contacting JAO SA at [www.jao.eu](http://www.jao.eu)
  - b. Free Nomination Tool training is available by contacting Nemo Link Limited at [customer.service@nemolink.co.uk](mailto:customer.service@nemolink.co.uk).

## Section E – Auctions

### E1 General Provisions

- E1.1 The Allocation Platform will use the following procedures for Auctions:
- a. Auctions for Annual, Quarterly and Monthly Units will be operated by JAO SA, in accordance with Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border; and
  - b. Auctions for Daily Units will be operated by JAO SA, in accordance with Appendix 3 – Rules for Daily Capacity Allocation on the GB-Belgian Border; and
  - c. Auctions for Intraday Units will be operated by JAO SA, in accordance with Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.
- E1.2 The Auctions referred to above are explicit closed Auctions (i.e. Auctions are for Interconnector Capacity only and Registered Participants have no visibility of other Registered Participants' Bids).

## Section F – Not Used

## Section G – Nomination Rules

### G1 General Principles

- G1.1 Acquired Physical Transmission Rights through the auction process entitle Registered Participants to use Interconnector Capacity by issuing a Mid-Interconnector Nomination on the Nomination Tool in accordance with the Nomination Rules detailed in Appendices 2 and 5 of the Nemo Link Access Rules;
- G1.2 To nominate physical transmission rights, Registered Participants must have a signed and valid Participation Agreement with Nemo Link Limited.
- G1.3 Each Registered Participant acknowledges that, without prejudice to the rights of Registered Participants under this Rule, Unit Holders do not have a right to control Energy Transmissions over the Interconnector and the actual level of Energy Transmissions over the Interconnector at any time is determined by the Allocation Platform having regard to a range of factors including other Mid-Interconnector Nominations, operational requirements and use of the Interconnector by NGET and/or Elia as Transmission System Operators (including any limitation due to emergency or reasons of operational system security or under other arrangements such as the provision of emergency support and balancing services). Nothing in these Rules restricts the Allocation Platform from transmitting electricity over the Interconnector at any time in either direction.
- G1.4 A Registered Participant will not be entitled to use any Interconnector Capacity other than at the times, in the manner and to the extent provided for under these Rules.

### G2 Submission of Physical Nominations

- G2.1 Nemo Link Limited will calculate and submit on behalf of each Registered Participant physical notifications to NGESO and cross border notifications to Elia for each Settlement period, based on the aggregate of Mid Interconnector Nominations received from each Registered Participant across all Timescales in respect of each Settlement Period.

## Section H – Use It Or Lose It (UIOLI)

### H1 General Principles

H1.1 The provisions under this Rule H1 detail the means by which Transmission Rights unused by a Unit Holder (“Unused Units”) will be made available to the Allocation Platform for use in the next available future Auction.

### H2 UIOLI applying on Daily Nominations

H2.1 To the extent that any Unit Holder does not Nominate any Daily Unit(s) associated with its Daily Interconnector Capacity rights for any hour of a Contract Day, it will lose the right to use such Daily Unit(s) on that Contract Day in accordance with this Rule.

H2.2 Unused Units resulting from the process described in this Rule H2 are then subject to the following:

- a. these Unused Unit(s) will be unavailable for subsequent use by the Unit Holder;
- b. the Unit Holder’s rights and obligations in relation to its other Units, whether Unused or not Unused, will not be affected;
- c. the Unit Holder shall still pay the Allocation Platform for its Unused Unit(s);

## Section J – Outages

### J1 General provisions

- J1.1 The Allocation Platform will give Registered Participants information about Outages in accordance with this Rule.
- J1.2 The Allocation Platform will publish an indicative schedule of Outages for the forthcoming year, specifying the expected start and end dates of each Outage and the expected NTC during each Outage and otherwise as necessary to comply with the requirements of the Transparency Regulation.

### J2 Changes in outages

- J2.1 The Allocation Platform will update the information given under Rule J1 as soon as practicable after any changes are known.
- J2.2 The Allocation Platform will use reasonable endeavours to ensure that the information provided under this Chapter is accurate and that Outages take place as indicated by the information.
- J2.3 Notwithstanding paragraph J1.1, each Registered Participant acknowledges that circumstances may arise that require the Allocation Platform to take Outages at times other than those planned and therefore the Allocation Platform remains free to plan and execute any Outages that it considers necessary.
- J2.4 Without prejudice to Rule K1, the Allocation Platform excludes any and all liability for any claims, payments, costs and expenses arising out of any differences between the information provided under this Section and actual Outages whether the claim arises in contract or on any other basis, except to the extent that liability cannot be excluded by law.

### J3 Forced outages and trips

- J3.1 The Allocation Platform will notify Registered Participants of any Forced Outages or Trips as soon as practicable after the Forced Outage is arranged or the Trip occurs. Following this initial notice, the Allocation Platform will as soon as practicable give Registered Participants information about the Forced Outage or the Trip including where possible the expected NTC and its expected duration. These details will be given for information purposes only and they are not binding on the Allocation Platform and Rule J2 will apply to this information.

## Section K – Curtailment

### K1 General Provisions

- K1.1 Annual, Quarterly and Monthly Capacity and Mid Channel Nominations shall be subject to Curtailment in accordance with Chapter 7 of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border.
- K1.2 Daily Interconnector Capacity and Daily Mid-Channel Nominations shall be subject to Curtailment in accordance with Chapter 7 of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border.
- K1.3 Intraday Interconnector Capacity and Intraday Mid-Channel Nominations shall be subject to Curtailment in accordance with Chapter 6 of Appendix 4 - Rules for Intraday Capacity Allocation on the GB-Belgian Border.

### K2 Curtailment reimbursement

- K2.1 If a Curtailment is implemented:
- for Annual, Quarterly and Monthly capacity, reimbursement will be made in accordance with Articles 59, 60 and 61 of Appendix 1 – Rules for Forward Capacity Allocations;
  - for Daily Capacity, reimbursement will be made in accordance with Articles 47 and 48 of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border for explicit Daily capacity;
  - for Intraday Capacity, reimbursement will be made in accordance with Articles 41 of Appendix 4 - Rules for Intraday Capacity Allocation on the GB-Belgian Border.

## Section L – Invoicing and Payment

### L1 General Provisions

L1.1 Invoicing and payment will be administered by JAO SA and carried out in accordance with:

- Chapter 8 of Appendix 1 - Rules for Forward Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 8 of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border; and/or
- Chapter 7 of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.

## Section M – Miscellaneous

### M1 Liability

- M1.1 Subject to paragraph M1.2, the provisions of Article 69 (Liability) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 56 (Liability) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 49 (Liability) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis in respect of any liability of the Allocation Platform or any Registered Participant arising under or in connection with these Rules.
- M1.2 A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal costs) which any of them may suffer or incur by reason of any claim by any third party (“claimant”) on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant’s officers, agents, subcontractors or employees in connection with any Capacity Subcontracting Arrangement to which that Registered Participant is a party.

### M2 Dispute Resolution

- M2.1 Subject to this Rule, the provisions of Article 70 (Dispute Resolution) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 57 (Dispute resolution) of Appendix 3 - Rules for Daily Capacity Allocation on the GBBelgian Border and Article 50 (Dispute Resolution) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to any Dispute.
- M2.2 The seat of arbitration for any dispute referred to arbitration under the rules of the International Chamber of Commerce shall be Geneva.

### M3 Suspension of the Participation Agreement

- M3.1 The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant’s rights in connection with these Rules with immediate effect if the Registered Participant commits a breach of an obligation in connection with these Rules which may have a material impact on the Allocation Platform as follows:
- a. any breach which may have a material financial impact on the Allocation Platform;
  - b. the Allocation Platform considers on reasonable grounds that the Registered Participant no longer satisfies one or more of the conditions to participate in Auctions; or
  - c. if a Registered Participant’s rights have been suspended in accordance with Article 71 (Suspension of the Participation Agreement) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border or Article 58 (Suspension of the Participation Agreement) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border or Article 51 (Suspension of the Participation Agreement) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.
- M3.2 In the case of any minor breach in relation to these Rules, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant that its rights in connection with these Rules

shall be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed and the breach remains unremedied.

- M3.3 After the suspension takes effect in accordance with paragraph M3.1 or M3.2, the suspended Registered Participant may no longer participate in any Explicit Daily Auction and the suspended Registered Participant shall not be entitled to Nominate its Interconnector Capacity rights. For the avoidance of doubt, the Interconnector Capacity rights which the Registered Participant is prohibited from using as a result of such suspension may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not be required to compensate the Registered Participant.
- M3.4 The Allocation Platform may withdraw a notice under this Rule at any time. Having given a notice under paragraphs M3.1 or M3.2, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
- M3.5 Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to use of its allocated Interconnector Capacity rights and its ability to participate in Auctions by written notice to the Registered Participant. As from the date of effect of the reinstatement, the Interconnector Capacity rights allocated prior to the suspension and which remain unused may be Nominated.
- M3.6 If the Allocation Platform gives a notice to a Registered Participant under paragraphs M3.1 or M3.2, such notice of suspension does not relieve the Registered Participant from its obligations to pay for allocated Interconnector Capacity rights.

#### M4 Termination of the Participation Agreement

- M4.1 A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Business Days after receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled.
- M4.2 A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Rules or the Participation Agreement in the following cases:
- a. where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;
  - b. where there is a significant breach of the confidentiality obligations.
- M4.3 The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Business Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. A holder of Interconnector Capacity rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Interconnector Capacity rights and is entitled to a refund to the extent

that any instalment includes an amount in respect of products which have a starting date after the date of termination, to be calculated pro-rata from the date termination takes effect.

M4.4 If any of the termination events in this Rule occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Rules. A termination under this paragraph M4.4 takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform unless the circumstances of termination cease to exist or the Allocation Platform is sufficiently satisfied that the breach will not occur again.

M4.5 The termination events referred to in paragraph M4.4 of this Rule shall be the following:

- a. if the rights of the Registered Participant are suspended in accordance with Rule M3 for longer than thirty (30) Business Days;
- b. if a Registered Participant repeatedly breaches these Rules or its Participation Agreement, whether or not the breach is capable of remedy;
- c. if an Insolvency Event occurs in relation to a Registered Participant;
- d. if a Registered Participant breaches any of the provisions of the Belgian legal and regulatory framework or the NGESO Grid Code applicable to it and such breach has or can reasonably be expected to have an adverse effect on the operation of the Interconnector or the arrangements contemplated by these Rules and (if capable of remedy) the breach has not been remedied within ten (10) Business Days of a notice from the Allocation Platform requiring remedy;
- e. if a Competent Authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions;
- f. if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Nomination Tool (it being understood that such an action is deemed to happen in case of any behaviour amounting to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack); or
- g. a termination event occurs under Article 72 (Termination of the Participation Agreement) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border or Article 59 (Termination of the Participation Agreement) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border or Article 52 (Termination of Participation Agreement) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border.

M4.6 After the termination takes effect in accordance with this Rule and from that time, the Registered Participant may no longer participate in an Auction or Nomination. For the avoidance of doubt, the Interconnector Capacity rights, which the Registered Participant is prohibited from using as a result of

termination, may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not be required to compensate the Registered Participant.

- M4.7 Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Rules which arose prior to that termination unless otherwise specified in this Rule. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and liabilities. This Rule shall apply without prejudice to other remedies available to the Allocation Platform under these Rules.

## M5 Force Majeure

- M5.1 The provisions of Article 73 (Force Majeure) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border and Article 60 (Force Majeure) of Appendix 3 - Rules for Daily Capacity Allocation on the GB Belgian Border shall apply mutatis mutandis to these Rules following the occurrence of any event of Force Majeure affecting the obligation and duties of the Allocation Platform or any Registered Participant under these Rules.

## M6 Notices

- M6.1 Subject to paragraph M7.2, the provisions of Article 74 (Notices) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 61 (Notices) of Appendix 3 - Rules for Daily Capacity Allocation on the GB Belgian Border and Article 54 (Notices) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to any notice or other communication to be given under or in connection with these Rules.

## M7 Confidentiality

- M7.1 Subject to paragraph M7.2, the provisions of Article 75 (Confidentiality) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 62 (Confidentiality) of Appendix 1 - Rules for Daily Capacity Allocation on the GB-Belgian Border, and Article 55 (Confidentiality) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to any information exchanged between the Allocation Platform and any Registered Participant under or in connection with these Rules.
- M7.2 The Allocation Platform shall (in addition to the rights set out in Article 75 of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 62 of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 55 of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border) be permitted to disclose confidential information:
- a. to NGESO and/or Elia in their respective capacities as Transmission System Operators; or
  - b. as may be required to comply with the requirements of the GB Grid Code, the Belgian legal and regulatory framework, and the Balancing and Settlement Code.

## M8 Assignment and subcontracting

- M8.1 Subject to paragraph M8.2, the provisions of Article 76 (Assignment and subcontracting) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 63 (Assignment and subcontracting) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 56 (Assignment and subcontracting) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-

Belgian Border shall apply mutatis mutandis to any assignment, novation or transfer by the Allocation Platform or any Registered Participant of any rights or obligations under these Rules.

M8.2 Each of NLL and Elia may assign, novate or otherwise transfer its obligations under Participation Agreements and these Rules to any entity which is to succeed it as joint operator of the Interconnector and joint provider of the services sold to Registered Participants under these Rules and these Rules shall be binding upon and ensure for the benefit of the assigns and successors in title of each of NLL and Elia. Each Registered Participant will do all things reasonably requested of it by the Allocation Platform to assist with such assignment and novation.

## M9 Governing Law

M9.1 The provisions of Article 77 (Governing Law) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 64 (Governing law) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 57 (Governing Law) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

## M10 Language

M10.1 The provisions of Article 78 (Language) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 65 (Language) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 58 (Language) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

## M11 Intellectual property

M11.1 The provisions of Article 79 (Intellectual Property) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 66 (Intellectual property) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 59 (Intellectual Property) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

## M12 Relationship of the Parties

M12.1 The provisions of Article 80 (Relationship of the Parties) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 67 (Relationship of the parties) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 60 (Relationship of Parties) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

## M13 No third party rights

M13. The provisions of Article 81 (No third party rights) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 68 (No third party rights) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 61 (No third party rights) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

## M14 Waiver

M14. The provisions of Article 82 (Waiver) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 69 (Waiver) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-

Belgian Border and Article 62 (Waiver) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

#### M15 Entire agreement

M15.1 The provisions of Article 83 (Entire agreement) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 70 (Entire agreement) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 63 (Entire agreement) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

#### M16 Remedies exclusive

M16.1 The provisions of Article 84 (Remedies Exclusive) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 71 (Remedies exclusive) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 64 (Remedies exclusive) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

#### M17 Severability

M17.1 The provisions Article 85 (Severability) of Appendix 1 – Rules for Forward Capacity Allocation on the GB-Belgian Border, Article 72 (Severability) of Appendix 3 - Rules for Daily Capacity Allocation on the GB-Belgian Border and Article 65 (Severability) of Appendix 4 – Rules for Intraday Capacity Allocation on the GB-Belgian Border shall apply mutatis mutandis to these Rules.

# Appendix 1: Rules for Forward Capacity Allocation on the GB-Belgian Border

## CHAPTER 1 General Provisions

### *Article 1*

#### **Subject-matter and scope**

These Allocation Rules contain the terms and conditions for the allocation of Long Term Transmission Rights on the GB-Belgian border where GB is not a participating country in the EU Internal Energy Market. The Registered Participant will accede to these rules by the signature of the JAO Participation Agreement. In particular, the Allocation Rules set out the rights and obligations of Registered Participants as well as the requirements for participation in Auctions, they describe the Auction process, including determination of the Marginal Price as a result of the Auction, the conditions for transfer and return of Long Term Transmission Rights, for remuneration of holders of such returned Long Term Transmission Rights, and the processes for curtailment of Long Term Transmission Rights and invoicing/payment.

The Auctions and transfer of Long Term Transmission Rights refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Long Term Transmission Rights allocated to them than the rights in accordance with the provisions of these Allocation Rules.

The Allocation Platform will publish and keep up-to-date on its website a list of borders where Long Term Transmission Rights are allocated, together with information on the type of Long Term Transmission Rights.

### *Article 2*

#### **Definitions and interpretation**

1. Capitalised terms used in these Allocation Rules 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, and in Regulation (EC) 2016/1719.
2. In addition, the following definitions shall apply:

**Affiliate** means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control is defined in the EU Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings;

**Allocation Platform** means either the responsible TSO(s) at the respective bidding zone border(s) or an entity appointed and commissioned by them or nominated in accordance to national regulations to act on their behalf and on its own name for the attribution of Long Term Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

**Allocation Rules** means the rules for Forward Capacity Allocation applied by Allocation Platform(s);

**Auction Tool** means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Allocation Rules such as transfer or return of Long Term Transmission Rights;

**Auction Specification** means a list of specific characteristics of a particular Auction, including the nature of offered products and relevant dates;

**Bank Guarantee** means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Bid Price** means the price which a Registered Participant is willing to pay for one (1) MW and hour of Long Term Transmission Rights;

**Bid Quantity** means the amount of Long Term Transmission Rights in MW requested by a Registered Participant;

**Bidding Period** means the time period within which the Registered Participants wishing to participate in an Auction may submit their Bids;

**Business Account** means a dedicated deposit account opened at the financial institution selected by the Allocation Platform in the name of the Allocation Platform or at the discretion of the Allocation Platform opened by the Registered Participant, but with the Allocation Platform as the beneficiary of the dedicated cash deposit, which may be used for payments by the Registered Participant;

**Credit Limit** means the amount of the collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;

**EIC Code** means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

**Force Majeure** means 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;

**Information System Rules** means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

**Marginal Price** means the price determined at a particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Long Term Transmission Right;

**National Regulatory Authorities** means Ofgem, the GB regulatory authority and CREG, the Belgian federal regulatory authority;

**Participation Agreement** means the agreement, by which the Parties undertake to comply with the terms and conditions for Cross Zonal Capacity Allocation as contained in these Allocation Rules;

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

**Physical Transmission Right** means 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;

**Product Period** means the time and date on which the right to use the Long Term Transmission Right commences and the time and date on which the right to use the Long Term Transmission Right ends;

**Reduction Period** means a period of time, i.e. specific calendar days and/or hours, within the Product Period in which Cross Zonal Capacities with a reduced amount of MW are offered taking into account a foreseen specific network situation (e.g. planned maintenance, long-term outages, foreseen balancing problems);

**Registered Participant** means a market participant which has entered into a Participation Agreement with the Allocation Platform;

**Rights Document** means a document containing the information of the maximum amount of allocated Physical Transmission Rights that can be nominated by a market participant per bidding zone border per day per hour and per direction, taking into account the volume of Long Term Transmission Rights initially acquired, the subsequent transfers and returns, and any possible curtailments which occurred before the issuance of the Rights Document.;

**Working Day** means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform;

**Working Hours** means the hours on Working Days specified within the Participation Agreement unless otherwise specified on the website of the Allocation Platform;

3. In these Allocation Rules, unless the context requires otherwise:
  - a. the singular indicates the plural and vice versa;
  - b. references to one gender include all other genders;
  - c. the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Allocation Rules;
  - d. the word “including” and its variations are to be construed without limitation;
  - e. any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
  - f. any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
  - g. a reference to time is a reference to CET/CEST time unless otherwise specified;
  - h. where the Allocation Platform is required to publish any information under these Allocation Rules, it shall do so by making the information or data available on its website and/or via the Auction Tool.

### *Article 3*

#### **Allocation Platform**

1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules and in accordance with the national legislation.
2. For the purposes of these Allocation Rules the Allocation Platform shall be the party signing the Participation Agreement with the Registered Participant.
3. For the purpose of the Participation Agreement with the Registered Participant, the Allocation Platform shall publish a consolidated version of these Allocation Rules including the annexes thereto as they enter into force in accordance with the applicable national regulatory regimes. In case of a conflict between the consolidated version by the Allocation Platform and the Allocation Rules including the annexes as entered into force in accordance with the applicable national regulatory regimes, the latter shall prevail.

*Article 4*

**Regional specificities**

1. Regional or border specificities may be introduced for one or more bidding zone borders. Such regional or border specificities shall enter into force in accordance with the applicable national regulatory regime and be attached as annexes to these Allocation Rules. In case these annexes need to be amended based on a decision of the relevant National Regulatory Authorities, Article 68 shall apply.
2. If there is an inconsistency between any of the provisions in the main body of these Allocation Rules and the regional or border specific annexes, the provisions in the annexes shall prevail.
3. TSOs may propose such regional or bidding zone border specificities in particular for, but without limitation to:
  - (a) the description of the type of Long-Term Transmission Rights which are offered on each bidding zone border within the capacity calculation region;
  - (b) the type of Long-Term Transmission Rights remuneration regime to be applied on each bidding zone border according to the allocation in the day-ahead timeframe in derogation to the rules of Chapter 7 of these Allocation Rules;
  - (c) the implementation of alternative coordinated regional fallback solutions in derogation or in addition to the rules of Chapter 8 of these Allocation rules; and
  - (d) compensation rules defining regional or border specific firmness regimes.

*Article 5*

**Effective date and application**

4. These Allocation Rules shall enter into force in accordance with the applicable national regulatory regimes and on the date announced by the Allocation Platform.

## **CHAPTER 2**

### **Requirements and process for participation in Auctions and Transfer**

#### *Article 6* **General Provision**

1. Market participants may acquire a Long term Transmission Right only from participation in Auctions or/and via transfer.
2. The participation both in Auctions and in transfers requires that the market participant:
  - a. concludes a valid and effective Participation Agreement in accordance with Article 7 to Article 15; and
  - b. has access to the Auction Tool in accordance with Article 16.
3. The participation in Auctions requires that market participants, in addition to the conditions set forth in the previous paragraph, fulfil also the following conditions:
  - a. they comply with the requirements for provision of collaterals as specified in CHAPTER 3; and
  - b. they accept additional financial terms where needed in accordance with Article 17.
4. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Allocation Rules.

#### *Article 7* **Participation Agreement conclusion**

1. At least seven (7) Working Days before the first participation in an Auction, any market participant may apply to be a party to a Participation Agreement by submitting, to the Allocation Platform, two (2) signed copies of the Participation Agreement, as published on the website of the Allocation Platform, together with all duly completed information and documents required by Article 8 to Article 16. The Allocation Platform shall assess the completeness of the information submitted in accordance with Article 9 and Article 13 within five (5) Working Days of receipt of the completed and signed Participation Agreement.
2. The Allocation Platform shall before the expiration of the five (5) Working Days deadline ask the market participant to provide any outstanding information which the market participant fails to submit with its Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within an additional five (5) Working Days review the information and inform the market participant if any further information is required.
3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Participation Agreement signed by it to the market participant without undue delay. Signature of the Participation Agreement by the Allocation Platform shall not itself indicate compliance with any other condition set in these Allocation Rules for the participation in the Auctions. The Participation Agreement comes into force on the date of signature by the Allocation Platform.
4. The Allocation Platform shall publish a list of Registered Participants eligible to transfer long-term transmission rights.

*Article 8*

**Form and content of the Participation Agreement**

1. The form of the Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Allocation Rules unless otherwise stated in these Allocation Rules.
2. As a minimum, the Participation Agreement will require the market participant to:
  - a. provide all necessary information in accordance with Article 9 and Article 13; and
  - b. agree to be bound by and comply with these Allocation Rules.
3. Nothing in these Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Participation Agreement additional rules, out of the scope of these Allocation Rules, including but not limited to the participation in day-ahead or Intraday Explicit Allocation.
4. In the event of difficulty of interpretation, contradiction or ambiguity between these Allocation Rules and the Participation Agreement, the text of the Allocation Rules shall prevail.

*Article 9*

**Submission of information**

1. The market participant shall submit the following information with its completed and signed Participation Agreement:
  - a. name and registered address of the market participant including general email and telephone number of the market participant for notifications in accordance with Article 74.
  - b. if the market participant is a legal person, an extract of the registration of the market participant in the commercial register of the competent authority;
  - c. contact details and names of persons authorised to represent the market participant and their function;
  - d. EU VAT registration number where applicable;
  - e. Taxes and levies to be considered for invoices and collateral calculations;
  - f. Energy Identification Code (EIC);
  - g. bank account information for payment to the applicant to be used by the Allocation Platform for the purposes of Article 65 paragraphs 8 and 9.
  - h. financial contact person for collaterals, invoicing and payment issues, and their contact details (email and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74;
  - i. commercial contact person and their contact details (email and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74; and
  - j. operational contact person and their contact details (email and telephone number) for notifications where required in these Allocation Rules in accordance with Article 74.

2. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Allocation Rules (including information in its Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
3. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least seven (7) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.
4. The Allocation Platform will confirm the registration of the change or send a refusal note of registration of the change to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be sent via email to the commercial and operational contact person specified by the Registered Participant in accordance with paragraph 1 of this Article. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
5. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
6. If additional information is required from a Registered Participant as a consequence of an amendment to these Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within ten (10) Working Days after the request for such submission by the Allocation Platform.

*Article 10*  
**Warranties**

1. By the signature of the Participation Agreement the market participant warrants that:
  - a. it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
  - b. no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
  - c. no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
  - d. it has no overdue payment obligations towards any current, previous or future Allocation Platform.

*Article 11*  
**Declaration for participation in transfer only**

As part of the submission of the information in accordance with Article 7 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to participate in transfer of Long Term Transmission Rights only. In such a case, it shall not be entitled to participate in any Auction.

*Article 12*  
**Dedicated Business Account**

As part of the submission of the information in accordance with Article 7 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to open a dedicated Business Account for the purposes of depositing cash collaterals and/or for the purposes of making payments on the basis described in Article 65(8).

*Article 13*

**Acceptance of the Information System Rules**

By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

*Article 14*

**Costs related to the Participation Agreement**

All applications to become a Registered Participant and any subsequent participation in Auctions and/or the notification of transfer or the return of Long Term Transmission Rights shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any cost, damages, or expense in connection with the Registered Participant participating in Auctions and/or transfer or return of Long Term Transmission Rights unless otherwise explicitly stated in these Allocation Rules.

*Article 15*

**Refusal of application**

1. The Allocation Platform may refuse to enter into a Participation Agreement with a market participant in the following circumstances:
  - a. when the applicant has not submitted a duly completed and signed Participation Agreement in accordance with Article 7, Article 8 and Article 9; or
  - b. the Allocation Platform has previously terminated a Participation Agreement with the applicant as a result of a breach of the Participation Agreement by the Registered Participant in accordance with Article 72(3) and (4) and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or
  - c. if entering into a Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or
  - d. if any of the warranties of the Registered Participant under Article 10 are found to be not valid or false.

*Article 16*

**Access to the Auction Tool**

1. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
  - a. the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established, including any third parties authorised to act on behalf of the Registered Participant for the purposes of return and transfer of Long Term Transmission Rights in accordance with Article 39 and Article 42; and
  - b. the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include

but are not limited to the obligation to provide an electronic certificate for signing and encryption or other technology for authentication purposes.

2. The Allocation Platform shall confirm the creation of the user account or may send a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be sent via email to the operational contact person specified by the Registered Participant in accordance with Article 9.
3. The Allocation Platform shall send the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

*Article 17*

**Conclusion of additional financial terms**

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for long term and other processes organized by the Allocation Platform in accordance with the Participation Agreement, as long as these additional financial terms comply with these Allocation Rules.

*Article 18*

**Regulatory and legal requirements**

It is the responsibility of each market participant to ensure that it complies with the national legislation, including requirements of any relevant competent authority, and obtained all necessary authorisations in connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights.

## **CHAPTER 3**

### **Collaterals**

#### *Article 19*

##### **General provisions**

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions of Long Term Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 17.
2. Only the following forms of collaterals shall be accepted:
  - a. a Bank Guarantee;
  - b. a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero.
5. The collaterals shall be provided in Euros (€).

#### *Article 20*

##### **Form of cash deposit**

1. For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:
  - a. the money shall be deposited in a dedicated Business Account at a financial institution selected by the Allocation Platform;
  - b. the dedicated Business Account shall be opened and used in accordance with additional financial terms to be concluded between the Allocation Platform, or where relevant the financial institution and the Registered Participant;
  - c. until withdrawal as permitted by the following provisions of Article 26, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 17;
  - d. withdrawals from the dedicated Business Account pursuant to Article 24 and Article 26 may be made solely on the instruction of the Allocation Platform;
  - e. the dedicated Business Account may be used in addition for settlement as set forth in Article 65 upon request of the Allocation Platform; and
  - f. interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

#### *Article 21*

##### **Form of Bank Guarantee**

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:

- a. the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template;
  - b. the Bank Guarantee shall be written in English;
  - c. the Bank Guarantee covers all Auctions organized by the Allocation Platform subject to these Allocation Rules;
  - d. the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, up to the maximum amount guaranteed;
  - e. the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from the Allocation Platform.
  - f. the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
  - g. the bank issuing the Bank Guarantee shall be permanently established, including via a branch in a EU member state, European Economic Area or Switzerland;
  - h. the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB+ by Standard and Poor's Corporation, BBB+ by Fitch or Baa1 by Moody's Investors Service Inc. If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the issuing bank shall provide the Allocation Platform with a parental guarantee or an equivalent document issued by the financial group. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the relevant NRAs.
  - i. the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.
2. A Bank Guarantee shall contain the following:
- a. a maximum amount guaranteed;
  - b. the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
  - c. the Allocation Platform's bank account, as specified on the website of the Allocation Platform;
  - d. the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
  - e. the Registered Participant's full identification, including name, address, commercial/company register;
  - f. full identification of the providing bank; and

- g. the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least two (2) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and the original of the Bank Guarantee has been received by the Allocation Platform.
5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 9. The refusal note shall include reasoning for refusal.

#### *Article 22*

#### **Validity and renewal of the Bank Guarantee**

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum periods as follows:
  - a. for product(s) with a duration of more than one month, until at least thirty (30) days after the end of each next calendar month within the Product Period(s);
  - b. for product(s) with a duration of one month, until at least thirty (30) days after the end of the Product Period(s); and
  - c. for product(s) with a duration of less than one month, until at least sixty (60) days after the end of the Product Period(s).
2. The Registered Participant shall replace or renew the collaterals in form of a Bank Guarantee to fulfil the requirements of paragraph 1 of this Article.

#### *Article 23*

#### **Credit Limit**

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the collaterals in place minus any outstanding payment obligations. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 22 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.
2. Outstanding payment obligations are calculated according to Article 63 subject to additional rules in paragraph 3 to 5 of this Article and in Article 34.
3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 64.
4. Reduction Periods are taken into consideration for the calculation of the Credit Limit as set forth in Article 63.
5. Maximum payment obligations for a Registered Participant resulting from its Bid(s) registered at the closure of the Bidding Period, calculated according to Article 34, shall be considered provisionally as the outstanding payment obligations. From the publication of the provisional Auction results until the

moment when the Auction Results become final the due amount notified according to Article 36 paragraph 3(b) and (c) shall be provisionally considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised based on the actual allocated Long Term Transmission Rights when the provisional Auction results are published as described in CHAPTER 4.

*Article 24*

**Modifications of the collaterals**

1. A Registered Participant may request in written form an increase of the collaterals in form of a Bank Guarantee, a decrease of the collaterals in form of a Bank Guarantee and/or cash deposit or change of the form of the collaterals at any time in accordance to paragraphs 2 and 3 of this Article.
2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Article 21 and Article 22 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.
5. The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or send a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 9. The refusal note shall include reasoning for refusal.

*Article 25*

**Collateral incident**

1. A collateral incident occurs in the following cases:
  - a. the collaterals are insufficient to secure the amount due for the Long Term Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 65 considering the amount and the validity of the collaterals; or
  - b. the collaterals are not renewed in accordance with Article 22 paragraph 2; or
  - c. the collaterals are not restored after a payment incident in accordance with Article 26 or new collateral was provided that is not compliant with the conditions specified in Article 19(3), Article 20 and Article 21.
2. The Allocation Platform shall notify the collateral incident to the Registered Participant by email. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the collaterals provided by the Registered Participant remains insufficient after this period, the Allocation Platform may suspend or terminate the Participation Agreement in accordance with Article 71 and Article 72.

*Article 26*

**Calls on collaterals**

1. The Allocation Platform is entitled to call upon collaterals of a Registered Participant in the event of a registered payment incident in accordance with Article 67.
2. The Registered Participant shall restore its collaterals after a payment incident or collaterals incident by following the conditions as set forth in Article 19(3), Article 20 and Article 21 unless the Participation Agreement is suspended or terminated in accordance with Article 71 and Article 72.

## **CHAPTER 4**

### **Auctions**

#### *Article 27*

##### **General provisions for Auctions**

1. The Allocation Platform shall allocate Long Term Transmission Rights to Registered Participants by way of Explicit Allocation. Prior to the Auction the Allocation Platform shall publish Auction Specifications on its website.
2. The Auctions shall be organised via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids including against the respective Credit Limits of the Registered Participants.. The results of the Auction will be notified to Registered Participants via the Auction Tool.
4. The Allocation Platform shall provide information on forthcoming Auctions by publishing on its website a provisional Auction calendar with the dates of Auctions reasonably in advance before the Auctions take place. For standard Forward Capacity Allocation timeframes specified in Article 28(1) a provisional Auction calendar for each calendar year shall be published no later than 1 December of the year preceeding including provisional information on the form of the product, Product Period and Bidding Period.

#### *Article 28*

##### **Capacity Allocation timeframe and form of product**

1. The standard Forward Capacity Allocation timeframes, subject to product availability, are defined as follows:
  - (a) yearly timeframe: it starts on the first day and ends on the last day of a calendar year; and
  - (b) Quarterly timeframe: it starts on the first day and ends on the last day of a calendar quarter; and
  - (c) monthly timeframe: it starts on the first day and ends on the last day of a calendar month.
2. The standard form of the Auction product shall be a base product by which a fixed amount of MW throughout the Product Period is allocated subject to announced Reduction Periods.
3. Additional timeframes and/or an additional form of products other than the standard products and timeframes described in paragraph 1, 2 and 3 of this Article may be offered.

#### *Article 29*

##### **Auction Specification**

1. The Allocation Platform shall publish a provisional version of the Auction Specification and a final version of the Auction Specification as set forth in paragraphs 2 to 3 of this Article.
2. For yearly Auctions the Allocation Platform shall publish the provisional and the final Auction Specification no later than one (1) week and for any other shorter Capacity Allocation timeframe no later

than two (2) Working Days before the end of the Bidding Period of an Auction. The provisional Auction Specification shall state in particular:

- a. the code identifying the Auction in the Auction Tool;
  - b. type of Long Term Transmission Rights;
  - c. Capacity Allocation timeframe (e.g. yearly, monthly or other, as described in Article 28);
  - d. form of product (e.g. base, peak, off-peak as described in Article 28);
  - e. identification of the bidding zone border(s);
  - f. deadline for return of the Long Term Transmission Rights allocated in previous Auctions for the respective bidding zone border(s).
  - g. the Product Period;
  - h. Reduction Period(s) associated with the Product Period when applicable;
  - i. the Bidding Period;
  - j. the deadline for the publication of the provisional Auction results;
  - k. the contestation period in accordance with Article 37;
  - l. the provisional Offered Capacity which shall not include Cross Zonal Capacity released via return of Long Term Transmission Rights and Cross Zonal Capacity released in accordance with Article 71 and Article 72.
  - m. any other relevant information or terms applicable to the product or the Auction.
3. Not earlier than four (4) hours after publication of the provisional Auction Specification, the Allocation Platform shall publish the final Auction Specification for that Auction stating the final Offered Capacity and any other update of relevant information or terms applicable to the product or the Auction
  4. The final Offered Capacity shall consist of:
    - a. the provisional Offered Capacity;
    - b. the available Cross Zonal Capacity already allocated to Registered Participants for which a valid request for return of Long Term Transmission Rights has been submitted for this Auction in accordance with Article 38 and Article 39; and
    - c. the available Cross Zonal Capacity already allocated to Registered Participants which will be reallocated as a result of suspension or termination in accordance with Article 71 and Article 72.
  5. The Allocation Platform shall publish the format of the bids to be used.

#### *Article 30*

#### **Reduction Periods of Offered Capacity**

1. The Allocation Platform may announce one or more Reduction Periods in the Auction Specification. In this case, the Auction Specification shall include for each Reduction Period information on the duration of the Reduction Period and the amount of Offered Capacities.

2. For the avoidance of doubt, Reduction Periods do not apply to already allocated Long Term Transmission Rights and shall not be considered for any purpose including compensation as a curtailment according to CHAPTER 9.

*Article 31*  
**Bids submission**

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
  - a. it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
  - b. it shall identify the Auction via an identification code as specified in Article 29 paragraph 2 (a);
  - c. it shall identify the Registered Participant submitting the Bid through its EIC code;
  - d. it shall identify the bidding zones border and the direction for which the Bid is submitted;
  - e. it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant unless otherwise provided for in the Information System Rules, exclusive of taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;
  - f. it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or set of Bids shall be taken into account for the Auction results determination.
3. If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Registered Participant exceeds the Offered Capacity announced in the final Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.
4. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the relevant Offered Capacity announced after the Bids submission, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - a. chronological submission (time stamp); and/or
  - b. Bid identification assigned by the Auction Tool; and/or
  - c. rejection of all relevant Bids with the same Bid Price.
5. The above mentioned process shall apply to all forms of an Auction product and all Forward Capacity Allocation timeframes.

*Article 32*

**Bid registration**

1. The Allocation Platform shall not register a Bid that:
  - a. does not comply with the requirements of Article 31; or
  - b. is submitted by a Registered Participant who is suspended in accordance with Article 71.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Article 31, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If the Allocation Platform does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.
3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid and the reason for this rejection, without undue delay after the Bid is rejected.
4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to buy Long Term Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Allocation Rules and the relevant Auction Specification.

*Article 33*

**Default Bid**

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as a delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity . In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - a. chronological submission (time stamp); and/or
  - b. Bid identification assigned by the Auction Tool; and/or
  - c. rejection of all relevant Bids with the same Bid Price.
4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the applicable Auction Bidding Period opening.
5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

*Article 34*

**Credit Limit verification**

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations (MPO) connected with that Registered Participant's registered Bid(s) calculated according to paragraphs 4 and 5 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.
2. At closure of the Bidding Period the Allocation Platform shall check again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 5 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. The Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - a. chronological submission (time stamp); and/or
  - b. Bid identification assigned by the Auction Tool; and/or
  - c. rejection of all relevant Bids with the same Bid Price.
3. The Allocation Platform shall indicate insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.
4. The Allocation Platform shall continuously assess all the Bids irrespectively to which Auction and with regard to which bidding zone border and direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 23
5. For the calculation of the maximum payment obligations related to one bidding zone border and direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligations according to the following equation:

$$MPO = \sum_{hours} Max \left[ Bid Price (1) * Bid Quantity (1); Bid Price (2) * \sum_{i=1}^2 Bid Quantity (i); \dots \dots; Bid Price (n - 1) * \sum_{i=1}^{n-1} Bid Quantity (i); Bid Price (n) * \sum_{i=1}^n Bid Quantity (i) \right]$$

6. When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take the following into account:
  - a. if applicable, for each individual hour of the Reduction Period the maximum quantity of Long Term Transmission Rights which can be allocated to the Registered Participant during the Reduction Period;

- b. increase of the maximum payment obligations with applicable taxes and levies in force subject to Article 64; and
- c. in respect of Long Term Transmission Rights with a Product Period of one (1) or more months, one (1) or two (2) monthly instalments respectively should be secured in compliance with due amount calculation according to Article 63(5).

*Article 35*

**Auction Results Determination**

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 34, the Allocation Platform shall determine the Auction results and allocate the Long Term Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following:
  - a. determination of the total quantity of the allocated Long Term Transmission Rights per bidding zone border and direction;
  - b. identification of winning Bids to be fully or partially satisfied; and
  - c. determination of the Marginal Price per bidding zone border and direction.
3. The Allocation Platform shall determine the Auction results using an optimisation function aiming at maximisation of the sum of the Registered Participants' Surplus and the Congestion Income generated by the winning Bids while respecting the constraints of the optimisation function in form of relevant Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimisation function of the algorithm on its website.
4. The Allocation Platform shall determine the Marginal Price at each bidding zone border and direction based on the following criteria:
  - a. if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the relevant Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
  - b. if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the relevant Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
5. If two (2) or more Registered Participants have submitted for one bidding zone border and direction valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Long Term Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Long Term Transmission Rights per Registered Participant as follows:
  - a. the Cross Zonal Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Registered Participants which submitted these Bids;
  - b. in case the quantity of Long Term Transmission Rights requested by a Registered Participant at Marginal Price is lower than or equal to the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;
  - c. in case the requested quantity of Long Term Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this

Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;

- d. any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.
6. Where a Reduction Period is indicated in the Auction Specification for an Auction, the Allocation Platform shall determine the Auction Results in accordance with the provisions of paragraphs 3 to 5 of this Article, modified as follows:
    - a. winning Bids and Marginal Prices for respective bidding zone border and direction are determined according to paragraphs 3 to 5 of this Article;
    - b. for each Reduction Period the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants shall be calculated on a pro-rata basis taking into account the quantity of Long Term Transmission Rights corresponding to the respective winning Bids of each Registered Participant and the respective reduced Offered Capacities. The Allocation Platform shall publish on its website clarifications and examples concerning the calculation of the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants in the Reduction Period.
  7. Whenever the calculation set forth in paragraphs 3 to 6 of this Article does not result in a whole MW amount in accordance with Article 31 paragraph 1(f), the Long Term Transmission Rights shall be rounded down to the nearest full MW. The case when Long Term Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.
  8. The Long Term Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the Results and the contestation period is closed in accordance with Article 37. In the event that the Auction was not successfully performed, the fallback procedures as set forth in CHAPTER 8 shall apply.

#### *Article 36*

#### **Notification of provisional Auction results**

1. The Allocation Platform shall publish on its website the provisional Auction results as soon as possible but not later than specified in the final Auction Specification.
2. The publication of the provisional Auction results for each bidding zone border included in the Auction shall comprise at least the following data:
  - a. total requested Long Term Transmission Rights in MW;
  - b. total allocated Long Term Transmission Rights in MW;
  - c. Marginal Price in Euros/MW per hour;
  - d. number of Registered Participants participating in the Auction;
  - e. list of names and number of Registered Participants who placed at least one winning Bid in the Auction;
  - f. list of registered Bids without identification of the Registered Participants (bid curve); and

- g. Congestion Income per bidding zone.
3. No later than 30 minutes after the publication of the provisional Auction results the Allocation Platform shall make available via the Auction Tool to each Registered Participant who submitted a Bid to a specific Auction for each bidding zone border included in the Auction at least the following data:
  - a. allocated Long Term Transmission Rights for each hour of the Product Period in MW;
  - b. Marginal Price in Euros/MW per hour; and
  - c. due amount for allocated Long Term Transmission Rights in Euro, rounded to two decimal places; and
  - d. due amount for one monthly instalment for allocated Long Term Transmission Rights in Euro, rounded to two decimal places, in the event that the Product Period is longer than one month.
4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the provisional Auction Results in accordance with CHAPTER 8.

*Article 37*

**Contestation of Auction Results**

1. Registered Participants shall check the Auction results and, where reasonably appropriate, may contest Auction results within the contestation period set out in paragraph 2 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the Auction results.
2. The Registered Participant may contest the Auction results within the deadline set out in the relevant Auction Specification but no later than two (2) Working Days after the provisional Auction results have been notified to the Registered Participant.
3. The contestation shall be notified to the Allocation Platform and headed as “contestation”.
4. Any contestation shall contain the following:
  - a. Date of contestation;
  - b. identification of contested Auction;
  - c. identification of the Registered Participant;
  - d. name, e-mail address and telephone number of the Registered Participant;
  - e. detailed description of the facts and the reason for contestation; and
  - f. evidence of erroneous Auction results;
5. The Allocation Platform shall notify its decision on the contestation to the Registered Participant no later than four (4) Working Days after the provisional Auction results have been notified to the Registered Participant.
6. At the end of the fourth (4th) Working Day after the publication of the provisional Auction Results and unless an Auction is cancelled, the provisional Auction results shall be considered as final and binding with no further notification.



## **CHAPTER 5**

### **Return of Long Term Transmission Rights**

#### *Article 38*

##### **General Provision**

1. Long Term Transmission Right holder(s) may return some or all of their Long Term Transmission Rights to the Allocation Platform for reallocation at any subsequent long term Auction once the final Auction results are published.
2. Returned Long Term Transmission Rights shall be a constant band of whole MW(s) over the specific timeframe of the subsequent Auction. The Auction at which the Long Term Transmission Rights were allocated and the subsequent Auction to which the Long Term Transmission Rights are to be returned shall be for the same form of products.
3. The minimum volume for a returned Long Term Transmission Right shall be one (1) MW over the specific timeframe of the subsequent Auction.
4. The Allocation Platform shall make the volumes of returned Long Term Transmission Rights available at the subsequent long term Auction, increasing the Offered Capacity announced in the provisional Auction Specification accordingly and equally for each hour of the Product Period. The same applies for where the Offered Capacity announced in the provisional Auction Specification for the subsequent long term Auction contains a Reduction Period.
5. If the returned Long Term Transmission Rights are rounded down in accordance with the process described in Article 35(7), the Allocation Platform shall remunerate the Market Participant for the full amount of the returned Long Term Transmission Rights in accordance with Article 40.

#### *Article 39*

##### **Process of the return**

1. Long Term Transmission Right holder(s) wishing to return their Long Term Transmission Rights shall send a notification, directly or indirectly through an authorised third party, via the Auction Tool to the Allocation Platform in line with the corresponding Information System Rules no later than the deadline specified in the provisional Auction Specification for the subsequent Auction to which the Long Term Transmission Right is to be returned.
2. A valid notification of the return pursuant to paragraph 1 of this Article shall contain the following information:
  - a. EIC code of the Long Term Transmission Right holder;
  - b. identity of the subsequent Auction to which the Long Term Transmission Right is returned; and
  - c. the volume of the Long Term Transmission Rights for return.
3. In order to be able to return Long Term Transmission Rights the Registered Participant shall:
  - a. have a valid and effective Participation Agreement with the Allocation Platform;
  - d. hold the relevant Long Term Transmission Rights at the time of the notification of the return;
  - e. send the notification before the deadline pursuant to paragraph 1 of this Article; and

- f. fulfil or secure its financial obligations pursuant to these Allocation Rules .
4. If the requirements set forth in paragraph 3 of this Article are fulfilled, the Allocation Platform shall send without undue delay a notification to the Registered Participant via the Auction Tool containing:
  - a. a message confirming the acceptance of the return subject to paragraph 7 of this Article; or
  - b. a message rejecting the return including the reasons for rejection subject to paragraph 7.
5. If the return is accepted, the Allocation Platform shall decrease the total volume of the Long Term Transmission Rights held by the respective Long Term Transmission Right holder by the amount returned.
6. Long Term Transmission Right holder(s) wishing to modify their return as notified in accordance with paragraphs 1 and 2 of this Article, shall send a notification via the Auction Tool with the adjusted volume of the Long Term Transmission Rights to be returned before the deadline for return of Long Term Transmission Rights pursuant to paragraph 1 expires. Where the volume of the Long Term Transmission Rights to be returned is adjusted to zero (0) MW, the related return shall be deemed as cancelled.
7. If the Allocation Platform is unable to register a return as set forth in this Chapter, the Allocation Platform may apply a fallback procedure for data exchange pursuant to Article 53. If no fallback procedure for return is technically possible, no financial compensation may be claimed by the Registered Participants.

*Article 40*

**Remuneration of Long Term Transmission Right holders**

1. Registered Participants who returned Long Term Transmission Right are entitled to receive a remuneration equal to the value of the returned Long Term Transmission Rights set during the relevant subsequent Auction(s) calculated for each hour as follows:
  - a. the Marginal Price of the Auction at which the returned Long Term Transmission Right was reallocated in Euros/MW per hour multiplied by
  - b. the amount of MW which was reallocated.
2. On return the Registered Participant ceases to be a holder of Long Term Transmission Right for the returned amount of Long Term Transmission Right. This means that all rights and obligations of the Registered Participant connected to the returned amount of Long Term Transmission Right will cease except those connected to its payments obligations pursuant to CHAPTER 10 and the remuneration set forth in this CHAPTER 5. All rights and obligations of the Registered Participant related to the not returned proportion of Long Term Transmission Right will remain unaffected.

## **CHAPTER 6**

### **Transfer of Long Term Transmission Rights**

#### *Article 41*

##### **General provisions**

1. Long Term Transmission Right holder(s) may transfer some or all of their Long Term Transmission Rights to another Registered Participant once the Auction results in respect of those rights are final. Regardless of how the transfer was concluded, it shall be notified to the Allocation Platform following the process pursuant to Article 42 and via the Auction Tool according to a format specified on the Allocation Platform's website.
2. The minimum volume of Long Term Transmission Rights that may be transferred shall be one (1) MW over one (1) hour.

#### *Article 42*

##### **Process of the transfer**

1. The transferor shall send a notification, directly or indirectly through an authorised third party, of the transfer to the Allocation Platform via the Auction Tool with the following information:
  - a. the EIC codes of the transferor and transferee;
  - b. the time period of the transfer including the start and end dates and hours; and
  - c. the volume (MW) of the transferred Long Term Transmission Right in whole MW(s) defined per hour.
2. The notification of the transfer shall be delivered to the Allocation Platform no later than at 12:00 p.m. on the second (2<sup>nd</sup>) day preceding the day of delivery.
3. In order to be able to transfer the Long Term Transmission Rights the following requirements shall be fulfilled:
  - a. the transferor and transferee have a valid and effective Participation Agreement with the Allocation Platform at least for transfer of Long Term Transmission Rights; the transferor holds the concerned Long Term Transmission Rights at the time of the notification of the transfer;
  - b. the transferor has fulfilled or secured its financial obligations pursuant to this Allocation Rules regardless whether the transferor transfers all or only part of its Long Term Transmission Rights and even in the case of multiple transfers among several Registered Participants; and
  - c. the transferor has delivered the notification of the transfer before the deadline pursuant to paragraph 2 of this Article.
4. The Allocation Platform shall issue without undue delay an acknowledgement of receipt of the notification to the transferor. Where the notification fulfils the requirements pursuant to paragraph 3 of this Article the Allocation Platform shall inform the transferee about the notification of the transfer.
5. In the event that the acknowledgement is not sent by the Allocation Platform, the concerned notification shall be deemed not to have been submitted.

6. The notification of transfer shall be confirmed by the transferee within four (4) hours upon receiving the transfer information from the Allocation Platform and no later than at 12:00 p.m. the second (2<sup>nd</sup>) day preceding the day of delivery
7. In the event that the transferee does not confirm the transfer by the deadline pursuant to paragraph 6, the Allocation Platform shall automatically cancel the process of the transfer notification.
8. The Allocation Platform shall then issue without undue delay to the transferor and the transferee a second acknowledgement via the Auction Tool stating either:
  - a. that the transfer notification has been accepted and is effective; or
  - b. that the transfer notification has been rejected including the reason(s).
9. If for any technical reason the acknowledgement is not sent by the Allocation Platform, the concerned transfer is deemed not to have been submitted.
10. The Transferor shall not be entitled to withdraw the transfer notification once the transferee has accepted it. The transferee may initiate another transfer to transfer the Long Term Transmission Rights further.
11. In the event of Auction Tool failure, a fallback procedure pursuant to CHAPTER 8 shall apply. If the process of the transfer notification cannot be completed in accordance with this Article due to an IT system and/or fallback procedure failure, Registered Participants shall not be entitled to claim any financial compensation from the Allocation Platform.

*Article 43*

**Legal consequences of the transfer**

All rights and obligations resulting from these Allocation Rules, with exception of the payment obligation of the original Long Term Transmission Right holder regarding the allocation of Long Term Transmission Right pursuant to Article 62(1), shall be transferred together with the Long Term Transmission Right.

*Article 44*

**Notice board**

1. The notice board shall facilitate only the exchange of information between the Registered Participants regarding their interest in buying and/or selling Long Term Transmission Rights. No agreements may be concluded via this notice board. Use of the notice board is free of charge.
2. Any notices published via the notice board by the Registered Participants shall not be considered as an evidence for a valid and effective contract for the transfer of Long Term Transmission Rights.
3. The Allocation Platform shall not be held liable for the accuracy and completeness of the information published by a Registered Participant on the notice board.
4. The Allocation Platform may delete from the notice board any information it considers not relevant for the purpose of the notice board. In case of such a deletion, the Allocation Platform shall provide the reasons for the deletion to the respective Registered Participant.

## **CHAPTER 7**

### **Use and remuneration of Long Term Transmission Rights**

#### *Article 45*

##### **General principles**

1. Physical Transmission Rights shall be subject to the Use it or Sell It principle.
2. The holder of allocated Physical Transmission Rights may nominate the Physical Transmission Rights for its physical use in accordance with Article 46.
3. In case the Registered Participant does not nominate its Physical Transmission Rights, the Allocation Platform shall make the underlying Cross Zonal Capacity of the non-nominated Physical Transmission Rights available for the relevant daily allocation. The Physical Transmission Right holders who do not nominate their Physical Transmission Rights for physical use of their rights, shall be entitled to receive remuneration in accordance with Article 48.

#### *Article 46*

##### **Nomination of Physical Transmission Rights**

1. Persons eligible to nominate Physical Transmission Rights shall fulfil the requirement described in applicable Nomination Rules. Eligible persons may be the following:
  - a. the Physical Transmission Rights' holder; or
  - b. the person notified by the Physical Transmission Rights' holder during the Nomination process to the respective TSOs in line with the relevant Nomination Rules; or
  - c. the person authorised by the Physical Transmission Rights' holder to nominate in line with the relevant Nomination Rules and notified to the Allocation Platform.
2. The Allocation Platform shall provide on its website an overview of the options listed in paragraph 1 of this Article which are applicable on each bidding zone border.
3. For the process of the notification of the eligible persons to the Allocation Platform in accordance with paragraph 1(c) of this Article the following criteria should be met:
  - a. the eligible person shall have an EIC Code in order to allow its identification in the Rights Document; and
  - b. the Physical Transmission Rights' holder shall notify the eligible person to the Allocation Platform via the Auction Tool in accordance with the Information System Rules and at the latest one (1) hour before the sending of the Rights Document for a specific day.
4. The Allocation Platform shall not take into account notifications of eligible persons which do not meet the criteria in accordance with paragraph 3 of this Article when sending the Rights Document in respect of a day of delivery of electricity.
5. The Nomination shall be done in compliance with the Rights Document.
6. The Allocation Platform shall publish a list with the relevant Nomination Rules for the bidding zone borders on its website.

7. The long term nomination deadlines for respective bidding zone borders are set forth in the relevant Nomination Rules. The Allocation Platform shall publish information on its website on the long term nomination deadlines per bidding zone border. In case of any discrepancy between the deadlines published by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and the Allocation Platform shall not be held liable for any damages due to such a discrepancy.

*Article 47*

**Rights Document**

1. The Rights Document shall contain the information about the volume in MW that eligible persons are entitled to nominate at specific bidding zone borders and directions and for hourly periods in case of Physical Transmission Rights..
2. The Allocation Platform shall send the Rights Document daily and no later than at 1:00 p.m. on the second (2nd) day preceding the delivery day via the Auction Tool to the eligible person according to Article 46(1) a) and/or c) .

*Article 48*

**Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights**

1. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for the Long Term Transmission Rights which are reallocated at daily allocation. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for each MW which was non-nominated for the relevant hourly period. The remuneration shall be calculated as the difference between the volumes stated in the Rights Document and the final volumes nominated and accepted by the relevant TSO, multiplied by the Marginal Price of the daily Auction at which that Long Term Transmission Right was reallocated, for the concerned hourly period.
2. In case of fallback allocation where no reference price is calculated for the daily allocation timeframe the price for the Long Term Transmission Rights remuneration shall be the Marginal Price of initial Auction.
3. The Allocation Platform shall compensate the Long Term Transmission Rights holder for the non-nominated Physical Transmission Rights which are not reallocated at the relevant daily allocation in accordance with CHAPTER 9 in case of the triggering event listed in Article 56.
4. The Allocation Platform shall compensate the Long Term Transmission Rights holder in accordance with Article 59(1) for the non-nominated Physical Transmission Rights which are not reallocated at the relevant daily allocation for other reasons than these mentioned in paragraph 2 of this Article.

## **CHAPTER 8**

### **Fallback Procedures**

#### *Article 49*

#### **General provisions**

1. The Allocation Platform shall, to the extent reasonably practicable, organize a fallback procedure in the following cases of failure of a standard process:
  - a. if it is technically not possible to hold an Auction following the process set forth in CHAPTER 4;
  - b. if it is technically not possible to register a return of Long Term Transmission Rights following the process as set forth in CHAPTER 5;
  - c. if it is technically not possible to register a notification of transfer of Long Term Transmission Rights following the process as set forth in CHAPTER 6; and
  - d. if it is technically not possible to register a notification of an eligible person in following the process as set forth in CHAPTER 7.
2. The Allocation Platform may use one or all of the following fallback procedures:
  - a. introduction of a fallback procedure for data exchange according to Article 50;
  - b. postponement of the Auction to a later date/time;
  - c. another ad hoc fallback procedure if considered appropriate by the Allocation Platform to overcome any technical obstacles.
3. The Allocation Platform shall, to the extent practicable and without undue delay, inform Registered Participants of possible deviations from the standard processes and the application of a fallback procedure via email and the Allocation Platform's website and using the Auction Tool.
4. Registered Participants shall immediately inform the Allocation Platform of any observed problems with the use of the Auction Tool and all potential consequences via e-mail. In case of an urgent problem, which shall be solved immediately and which is identified during Working Hours, the Registered Participant shall immediately contact the Allocation Platform by phone at the telephone number indicated on the website of the Allocation Platform for this type of problems.

#### *Article 50*

#### **Fallback procedure for data exchange**

1. In case of a failure at the site of the Allocation Platform of the standard processes for data exchange via the Auction Tool as described in these Allocation Rules, the Allocation Platform may inform Registered Participants that a fallback procedure for data exchange may be used as follows:
  - a. by the applicable deadlines unless otherwise announced by the Allocation Platform the Registered Participant shall request via email the Allocation Platform to enter the relevant data into the Auction Tool by using this fallback procedure for data exchange;
  - b. with the request the Registered Participant shall provide to the Allocation Platform in the format specified in the Information System Rules the relevant data to be entered in the Auction Tool;
  - c. the Allocation Platform shall enter the submitted data into the Auction Tool;

- d. the Allocation Platform may set in Information System Rules an identification process for the Registered Participant at the moment when the Registered Participant submits the relevant operational or commercial data and requests the Allocation Platform to enter this data into the Auction Tool on its behalf by means of the fallback procedure. If the Registered Participant or the person authorized by the Registered Participant for this purpose does not clearly identify itself, the Allocation Platform shall be entitled not to perform the data entry;
  - e. the Registered Participant shall provide the Allocation Platform with a telephone number, which can be used in case of a necessary communication;
  - f. once the Allocation Platform has entered the provided data into the Auction Tool on behalf of the Registered Participant, the Allocation Platform shall inform, without undue delay, the Registered Participant by telephone and/or via e-mail of the entry; and
  - g. the Allocation Platform shall under no circumstances be held responsible if it fails to reach the Registered Participant through the means of communication above.
2. In case of application of the fallback procedure for data exchange, all necessary information which is made available via the Auction Tool during the standard processes may be distributed to the Registered Participants via email by the Allocation Platform or where appropriate published on the website of the Allocation Platform.

#### *Article 51*

#### **Fallback procedures for Auction**

1. The postponement of the Auction shall be the default fallback procedure for Auctions before the Bidding Period has opened. The Allocation Platform may postpone an Auction by notifying Registered Participants of the revised date and/or time of the new Auction.
2. After the Bidding Period has opened, the Allocation Platform shall:
  - a. where reasonably practicable postpone the end of the Bidding Period by notifying Registered Participants about the revised deadlines in the Auction Specification; or
  - b. cancel the initial Auction according to Article 52 and organise a new Auction for the same Product Period.
3. If the fallback procedure described in paragraph 1 and 2 of this Article cannot be implemented for the same Product Period, the respective Cross Zonal Capacities shall be offered in subsequent Capacity Allocation process.
4. The Allocation Platform shall inform all Registered Participants, without undue delay, of the postponement by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by e-mail.

#### *Article 52*

#### **Auction cancellation**

1. In case the Allocation Platform cancels an Auction, all Bids already submitted, all returns already accepted and any results of the respective Auction shall be deemed null and void.

2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on webpage of Allocation Platform and by e-mail.
3. An Auction cancellation may be announced in the following cases:
  - a. before the end of the contestation period in case the Allocation Platform faces technical obstacles during the Auction process like a failure of standard processes and fallback procedures in the event of erroneous results due to incorrect Marginal Price calculation or in the event incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons; and
  - b. after the end of the contestation period, in the event of erroneous results due to incorrect Marginal Price calculation or incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons.
4. In case of Auction cancellation before the contestation period elapses, no compensation shall be paid to the Registered Participants.
5. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.

*Article 53*

**Fallback procedure for return of Long Term Transmission Rights**

1. In case of failure in the standard process for the registration of the return of Long Term Transmission Rights via the Auction Tool as set forth in CHAPTER 5, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights return.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the return of Long Term Transmission Rights, all requests for Long Term Transmission Rights return already submitted that cannot be registered in the Auction Tool shall be automatically cancelled.

*Article 54*

**Fallback procedure for transfer of Long Term Transmission Rights**

1. In case of failure in the standard process for the registration of the transfer of Long Term Transmission Rights organised via the Auction Tool as set forth in CHAPTER 6 the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights transfer.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the transfer of Long Term Transmission Rights, all requests for Long Term Transmission Rights transfer already submitted and not confirmed by transferee shall be automatically cancelled.

*Article 55*

**Fallback procedure for eligible person notification**

1. In case of failure in the standard process of eligible person notification to the Allocation Platform via the Auction Tool as set forth in CHAPTER 6, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for eligible person notification.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the eligible person, the eligible person shall be deemed notified as set forth in Information System Rules.

## **CHAPTER 9**

### **Curtailment**

#### *Article 56*

##### **Triggering events and consequences of curtailment on Long Term Transmission Rights**

1. Long Term Transmission Rights irrespectively of the Product Period may be curtailed in the event of Force Majeure, or to ensure operation remains within Operational Security Limits before the Firmness Deadlines specified in Article 58.
2. Curtailment may be applied on allocated Long Term Transmission Rights including, where the case may be, on nominated Physical Transmission Rights.
3. Long Term Transmission Rights may be curtailed after the Firmness Deadline in the case of Force Majeure or emergency situation. For the avoidance of doubt, Long Term Transmission Rights when curtailed after the Firmness Deadline shall be curtailed in the same way as day-ahead and intraday capacity and compensated in accordance with the applicable legislation.
4. Each Registered Participant affected by curtailment shall lose its right to transfer, return or nominate for physical use the concerned Physical Transmission Rights or to receive remuneration based on the Use-It-Or-Sell-It principle.
5. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to Article 59 to Article 60 and where applicable Article 61.

#### *Article 57*

##### **Process and notification of curtailment**

1. In all cases curtailment shall be carried out by the Allocation Platform based on a request by one or more TSO(s) at the bidding zone border where Long Term Transmission Rights have been allocated.
2. The Allocation Platform shall notify the affected holders of Long Term Transmission Rights as soon as possible of a curtailment of Long Term Transmission Rights including the triggering event via email and on the webpage of the Allocation Platform. The notification shall identify the affected Long Term Transmission Rights, the affected volume in MW per hour for each concerned period, the triggering events for curtailment as described in Article 56 and the amount of Long Term Transmission Rights that remain after the curtailment.
3. The Allocation Platform shall publish the triggering events for curtailment in accordance with Article 56 including their estimated duration on its website as soon as possible.
4. The curtailment shall be applied to Long Term Transmission Rights of the concerned periods on a pro rata basis, which means in proportion to the held Long Term Transmission Rights, regardless of the time of allocation.
5. In the event of curtailments of Physical Transmission Rights after the nomination deadline, and as long as the capacity has not been reallocated in the day-ahead allocation, the curtailment shall be applied on a pro rata basis to both nominated and not nominated Physical Transmission Rights.
6. Compensation rules according to Article 59 to Article 60 and where applicable Article 61 also apply if offered day-ahead Cross Zonal Capacities are lower than the amount of non-nominated Long Term Transmission Rights in case of Physical Transmission Rights.

7. For each affected Registered Participant, remaining Long Term Transmission Rights which have not been curtailed shall be rounded down to the nearest MW. The same rounding applies for the curtailment of both nominated and non-nominated Physical Transmission Rights according to paragraph 4 of this Article.
8. In cases of curtailment, any transfer of Long Term Transmission Rights to be curtailed, which is not yet accepted by the transferee, shall be automatically cancelled and the transferor shall remain the holder of the Long Term Transmission Rights. If the transfer has already been notified to the Allocation Platform and accepted by the transferee, the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the transferee.
9. The Allocation Platform shall cancel all notifications for return of Long Term Transmission Rights that have been accepted for a subsequent long term Auction for which curtailment is necessary and for which the final Auction Specifications have not yet been published. By this cancellation, the Long Term Transmission Rights are given back to the Long Term Transmission Right holders that have requested the return. If the final Auction Specification has already been published the return shall not be cancelled and the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the holder who returned the Long Term Transmission Rights.

*Article 58*

**Firmness deadline**

The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Firmness Deadlines of ~~11:00~~09:00a.m. on the 1<sup>st</sup> day preceding the delivery day.

*Article 59*

**Compensation for curtailments to ensure operation remains within Operational Security Limits before the Firmness Deadline**

1. In cases of curtailment to ensure operation remains within Operational Security Limits before the Firmness Deadline the compensation for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by either;
  - a. the Clearing Price of the Day Ahead explicit auction; or
  - b. the Marginal Price of the initial Auction if the Day Ahead explicit auction is not held.
2. The compensation payable in respect of Long Term Transmission Rights shall be subject to monthly caps. The cap shall be determined as the total amount of Congestion Income collected in the relevant month, deducting all remunerations and compensations paid for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction, and a third of the revenues raised at quarterly auction, and the revenues generated by the monthly auction and congestion income from other timeframes which occurred during this month..

*Article 60*

**Reimbursement for curtailments due to Force Majeure before the Firmness Deadline**

In the case of Force Majeure before the Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during

the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as:

- a. the Marginal Price of the initial Auction multiplied by
- b. the volume in MW per hour corresponding to the difference between the Long Term Transmission Rights held by the Registered Participant before and after the curtailment.

The compensation payable in respect of Long Term Transmission Rights shall be subject to monthly caps. The cap shall be determined as the total amount of Congestion Income collected in the relevant month, deducting all remunerations and compensations paid for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction, and a third of the revenues raised at quarterly auction, and the revenues generated by the monthly auction and congestion income from other timeframes which occurred during this month.

*Article 61*

**Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Firmness Deadline**

In the event of Force Majeure or an emergency situation after the Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as:

- a. The Clearing Price of the Day Ahead Explicit Auction; or
- b. the Marginal Price of the initial Auction in case the Day Ahead Explicit Auction is not held; or
- c. in case the Marginal Price of the initial Auction cannot be identified, the weighted average of Marginal Prices of all the Auctions for which the Registered Participant holds Long Term Transmission Rights where the weight is given by Long Term Transmission Rights which the Registered Participant holds before the curtailment; multiplied by
- d. the volume in MW per hour corresponding to the difference between the Long Term Transmission Rights held by the Registered Participant before and after the curtailment.

The compensation payable in respect of Long Term Transmission Rights shall be subject to monthly caps. The cap shall be determined as the total amount of Congestion Income collected in the relevant month, deducting all remunerations and compensations paid for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction, and a third of the revenues raised at quarterly auction, and the revenues generated by the monthly auction and congestion income from other timeframes which occurred during this month.

## CHAPTER 10

### Invoicing and Payment

#### *Article 62*

##### **General principles**

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 63 for all Long Term Transmission Rights allocated to him. This obligation shall be fulfilled irrespective of any return or transfer or curtailment of all or some of these Long Term Transmission Rights in accordance with these Allocation Rules.
2. The Registered Participant may upon payment use the Cross Zonal Capacity connected with the allocated Long Term Transmission Rights as described in these Allocation Rules only. Any right for physical use of the transmission system in case of a Physical Transmission Rights may be subject to separate agreements between the Registered Participant and the concerned TSOs.
3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by applicable law or regulations.
4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
5. Payments shall be done in Euros (€).
6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Allocation Rules subject to Article 64.
7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Participation Agreement as well as any changes in this respect without undue delay.

#### *Article 63*

##### **Calculation of due amounts**

1. Registered Participants shall pay for each of the Long Term Transmission Rights allocated to them an amount equal to:
  - a. the Marginal Price (per MW per hour); multiplied by
  - b. the sum of Long Term Transmission Rights in MW allocated in individual hours of the Product Period incorporating any Reduction Period where relevant in accordance with Article 35.
2. The amount due plus any applicable taxes and levies, duties or other charges subject to Article 64, shall be rounded to two decimal places.
3. The Allocation Platform shall calculate the due payments in monthly instalments when the Cross Zonal Capacity product has a duration of more than a month.
4. Monthly instalments shall be equal for each month and determined by dividing the amount due as set forth in paragraph 1 of this Article by the duration of the Cross Zonal Capacity products expressed in months and rounded to two decimal places. The last instalment shall in addition include the balance due to the rounding down applied in the other monthly instalments.

5. If the first payment date of the Cross Zonal Capacity product with a duration of more than one (1) month occurs after the start of the Product Period, then the first payment shall include two (2) monthly instalments.

*Article 64*

**Tax Gross-up**

1. Each Registered Participant must make all payments to be made by it under the Allocation Rules without any tax deduction, unless a tax deduction is required by law.
2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax as provided for in the VAT directive 2006/112/EC as amended from time to time and any other tax of a similar nature.

*Article 65*

**Invoicing and payment conditions**

1. Payments shall be settled before the start of the Product Period if the Auction timeline allows so. If the Cross Zonal Capacity product has a duration of more than one (1) month, each monthly instalment shall be settled before the start of each respective month if the Auction timeline allows so. If the settlement of an amount due for allocated Long Term Transmission Rights is not possible before the start of the Product Period then the payment will be settled at the next fixed invoice date.
2. The Allocation Platform shall issue invoices for payments for all Long Term Transmission Rights on a monthly basis and no later than the tenth (10th) Working Day of each month.
3. The invoices shall be issued for the following payments:
  - a. the amount of the monthly instalment(s) if the Long Term Transmission Right has a duration of more than a month as set forth in Article 63(4) and (5);
  - b. the amount due set forth in Article 63(2) if the Long Term Transmission Right has a duration equal to a month or less;
  - c. if requested by the Registered Participant amounts for advanced payment of monthly instalments that would otherwise be settled with subsequent invoices; and
  - d. any relevant taxes and levies subject to Article 64.
4. The Allocation Platform shall send the invoice only by e-mail to the Registered Participant at the e-mail address of the financial contact person submitted in accordance with Article 9(h) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent or the date when the invoice is made available via the Auction Tool if this is done during Working Hours or the next day if sent after Working Hours.

5. In the cases of curtailment of Long Term Transmission Rights, return of Long Term Transmission Rights according to Article 40 or remuneration of Long Term Transmission Rights according to Article 48, the invoices shall take into account any payments to be credited to the Registered Participant. The payments to be credited to the Registered Participants shall:
  - a. be settled through self billing mechanism which shall allow the Allocation Platform to issue invoices in the name and on behalf of the Registered Participant; and
  - b. be notified through the same invoice as the one used for the payments of the Registered Participant as set forth in paragraph 3 of this Article.
6. The payments due shall be netted by the Allocation Platform taking into account the amount as set forth in paragraph 3 and 5 of this Article.
7. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Registered Participant to the Allocation Platform, the Registered Participant shall settle this balance within five (5) Working Days after the date of issuance of the invoice.
8. Payments by the Registered Participant as set forth in paragraph 7 of this Article shall be collected as follows:
  - a. based on the standard procedure, the Allocation Platform shall collect the payment automatically from the dedicated Business Account of the Registered Participant on the respective due date of the invoice; or
  - b. alternatively, the Registered Participant shall ensure payment through a non-automated transaction to the account of the Allocation Platform specified on the invoice by indicating the invoice reference.

The alternative procedure may be used upon request of the Registered Participant and with the consent of the Allocation Platform. The Registered Participant shall notify the Allocation Platform by email the request to use the alternative procedure at least two (2) Working Days before the date of issuing of the next invoice as set forth in paragraph 2 of this Article. Once the alternative procedure is agreed, it shall be deemed to be valid until otherwise agreed between the Registered Participant and the Allocation Platform.

9. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Allocation Platform to the Registered Participant, the Allocation Platform shall pay this balance within seven (7) Working Days after the date of issuance of the invoice to the bank account as announced during the accession process in accordance with Article 9 paragraph 1(g) by the Registered Participant who is entitled to the payments at the due date.
10. Upon the collection of the payment as set forth in paragraph 8 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
11. In case of an erroneous invoice resulting in an additional payment of the Allocation Platform or the Registered Participant the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as they have been notified to Registered Participant.
12. Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank, shall be covered by the Registered Participant.

13. 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 towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

*Article 66*

**Payment disputes**

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the invoice or credit note by registered mail and email. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.
2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within ten (10) Working days after the notification, the procedure for the dispute resolution in accordance with Article 70 shall apply.
3. A dispute shall in no way relieve the Party from the obligation to pay the amounts due as set forth in Article 65.
4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 70 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:
  - a. the Allocation Platform shall refund any amount including interest to be calculated according Article 62(4) to the Registered Participant in case that the amount paid by the Registered Participant as set forth in Article 65(3) and (6) was higher or the amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account indicated by the Registered Participant for this reimbursement in accordance with Article 9 paragraph 1 (g).
  - b. the Registered Participant shall pay any amount including interest to be calculated according to Article 62(4) to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 65(3) and (6) was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 65(8). Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 65(10).
5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1st) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

*Article 67*

**Late payment and payment incident**

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident will be registered if the amount including applicable interest due is not received within three (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.

2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals.
3. The Allocation Platform may suspend or terminate the Participation Agreement in case of registered payment incident in accordance with Article 71 and Article 72.
4. In case of late payment or refund, the Parties shall pay interest on the amount due including taxes and levies from the first (1<sup>st</sup>) day following the date on which the payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
  - a. a flat rate of 100 €; or
  - b. in accordance with Article 5 of Directive 2011/7/EU, eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and round up to the nearest half percentage point.

## CHAPTER 11 Miscellaneous

### *Article 68*

#### **Duration and amendment of Allocation Rules**

1. The Allocation Rules are of indefinite duration and are subject to amendment in accordance with this Article. These Allocation Rules and any amendments thereof shall be consulted upon subject to paragraph 7 of this Article, proposed by the relevant TSOs and enter into force in accordance with the applicable national regulatory regime. The Allocation Platform shall publish the amended Allocation Rules and send an amendment notice to Registered Participants.
2. Subject to paragraph 7 of this Article, an amendment shall enter into force at the date and time specified in the amendment notice but not earlier than thirty (30) calendar days after the amendment notice is sent to Registered Participants by the Allocation Platform.
3. Each amendment shall apply to all aspects of these Allocation Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
4. Unless expressly stated otherwise by the Allocation Platform the amended Allocation Rules shall govern all rights and obligations in connection with these Allocation Rules including those acquired before the date of amendment but with the delivery date after the amendment takes effect.
5. Any amendment of these Allocation Rules shall apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Participation Agreement in accordance with Article 72(1). By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Allocation Rules and after these changes and/or adaptations of the Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Allocation Rules.
6. The Allocation Rules and the border and /or regional specific annexes included thereto shall be periodically reviewed by the Allocation Platform and the relevant TSOs at least every two years involving the Registered Participants. In case the relevant TSOs consider the amendment of these Allocation Rules as a result of this review, the procedure described in this Article shall apply. This biennial review is without prejudice of the competence of National Regulatory Authorities to request at any time amendments of the Allocation Rules and the annexes included thereto in accordance with the existing legislation.
7. These Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in the national legislation or any action by national competent authorities which have an effect on these Allocation Rules and/or their annexes then, notwithstanding any other provision of these Allocation Rules, the Allocation Rules shall be amended accordingly and pursuant to this Article.
8. For the purposes of the approval or the future amendment of bidding zone border specific requirements of these Allocation Rules, only the NRAs of the respective bidding zone border will have to state their explicit approval. Non-concerned NRA(s) of these Allocation Rules will be duly informed.

*Article 69*

**Liability**

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Allocation Rules and the Participation Agreement.
2. Subject to any other provisions of these Allocation Rules the Allocation Platform shall only be liable for damages caused by:
  - a. fraud, gross negligence or wilful misconduct.
  - b. death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which any of them may suffer or incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Allocation Rules.
4. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:
  - a. the timely arrival of Bids and transfer and return notifications by the Registered Participant;
  - b. technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Allocation Rules.
6. In case of remuneration in accordance with Article 48 or curtailment compensation due to Force Majeure or in order to ensure operation remains within Operational Security Limits or in emergency situation in accordance with Article 59 and Article 60 and Article 61 or in accordance with any regional or border specific annex Registered Participants shall not be entitled to other compensation than the compensation described in these Allocation Rules.
7. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the Registered Participant's Participation Agreement.

*Article 70*

**Dispute resolution**

1. Without prejudice to paragraphs 6 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:
  - a. the existence of a Participation Agreement between the Parties;

- b. the reason for the dispute; and
  - c. a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Participation Agreement and in accordance with the governing law of these Allocation Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.
5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Allocation Rules.
7. In cases of late payment and notwithstanding Article 67 and paragraphs 1 to 4 of this Article, a Party may bring court proceedings against the other Party for any amount due under or in connection with these Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.
8. The Parties agree that proceedings referred to in paragraph 6 or paragraph 7 may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.

9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Allocation Rules and the Registered Participant's Participation Agreement.
10. This Article survives the termination of the Registered Participant's Participation Agreement.

*Article 71*

**Suspension of the Participation Agreement**

1. The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant's rights in connection with these Allocation Rules with immediate effect if the Registered Participant commits a major breach of an obligation in connection with these Allocation Rules which may have a significant impact to the Allocation Platform as follows:
  - a. if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 67;
  - b. if a Registered Participant fails to provide and maintain collaterals in accordance with Article 25;
  - c. any breach which may have a significant financial impact to the Allocation Platform;
  - d. the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Allocation Rules unless termination applies according to Article 72.
2. In any case of a minor breach in relation to these Allocation Rules such as but not limited to the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 9, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant's that its rights in connection with these Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the suspended Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights and unless the payment of the Long Term Transmission Right is fully settled or fully secured by collaterals by the suspended Registered Participant, the suspended Registered Participant shall not be entitled to use Long Term Transmission Rights according to CHAPTER 7. For the avoidance of doubt, the Long Term Transmission Rights which the Registered Participant is prohibited from using as a result of such suspension may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not return the remuneration for Long Term Transmission Rights in accordance with Article 48.
3. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
4. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to use of its allocated Long Term Transmission Rights and its ability to participate in Auctions and/or the transfer and return of Long Term Transmission Rights by written notice to the Registered Participant. As from the date of effect of the reinstatement, the Long Term Transmission Rights allocated prior to the suspension and which remain unused may be nominated in the case of Physical Transmission Rights and the Registered Participant may participate in

Auctions and/or the transfer and return of Long Term Transmission Rights and is entitled to receive remuneration for Long Term Transmission Rights in accordance with Article 48.

5. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 10, including its payment obligations in relation to the Long Term Transmission Rights for which the Registered Participant loses the right of use pursuant to paragraph 2.

#### *Article 72*

#### **Termination of the Participation Agreement**

1. A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled.
2. A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Allocation Rules or the Participation Agreement in the following cases:
  - a. where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;
  - b. where there is a significant breach of the confidentiality obligations in accordance with Article 75.

The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. A holder of Long Term Transmission Rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

3. If any of the termination events in paragraph 4 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform until the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.
4. The termination events referred to in paragraph 3 shall be the following:
  - a. if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;
  - b. if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 10;
  - c. if a Registered Participant repeatedly breaches these Allocation Rules or a Participation Agreement, whether or not the breach is capable of remedy;

- d. if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions and transfer/return of Long Term Transmission Rights; or
  - e. if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).
5. After the termination takes effect in accordance with paragraphs 1 to 3 of this Article and from that time, the Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights it has acquired. CHAPTERS 5,6 and 7 shall not apply to such acquired Long Term Transmission Rights. For the avoidance of doubt, the Long Term Transmission Rights, which the Registered Participant is prohibited from using as a result of termination, may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not return the remuneration for Long Term Transmission Rights in accordance with Article 48.
  6. Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and liabilities. This paragraph shall apply without prejudice to other remedies available to the Allocation Platform under these Allocation Rules.

#### *Article 73*

#### **Force Majeure**

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The Party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 75.
3. Suspension under paragraph 2 is subject to the following:
  - a. suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - b. the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:
  - a. the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its

- obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
- b. the acquired Long Term Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Allocation Rules; and
  - c. where the Long Term Transmission Rights' holder is the party claiming the Force Majeure event, the Allocation Platform may, for its own benefit, reallocate the holder's Long Term Transmission Rights to the subsequent Auctions and for the duration of the Force Majeure event.
5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice. A holder of Long Term Transmission Rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.
  6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 9 regarding the curtailment of Long Term Transmission Rights.

#### *Article 74*

##### **Notices**

1. Any notice or other communication to be given under or in connection with these Allocation Rules shall be in English.
2. Unless otherwise expressly provided in these Allocation Rules, all notices or other communications shall be in writing between the Allocation Platform and each Registered Participant and shall be sent to the email address and if not possible, by facsimile number and marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 9.
3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - a. the conclusion of the Participation Agreement in accordance with Article 6;
  - b. the suspension and termination according to Article 71 and Article 72; and
  - c. the submission of the bank Guarantee in accordance with Article 21 paragraph 3 .
4. All notices or other communications shall be deemed to have been received:
  - a. in the case of delivery by hand, when delivered against receipt; or
  - b. in the case of recorded delivery prepaid post, on the day following the recorded day of delivery;  
or
  - c. in the case of facsimile, on acknowledgement of receipt by the addressee's facsimile receiving equipment; or

- d. in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail.
5. If a notice or other communication has been received outside normal Working Hours on a Working Day), it is deemed to have been received at the opening of business on the next Working Day.

*Article 75*

**Confidentiality**

1. The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Allocation Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party to a third party with the other Party's prior consent expressed in writing and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Allocation Rules directly enforceable by the other Party.
4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party:
  - a. to the extent expressly permitted or contemplated by the Allocation Rules;
  - b. to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Allocation Rules;
  - c. as far as required in order to comply with applicable national or EU legislation such as REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant domestic administrative acts such as grid codes;
  - d. as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
  - e. as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Allocation Rules by themselves or through agents or advisers; or
  - f. as far as required in order to obtain clearances or consents from a competent authority.
5. Moreover, the obligations arising from this Article shall not apply:
  - a. if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
  - b. if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;

- c. to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - d. to information whose publication is explicitly provided for by the present Allocation Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Participation Agreement.
  7. The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Allocation Rules.

*Article 76*

**Assignment and subcontracting**

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. Without prejudice to Article 41, a Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Allocation Rules without the prior written consent of the Allocation Platform.
3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to this Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Participation Agreement or these Allocation Rules.

*Article 77*

**Governing law**

These Allocation Rules shall be governed by and construed in all respects in accordance with the law of the location of the registered office of the Allocation Platform unless otherwise specified in the Participation Agreement.

*Article 78*

**Language**

The applicable language for these Allocation Rules shall be English. For the avoidance of doubt, where TSOs need to translate these Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

*Article 79*

**Intellectual property**

No Party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other Party in connection with these Allocation Rules.

*Article 80*

**Relationship of the Parties**

4. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Allocation Rules, nothing contained or

implied in these Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever including transfer of Long Term Transmission Rights or create or be deemed to create any partnership, agency or trust between the Parties.

5. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Allocation Rules, the Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Allocation Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Allocation Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Allocation Rules or the Participation Agreement.

*Article 81*

**No third party rights**

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Participation Agreement between them, including any other market participant, has no rights to enforce these Allocation Rules or the Participation Agreement as between the Allocation Platform and that Registered Participant.

*Article 82*

**Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Allocation Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Allocation Rules.
2. Any waiver of any right, power or remedy under these Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

*Article 83*

**Entire agreement**

These Allocation Rules and the Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Allocation Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Allocation Rules or the Participation Agreement.

*Article 84*

**Remedies exclusive**

The rights and remedies provided by these Allocation Rules and the Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Allocation Rules and the Participation Agreement. Accordingly, the Allocation Platform and each Registered

Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Allocation Rules and the Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

*Article 85*

**Severability**

If any provision of these Allocation Rules or a Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Allocation Rules and the Participation Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality. 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.

## Appendix 2: Nomination Rules for Long Term Transmission Rights on the GB-Belgian Border

### **TITLE 1 General provisions**

#### **Article 1 Subject matter and scope**

1. This document establishes the Nemo Link PTR Nomination Rules on the Anglo-Belgian border in terms of:
  - a. The entitlement of a PTR Holder to Nominate electricity exchange schedules;
  - b. The minimum technical requirements to submit Nominations;
  - c. A description of the Nomination process;
  - d. Nomination timings; and
  - e. The format of PTR Nominations and communication.
2. These rules shall only apply to the Nomination of long term PTRs.
3. Forward capacity allocation on the Anglo-Belgian border takes place through explicit allocation of PTRs through Auctions in accordance with the Non-IEM Nemo Link Long Term Allocation Rules
4. These Nemo Link PTR Nomination Rules shall bind PTR Holders, their counterparties where applicable, and eligible third parties acting on their behalf.

#### **Article 2 Definitions and interpretation**

1. Capitalised terms in these Nomination Rules shall have the meaning given to them in the Nemo Link Access Rules.
2. In addition, the following definitions shall apply:

Business Rules	Those additional terms and conditions as set out in the Annex to these PTR Nomination Rules
Contract Day	In relation to a Contract Day D, means a period of 24 hours commencing at 00:00 hours on day D.
Deemed Metered Volumes	For each Settlement Period, the Deemed Metered Volume of each PTR Holder for a direction is equal to the maximum between 0 and the net of the Long-Term and where applicable Daily and Intraday Mid-Interconnector Nominations (as amended by any curtailment) of that PTR Holder for that

Energy Accounts	Settlement Period integrated over the Settlement Period. The declared energy volume of a balance responsible party used for the calculation of its imbalance.
Information System Rules	Rules related to the technical use of the Nomination Platform as referred to in the Nomination Participation Agreement and published on the Nemo Link website.
Nomination Gate	Relevant time period in which a PTR Holder is able to Nominate its Long Term PTRs, timings of which are defined within Article 6 of these Nomination Rules.
Nomination Participation Agreement	The binding agreement, between a market participant and Nemo Link and incorporates the Nomination Rules, the Information System Rules and all other aspects of the Nomination Platform.
Nomination Platform	The relevant system used by PTR Holders to Nominate PTRs on Nemo Link.
PTR Holder	A Registered Participant which has been allocated long term PTRs under the Nemo Link Access Rules
Registered Participant	A market participant which has entered into a Nomination Participation Agreement with Nemo Link.
Settlement Period	The time unit for which a balance responsible party imbalance is calculated, in each respective imbalance area.

## **TITLE 2**

### **Nomination Rules**

#### **Article 3**

#### **Entitlement of a PTR Holder to nominate electricity exchange schedules**

1. In order to Nominate PTRs on Nemo Link, a PTR Holder must have a signed Nomination Participation Agreement with Nemo Link along with evidence of the following:
  - a. Its accession to a Use of System Interconnector Agreement with National Grid Electricity Transmission plc and the Framework Agreement established under the Connection and Use of System Code;
  - b. Its accession to the Framework Agreement as defined in the Balance and Settlement Code (BSC) together with full details of the Production and Consumption interconnector BM Units registered to the PTR Holder under the BSC
  - c. A signed Access Responsible Party (ARP) with Elia

#### **Article 4**

### **Minimum technical requirements to Nominate**

1. PTR Holders must comply at all times with the applicable Information System Rules.
2. The Nomination Platform is a web-based application, therefore the minimum technical requirement for a PTR Holder to Nominate is to have internet access.

### **Article 5**

#### **Description of the Nomination process**

1. The PTR Holders are entitled to Nominate PTRs acquired pursuant to the Nemo Link Non-IEM Long Term Allocation Rules. Such Nominations shall be issued at Mid-Interconnector and on a per direction and per Market Time Unit basis. The Nominations are subject to the terms and conditions of these PTR Nomination Rules and as specified in the Nemo Link Non-IEM Long Term Allocation Rules (including curtailment).
2. PTR Holders must comply with the Business Rules and all Nominations shall be subject to such Business Rules. In the event of any conflict between the Business Rules and the main body of these PTR Nomination Rules then the Business Rules shall prevail.
3. PTR Holders will only be entitled to Nominate long term PTRs allocated under the Nemo Link Non-IEM Long Term Allocation Rules to the extent provided for under these PTR Nomination Rules.
4. For each hour in a Contract Day for which a Rights Document has been issued by the Allocation Platform, each PTR Holder may Nominate the PTR to the Nomination Platform at mid-interconnector (as defined in the applicable Business Rules) up to but not exceeding the amount set out in the Rights Document in the relevant direction in that hour ("**Mid-Interconnector Nomination**").
5. For the avoidance of doubt, the Nomination Platform will reject a Nomination in its entirety for the Contract Day where the corresponding Mid-Interconnector Nomination(s) in one or more hours exceed(s) the PTR Holder's rights set out in the applicable Rights Document(s).
6. The Mid-Interconnector Nomination for each hour in the Contract Day must be expressed in whole MW, with a single value, greater than or equal to zero, for each hour.
7. Mid-Interconnector Nominations shall not be subject to any modification by the PTR Holder after the Nomination Gate.
8. In the absence of a Nomination by a PTR Holder in a direction, the corresponding Mid-Interconnector Nominations are assumed to be equal to zero.

### **Article 6**

#### **Nomination timings**

1. PTR Holders can submit Long-Term Mid-Interconnector Nominations of PTRs for Contract Day D, from opening of the Nomination Gate at 16h30 CET/CEST on the day D-2 until the closure of the Nomination Gate at ~~09:00~~ 08:45 CET/CEST on day D-1.

2. Under exceptional circumstances Registered Participants will be informed of new timings where these situations arise at the earliest opportunity.

#### **Article 7**

##### **Format of nomination and communication**

1. Each Registered Participant must notify its Nominations electronically to the Nomination Platform. The Nomination Platform supports two ways of communication of Nominations:
  - a. Web form interface;
  - b. Web services communication.
2. Nominations shall be submitted in the formats specified in the Information System Rules and pursuant to any other technical recommendations provided via the Nomination Platform to the Registered Participants.
3. The Nomination Platform will acknowledge receipt of each Nomination to the relevant Registered Participant by a message indicating that the Nomination has been correctly registered.
4. Only Nominations confirmed via the Nomination Platform (or by a TSO pursuant to Article 7 paragraph 5) as correctly registered shall be valid.
5. In the event of a problem of communication between the a PTR Holder and the Nomination Platform the PTR Holder may contact Nemo Link to request, in respect of Nominations periods for which Nomination Gate closure has not occurred, the possibility to send applicable Nominations by email to the single point of contact as determined by Nemo Link.

#### **TITLE 3**

##### **Miscellaneous**

#### **Article 8**

##### **Effective date and application**

The Non-IEM PTR Nomination Rules described in this document shall apply when the Nemo Link Non-IEM Long Term Allocation Rules are applicable.

#### **Article 9**

##### **Additional Nomination Information**

1. Cancellation of a Nomination Gate;
  - a. In the event of technical difficulties with the Nomination Platform, the Nomination Platform may cancel a Nomination Gate. In that case, the Nomination Platform shall inform all affected PTR Holders as soon as practicable of such cancellation and in any event before the Nomination Gate closure, and all affected PTRs shall be considered as non-Nominated and accordingly the PTR Holders shall be remunerated by Nemo Link for the non-Nomination of such PTRs as follows:
    - (a) The remuneration shall be calculated as the difference between the volumes stated in the Rights Document and the final volumes nominated and accepted by Nemo Link multiplied by the Marginal Price of the daily Auction at which that Physical Transmission Right was reallocated, for the concerned hourly period.

- (b) Where no reference price is calculated for the daily allocation timeframe for the Long Term Transmission Rights, remuneration shall be the Marginal Price of the initial Auction.
  - b. With respect to Nemo Link's obligation to remunerate any individual PTR Holder Nemo Link shall be deemed to have satisfied such obligation in full by procuring payment of the applicable remuneration by the Allocation Platform to such individual PTR Holder in accordance with the provisions of the Nemo Link Non-IEM Long Term Allocation Rules.
2. Treatment of Nominations following curtailment:
- a. In the case of curtailment due to Force Majeure or to ensure that operation remains within Operational Security Limits ahead of the Long-Term Nomination Gate Closure, the Rights Documents will be updated and the following will apply:
    - i. Where a PTR Holder has already issued a Nomination above its updated Rights Document, the Nomination Platform will automatically reduce the Nomination in line with the updated Rights Document and inform the PTR Holder of such reduction.
    - ii. Where a PTR Holder has not issued a Nomination above its updated Rights Document, then the original Nomination will be retained.
    - iii. Where a PTR Holder has not issued a Nomination and where re-Nomination is greater than the updated Rights Document then the rule in Article 5(5) shall apply.
  - b. In the case of any update of Rights Documents between the Long Term Nomination Gate Closure and the day-ahead firmness deadline the nominations submitted by the PTR Holders may be curtailed in accordance with the procedure described in the Nemo Link Non-IEM Long Term Allocation Rules.
3. Default Nominations:
- a. Default Nominations can be activated by a PTR Holder for Long-Term Nominations. Where a default Nomination is activated, all Mid-Interconnector Nominations will be automatically generated at the value set out in the Rights Document for each hour of that Contract Day.
  - b. The registered default Nomination is considered as a schedule of Mid-Interconnector Nomination submitted by a PTR Holder at the opening of the Nomination Gate. This Mid-Interconnector Nomination is considered as valid once confirmed as such by the Nomination Platform or by Nemo Link..
  - c. A PTR Holder may modify the Mid-Interconnector Nomination resulting from the default Nomination within the Nomination Gate in accordance with the normal Nomination process.
  - d. A PTR Holder may deactivate its default Nomination on the Nomination Platform at any time. Where such deactivation is received by the Nomination Platform after the Nomination Gate, any existing valid Mid-Interconnector Nomination resulting from a Default Nomination remains unchanged.
4. Deemed Metered Volumes:

- e. When a PTR Holder submits a valid Mid-Interconnector Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses on the applicable Interconnector and for any reductions in Mid-Interconnector Nominations as a result of curtailment pursuant to the Nemo Link Non-IEM Long Term Allocation Rules, is allocated to the relevant PTR Holder using the allocation rules set out in the applicable Business Rules.

**Article 10**  
**Amendment of the nomination rules**

Any amendment to the present proposal shall be subject to consultation and approval by the relevant regulatory authorities..

**Article 11**  
**Liability**

1. Nemo Link and each PTR Holder is solely and individually responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Nomination Rules and the Nomination Participation Agreement.
2. Subject to any other provisions of the Nomination Rules Nemo Link shall only be liable for damages caused by:
  - (a) fraud, gross negligence or wilful misconduct.
  - (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A PTR Holder shall indemnify and keep indemnified Nemo Link and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which (i) any of them may suffer or (ii) incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with the Nomination Rules and the PTR Holder's use of the Nomination Platform.
4. Nemo Link and each PTR Holder acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The PTR Holder shall be solely responsible for its participation in Nominations including but not limited to the following cases:
  - (a) the timely submission of Notifications by the PTR Holder;
  - (b) technical failure of the information system on the side of the PTR Holder preventing the communication via the channels foreseen in accordance with the Nomination Rules.
6. PTR Holders shall not be entitled to compensation for breach of the Nomination Rules other than the remuneration described in Article 9(1) of the Nomination Rules and for damages relating to those causes set out in paragraph 2 above.

7. In addition to paragraph 3 of this article, the PTR Holder shall be liable to Nemo Link with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on Nemo Link for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the PTR Holder's Nomination Participation Agreement.

## **Article 12**

### **Dispute Resolution**

1. Without prejudice to paragraphs 6 and 7 of this article, where there is a dispute Nemo Link and the PTR Holder shall first seek amicable settlement through mutual consultation pursuant to paragraph 2 below. For this purpose, the party raising the dispute shall send a notification to the other party indicating:
  - (a) the existence of a Nomination Participation Agreement between the disputing parties;
  - (b) the reason for the dispute; and
  - (c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of Nemo Link and the PTR Holder with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either Nemo Link or the PTR Holder may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of Nemo Link's premises unless otherwise defined in the Nomination Participation Agreement and in accordance with the governing law of these Nomination Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.

5. Arbitration awards shall be final and binding on Nemo Link and the relevant PTR Holder as from the date that they are made. Nemo Link and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with the Nomination Rules.
7. The Parties agree that proceedings referred to in paragraph 6 may be brought in any competent court to hear such claim. The PTR Holder irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
8. Notwithstanding any reference to amicable settlement, or arbitration under this Article, Nemo Link and the Registered Participant shall continue to perform their respective obligations under the Nomination Rules and the PTR Holder's Nomination Participation Agreement.
9. This Article survives the termination of the Registered Participant's Nomination Participation Agreement.

**Article 13**  
**Force Majeure**

1. Nemo Link or a PTR Holder, which invokes Force Majeure, shall promptly send to the other party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 15.
3. Suspension under paragraph 2 is subject to the following:
  - (a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - (b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between Nemo Link and the PTR Holder, are:
  - (a) the party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations under the Nomination Rules during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;

5. If the Force Majeure continues for a period longer than six (6) months, Nemo Link or each PTR Holder may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Nomination Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice.

#### **Article 14 Notices**

1. Unless otherwise expressly provided in the Nomination Rules, all notices or other communications shall be in writing between Nemo Link and each PTR Holder and shall be sent to the email address and if not possible, by letter and marked for the attention of the other Party's representative as set out in the applicable Nomination Participation Agreement.
2. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - (a) the conclusion of the Nomination Participation Agreement;
  - (b) the suspension and termination of the Nomination Participation Agreement.
3. All notices or other communications shall be deemed to have been received:
  - (a) in the case of delivery by hand, when delivered against receipt; or
  - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
  - (c) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the party sending the e-mail.
4. If a notice or other communication has been received outside normal Working Hours on a Working Day, it is deemed to have been received at the opening of business on the next Working Day.

#### **Article 15 Confidentiality**

1. The Nomination Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Nemo Link and each PTR Holder who is a recipient of confidential information in relation to these Nomination Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, Nemo Link or a PTR Holder may disclose confidential information of the disclosing party to a third party with the other party's prior consent expressed in writing and subject to the condition that the receiving party has given assurance that such third party is

bound by equivalent confidentiality obligations as set out in the Nomination Rules directly enforceable by the other party.

4. Notwithstanding paragraph 2 of this Article Nemo Link or a PTR Holder may disclose confidential information of a disclosing party:
  - (a) to the extent expressly permitted or contemplated by the Nomination Rules;
  - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with the Nomination Rules;
  - (c) as far as required in order to comply with applicable national or EU legislation such as, but not limited to, REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant European or national regulatory, legislative or administrative acts such as grid codes;
  - (d) as far as required by a competent regulatory authority, court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a party;
  - (e) as may be required by Nemo Link for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Nomination Rules by themselves or through agents or advisers; or
  - (f) as far as required in order to obtain clearances or consents from a competent authority (including the National Regulatory Authorities).
5. Moreover, the obligations arising from this Article shall not apply:
  - (a) if the party which receives the information can prove that at the time of disclosure, such information was already publicly available;
  - (b) if the receiving party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
  - (c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - (d) to information whose publication is explicitly provided for by the present Nomination Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of a PTR Holder's Nomination Participation Agreement.
7. The signature of a Nomination Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning

information or tools made available or sent by one Party to the other under the terms of the Nomination Rules.

**Article 16**  
**Not used**

**Article 17**  
**Assignment and Subcontracting**

1. Nemo Link may assign, novate or otherwise transfer any of its rights or obligations under a Nomination Participation Agreement or the Nomination Rules to another party. Nemo Link shall notify an affected PTR Holder of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. A PTR Holder may not assign, novate or otherwise transfer any of its rights or obligations under its Nomination Participation Agreement(s) or the Nomination Rules without the prior written consent of the Nemo Link.
3. Nothing in this Article shall prevent Nemo Link or PTR Holder from entering into a subcontracting agreement in relation to the Nomination Rules. Entry into a subcontracting agreement by a PTR Holder does not relieve the Registered Participant of any obligation or liability under its Nomination Participation Agreement(s) or the Nomination Rules.

**Article 18**  
**Intellectual Property**

No party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other party in connection with the Nomination Rules.

**Article 19**  
**Relationship of the Parties**

1. The relationship of Nemo Link and the PTR Holder via the applicable Nomination Participation Agreement is that of service provider and service user respectively. Except as expressly provided in the Nomination Rules, nothing contained or implied in the Nomination Rules constitutes or is deemed to constitute Nemo Link or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever or to create or be deemed to create any partnership, agency or trust between Nemo Link and a PTR Holder.
2. The PTR Holder acknowledges that neither Nemo Link nor any person acting on behalf of or associated with Nemo Link makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of the Nomination Rules, the Nomination Participation Agreements or the disclosed information or otherwise in relation to or in connection with the Nomination Rules, the Nomination Participation Agreements and the disclosed information or arrangement contemplated by the Nomination Rules, the Nomination Participation Agreements and the disclosed information except as specifically provided in these Nomination Rules or a Nomination Participation Agreement.

**Article 20**  
**No Third Party Rights**

Nemo Link and each PTR Holder acknowledges and agrees that a person who is not a party to the applicable Nomination Participation Agreement between them, including any other market participant, has no rights to enforce the Nomination Rules or the applicable Nomination Participation Agreement as between the TSO and the PTR Holder.

**Article 21**  
**Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under the Nomination Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under the Nomination Rules.
2. Any waiver of any right, power or remedy under the Nomination Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

**Article 22**  
**Remedies Exclusive**

The rights and remedies provided by the Nomination Rules and the applicable Nomination Participation Agreement to Nemo Link and each PTR Holder are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of the Nomination Rules and the applicable Nomination Participation Agreement. Accordingly, Nemo Link and each PTR Holder hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in the Nomination Rules and the Nomination Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

**Article 23**  
**Language**

The reference language for this Proposal shall be English. In the event of inconsistencies between the English version published by Nemo Link and any version in another language Nemo Link shall, in accordance with national legislation, provide the relevant NRAs with an updated translation of the Proposal.

**Annex to Appendix 2 (Nomination Rules for Long Term Transmission Rights)  
Business Rules for Nemo Link Interconnector  
Deemed Metered Volume Allocation**

**Introduction**

When a PTR Holder submits a valid Mid-Interconnector Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses on the Interconnector and for any reductions in Mid-Interconnector Nominations as a result of curtailment, is allocated to the relevant PTR Holder using the Deemed Metered Volume allocation rules set out in this annex.

**1. Losses**

The Deemed Metered Volume will be adjusted for losses according to paragraph 3 below.

The Loss Factor to be applied is referred to in the Border Specific Annex for the Nemo Link Interconnector of the Allocation Rules. If there is a requirement to change the Loss Factor at any time, then Registered Participants shall be notified at least five (5) Business Days before the change is to take effect.

**2. Adjustment for losses**

In the following formulas “DMV” means the Deemed Metered Volume calculated for that Registered Participant for that Settlement Period and “LF” represent the Loss Factor.

For the purpose of the Balancing and Settlement Code, the Nomination Platform will send to the Settlement Administration Agent (SAA) (as defined in the Balancing and Settlement Code) a program called BM Unit Metered Volume (BMUMV) expressed in kWh at Richborough in half-hourly points and calculated by this formula:

- a. for a BM Unit in the direction from Belgium to England:

$$\text{BMUMV} = (1-\text{LF}/2) * \text{DMV}; \text{ and}$$

- b. for a BM Unit in the direction from England to Belgium:

$$\text{BMUMV} = (1+\text{LF}/2) * \text{DMV}.$$

For the purpose of the Elia imbalance settlement arrangements and for an export from Belgium to England, the Nomination Platform will send to Elia a notification of the energy to be allocated to the Energy Accounts of the PTR Holders in the form of a program expressed in MW at Zeebrugge with an Hourly or Quarter-Hourly time resolution and calculated by this formula:

$$\text{Export BE to GB} = (1+\text{LF}/2) * \text{DMV}$$

For the purpose of the Elia imbalance settlement arrangements and for an import from England to Belgium, the Nomination Platform will send to Elia a notification of the energy to be allocated to the Energy Accounts of the PTR Holders in the form of a program expressed in MW at Zeebrugge with a Hourly or Quarter-Hourly time resolution and calculated by this formula:

$$\text{Import GB to BE} = (1-\text{LF}/2)*\text{DMV}.$$

This notification will be sent to Elia after the Nomination Gate Closure and will be updated and resent to Elia with a new version of the file in case of nomination curtailments. Elia will adjust the Energy Accounts (this is the BRP perimeters) of the Registered Participants in the Elia Local Hub in accordance with aforementioned notification received from the Nomination Platform.

---

## Appendix 3: Rules for Daily Capacity Allocation on the GB-Belgian Border

### CHAPTER 1 General Provisions

#### *Article 1*

##### **Subject-matter and scope**

1. These Allocation Rules, including the annexes, contain the terms and conditions for the allocation of daily Transmission Rights for borders where Multiregional Price Coupling (MRC) is not implemented and as specified in Annex 1, it being understood that the Registered Participant will accede to these rules by the signature of the Participation Agreement. In particular, the Allocation Rules set out the rights and obligations of Registered Participants as well as the requirements for participation in Auctions, they describe the process of Auctions, including the determination of Marginal Price as a result of Auction and the processes for curtailment of Transmission Rights and invoicing/payment.
2. The Auctions refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Term Transmission Rights allocated to them than the rights in accordance with the provisions of these Allocation Rules.
3. All rights and responsibilities of NRAs, as stated within these Daily Allocation Rules, shall also apply to the equivalent authority in Great Britain.

#### *Article 2*

##### **Definitions and interpretation**

1. Capitalised terms used in these Allocation Rules have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, and Article 2 of Regulation (EU) 2015/1222, Article 2 of Directive 2009/72/EC, and in Regulation (EU) 2016/1719.
2. In addition, the following definitions shall apply:

**Affiliate** means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control is defined in the EU Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings;

**Allocation Platform** means either the responsible TSO(s) at the respective Bidding Zone border(s) or an entity appointed and commissioned by them or nominated in accordance to national regulations to act their behalf and on its own name it being the single allocation platform or regional platform for the attribution of daily Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

**Allocation Rules** means the rules for Daily Capacity Allocation applied by Allocation Platform(s);

**Auction Tool** means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Allocation Rules;

**Auction** means the process by which daily Cross Zonal Capacity is offered and allocated to market participants who submit Bid(s);

**Auction Specification** means, a list of specific characteristics of a particular Auction, including the nature of offered products and relevant dates;

**Bank Guarantee** means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Bid Price** means the price which a Registered Participant is willing to pay for one (1) MW and hour of Transmission Rights;

**Bid Quantity** means the amount of Transmission Rights in MW requested by a Registered Participant;

**Bidding Period** means the time period within which the Registered Participants wishing to participate in an Auction may submit their Bids;

**Bidding Zone** means the largest geographical area within which market participants are able to exchange energy without Capacity Allocation

**Business Account** means a dedicated deposit account opened at the financial institution selected by the Allocation Platform in the name of the Allocation Platform or at the discretion of the Allocation Platform opened by the Registered Participant, but with the Allocation Platform as the beneficiary of the dedicated cash deposit, which may be used for payments by the Registered Participant;

**Credit Limit** means the amount of the collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations; Daily **Capacity Allocation** means the attribution of daily Cross Zonal Capacity through an Auction;

**EIC Code** means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

**Force Majeure** means 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;

**Information System Rules** means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

**Marginal Price** means the price determined at particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Daily Transmission Right;

**Multiregional Price Coupling (MRC)** means the mechanism where the market clearing prices and the net positions are determined in the day-ahead timeframe in a single step in accordance with the multi-regional procedures using physical hourly ATC and/or Flow Based capacities between Parties. ATC based means Price Coupling made by using coordinated ATC (Available Transfer Capacities) values to define the available Cross-Zonal Capacities;

**National Regulatory Authorities** means Ofgem, the GB regulatory authority and CREG, the Belgian federal regulatory authority;

**Nomination** means the notification of the use of Transmission Rights by a Physical Transmission Rights holder and, where applicable, by their counterparty, or an authorized third party, to the respective Transmission System Operator(s);

**Nomination Rules** means the rules with regard to the notification of use of Physical Transmission Rights holder and their counterparty, or an authorized third party, to the respective Transmission System Operator(s);

**Participation Agreement** means, the agreement, by which the Parties undertake to comply with the terms and conditions for Daily Capacity Allocation as contained in these Allocation Rules;

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

**Physical Transmission Right** means 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;

**Pre-Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction before the bidding gate opens;

**Product Period** means the time and date on which the right to use Transmission Rights commences and the time and date on which the right to use the Transmission Rights ends. For daily Allocation the Product Period

covers a calendar day of a period of 24 hours beginning at 0:00 and ending at 23:59:59. The days on which the legal time changes (daylight saving time) will be composed of either 23 hours or 25 hours;

**Registered Participant** means a market participant which has entered into a Participation Agreement with the Allocation Platform;

**Rights Document** means a document containing the information of the maximum amount of allocated Transmission Rights that can be nominated by a market participant per Bidding Zone border per day per hour and per direction taking into account the volume of Transmission Rights initially acquired and any possible curtailments which occurred before the issuance of the Rights Document;

**Transmission Right** means for the purposes of these Daily Allocation Rules a Physical Transmission Right acquired through the daily auction;

**Use It Or Lose It (UIOLI)** means an automatic application by which the underlying daily Cross Zonal Capacity of the non-nominated Physical Transmission Rights irrevocably fall back to the relevant TSO(s) and whereby Transmission Right holders that do not nominate to use their rights have no right to receive a pay-out;

**Working Day** means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform location;

**Working Hours** means the hours on Working Days specified within the Participation Agreement.

3. In these Allocation Rules, unless the context requires otherwise:

(a) Any reference to the word Bidding Zone border covers the Nemo Link interconnector.

(b) the singular indicates the plural and vice versa;

(c) references to one gender include all other genders;

(d) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Allocation Rules;

(e) the word “including” and its variations are to be construed without limitation;

(f) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;

(g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;

(h) a reference to time is a reference to CET/CEST time unless otherwise specified;

(i) where the Allocation Platform is required to publish any information under these Allocation Rules, it shall do so by making the information or data available on its website and/or via the Auction Tool.

### *Article 3* **Allocation Platform**

1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules and in accordance with relevant legislation.
2. For the purposes of these Allocation Rules the Allocation Platform shall be the party signing the Participation Agreement with the Registered Participant.
3. For the purpose of the Participation Agreement with the Registered Participant, the Allocation Platform shall publish a consolidated version of these Daily Allocation Rules thereto as they enter into force in accordance with the applicable national regulatory regimes. In case of a conflict between the consolidated version by the Allocation Platform and the Daily Capacity Allocation Rules including the

annexes as entered into force in accordance with the applicable national regulatory regimes, the latter shall prevail.

*Article 4*

**Effective date and application**

1. These Daily Allocation Rules shall enter into force in accordance with the applicable national regulatory regimes upon the approval by or, where applicable, notification to the relevant National Regulatory Authorities and on the date announced by the Allocation Platform.
2. These Daily Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in legislation or any action by competent authorities at national or European Union level which have an effect on these Daily Allocation Rules then, notwithstanding any other provision of these Daily Allocation Rules, the Daily Allocation Rules shall be amended accordingly and pursuant to Article 55.
3. In the event of an inconsistency between the Daily Allocation Rules and the Nomination Rules, for matters relating to the implementation of Daily Auctions in accordance with the Daily Allocation Rules, the Daily Allocation Rules shall prevail.

## CHAPTER 2

### Requirements and process for participation in Auctions

#### *Article 5* **General Provision**

1. Market participants may acquire a Transmission Right only from participation in Auctions.
2. The participation in Auctions requires that the market participant:
  - a) concludes a valid and effective Participation Agreement in accordance with Articles 6 to 16;
  - b) has access to the Auction Tool in accordance with Article 14;
3. The participation in Auctions requires that market participants, in addition to the conditions set forth in the previous paragraph, fulfil also the following conditions:
  - (a) complies with the requirements for provision of collaterals as specified in CHAPTER 3; and
  - (b) accepts additional financial terms where needed in accordance with Article 15 and
  - (c) Is compliant with the specific provisions listed:
    - i. Its accession to the Use of System Interconnector Agreement with National Grid Electricity Transmission (NGESO) and the Framework Agreement established under the Connection and Use of System Code (CUSC);
    - ii. Its accession to the Framework agreement as defined in the Balancing and Settlement Code (BSC) together with full details of the Production and Consumption Interconnector BM Units registered to the Registered Participant under the BSC; and
    - iii. Its entry into an ARP contract with Elia.
4. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Allocation Rules.

#### *Article 6* **Participation Agreement conclusion**

1. At least seven (7) Working Days before the first participation in an Auction, any market participant may apply to be a party to a Participation Agreement by submitting, to the Allocation Platform, two (2) signed copies of the Participation Agreement, as published on the website of the Allocation Platform, together with all duly completed information and documents required by Articles 7 to 16. The Allocation Platform shall assess the completeness of the information submitted in accordance with Articles 7 and 11 within five (5) Working Days of receipt of the completed and signed Participation Agreement.
2. The Allocation Platform shall before the expiration of the five (5) Working Days deadline ask the market participant to provide any outstanding information which the market participant fails to submit with its Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within an additional five (5) Working Days review the information and inform the market participant if any further information is required.

3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Participation Agreement signed by it to the market participant without undue delay. Signature of the Participation Agreement by the Allocation Platform shall not itself indicate compliance with any other condition set in these Allocation Rules for the participation in the Auctions. The Participation Agreement comes into force on the date of signature by the Allocation Platform.
4. In case a market participant is already a Registered Participant at the Allocation Platform it only has to complete the missing/extra requirements described under these Daily Allocation Rules.

#### *Article 7*

#### **Form and content of the Participation Agreement**

1. The form of the Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Allocation Rules unless otherwise stated in these Allocation Rules.
2. As a minimum, the Participation Agreement will require the market participant to:
  - (a) provide all necessary information in accordance with Article 8 and Article 11; and
  - (b) agree to be bound by and comply with these Allocation Rules.
3. Nothing in these Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Participation Agreement additional rules, out of the scope of these Allocation Rules, including but not limited to the participation in long-term or Intraday Explicit Allocation or any fall-back process for day-ahead Implicit Allocation.
4. In the event of difficulty of interpretation, contradiction or ambiguity between these Allocation Rules and the Participation Agreement, the text of the Allocation Rules shall prevail.

#### *Article 8*

#### **Submission of information**

1. The market participant shall submit the following information with its completed and signed Participation Agreement:
  - (a) name and registered address of the market participant, including general email and telephone number of the market participant for notifications in accordance with Article 61;
  - (b) an extract of the registration of the market participant in the commercial register of the competent authority;
  - (c) contact details and names of persons authorized to represent the market participant and their function;
  - (d) EU VAT registration number where applicable;
  - (e) Taxes and levies to be considered for invoices and collateral calculations;
  - (f) Energy Identification Code (EIC);

- (g) bank account information for payment to the applicant to be used by the Allocation Platform for the purposes of Article 52;
- (h) financial contact person for collaterals, invoicing and payment issues, and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules;
- (i) commercial contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules; and
- (j) operational contact person and their contact details (email, facsimile and telephone number) for notifications where required in these Allocation Rules.
2. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Allocation Rules (including information in its Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
  3. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least seven (7) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.
  4. The Allocation Platform will confirm the registration of the change or send a refusal note of registration of the change to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be sent via email to the commercial and operational contact person specified by the Registered Participant in accordance with paragraph 1 of this Article. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
  5. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
  6. If additional information is required from a Registered Participant as a consequence of an amendment to these Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within ten (10) Working Days after the request for such submission by the Allocation Platform.

*Article 9*  
**Warranties**

1. By the signature of the Participation Agreement the market participant warrants that:
  - (a) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
  - (b) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
  - (c) no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
  - (d) it has no overdue payment obligations towards any current, previous or future Allocation Platform.

*Article 10*

### **Dedicated Business Account**

As part of the submission of the information in accordance with Article 6 and Article 8, the market participant shall declare to the Allocation Platform whether it intends to open a dedicated Business Account for the purposes of depositing cash collaterals and/or for the purposes of making payments on the basis described in Article 52.

#### *Article 11*

### **Acceptance of the Information System Rules**

By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

#### *Article 12*

### **Costs related to the Participation Agreement**

All applications to become a Registered Participant and any subsequent participation in Auctions and shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any cost, damages, or expense in connection with the Registered Participant participating in Auctions unless otherwise explicitly stated in these Allocation Rules.

#### *Article 13*

### **Refusal of application**

The Allocation Platform may refuse to enter into a Participation Agreement with a market participant in the following circumstances:

- (a) when the applicant has not submitted a duly completed and signed Participation Agreement in accordance with Articles 6, 7 and 8; or
- (b) the Allocation Platform has previously terminated a Participation Agreement with the applicant as a result of a breach of the Participation Agreement by the Registered Participant in accordance with Article 59(3) and (4) and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or
- (c) if entering into a Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or
- (d) if any of the warranties of the Registered Participant under Article 9 are found to be not valid or false.

#### *Article 14*

### **Access to the Auction Tool**

1. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
  - (a) the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established; and
  - (b) the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include but are not limited to the obligation to provide an electronic certificate for signing and encryption or other technology for authentication purposes.

2. The Allocation Platform shall confirm the creation of the user account or may send a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be sent via email to the operational contact person specified by the Registered Participant in accordance with Article 8.
3. The Allocation Platform shall send the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

*Article 15*

**Conclusion of additional financial terms**

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for processes organized by the Allocation Platform in accordance with the Participation Agreement, as long as these additional financial terms comply with these Allocation Rules.

*Article 16*

**Regulatory and legal requirements**

It is the responsibility of each market participant to ensure that it complies with relevant legislation, including requirements of any relevant competent authority, and obtained all necessary authorizations in connection with its participation in Auctions or in the use of Transmission Rights.

## **CHAPTER 3**

### **Collaterals**

#### *Article 17*

#### **General provisions**

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions of Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 15.
2. Only the following forms of collaterals shall be accepted:
  - (a) a Bank Guarantee;
  - (b) a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero.
5. The collaterals shall be provided in Euros (€).

#### *Article 18*

#### **Form of cash deposit**

For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:

- (a) the money shall be deposited in a dedicated Business Account at a financial institution selected by the Allocation Platform;
- (b) the dedicated Business Account shall be opened and used in accordance with additional financial terms to be concluded between the Allocation Platform, or where relevant the financial institution and the Registered Participant;
- (c) until withdrawal as permitted by the following provisions of Article 24, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 15;
- (d) withdrawals from the dedicated Business Account pursuant to Article 22 and Article 24 may be made solely on the instruction of the Allocation Platform;
- (e) the dedicated Business Account may be used in addition for settlement as set forth in Article 52 upon request of the Allocation Platform; and
- (f) interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

#### *Article 19*

#### **Form of Bank Guarantee**

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:
  - (a) the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template;
  - (b) the Bank Guarantee shall be written in English;
  - (c) the Bank Guarantee covers all Auctions organized by the Allocation Platform subject to these Allocation Rules;
  - (d) the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, up to the maximum amount guaranteed;
  - (e) the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from the Allocation Platform.
  - (f) the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
  - (g) the bank issuing the Bank Guarantee shall be permanently established, including via a branch in a EU member state, European Economic Area, or Switzerland;
  - (h) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB+ by Standard and Poor's Corporation, BBB+ by Fitch or Baa1 by Moody's Investors Service Inc. If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the issuing bank shall provide the Allocation Platform with a parental guarantee or an equivalent document issued by the financial group. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the NRAs.
  - (i) the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.
2. A Bank Guarantee shall contain the following:
  - (a) a maximum amount guaranteed;
  - (b) the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
  - (c) the Allocation Platform's bank account, as specified on the website of the Allocation Platform;
  - (d) the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
  - (e) the Registered Participant's full identification, including name, address, commercial/company register;

- (f) full identification of the providing bank; and
- (g) the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least two (2) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
  4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and the original of the Bank Guarantee has been received by the Allocation Platform.
  5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Registered Participant, at the latest, two (2) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

#### *Article 20*

#### **Validity and renewal of the Bank Guarantee**

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum period until at least thirty (30) days after the end of calendar month of the Product Period(s).
2. The Registered Participant shall replace or renew the collaterals in form of a Bank Guarantee to fulfil the requirements of paragraph 1 of this Article.

#### *Article 21*

#### **Credit Limit**

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the collaterals in place minus any outstanding payment obligations. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 20 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.
2. Outstanding payment obligations are calculated according to Article 50 subject to additional rules in paragraph 3 to 5 of this Article and in Article 31.
3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 51.
4. Maximum payment obligations for a Registered Participant resulting from its Bid(s) registered at the closure of the Bidding Period, calculated according to Article 31, shall be considered provisionally as the outstanding payment obligations. From the publication of the provisional Auction results until the moment when the Auction results become final the due amount notified according to Article 33 paragraph 3(b) and (c) shall be provisionally considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised when the provisional Auction results become final as described in CHAPTER 4.

*Article 22*

**Modifications of the collaterals**

1. A Registered Participant may request in written form an increase of the collaterals in form of a Bank Guarantee, a decrease of the collaterals in form of a Bank Guarantee and/or cash deposit or change of the form of the collaterals at any time in accordance to paragraphs 2 and 3 of this Article.
2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Articles 18 and 19 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.
5. The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or send a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

*Article 23*

**Collateral incident**

1. A collateral incident occurs in the following cases:
  - (a) the collaterals are insufficient to secure the amount due for the Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 52 considering the amount and the validity of the collaterals; or
  - (b) the collaterals are not renewed in accordance with Article 20 paragraph 2; or
  - (c) the collaterals are not restored after a payment incident in accordance with Article 24 or new collateral was provided that is not compliant with the conditions specified in Articles 17(3), 18 and 19.
2. The Allocation Platform shall notify the collaterals incident to the Registered Participant by email. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the collaterals provided by the Registered Participant remains insufficient after this period, the Allocation Platform may suspend or terminate the Participation Agreement in accordance with Articles 58 and 59.

*Article 24*

**Calls on collaterals**

1. The Allocation Platform is entitled to call upon collaterals of a Registered Participant in the event of a registered payment incident in accordance with Article 54.
2. The Registered Participant shall restore its collaterals after a payment incident or collaterals incident by following the conditions as set forth in Articles 17(3), 18 and 19 unless the Participation Agreement is suspended or terminated in accordance with Articles 58 and 59.

## CHAPTER 4 Auctions

### *Article 25*

#### **General provisions for Auctions**

1. The Allocation Platform shall allocate Transmission Rights to Registered Participants by way of Explicit Allocation. Prior to the Auction, the Allocation Platform shall publish Auction Specifications on its website.
2. The Auctions shall be organized via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids including against the respective Credit Limits of the Registered Participants. The results of the Auction will be notified to Registered Participants via the Auction Tool. Pre-Bidding is possible as soon as the Auction is created in the Auction Tool.

### *Article 26*

#### **Auction Specification**

1. The Allocation Platform shall publish under normal circumstances the Auction Specification as set forth in paragraphs 2 to 3 of this Article no later than 09:00 CE(S)T D-1~~no later than 09:40 D-1~~:
2. The Auction Specification shall state in particular:
  - (a) the code identifying the Auction in the Auction Tool;
  - (b) the direction covered;
  - (c) the Product Period;
  - (d) the Bidding Period which in case of regular operational conditions starts at the earliest at 08:30 CE(S)T and ends at the latest at 10:30 CE(S)T. The default auction period will be published on the site of the Auction Platform and any change to the default bidding period will be notified to market participants with at least a one month notice period; ~~with Auction Specification publication and ends at 10:10~~
  - (e) the deadline for the publication of the provisional Auction results, which will by default be between 5 and 10 minutes after the auction end;
  - (f) the contestation period in accordance with Article 34;
  - (g) the Offered Capacity;
  - (h) any other relevant information or terms applicable to the product or the Auction.

### *Article 27*

#### **Bids submission**

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
  - (a) it shall be submitted electronically using the Auction Tool and during the Pre-bidding Period or Bidding Period as specified in the Auction Specification; it shall identify the Auction via an identification code as specified in Article 26 paragraph 2 (a);
  - (b) it shall identify the Registered Participant submitting the Bid through its EIC code;
  - (c) it shall identify the direction for which the Bid is submitted;
  - (d) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant unless otherwise provided for in the Information System Rules, exclusive of taxes and levies, in Euros per MW for one hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;
  - (e) it shall state the Bid Quantity in full MW which must be expressed without decimals, minimum amount of a single Bid is one (1) MW.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Pre-bidding and/or Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or set of Bids shall be taken into account for the provisional Auction results determination.
3. If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Registered Participant exceeds the Offered Capacity announced in the Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand. During the Pre-Bidding period, Participants may submit Bids (i.e. pre-bids) but the following checks will not be performed until the bidding gate opens:
  - Sum of Bid volumes are not checked against Offered Capacity as Offered Capacity may still change during the pre-bidding phase;
  - Credit Limit verification.
4. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the relevant Offered Capacity announced after the Bids submission, in case of Bids submitted during Pre-bidding Period, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity at closure of the Pre- bidding Period. At the opening of a relevant Bidding Period, such Bid(s) shall be considered as Bid(s) submitted by the Registered Participant for the relevant Auction. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - (a) chronological submission (time stamp); and/or
  - (b) Bid identification assigned by the Auction Tool; and/or
  - (c) rejection of all relevant Bids with the same Bid Price.

5. The above-mentioned process shall apply to all forms of an Auction product

*Article 28*  
**Bid registration**

1. The Allocation Platform shall not register a Bid that:
  - (a) does not comply with the requirements of Article 27; or
  - (b) is submitted by a Registered Participant who is suspended in accordance with Article 58.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Article 27, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If the Allocation Platform does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.
3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid and the reason for this rejection, without undue delay after the Bid is rejected.
4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to buy Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Allocation Rules and the relevant Auction Specification.

*Article 29*  
**Default Bid**

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as a delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
  - (a) chronological submission (time stamp); and/or

(b) Bid identification assigned by the Auction Tool; and/or

(c) rejection of all relevant Bids with the same Bid Price.

4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the applicable Auction Bidding Period opening.
5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

#### *Article 30*

#### **Default Bid for Fallback Auction**

1. In case an auction cannot take place, a Fallback Auction will be triggered by using default bids.
2. A default Bid shall apply automatically in simulation of an Auction as set forth in Article 42. The registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Fallback Auction. This Bid shall be considered as delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the Fallback Auction by a Registered Participant exceeds the Offered Capacity used for Auction simulation as set forth in Article 42, the Bids with the lowest Bid Price shall be rejected one by one until the total allowed Bid Quantity is reached.
4. A Registered Participant who wants to modify a default Bid for a Fallback Auction shall change the Bid Quantity and the Bid Price of its default Bids.
5. A Registered Participant not wishing to submit the default Bid for Fallback Auction can cancel its default Bids.

#### *Article 31*

#### **Credit Limit verification**

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations connected with that Registered Participant's registered Bid(s) calculated according to paragraphs 3 and 4 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.
2. At closure of the Bidding Period the Allocation Platform shall check again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 4 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. The Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such

additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:

- (a) chronological submission (time stamp); and/or
  - (b) Bid identification assigned by the Auction Tool; and/or
  - (c) rejection of all relevant Bids with the same Bid Price.
3. The Allocation Platform shall indicate insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.
  4. The Allocation Platform shall continuously assess all the Bids irrespectively to which Auction and direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 21.
  5. For the calculation of the maximum payment obligations related to the Bidding Zone border and direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid  $n$  shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligations according to the following equation:

$$MPO = \sum_{hours} \text{Max} \left[ \begin{aligned} & \text{Bid Price (1)} * \text{Bid Quantity (1)}; \text{Bid Price (2)} \\ & * \sum_{i=1}^2 \text{Bid Quantity (i)}; \text{Bid Price (n - 1)} \\ & * \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \text{Bid Price (n)} * \sum_{i=1}^n \text{Bid Quantity (i)} \end{aligned} \right]$$

6. When calculating the maximum payment obligations according to paragraph 4 of this Article, the Allocation Platform shall also take into account the increase of the maximum payment obligations with applicable taxes and levies in force.

*Article 32*

**Auction Results Determination**

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 31, the Allocation Platform shall determine the Auction results and allocate the Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following:
  - (a) determination of the total quantity of the allocated Transmission Rights per direction;
  - (b) identification of winning Bids to be fully or partially satisfied; and
  - (c) determination of the Marginal Price per direction.

3. The Allocation Platform shall determine the Auction results using an optimization function aiming at maximization of the sum of the Registered Participants' surplus and the Congestion Income generated by the winning Bids while respecting the constraints of the optimization function in form of relevant Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimization function of the algorithm on its website.
4. The Allocation Platform shall determine the Marginal Price per direction based on the following criteria:
  - (a) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the relevant Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
  - (b) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the relevant Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
5. If two (2) or more Registered Participants have submitted for one direction valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Transmission Rights per Registered Participant as follows:
  - (a) the Cross Zonal Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Registered Participants which submitted these Bids;
  - (b) in case the quantity of Transmission Rights requested by a Registered Participant at Marginal Price is lower than or equal to the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;
  - (c) in case the requested quantity of Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;
  - (d) any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.
6. Whenever the calculation set forth in paragraphs 3 to 5 of this Article does not result in a whole MW amount in accordance with Article 27 paragraph 1(f), the Transmission Rights shall be rounded down to the nearest full MW. The case when the Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.
7. The Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the Results and the contestation period is closed in accordance with Article 34. In the event that the Auction was not successfully performed, the fallback procedures as set forth in CHAPTER 6 shall apply.

### *Article 33*

#### **Notification of provisional Auction results**

1. The Allocation Platform shall publish on its website the provisional Auction results as soon as possible but not later than specified in the Auction Specification.

2. The publication of the provisional Auction results included in the Auction shall comprise at least the following data:
  - (a) total requested Transmission Rights in MW;
  - (b) total allocated Transmission Rights in MW;
  - (c) Marginal Price in Euros/MW per hour;
  - (d) number of Registered Participants participating in the Auction;
  - (e) number of Registered Participants who placed at least one winning Bid in the Auction;
  - (f) list of registered Bids without identification of the Registered Participants (bid curve); and
  - (g) Congestion Income.
3. No later than 30 minutes after the publication of the provisional Auction results the Allocation Platform shall make available via the Auction Tool and notify to each Registered Participant who submitted a Bid to a specific Auction at least the following data:
  - (a) allocated Transmission Rights for each hour of the Product Period in MW;
  - (b) Marginal Price in Euros/MW per hour; and
  - (c) due amount for allocated Transmission Rights in Euro, rounded to two decimal places.
4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the provisional Auction Results in accordance with CHAPTER 6.

*Article 34*

**Contestation of provisional Auction Results**

1. Registered Participants shall check the provisional Auction results and, where reasonably appropriate, may contest provisional Auction results within the contestation period set out in paragraph 2 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the provisional Auction results.
2. The Registered Participant may contest the provisional Auction results within the deadline set out in the relevant Auction Specification but no later than 30 minutes after the provisional Auction results have been notified to the Registered Participant.
3. The contestation shall be notified to the Allocation Platform and headed as “contestation”.
4. Any contestation shall contain the following:
  - (a) Date of contestation;

- (b) identification of contested Auction;
  - (c) identification of the Registered Participant;
  - (d) name, e-mail address and telephone number of the Registered Participant;
  - (e) detailed description of the facts and the reason for contestation; and
  - (f) evidence of erroneous Auction results;
5. The Allocation Platform shall notify its decision on the contestation to the Registered Participant no later than 1 hour and 30 minutes after the provisional Auction results have been notified to the Registered Participant.
  6. 1 hour and 30 minutes after the provisional Auction results have been notified to the Registered Participant and unless an Auction is cancelled due to erroneous results, the provisional Auction results shall be considered as final and binding with no further notification.

## **CHAPTER 5**

### **Use of Daily Transmission Rights**

#### *Article 35*

##### **General principles**

1. Transmission Rights allocated in an Auction, shall be subject to the Use it or Lose It principle with no financial compensation
2. The holder of allocated Transmission Rights may nominate the Transmission Rights for its physical use in accordance with Article 36.

#### *Article 36*

##### **Nomination of Transmission Rights**

1. Persons eligible to nominate Transmission Rights shall fulfil the requirement described in applicable Nomination Rules. Eligible persons may be the following:
  - (a) the Transmission Rights' holder; or
  - (b) the person notified by the Transmission Rights' holder during the Nomination process to the respective TSOs in line with the relevant Nomination Rules;
2. The Nomination shall be done in compliance with the Rights Document.
3. The Allocation Platform shall publish the relevant Nomination Rules.
4. The nomination deadlines are set forth in the relevant Nomination Rules. The Allocation Platform shall publish information on its website on the nomination deadlines. In case of any discrepancy between the deadlines published by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and the Allocation Platform shall not be held liable for any damages due to such a discrepancy.

#### *Article 37*

##### **Rights Document**

1. The Rights Document shall contain the information about the volume in MW that eligible persons are entitled to nominate and directions and for hourly periods.
2. The Allocation Platform shall send it daily and no later than 15 minutes after the provisional results are sent. The Rights Documents shall be considered provisional until the end of the Contestation Period.

#### *Article 38*

##### **TSO Designation**

Not Applicable

## **CHAPTER 6**

### **Fallback Procedures**

#### *Article 39*

##### **General provisions**

1. The Allocation Platform shall, to the extent reasonably practicable organize a fallback procedure in the following cases of failure of a standard process:
  - (a) if it is technically not possible to hold an Auction following the process set forth in CHAPTER 4;
  - (b) if it is technically not possible to use the standard data exchange procedure following the process as set forth in CHAPTER 5.
2. The Allocation Platform may use one or all of the following fallback procedures:
  - (a) introduction of a fallback procedure for data exchange according to Article 40;
  - (b) postponement of the Auction to a later time;
  - (c) introduction of a Fallback Auction according to Article 42;
  - (d) another ad hoc fallback procedure if considered appropriate by the Allocation Platform to overcome any technical obstacles.
3. The Allocation Platform shall, to the extent practicable and without undue delay, inform Registered Participants of possible deviations from the standard processes and the application of a fallback procedure via email and/or the Allocation Platform's website and/or using the Auction Tool.
4. Registered Participants shall immediately inform the Allocation Platform of any observed problems with the use of the Auction Tool and all potential consequences via e-mail. In case of an urgent problem, which shall be solved immediately and which is identified during Working Hours, the Registered Participant shall immediately contact the Allocation Platform by phone at the telephone number indicated on the website of the Allocation Platform for this type of problems.

#### *Article 40*

##### **Fallback procedure for data exchange**

1. In case of a failure at the site of the Allocation Platform of the standard processes for data exchange via the Auction Tool as described in these Allocation Rules, the Allocation Platform may inform Registered Participants that a fallback procedure for data exchange may be used as follows:
  - (a) by the applicable deadlines unless otherwise announced by the Allocation Platform the Registered Participant shall request via email the Allocation Platform to enter the relevant data into the Auction Tool by using this fallback procedure for data exchange;
  - (b) with the request the Registered Participant shall provide to the Allocation Platform in the format specified in the Information System Rules the relevant data to be entered in the Auction Tool;

- (c) the Allocation Platform shall enter the submitted data into the Auction Tool;
  - (d) the Allocation Platform may set in Information System Rules an identification process for the Registered Participant at the moment when the Registered Participant submits the relevant operational or commercial data and requests the Allocation Platform to enter this data into the Auction Tool on its behalf by means of the fallback procedure. If the Registered Participant or the person authorized by the Registered Participant for this purpose does not clearly identify itself, the Allocation Platform shall be entitled not to perform the data entry;
  - (e) the Registered Participant shall provide the Allocation Platform with a telephone number, which can be used in case of a necessary communication;
  - (f) once the Allocation Platform has entered the provided data into the Auction Tool on behalf of the Registered Participant, the Allocation Platform shall inform, without undue delay, the Registered Participant by telephone and/or via e-mail of the entry; and
  - (g) the Allocation Platform shall under no circumstances be held responsible if it fails to reach the Registered Participant through the means of communication above or if it fails to enter the data correctly via the fallback procedure.
2. In case of application of the fallback procedure for data exchange, all necessary information which is made available via the Auction Tool during the standard processes may be distributed to the Registered Participants via email by the Allocation Platform or where appropriate published on the website of the Allocation Platform.

#### *Article 41*

#### **Postponement of Auction**

1. The postponement of the Auction shall be the default fallback procedure for Auctions.
2. The Allocation Platform shall:
  - (a) where reasonably practicable postpone an Auction by notifying Registered Participants of the revised time of the new Auction; or
  - (b) cancel the initial Auction according to Article 43 and organize a new Auction for the same Product Period.
3. If the postponement of the Auction is announced after the Bidding Period has opened, the Allocation Platform may also cancel the initial Auction according to Article 43 and organize a new Auction for the same Product Period or may apply the Fallback Mode as specified in Article 42.
4. If the fallback procedure described in paragraph 1 and 2 of this Article cannot be implemented for the same Product Period, the Allocation Platform shall offer the respective Cross Zonal Capacities in subsequent Capacity Allocation process.
5. The Allocation Platform shall inform all Registered Participants, without undue delay, of the postponement by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by e-mail.

#### *Article 42*

### **Fallback Auction**

1. If it is technically not possible to hold an Auction following the process set forth in CHAPTER 4, the Allocation Platform may generate Rights Document using Auction results determined within the last simulation of the Auction carried out according to paragraph 3 of this Article before the technical problems occurred, if necessary reduced according to paragraph 5 of this Article.
2. The Allocation Platform shall inform all Registered Participants, of the application of Fallback Auction by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by e-mail no later than at 10:15 a.m. on day preceding the deliver day.
3. The Allocation Platform shall simulate the Auction of the day preceding the delivery day. In this simulation of the Auction Allocation Platform will use the latest available Default Bids for Fallback Auction together with the latest available information on the Offered Capacity.
4. In the simulation of the Auction according to paragraph 2 above the Credit Limit of the Registered Participant will be taken into consideration. However, contrary to Article 21 and 31 the potential outstanding payment obligations resulting from Fallback Auction will be considered for Credit Limit assessment only if the results of the Fallback Auction are published.
5. The Daily Transmission Rights generated according to the Auction simulation set forth in paragraphs 3 and 4 of this Article will be published and notified according to Article 33 (2) by 10:15 a.m. on day preceding the day of delivery. Information according to Article 33 (3) will be notified in accordance with Article 40(2). Article 34 applies as well.
6. If new Default Bids cannot be uploaded and if the Auction cannot be carried out according to CHAPTER 4 because the technical problems continue, Allocation Platform shall continue to generate Daily Transmission Rights according paragraphs 2 to 6 of this Article based on the results of the last available simulation of the Auction from before the technical problems initially occurred. The Allocation Platform will inform the Registered Participant of the necessity to carry out a consecutive Fallback Auction without undue delay. The Registered Participant has to inform the Allocation Platform by e-mail between 11:00 a.m. and 05:00 p.m. on the same day, when the Allocation Platform informs about the consecutive Fallback Auction, if the Registered Participant does not want to receive Daily Transmission Rights in the consecutive Fallback Auction of the following day. Daily Transmission Rights will only be allocated to the Registered Participant in the consecutive Fallback Auction if the Registered Participant has sufficient Credit Limit.

### *Article 43*

#### **Auction cancellation**

1. In case the Allocation Platform cancels an Auction, all Bids already submitted and any results of the respective Auction shall be deemed null and void.
2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on webpage of Allocation Platform and by e-mail.

3. An Auction cancellation may be announced in the following cases:
  - (a) before the end of the contestation period in case the Allocation Platform faces technical obstacles during the Auction process like a failure of standard processes and fallback procedures in the event of erroneous results due to incorrect Marginal Price calculation; in case of Swiss Northern borders the Rights Documents that have been eventually sent are not valid anymore; and
  - (b) after the end of the contestation period, in the event of erroneous results due to incorrect Marginal Price calculation or incorrect allocation of Daily Transmission Rights to Registered Participants or similar reasons.
4. In case of Auction cancellation before the contestation period elapses, no compensation shall be paid to the Registered Participants.
5. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.

*Article 44*

**Fallback procedure for eligible person notification**

1. In case of failure in the standard process of eligible person notification to the Allocation Platform via the Auction Tool, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 40.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for eligible person notification.
3. In case the fallback procedure for data exchange cannot be implemented as necessary to enable the registration of the eligible person, the eligible person shall be deemed notified as set forth in Information System Rules.

## **CHAPTER 7**

### **Curtailment**

#### *Article 45*

##### **Triggering events and consequences of curtailment on Daily Transmission Rights**

1. Daily Transmission Rights may be curtailed in the event of Force Majeure or an emergency situation according to applicable legislation.
2. Curtailment may be applied on allocated Daily Transmission Rights including, where the case may be, on nominated Physical Transmission Rights.
3. Each Registered Participant affected by curtailment shall lose its right to nominate for physical use the concerned Transmission Rights.
4. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to Articles 46 to 48.

#### *Article 46*

##### **Process and notification of curtailment on Daily Transmission Rights**

1. In all cases curtailment on Daily Transmission Rights shall be carried out by the Allocation Platform based on a request by one or more TSO(s) at the Bidding Zone border where Transmission Rights have been allocated.
2. The Allocation Platform shall notify the affected holders of Transmission Rights as soon as possible of a curtailment of Transmission Rights via email and on the webpage of the Allocation Platform. The notification shall identify the affected Transmission Rights, the affected volume in MW per hour for each concerned period, the triggering events for curtailment as described in Article 45 and the amount of Transmission Rights that remain after the curtailment.
3. The Allocation Platform shall publish the triggering events for curtailment in accordance with Article 45 including their estimated duration on its website as soon as possible.
4. The curtailment of Transmission Rights during a specific time period shall be applied to all Transmission Rights of the concerned periods on a pro rata basis, which means in proportion to the held Transmission Rights.
5. For each affected Registered Participant, remaining Transmission Rights which have not been curtailed shall be rounded down to the nearest MW.

#### *Article 47*

##### **Compensation for curtailments to ensure operation remains within Operational Security Limits**

Not applicable

#### *Article 48*

##### **Reimbursement for curtailments due to Force Majeure or emergency situation**

1. In the case of Force Majeure or emergency situation holders of curtailed Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Transmission Rights set during the Daily Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as:
  - (a) the Marginal Price of the initial Auction; multiplied by
  - (b) the volume in MW per hour corresponding to the difference between the Daily Transmission Rights held by the Registered Participant before and after the curtailment.

## **CHAPTER 8**

### **Invoicing and Payment**

#### *Article 49*

##### **General principles**

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 50 for all Transmission Rights allocated to him.
2. The Registered Participant may upon payment use the Cross Zonal Capacity connected with the allocated Transmission Rights as described in these Allocation Rules only. Any right for physical use of the transmission system may be subject to separate agreements between the Registered Participant and the concerned TSOs.
3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by applicable law or regulations.
4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
5. Payments shall be done in Euros (€).
6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Allocation Rules subject to Article 51.
7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Participation Agreement as well as any changes in this respect without undue delay.

#### *Article 50*

##### **Calculation of due amounts**

1. Registered Participants shall pay for each of the Transmission Rights allocated to them and for individual hour an amount equal to:
  - (a) the Marginal Price (per MW per hour); multiplied by
  - (b) the Transmission Rights in MW allocated in individual hour of a day.
2. The amount due plus any applicable taxes and levies, duties or other charges subject to Article 51, shall be rounded to two decimal places.
3. The Transmission Rights will be invoiced on a monthly basis. The Allocation Platform shall calculate the due amount to be paid retroactively for the preceding month.

#### *Article 51*

##### **Tax Gross-Up**

1. Each Registered Participant must make all payments to be made by it under the Daily Allocation Rules without any tax deduction, unless a tax deduction is required by law.

2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required (“Tax Gross-up”).
3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Daily Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction(or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Daily Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax as provided for in the VAT directive 2006/112/EC as amended from time to time and any other tax of a similar nature.

*Article 52*

**Invoicing and payment conditions**

1. The payment will be settled at the next fixed invoice date.
2. The Allocation Platform shall issue invoices for payments for all Transmission Rights on a monthly basis and no later than the tenth (10<sup>th</sup>) Working Day of each month.
3. The invoices shall be issued for the amount due set forth in Article 50.
4. The Allocation Platform shall send the invoice only by e-mail to the Registered Participant at the e-mail address of the financial contact person submitted in accordance with Article 8(i) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent or the date when the invoice is made available via the Auction Tool if this is done during Working Hours or the next day if sent after Working Hours.

5. In the cases of curtailment of Transmission Rights, the invoices shall take into account any payments to be credited to the Registered Participant. The payments to be credited to the Registered Participants shall:
  - (a) be settled through self-billing mechanism which shall allow the Allocation Platform to issue invoices in the name and on behalf of the Registered Participant; and
  - (b) be notified through the same invoice as the one used for the payments of the Registered Participant as set forth in paragraph 3 of this Article.
6. The payments due shall be netted by the Allocation Platform taking into account the amount as set forth in paragraph 3 and 5 of this Article.
7. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Registered Participant to the Allocation Platform, the Registered Participant shall settle this balance within five (5) Working Days after the date of issuance of the invoice.
8. Payments by the Registered Participant as set forth in paragraph 7 of this Article shall be collected as follows:
  - (a) based on the standard procedure, the Allocation Platform shall collect the payment automatically from the dedicated Business Account of the Registered Participant on the respective due date of the invoice; or
  - (b) alternatively, the Registered Participant shall ensure payment through a non-automated transaction to the account of the Allocation Platform specified on the invoice by indicating the invoice reference.

The alternative procedure may be used upon request of the Registered Participant and with the consent of the Allocation Platform. The Registered Participant shall notify the Allocation Platform by email the request to use the alternative procedure at least two (2) Working Days before the date of issuing of the next invoice as set forth in paragraph 2 of this Article. Once the alternative procedure is agreed, it shall be deemed to be valid until otherwise agreed between the Registered Participant and the Allocation Platform.
9. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Allocation Platform to the Registered Participant, the Allocation Platform shall pay this balance within seven (7) Working Days after the date of issuance of the invoice to the bank account as announced during the accession process in accordance with Article 8 paragraph 1(h) by the Registered Participant who is entitled to the payments at the due date.
10. Upon the collection of the payment as set forth in paragraph 8 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
11. In case of an erroneous invoice resulting in an additional payment of the Allocation Platform or the Registered Participant the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as they have been notified to Registered Participant.
12. Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank, shall be covered by the Registered Participant.

13. 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 towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

*Article 53*

**Payment disputes**

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the invoice or credit note by registered mail and email. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.
2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within ten (10) Working days after the notification, the procedure for the dispute resolution in accordance with Article 57 shall apply.
3. A dispute shall in no way relieve the Party from the obligation to pay the amounts due as set forth in Article 52.
4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 57 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:
  - (a) the Allocation Platform shall refund any amount including interest to be calculated according Article 49 to the Registered Participant in case that the amount paid by the Registered Participant as set forth in Article 52 was higher or the amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account indicated by the Registered Participant for this reimbursement in accordance with Article 8 paragraph 1 (g).
  - (b) the Registered Participant shall pay any amount including interest to be calculated according to Article 49 to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 52 and was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 52. Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 52.
5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1<sup>st</sup>) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

*Article 54*

**Late payment and payment incident**

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident will be registered if the amount including applicable interest due is not received within three (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.
2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals.
3. The Allocation Platform may suspend or terminate the Participation Agreement in case of registered payment incident in accordance with Articles 58 and 59.
4. In case of late payment or refund, the Parties shall pay interest on the amount due including taxes and levies from the first (1<sup>st</sup>) day following the date on which the payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
  - (a) a flat rate of 100 €; or
  - (b) in accordance with Article 5 of Directive 2011/7/EU, eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and round up to the nearest half percentage point.

## CHAPTER 9 Miscellaneous

### *Article 55*

#### **Duration and amendment of Allocation Rules**

1. The Allocation Rules are of indefinite duration and are subject to amendment in accordance with this Article. These Allocation Rules and any amendments thereof shall be consulted upon subject to paragraph 7 of this Article proposed by the relevant TSOs, and enter into force in accordance with the GB and Belgian regulatory regimes. The Allocation Platform shall publish the amended Allocation Rules and send an amendment notice to Registered Participants
2. Subject to Article 4, an amendment shall enter into force at the date and time specified in the amendment notice but not earlier than thirty (30) calendar days after the amendment notice is sent to Registered Participants by the Allocation Platform.
3. Each amendment shall apply to all aspects of these Allocation Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
4. Unless expressly stated otherwise by the Allocation Platform the amended Allocation Rules shall govern all rights and obligations in connection with these Allocation Rules including those acquired before the date of amendment but with the delivery date after the amendment takes effect.
5. Any amendment of these Allocation Rules shall apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Participation Agreement in accordance with Article 59. By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Allocation Rules and after these changes and/or adaptations of the Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Allocation Rules.
6. The Daily Allocation Rules and annexes thereto shall be periodically reviewed by the Allocation Platform and the relevant TSOs at least every two years involving the Registered Participants. In case the relevant TSOs consider the amendment of these Allocation Rules as a result of this review, the procedure described in this Article shall apply. This biennial review is without prejudice of the competence of GB or Belgian Regulatory Authorities to request at any time amendments of the Allocation Rules and the annexes included thereto in accordance with the existing legislation.

7. These Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in relevant legislation or any action by relevant competent authorities which have an effect on these Allocation Rules and/or their annexes then, notwithstanding any other provision of these Allocation Rules, the Allocation Rules shall be amended accordingly and pursuant to this Article.

*Article 56*  
**Liability**

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Allocation Rules and the Participation Agreement.
2. Subject to any other provisions of these Allocation Rules the Allocation Platform shall only be liable for damages caused by:
  - (a) fraud, gross negligence or wilful misconduct.
  - (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which any of them may suffer or incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Allocation Rules.
4. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:
  - (a) the timely arrival of Bids and transfer and return notifications by the Registered Participant;
  - (b) technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Allocation Rules.
6. In case of curtailment compensation due to Force Majeure or emergency situation in accordance with Article 48 Registered Participants shall not be entitled to other compensation than the compensation described in these Allocation Rules.
7. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the Registered Participant's Participation Agreement.

*Article 57*  
**Dispute resolution**

1. Without prejudice to paragraphs 6 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:
  - (a) the existence of a Participation Agreement between the Parties;
  - (b) the reason for the dispute; and
  - (c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators. The claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Participation Agreement and in accordance with the governing law of these Allocation Rules while the language of the arbitration proceedings shall be English. The Emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.
5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Allocation Rules.
7. In cases of late payment and notwithstanding Article 53 and paragraphs 1 to 4 of this Article, a Party may bring court proceedings against the other Party for any amount due under or in connection with these

Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.

8. The Parties agree that proceedings referred to in paragraph 6 may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Allocation Rules and the Registered Participant's Participation Agreement.
10. This Article survives the termination of the Registered Participant's Participation Agreement.

#### *Article 58*

#### **Suspension of the Participation Agreement**

1. The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant's rights in connection with these Allocation Rules with immediate effect if the Registered Participant commits a major breach of an obligation in connection with these Allocation Rules which may have a significant impact to the Allocation Platform as follows:
  - (a) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 54;
  - (b) if a Registered Participant fails to provide and maintain collaterals in accordance with Article 23;
  - (c) any breach which may have a significant financial impact to the Allocation Platform;
  - (d) the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Allocation Rules unless termination applies according to Article 59.
2. In any case of a minor breach in relation to these Allocation Rules such as but not limited to the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 8, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant's that its rights in connection with these Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the suspended Registered Participant may no longer participate in an Auction and, unless the payment of the Transmission Right is fully settled or fully secured by collaterals by the suspended Registered Participant, the suspended Registered Participant shall not be entitled to use Transmission Rights according to CHAPTER 5.
3. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
4. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to its ability to participate in Auctions by written notice to the Registered Participant. As from the date of effect of the reinstatement, the Transmission Rights allocated prior to the suspension and which remain unused may be nominated and the Registered Participant may participate in Daily Auctions.

5. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 8.

*Article 59*

**Termination of the Participation Agreement**

1. A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled.
2. A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Allocation Rules or the Participation Agreement in the following cases:

(a) where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;

(b) where there is a significant breach of the confidentiality obligations in accordance with Article 62.

The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline.

3. If any of the termination events in paragraph 4 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform until the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.
4. The termination events referred to in paragraph 3 shall be the following:
  - (a) if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;
  - (b) if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 9;
  - (c) if a Registered Participant repeatedly breaches these Allocation Rules or a Participation Agreement, whether or not the breach is capable of remedy;
  - (d) if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions; or
  - (e) if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case

of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).

5. After the termination takes effect in accordance with paragraphs 1 to 3 of this Article and from that time, the Registered Participant may no longer participate in an Auction. CHAPTER 5 shall not apply to such acquired Transmission Rights. For the avoidance of doubt, the Transmission Rights, which the Registered Participant is prohibited from using as a result of termination, may be offered by the Allocation Platform in subsequent Auctions.
6. Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and liabilities. This paragraph shall apply without prejudice to other remedies available to the Allocation Platform under these Allocation Rules.

*Article 60*  
**Force Majeure**

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The Party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 62.
3. Suspension under paragraph 2 is subject to the following:
  - (a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - (b) the suspension applies only for so long as the Party invoking Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:
  - (a) the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
  - (b) the acquired Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Allocation Rules; and
  - (c) where the Transmission Rights' holder is the party claiming the Force Majeure event, the Allocation Platform may, for their own benefit, reallocate the holder's Transmission Rights to the subsequent Auctions and for the duration of the Force Majeure event.

5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice.
6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 7 regarding the curtailment of Transmission Rights.

*Article 61*

**Notices**

1. Any notice or other communication to be given under or in connection with these Allocation Rules shall be in English.
2. Unless otherwise expressly provided in these Allocation Rules, all notices or other communications shall be in writing between the Allocation Platform and each Registered Participant and shall be sent to the email address and if not possible, by facsimile number and marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 8.
3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - (a) the conclusion of the Participation Agreement in accordance with Article 6;
  - (b) the suspension and termination according to Article 58 and Article 59; and
  - (c) the submission of the bank Guarantee in accordance with Article 19.
4. All notices or other communications shall be deemed to have been received:
  - (a) in the case of delivery by hand, when delivered against receipt; or
  - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
  - (c) in the case of facsimile, on acknowledgement of receipt by the addressee's facsimile receiving equipment; or
  - (d) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail.
5. If a notice or other communication has been received outside normal Working Hours on a Working Day), it is deemed to have been received at the opening of business on the next Working Day.

*Article 62*

**Confidentiality**

1. The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Allocation Rules shall preserve the

confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.

3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party to a third party with the other Party's prior consent expressed in writing and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Allocation Rules directly enforceable by the other Party.
4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party:
  - (a) to the extent expressly permitted or contemplated by the Allocation Rules;
  - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Allocation Rules;
  - (c) as far as required in order to comply with applicable national or EU legislation such as REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant domestic administrative acts such as grid codes;
  - (d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
  - (e) as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Allocation Rules by themselves or through agents or advisers; or
  - (f) as far as required in order to obtain clearances or consents from a competent authority.
5. Moreover, the obligations arising from this Article shall not apply:
  - (a) if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
  - (b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
  - (c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - (d) to information whose publication is explicitly provided for by the present Allocation Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Participation Agreement.
7. The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Allocation Rules.

### **Assignment and subcontracting**

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. A Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Allocation Rules without the prior written consent of the Allocation Platform.
3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to this Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Participation Agreement or these Allocation Rules. Entry into a subcontracting agreement by the Allocation Platform does not relieve the Allocation Platform of any obligation or liability under these Allocation Rules.

### *Article 64* **Governing law**

These Allocation Rules shall be governed by and construed in all respects in accordance with the law of the location of the registered office of the Allocation Platform unless otherwise specified in the Participation Agreement.

### *Article 65* **Language**

The applicable language for these Allocation Rules shall be English. For the avoidance of doubt, where TSOs need to translate these Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

### *Article 66* **Intellectual property**

No Party shall acquire any right, title, license or interest in or to any intellectual property rights of the other Party in connection with these Allocation Rules.

### *Article 67* **Relationship of the Parties**

1. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Allocation Rules, nothing contained or implied in these Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever or create or be deemed to create any partnership, agency, or trust between the Parties .
2. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives

any warranty or undertaking of any kind in respect of these Allocation Rules, the Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Allocation Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Allocation Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Allocation Rules or the Participation Agreement.

*Article 68*

**No third party rights**

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Participation Agreement between them, including any other market participant, has no rights to enforce these Allocation Rules or the Participation Agreement as between the Allocation Platform and that Registered Participant.

*Article 69*

**Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Allocation Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Allocation Rules.
2. Any waiver of any right, power or remedy under these Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

*Article 70*

**Entire agreement**

These Allocation Rules and the Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Allocation Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Allocation Rules or the Participation Agreement.

*Article 71*

**Remedies exclusive**

The rights and remedies provided by these Allocation Rules and the Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Allocation Rules and the Participation Agreement. Accordingly, the Allocation Platform and each Registered Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities,

responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Allocation Rules and the Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

*Article 72*  
**Severability**

If any provision of these Allocation Rules or a Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Allocation Rules and the Participation Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality. 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.

## Appendix 4: Rules for Intraday Capacity Allocation on the GB-Belgium Border

### CHAPTER 1 - General provisions

#### *Article 1*

##### **Subject-matter and scope**

1. These Allocation Rules and its annexes contain the terms and conditions for the allocation of Intraday Transmission Rights on the Belgium-GB border, it being understood that the Registered Participant will endorse these rules by the signature of the Allocation Platform Participation Agreement. In particular, the Allocation Rules for Intraday Capacity Allocation set out the rights and obligations of Registered Participants as well as the requirements for participation in Auctions, they describe the process of Auction, including determination of the Marginal Price as a result of an Auction and the process for curtailment of Transmission Rights and invoicing/payment.
2. The Auctions refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Intraday Transmission Rights allocated to them than the rights in accordance with the provisions of these Allocation Rules for Intraday Capacity Allocation.

#### *Article 2*

##### **Definitions and interpretation**

1. Capitalised terms used in these Allocation Rules 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 Regulation (EU) 2016/1719 and Article 2 of Directive 2009/72/EC.
2. In addition, the following definitions shall apply:

**Affiliate** means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person as control is defined in the EU Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings;

**Allocation Platform** means an entity appointed and commissioned by responsible TSO(s) to act as an Allocation Platform on their behalf for the attribution of intraday Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

**Allocation Rules** means the rules for Intraday Capacity Allocation applied by Allocation Platforms;

**Auction Tool** means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Allocation Rules;

**Auction** means the process by which Intraday Cross Zonal Capacity is offered and allocated to market participants who submit Bid(s);

**Auction Specification** means a list of specific characteristics of a particular Auction, including the nature of products and relevant dates;

**Bank Guarantee** means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Bid Price** means the price which a Registered Participant is willing to pay for one (1) MW and hour of Intraday Transmission Rights;

**Bid Quantity** means the amount of Intraday Transmission Rights in MW requested by a Registered Participant;

**Bidding Period** means the time period within which the Registered Participants willing to participate in an Auction may submit their Bids;

**Bidding Zone** means the largest geographical area within which market participants are able to exchange energy without Capacity Allocation

**Business Account** means a dedicated deposit account opened at the financial institution selected by the Allocation Platform in the name of the Allocation Platform or at the discretion of the Allocation Platform opened by the Registered Participant, but with the Allocation Platform as the beneficiary of the dedicated cash deposit, which may be used for payments by the Registered Participant;

**Credit Limit** means the amount of the collateral which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;

**EIC Code** means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

**Force Majeure** means 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, 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;

**Information System Rules** means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

**Intraday Capacity Allocation** means the attribution of intraday Cross Zonal Capacity through an Auction;

**Intraday Transmission Right** means for the purposes of these Allocation Rules a Physical Transmission Right acquired in the Intraday Capacity Allocation;

**Marginal Price** means the price determined at particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Intraday Transmission Right;

**Nomination** means the use of Intraday Cross Zonal Capacity by a Physical Transmission Rights holder, or an authorized third party, to the respective Transmission System Operator(s);

**Nomination Rules** means the rules with regard to the notification of use of Transmission Rights to the respective Transmission System Operator(s);

**Participation Agreement** means the agreement by which the Parties undertake to comply with the terms and conditions for Cross Zonal Capacity Allocation as contained in these Allocation Rules;

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

**Physical Transmission Right** means 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;

**Pre-Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction before the bidding gate opens;

**Product Period** means the time and date on which the right to use the Intraday Transmission Right commences and the time and date on which the right to use the Intraday Transmission Right ends;

**Registered Participant** means a market participant which entered into the Participation Agreement with the Allocation Platform;

**Rights Document** means a document containing the information of the maximum allocated Physical Transmission Rights that can be nominated by a market participant per Bidding Zone border per day per hour and per direction, taking into account the volume of rights initially acquired, and any possible curtailments which occurred before the issuance of the Rights Document.;

**Use It Or Lose It (UIOLI)** means an automatic application by which the underlying Cross Zonal Capacity of the non-nominated Physical Transmission Rights are not available for further Capacity Allocation and whereby Physical Transmission Right holders that do not nominate do not have rights to receive a payout;

**Working Day** means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform;

**Working Hours** means the hours on Working Days specified within the Participation Agreement.

3. In these Allocation Rules (including its annexes) unless the context requires otherwise:
  - (a) the singular indicates the plural and vice versa;
  - (b) references to one gender include all other genders;
  - (c) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of these Allocation Rules;
  - (d) the word “including” and its variations are to be construed without limitation;
  - (e) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
  - (f) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
  - (g) a reference to time is a reference to CET/CEST time unless (otherwise specified);
  - (h) where the Allocation Platform is required to publish any information under these Allocation Rules, it may do so by making the information or data available on its website or via the Auction Tool.

### **Allocation Platform**

1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules and in accordance with applicable relevant legislation.
2. For the purposes of these Allocation Rules the Allocation Platform shall be the party signing the Participation Agreement with the Registered Participant.
3. For the purpose of the Participation Agreement with the Registered Participant, the Allocation Platform shall publish a consolidated version of these Allocation Rules including the annexes thereto as they enter into force in accordance with the applicable national regulatory regimes. In case of a conflict between the consolidated version by the Allocation Platform and the Allocation Rules including the annexes as entered into force in accordance with the applicable national regulatory regimes, the latter shall prevail.

### *Article 4*

#### **Effective date and application**

1. These Allocation Rules apply to Capacity Allocation of Intraday Transmission Rights on the date communicated by Nemo Link with at least 28 days' notice, unless directed otherwise by the relevant authorities.

## CHAPTER 2 -Requirements and process for participation in Auctions

### *Article 5*

#### **General Provision**

1. Market participants may acquire Intraday Transmission Rights only from participation in Auctions.
2. Participation in Auctions requires that the market participant:
  - (a) concludes a valid and effective Participation Agreement in accordance with Article 6 to Article 12;
  - (b) has access to the Auction Tool in accordance with Article 14;
  - (c) complies with the requirements for provision of collaterals as specified in CHAPTER 3;
  - (d) accepts additional financial terms where needed in accordance with Article 15;
  - (e) Is compliant with the specific provisions listed;
    - Its accession to the Use of System Interconnector Agreement with National Grid Electricity Transmission System Operator (NGESO) and the Framework Agreement established under the Connection and Use of System Code (CUSC);
    - Its accession to the Framework Agreement as defined in the Balancing and Settlement Code (BSC) together with full details of the Production and Consumption interconnector Balancing Mechanism Units (BMUs) registered to the Registered Participant under the BSC; and
    - Its entry into an ARP contract with Elia.
3. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Allocation Rules.

### *Article 6*

#### **Participation Agreement conclusion**

1. At least nine (9) Working Days before the first participation in an Auction, any market participant may apply to be a party to a Participation Agreement by submitting, to the Allocation Platform, two (2) signed copies of the Participation Agreement, as published on the website of the Allocation Platform, together with all duly completed information and documents required by Article 7 to Article 14. The Allocation Platform shall assess the completeness of the information submitted in accordance with Article 8 and Article 11 within seven (7) Working Days of receipt of the completed and signed Participation Agreement.
2. The Allocation Platform shall before the expiration of the seven (7) Working Days deadline ask the market participant to provide outstanding information which the market participant fails to submit with its Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within additional seven (7) Working Days review the information and

inform the market participant if any further information is required.

3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Participation Agreement signed by it to the market participant without undue delay. Signature of the Participation Agreement by the Allocation Platform shall not itself indicate compliance with any other condition set in these Allocation Rules for the participation in the Auctions. The Participation Agreement comes into force on the date of signature by the Allocation Platform.
4. In case a market participant is already a Registered Participant at the Allocation Platform it only has to complete the missing/extra requirements described under these Allocation Rules.

#### *Article 7*

#### **Form and content of the Participation Agreement**

1. The form of the Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Allocation Rules unless otherwise stated in these Allocation Rules.
2. As a minimum, the Participation Agreement will require the market participant to:
  - (a) provide all necessary information in accordance with Article 8 ; and
  - (b) agree to be bound by and comply with these Allocation Rules.
3. Nothing in these Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Participation Agreement additional rules out of scope of these Allocation Rules, including but not limited to the participation in long-term or day-ahead Explicit Allocation or any fall-back process for day-ahead Implicit Allocation.
4. In case of difficulty of interpretation, contradiction, ambiguity or difference between these Allocation Rules and the Participation Agreement, the text of the Allocation Rules shall prevail.

#### *Article 8*

#### **Submission of information**

1. The market participant shall submit the following information with its completed and signed Participation Agreement:
  - (a) name and registered address of the market participant, including general email, facsimile and telephone number of the market participant for notifications in accordance with Article 54;
  - (b) an extract of the registration of the market participant in the commercial register of the competent authority;
  - (c) details regarding the beneficial ownership as defined in the relevant legal provisions transposing Article 3(6) of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;

- (d) contact details and names of persons authorised to represent the market participant and their function;
  - (e) EU VAT registration number where applicable;
  - (f) Taxes and levies to be considered for invoices and collateral calculations;
  - (g) Energy Identification Code (EIC);
  - (h) bank account information for payment to the applicant to be used by the Allocation Platform for the purposes of Article 45 paragraphs 6 and 7;
  - (i) financial contact person for collaterals, invoicing and payment issues and their contact details (email, and telephone number) for notifications where required in these Allocation Rules in accordance with Article 54;
  - (j) commercial contact person and their contact details (email, and telephone number) for notifications where required in these Allocation Rules in accordance with Article 54; and
  - (k) operational contact person and their contact details (email, and telephone number) for notifications where required in these Allocation Rules in accordance with Article 54;
  - (l) the list of Bidding Zone borders where the Registered Participant wants to participate in Intraday Auctions.
2. The Allocation Platform verifies whether the Registered Participant fulfils the specific provisions per TSO Border and where applicable per direction as listed in Annex 1 chosen in the Participation Agreement in line with paragraph 1 (k) of this Article.
  3. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Allocation Rules (including information in its Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
  4. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least nine (9) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.
  5. The Allocation Platform will confirm the registration of the change or send a refusal note of registration of the change to the Registered Participant, at the latest, seven (7) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be sent via email to the operational contact person specified by the Registered Participant in accordance with paragraph 1 of this Article. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
  6. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
  7. If additional information is required from a Registered Participant as a consequence of an amendment to these Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within twelve (12) Working Days after the request for such submission by the Allocation Platform.

*Article 9*  
**Warranties**

1. By the signature of the Participation Agreement the market participant warrants that:
  - (a) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
  - (b) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
  - (c) no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
  - (d) it has no overdue payment obligations towards any current, previous or future Allocation Platform.

*Article 10*

**Dedicated Business Account**

As part of the submission of the information in accordance with Article 8 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to open a dedicated Business Account for the purposes of depositing cash collaterals and/or for the purposes of making payments on the basis described in Article 45 paragraph 6.

*Article 11*

**Acceptance of the Information System Rules**

By signing the Participation Agreement the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

*Article 12*

**Costs related to the Participation Agreement**

All applications to become a Registered Participant and any subsequent participation in Auctions shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any cost, damage, or expense in connection with the Registered Participant participating in Auctions unless otherwise explicitly stated in these Allocation Rules.

*Article 13*

**Refusal of application**

1. The Allocation Platform may refuse to enter into a Participation Agreement with a market participant in the following circumstances:
  - (a) when the applicant has not submitted a duly completed and signed Participation Agreement in accordance with Article 5, 6, 7 and 8; or
  - (b) the Allocation Platform has previously terminated a Participation Agreement with the applicant as a result of a breach of the Participation Agreement by the Registered Participant in accordance with Article 52 paragraph 3 and paragraph 4 and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or

- (c) if entering into a Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or
- (d) if any of the declarations of the Registered Participant under Article 9 are found to be not valid or false.
- (e) if the applicant is under economic and trade sanctions imposed by a Member State of the European Union.

*Article 14*

**Access to the Auction Tool**

2. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
  - (a) the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established; and
  - (b) the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include technology for authentication purposes.
3. The Allocation Platform shall confirm the creation of the user account or send a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be sent via email to the operational contact person specified by the Registered Participant in accordance with Article 8.
4. The Allocation Platform shall send the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

*Article 15*

**Conclusion of additional financial terms**

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for processes organized by the Allocation Platform in accordance with the Participation Agreement, as long as these additional financial terms comply with these Allocation Rules.

*Article 16*

**Regulatory and legal requirements**

It is the responsibility of each market Participant to ensure that it complies with all relevant legislation, including requirements of any relevant competent authority, and obtained all necessary authorisations in connection with its participation in Auctions and its use of Intraday Transmission Rights.

## CHAPTER 3 - Collaterals

### *Article 17*

#### **General provisions**

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions for Intraday Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 15.
2. Only the following forms of collateral shall be accepted:
  - (a) a Bank Guarantee;
  - (b) a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero.
5. The collaterals shall be provided in Euros (€).

### *Article 18*

#### **Form of cash deposit**

1. For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:
  - (a) The money shall be deposited on a dedicated Business Account at a bank selected by the Allocation Platform;
  - (b) the dedicated Business Account shall be opened and used in accordance with additional financial terms to be concluded between the Allocation Platform and the Registered Participant, or where relevant the financial institution and the Registered Participant and shall only be used for auction purposes;
  - (c) until withdrawal as permitted by the following provisions of Article 24, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 15;
  - (d) withdrawals from the dedicated Business Account pursuant to Article 22 and Article 24 may be made solely on the instruction of the Allocation Platform;
  - (e) the dedicated Business Account may be used in addition for settlement as set forth in Article 45 upon request of the Allocation Platform; and
  - (f) interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

*Article 19*

**Form of Bank Guarantee**

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:
  - (a) the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template;
  - (b) the Bank Guarantee shall be written in English;
  - (c) the Bank Guarantee covers all Auctions organized by the Allocation Platform subject to these Allocation Rules;
  - (d) the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, up to the maximum amount guaranteed;
  - (e) the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from the Allocation Platform;
  - (f) the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
  - (g) the bank issuing the Bank Guarantee shall be permanently established, including via a branch in a EU member state or European Economic Area or Switzerland;
  - (h) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB+ by Standard and Poor's Corporation, BBB+ by Fitch or Baa1 by Moody's Investors Service Inc. . If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the issuing bank shall provide the Allocation Platform with a parental guarantee or an equivalent document issued by the financial group. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the NRAs;
  - (i) the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.
2. A Bank Guarantee shall contain the following:
  - (a) a maximum amount guaranteed;
  - (b) the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
  - (c) the Allocation Platform's bank account, as specified on the website of the Allocation Platform;

- (d) the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
  - (e) the Registered Participant's full identification, including name, address, commercial/company register;
  - (f) full identification of the providing bank; and
  - (g) the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least two (2) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
  4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and the original of the Bank Guarantee has been received by the Allocation Platform.
  5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or send a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

#### *Article 20*

##### **Validity and renewal of the Bank Guarantee**

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum period until at least thirty (30) calendar days after the end of calendar month of the Product period.
2. The Registered Participant shall replace or renew the collaterals in form of a Bank Guarantee to fulfil the requirements of paragraph 1 of this Article at least four (4) working days before the expiry of the validity of the collaterals.

#### *Article 21*

##### **Credit Limit**

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the collaterals in place minus any outstanding payment obligations. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 20 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.
2. Outstanding payment obligations are calculated according to Article 43 subject to additional rules in paragraph 3 to 4 of this Article and in Article 31.
3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 44.
4. Maximum payment obligations for a Registered Participant resulting from its Bid(s)

registered at the closure of the Bidding Period, calculated according to Article 31, shall be considered provisionally as the outstanding payment obligations. From the publication of the provisional Auction results until the moment when the Auction Results become final the due amount notified according to Article 33 paragraph 3 (c) shall be provisionally considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised based on the actual allocated Transmission Rights when the provisional Auction results are published as described in CHAPTER 4.

*Article 22*

**Modifications of the collaterals**

1. A Registered Participant may request in written form an increase of the collateral in form of a Bank Guarantee, a decrease of the collateral in form of a Bank Guarantee and/or cash deposit or change of the form of the collateral at any time in accordance to paragraphs 2 and 3 of this Article.
2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Articles 19 and 20 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.
5. The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or send a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the request. The confirmation or refusal note shall be sent via email to the commercial and operational contact persons specified by the Registered Participant in accordance with Article 8. The refusal note shall include reasoning for refusal.

*Article 23*

**Collateral incident**

1. A collateral incident occurs in the following cases:
  - (a) the collaterals are insufficient to secure the amount due for the Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 45 considering the amount and the validity of the collaterals; or
  - (b) the collaterals are not renewed in accordance with Article 20 paragraph 2; or
  - (c) the collaterals are not restored after a payment incident in accordance with Article 24 or new collateral was provided that is not compliant with the conditions specified in Articles 17(3), 18 and 19.

The Allocation Platform shall notify the collateral incident to the Registered Participant by email. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the provided collaterals by the Registered

Participant remain insufficient after this period, the Allocation Platform may suspend or terminate the Participation Agreement in accordance with Article 51 and Article 52.

*Article 24*

**Calls on collaterals**

1. The Allocation Platform is entitled to call upon collateral of a Registered Participant in the event of a registered Payment Incident in accordance with Article 47.
2. The Registered Participant shall restore its collateral after a Payment Incident or collateral incident by following the conditions as set forth in Articles 17(3), Article 18 and Article 19 unless the Participation Agreement is suspended or terminated in accordance with Article 51 and Article 52.

## CHAPTER 4 - Auctions

### Article 25

#### General provisions for Auctions

1. The Allocation Platform shall allocate Intraday Transmission Rights to Registered Participants by way of Explicit Allocation comprising a single round. Prior to the Auction the Allocation Platform shall publish Auction Specifications on its website.
2. The Auctions shall be organised via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification published on the website.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids against the respective Credit Limits of the Registered Participants. The results of the Auction will be notified to the Registered Participant via the Auction Tool. Pre-Bidding is possible as soon as the Auction is created in the Auction Tool.

### Article 26

#### Capacity Allocation timeframe and form of product

1. The standard Capacity Allocation timeframes, subject to product availability, are hourly products which are offered in a number of auctions.
2. In the first auction called NLID1 the offered products are each hour between 00:00 till 06:00. In the second auction NLID2 the offered products are the hours between 06:00 till 12:00. NLID3 the offered products are the hours between 12:00-18:00 and NLID4 between 18:00 and 24:00. The auction timeline is as follows:

Name of the Auction	Deadline for publishing the Auction Specification	Gate <u>opening and closure of the Auction</u>
NLID 1	21:40 in day preceding the delivery day	<u>21:45</u> -22:10 in day preceding the delivery day
NLID 2	03: <del>25</del> <u>40</u> in delivery day	<del>04:10</del> <u>03:30-03:55</u> in delivery day
NLID 3	09: <del>40</del> <u>25</u> in delivery day	<del>10:10</del> <u>09:30-09:55</u> in delivery day
NLID4	15: <del>40</del> <u>25</u> in delivery day	<del>16:10</del> <u>15:30-15:55</u> in delivery day

3. During the auction window, Market Participants can submit bids for Explicit Intraday Capacity in accordance with Article 28.
4. In exceptional circumstances Market Participants will be informed of new timings at the earliest opportunity.
5. All auction window timings will be in CET/CEST, unless otherwise stated.

*Article 27*

**Auction Specification**

1. The Allocation Platform shall publish the Auction Specification as set forth in paragraph 2 of this Article.
2. The Allocation Platform shall publish the Auction Specification no later than 15 minutes before the end of the Bidding Period of an Auction. The Auction Specification shall state in particular:
  - (a) the code identifying the Auction in the Auction Tool;
  - (b) identification of the Bidding Zone border(s) or a subset of the Interconnectors on the Bidding Zone border and direction covered;
  - (c) the Product Period;
  - (d) the Bidding Period;
  - (e) the deadline for the publication of Auction results;
  - (f) Offered capacity calculated as:
    - Available Cross Zonal Capacity resulting from the difference between the NTC and the net values of the Exchange Programs of the previous timeframes;
    - The security assessment performed by the concerned TSOs on the respective bidding zone border;
  - (g) any other relevant information or terms applicable to the product or the Auction.

*Article 28*

**Bids submission**

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
  - (a) it shall be submitted electronically using the Auction Tool and during the Pre-bidding Period or Bidding Period as specified in Auction Specification;
  - (b) it shall identify the Auction via an identification code;
  - (c) it shall identify the Registered Participant submitting the Bid through its EIC code;
  - (d) it shall identify the Bidding Zones border and the direction for which the Bid is submitted;
  - (e) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant unless otherwise provided for in the Information System Rules, exclusive of taxes and levies, in EUR per MW for one hour of the Product Period, i.e. EUR/MWh, expressed to a maximum of two (2) decimal places, and equal to or greater than zero;
  - (f) it shall state the Bid Quantity in full MW which must be expressed without decimals.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Pre-bidding and/or Bidding Period including its cancellation. In case the Bid has been modified only the last modification of the Bid or set of Bids shall be taken into account for the

Auction results determination.

3. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the relevant Offered Capacity announced in the Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.

During the Pre-Bidding period, Participants may submit Bids (i.e. pre-bids) but the following checks will not be performed until the bidding gate opens:

- Sum of Bid volumes are not checked against Offered Capacity as Offered Capacity may still change during the pre-bidding phase;
  - Credit Limit verification;
4. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the relevant Offered Capacity announced after the Bids submission, in case of Bids submitted during Pre-bidding Period, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity at closure of the Pre-bidding Period. At the opening of a relevant Bidding Period, such Bid(s) shall be considered as Bid(s) submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
  5. In case where the Information System Rules allows submission of Bids with the same Bid Price by one Registered Participant the Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:
    - (a) chronological submission (time stamp); and/or
    - (b) Bid identification assigned by the Auction Tool; and/or
    - (c) rejection of all relevant Bids with the same Bid Price.

*Article 29*  
**Bid registration**

1. The Allocation Platform shall not register a Bid that:
  - (a) does not comply with the requirements of Article 28; or
  - (b) is submitted by a Registered Participant who is suspended in accordance with Article 51.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Articles 28 and 29, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by acknowledgment of receipt via a message on the Auction Tool. If the Allocation Platform does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.
3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid

and the reason for this rejection, without undue delay after the Bid is rejected.

4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to the Allocation Platform to buy Intraday Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Allocation Rules and the relevant Auction Specification.

*Article 30*  
**Default Bid**

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent and relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as delivered when the Allocation Platform sends an acknowledgment of receipt to the Registered Participant.
3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one by one until the total allowed Bid Quantity is reached.
4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the respective Auction Bidding Period opening.
5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

*Article 31*  
**Credit Limit verification**

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations (MPO) connected with that Registered Participant's registered Bid(s) calculated according to paragraph 4 and 5 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with the registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.
2. At closure of the Bidding Period the Allocation Platform shall confirm again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 5 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Price, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than equal to the Credit Limit. The Allocation Platform may apply additional criteria or

rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:

- (a) chronological submission (time stamp); and/or
  - (b) Bid identification assigned by the Auction Tool; and/or
  - (c) rejection of all relevant Bids with the same Bid Price.
3. The Allocation Platform shall indicate the insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.
  4. The Allocation Platform shall continuously assess all the Bids irrespectively to which Auction and with regard to which Bidding Zone border and direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 21.
  5. For calculation of maximum payment obligation (MPO) related to one Bidding Zone border and direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid  $n$  shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligation according to the following equation:

$$MPO = \sum_{hours} \text{Max} \left[ \text{Bid Price (1)} * \text{Bid Quantity (1)}; \text{Bid Price (2)} * \sum_{i=1}^2 \text{Bid Quantity (i)}; \dots \right. \\ \left. \dots; \text{Bid Price (n-1)} * \sum_{i=1}^{n-1} \text{Bid Quantity (i)}; \text{Bid Price (n)} * \sum_{i=1}^n \text{Bid Quantity (i)} \right]$$

6. When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take into account the increase of the maximum payment obligations with applicable taxes and levies in force.

#### *Article 32*

#### **Auction Results Determination**

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 31, the Allocation Platform shall determine the Auction results and allocate Intraday Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following per hour:
  - (a) determination of the total quantity of the allocated Intraday Transmission Rights per Bidding Zone border and direction;
  - (b) identification of winning Bids to be fully or partially satisfied; and
  - (c) determination of the Marginal Price per Bidding Zone border and direction.
3. The Allocation Platform shall determine the Auction results using an optimisation function aiming at maximisation of the sum of the Registered Participants' Surplus and the Congestion

Income generated by the winning Bids while respecting the constraints of the optimisation function in form of relevant Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimisation function of the algorithm on its website.

4. The Allocation Platform shall determine the Marginal Price at each Bidding Zone border and direction based on the following criteria:
  - (a) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the relevant Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
  - (b) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the relevant Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
5. If two (2) or more Registered Participants have submitted for one Bidding Zone border and direction valid Bids with the same Bid Price, that cannot be accepted for the total requested quantity of Intraday Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Intraday Transmission Rights per Registered Participant as follows:
  - (a) the Cross Zonal Capacity available for the Bids which set the Marginal Price shall be divided by the number of the Registered Participants which submitted these Bids;
  - (b) in case the quantity of Intraday Transmission Rights requested by a Registered Participant at Marginal Price is lower or equal than the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;
  - (c) in case the requested quantity of Intraday Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;
  - (d) any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.
6. Whenever the calculation set forth in paragraphs 3 to 5 of this Article does not result in a full MW amount in accordance with Article 28 paragraph 1(f), the Intraday Transmission Rights shall be rounded down to the nearest full MW. The case when the Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.
7. The Intraday Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the Results

### *Article 33*

#### **Notification of provisional Auction results**

1. The Allocation Platform shall publish on its website the provisional Auction results as soon as possible but not later than specified in the Auction Specification.
2. The publication of the provisional Auction results for each Bidding Zone border and direction

and hour included in the Auction shall comprise at least the following data:

- (a) total requested Intraday Transmission Rights in MW;
  - (b) total allocated Intraday Transmission Rights in MW;
  - (c) Marginal Price in EUR/MW per hour;
  - (d) number of Registered Participants participating in the Auction;
  - (e) number of Registered Participants who placed at least one winning Bid in the Auction;
  - (f) list of registered Bids without identification of the Registered Participants (bid curve); and
  - (g) Congestion Income per Bidding Zone border and direction.
3. As soon as possible after the publication of the provisional Auction results the Allocation Platform shall provide via the Auction Tool and notify to each Registered Participant who submitted a Bid to a specific Auction for each Bidding Zone border included in the Auction at least the following data:
- (a) allocated Intraday Transmission Rights for each Product in MW;
  - (b) Marginal Price in EUR/MW per hour; and
  - (c) due amount for allocated Intraday Transmission Rights in EUR, rounded to two decimal places.
4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the provisional Auction Results via email.

#### *Article 34*

#### **Contestation of Auction Results**

1. Registered Participants shall check the Auction results and, where reasonably appropriate, may contest Auction results within the ex post contestation period set out in paragraph 2 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the Auction results.
2. The Registered Participant may contest the Auction results ex post between 10:00 and 11:00 of Contract Day D+1.
3. The contestation has to be notified to the Allocation Platform and headed as “contestation”.
4. Any contestation shall contain the following:
  - (a) Date of contestation;
  - (b) Identification of contested Auction;
  - (c) identification of the Registered Participant;
  - (d) name, e-mail address and telephone number of the Registered Participant;
  - (e) detailed description of the facts and the reason for contestation; and

- (f) evidence of erroneous Auction results;
5. The Allocation Platform shall notify its decision on the contestation to the Registered Participant after the notification of the contestation within a reasonable time.
  6. At the end of the deadline specified above in paragraph 5 of this the Allocation Platform shall identify any further steps to remedy the contestation.

*Article 35*  
**Auction cancellation**

1. In case the Allocation Platform cancels an Auction, all Bids already submitted and any results of the respective Auction shall be deemed null and void.
2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on the webpage of the Allocation Platform and by e-mail.
3. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.
4. In case of Auction cancellation a fallback procedure is not provided and postponement of an Auction is not possible.

## CHAPTER 5 - Use of Intraday Transmission Rights

### *Article 36*

#### **General principles**

1. Physical Transmission Rights allocated in Auction shall be subject to the Use it or Lose It principle with no financial compensation.
2. The holder of allocated Intraday Transmission Rights may nominate the Intraday Transmission Rights for its physical use in accordance with Article 37.

### *Article 37*

#### **Nomination of Intraday Transmission Rights**

1. Persons eligible to nominate Intraday Transmission Rights shall fulfil the requirement described in applicable Nomination Rules. Eligible persons are the Intraday Transmission Rights' holders.
2. The Nomination shall be done in compliance with the Rights Document.
3. The relevant Nomination Rules are detailed in Annex 1.
4. The nomination deadlines for respective Bidding Zone borders are set forth in the relevant Nomination Rules. The Allocation Platform shall publish information on its website on the nomination deadlines per Bidding Zone Border. In case of any discrepancy between the deadlines published by the Allocation Platform and those of the valid and legally binding relevant Nomination Rules, the latter shall prevail and the Allocation Platform shall not be held liable for any damages due to such a discrepancy.

### *Article 38*

#### **Rights Document**

1. The Rights Document shall contain the information about the volume in MW that eligible persons are entitled to nominate at specific Bidding Zone borders and directions and for hourly periods.
2. The Allocation Platform shall send Rights Document after each Auction to the Transmission Rights' holder via the Auction Tool.

## CHAPTER 6 - Curtailment

### *Article 39*

#### **Triggering events and consequences of curtailment on Transmission Rights**

1. Intraday Transmission Rights may be curtailed in the event of Force Majeure or an emergency situation according to applicable legislation..
2. Curtailment may be applied on allocated Transmission Rights or, where the case may be, on nominated Physical Transmission Rights.
3. Each Registered Participant affected by curtailment shall lose its right to nominate for physical use the concerned Transmission Rights.
4. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to Article 41.

### *Article 40*

#### **Process and notification of curtailment**

1. In all cases curtailment shall be carried out by the Allocation Platform based on a request by one or more TSO(s) at the Bidding Zone Border where Transmission Rights have been allocated.
2. Allocation Platform shall notify the affected holders of Transmission Rights as soon as possible of a curtailment of Transmission Rights via email and on the webpage of the Allocation Platform. The notification shall identify the affected Transmission Rights, the affected volume in MW per hour for each concerned period and the triggering events for curtailment as described in Article 39 and the amount of Transmission Rights that remain after the curtailment.
3. The Allocation Platform shall publish the triggering events for curtailment in accordance with Article 39 including their estimated duration on its website as soon as possible.
4. The curtailment of Transmission Rights during a specific time period shall be applied to all Transmission Rights of the concerned periods on a pro rata basis, which means in proportion to the held Transmission Rights, regardless of the time of allocation.
5. For each affected Registered Participant, remaining Transmission Rights which have not been curtailed shall be rounded down to the nearest MW.

### *Article 41*

#### **Reimbursement for curtailments due to Force Majeure or emergency situation**

1. In the case of Force Majeure or Emergency Situation holders of curtailed Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Intraday Transmission Rights set during the Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as:
  - a. the Marginal Price of the initial Auction; multiplied by
  - b. the volume in MW per hour corresponding to the difference between the Transmission Rights held by the Registered Participant before and after the curtailment.

## CHAPTER 7 - Invoicing and Payment

### *Article 42*

#### **General principles**

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 43 for all Intraday Transmission Rights allocated to him.
2. The Registered Participant may upon payment and in line with separate agreements between the Registered Participant and concerned TSOs physically use the Cross Zonal Capacity connected with the allocated Intraday Transmission Rights as described in these Allocation Rules.
3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by applicable law or regulations.
4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.
5. Payments shall be done in Euros (€).
6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Allocation Rules subject to Article 44.
7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Participation Agreement as well as any changes in this respect without undue delay.

### *Article 43*

#### **Calculation of due amounts**

1. Registered Participants shall pay for each of the Intraday Transmission Rights allocated to them and for individual hour an amount equal to:
  - (a) the Marginal Price (per MW per hour); multiplied by
  - (b) the Intraday Transmission Rights in MW allocated in individual hour.
2. The Intraday Transmission Rights will be invoiced on a monthly basis. The Allocation Platform shall calculate the due amount to be paid retroactively for the preceding month. The amount due plus any applicable taxes, duties or other charges, shall be rounded to two decimal places.

### *Article 44*

#### **Tax Gross-up**

1. Each Registered Participant must make all payments to be made by it under the Allocation Rules without any tax deduction, unless a tax deduction is required by law.
2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to

an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.

3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax as provided for in the VAT directive 2006/112/EC as amended from time to time and any other tax of a similar nature.

#### *Article 45*

#### **Invoicing and payment conditions**

1. The Allocation Platform shall issue invoices for payments for all Transmission Rights on a monthly basis and no later than the tenth (10<sup>th</sup>) Working Day of each month for the Auctions with delivery period of the month preceding.
2. The Allocation Platform shall send the invoice only by e-mail to the Registered Participant at the e-mail address of the financial contact person submitted in accordance with Article 8(h) or it should make it available to the Registered Participant via the Auction Tool. The date of issuance of the invoice shall be the date on which the email is sent if this is done during Working Hours or the next Working Day if sent after Working Hours.
3. In the cases of curtailment of Transmission Rights the invoices shall take into account any payments to be credited to the Registered Participant. The payments to be credited to the Registered Participants shall:
  - (a) be settled through self-billing mechanism which shall allow the Allocation Platform to issue invoices in the name and on behalf of the Registered Participant; and
  - (b) be notified through the same invoice as the one used for the payments of the Registered Participant as set forth in paragraph 2 of this Article;
4. The payments due shall be netted taking into account the amount as set forth in paragraph 1 and 3 of this Article.
5. If the balance of the payments as set forth in paragraph 4 of this Article results in a net payment from the Registered Participant to the Allocation Platform, the Registered Participant shall settle this balance within five (5) Working Days after the date of issuance of the invoice.
6. Payments by the Registered Participant as set forth in paragraph 5 of this Article shall be collected as follows:
  - (a) Based on the standard procedure, the Allocation Platform shall collect the payment automatically from the dedicated Business Account of the Registered Participant on the respective due date of the invoice; or
  - (b) alternatively, the Registered Participant shall ensure payment through a non-automated transaction to the account of the Allocation Platform specified on the invoice by indicating the invoice reference.

The alternative procedure may be used upon request of the Registered Participant and with the consent of the Allocation Platform. The Registered Participant shall notify the Allocation Platform by email the request to use the alternative procedure at least two (2) Working Days before the date of issuing of the next invoice as set forth in paragraph 1 of this Article. Once the alternative procedure is agreed, it shall be deemed to be valid until otherwise agreed between the Registered Participant and the Allocation Platform.

7. If the balance of the payments as set forth in paragraph 1 and 3 of this Article results in a net payment from the Allocation Platform to the Registered Participant, the Allocation Platform shall pay this balance within seven (7) Working Days after the date of issuance of the invoice to the bank account as announced during the accession process in accordance with Article 8 paragraph 1(g) by the Registered Participant who is entitled to the payments at the due date.
8. Upon the collection of the payment as set forth in paragraph 6 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
9. In case of an erroneous invoice resulting in an additional payment of the Allocation Platform or the Registered Participant the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as they have been notified to Registered Participant.
10. Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank, shall be covered by the Registered Participant.
11. 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 towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

#### *Article 46*

#### **Payment disputes**

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the invoice or credit note by registered mail and email. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.
2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within ten (10) Working days after the notification, the procedure for the dispute resolution in accordance with Article 50 shall apply.
3. A dispute shall in no way relieve the Registered Participant from the obligation to pay the amounts due as set forth in Article 45(1).
4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 50 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:
  - (a) the Allocation Platform shall refund any amount including interest to be calculated according Article 42(4) to the Registered Participant in case that the amount paid by the

Registered Participant as set forth in Article 45(1) and Article 45(4) was higher or the amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account indicated by the Registered Participant for this reimbursement in accordance with Article 8 paragraph 1 (g).

- (b) the Registered Participant shall pay any amount including interest to be calculated according to Article 42(4) to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 45(1) and Article 45(4) was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 45(6). Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 45(8).
5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1<sup>st</sup>) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

#### *Article 47*

#### **Late payment and payment incident**

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident will be registered if the amount including applicable interest due is not received within two (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.
2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals.
3. The Allocation Platform may suspend or terminate the Participation Agreement in case of registered payment incident in accordance with Article 51 and Article 52.
4. In case of late payment or refund, the Parties shall pay interest on the amount due including taxes and levies from the first (1<sup>st</sup>) day following the date on which payment was due until the date on which the payment is done. The interest shall be equal to the highest amount of:
  - (a) a flat rate of 100 €; or
  - (b) in accordance with Article 5 of Directive 2011/7/EU, eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and round up to the nearest half percentage point.

## CHAPTER 8 - Miscellaneous

### *Article 48*

#### **Duration and amendment of Allocation Rules**

1. The Allocation Rules are of indefinite duration and are subject to amendment in accordance with this Article. These Allocation Rules and any amendments thereof shall be consulted upon subject to paragraph 5 of this Article proposed by the relevant TSOs and enter into force in accordance with the applicable national regulatory regime. The Allocation Platform shall publish the amended Allocation Rules and send an amendment notice to Registered Participants.
2. Subject to paragraph 5 of this Article, an amendment shall enter into force at the date and time specified in the amendment notice but not later than thirty (30) calendar days after the amendment notice is sent to Registered Participants by the Allocation Platform.
3. Each amendment shall apply to all aspects of these Allocation Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
4. Any amendment of these Allocation Rules shall apply automatically to the Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Participation Agreement in accordance with Article 52(1). By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Allocation Rules and after these changes and/or adaptations of the Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Allocation Rules.
5. These Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in relevant legislation or any action by competent authorities which have an effect on these Allocation Rules and/or their annexes then, notwithstanding any other provision of these Allocation Rules, the Allocation Rules shall be amended accordingly and pursuant to this Article.

### *Article 49*

#### **Liability**

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Allocation Rules and the Participation Agreement.
2. Subject to any other provisions of these Allocation Rules the Allocation Platform shall only be liable for damages caused by:
  - (a) fraud, gross negligence or wilful misconduct;
  - (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal

costs) which any of them may suffer or incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Allocation Rules.

4. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:
  - (a) the timely arrival of Bids and transfer and return notifications by the Registered Participant;
  - (b) technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Allocation Rules.
6. In case of curtailment compensation due to Force Majeure or emergency situation in accordance with Article 41 Registered Participants shall not be entitled to other compensation than the compensation described in these Allocation Rules.
7. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the Registered Participant's Participation Agreement.

#### *Article 50*

#### **Dispute resolution**

1. Without prejudice to paragraphs 7 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:
  - (a) the existence of a Participation Agreement between the Parties;
  - (b) the reason for the dispute; and
  - (c) a proposal for a future meeting with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.

4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Participation Agreement and in accordance with the governing law of these Allocation Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.
5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitrator relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with these Allocation Rules.
7. In cases of late payment and without prejudice to Article 47 and paragraphs 1 to 4 of this Article, a Party may bring court proceedings against the other Party for any amount due under or in connection with these Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.
8. The Parties agree that proceedings referred to in paragraph 6 or paragraph 7 may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Allocation Rules and the Registered Participant's Participation Agreement.
10. This Article survives the termination of the Registered Participant's Participation Agreement.

*Article 51*

**Suspension of the Participation Agreement**

1. The Allocation Platform may by notice to the Registered Participant suspend temporarily the Registered Participant's rights in connection with these Allocation Rules with immediate effect

if the Registered Participant commits a major breach of an obligation in connection with these Allocation Rules which may have a significant impact to the Allocation Platform as follows:

- (a) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 47;
  - (b) if a Registered Participant fails to provide and maintain collaterals in accordance with Article 23;
  - (c) any breach which may have a financial impact to the Allocation Platform;
  - (d) the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Allocation Rules unless termination applies according to Article 52.
2. In any case of a minor breach in relation to these Allocation Rules such as the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 8, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant's that its rights in connection with these Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the suspended Registered Participant may no longer participate in an Auction and, unless the payment of the Transmission Right is fully settled or fully secured by collaterals by the suspended Registered Participant, the suspended Registered Participant shall not be entitled to use Transmission Rights according to CHAPTER 5.
  3. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
  4. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to its ability to participate in Auctions by written notice to the Registered Participant. As from the date of effect of the reinstatement and the Registered Participant may participate in Auctions.
  5. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 7.

#### *Article 52*

#### **Termination of the Participation Agreement**

1. A Registered Participant may at any time request the Allocation Platform to terminate the Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and all outstanding payment obligations are settled.
2. A Registered Participant may terminate the Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major

breach of an obligation connected with these Allocation Rules or the Participation Agreement in the following cases:

- (a) where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;
  - (b) where there is a significant breach of the confidentiality obligations in accordance with Article 55.
3. The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach where possible. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. Where no remedy is possible, the termination shall take effect immediately upon receipt of the termination notice.
4. If any of the termination events in paragraph 5 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Participation Agreement, including the Registered Participant's rights connected with these Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Participation Agreement with the Allocation Platform until the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.
5. The termination events referred to in paragraph 4 shall be the following:
  - (a) if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;
  - (b) if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 9;
  - (c) if a Registered Participant repeatedly breaches these Allocation Rules or a Participation Agreement, whether or not the breach is capable of remedy;
  - (d) if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in; or
  - (e) if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).
6. After the termination takes effect in accordance with paragraphs 1 to 4 of this Article and from that time, the Registered Participant may no longer participate in an Auction.
7. Termination of a Participation Agreement does not affect any rights and obligations under or in connection with the Participation Agreement and these Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with the Allocation Rules, in respect of all such rights and

liabilities. This paragraph shall apply without prejudice to other remedies available to the Allocation Platform under these Allocation Rules.

*Article 53*

**Force Majeure**

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The person invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 55.
3. Suspension under paragraph 2 is subject to the following:
  - (a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - (b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:
  - (a) the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
  - (b) the acquired Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Allocation Rules.
5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice.
6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 6 regarding the curtailment of Intraday Transmission Rights.

*Article 54*

**Notices**

1. Any notice or other communication to be given under or in connection with these Allocation Rules shall be in English.
2. Unless otherwise expressly provided in these Allocation Rules, all notices or other communications shall be in writing and shall be sent by electronic means as specified by the Allocation Platform on its website and marked for the attention of the other Party's representative as set out in the Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 8.

3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - (a) the conclusion of the Participation Agreement in accordance with Article 5;
  - (b) the suspension and termination according to Article 51 and Article 52; and
  - (c) the submission of the bank Guarantee in accordance with Article 19.
4. All notices or other communications shall be deemed to have been received:
  - (a) in the case of delivery by hand, when delivered against receipt; or
  - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
  - (c) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail.
5. If a notice or other communication has been received outside normal Working Hours on a Working Day, it is deemed to have been received at the opening of business on the next Working Day.

*Article 55*

**Confidentiality**

1. The Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Allocation Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing party to a third party with the other Party's prior and expressed consent and subject to the condition that the receiving party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Allocation Rules.
4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing party:
  - (a) to the extent expressly permitted or contemplated by the Allocation Rules;
  - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Allocation Rules;
  - (c) as far as required in order to comply with applicable national or EU legislation such as REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant domestic administrative acts such as grid codes;
  - (d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
  - (e) as may be required by the relevant TSOs for the proper fulfilment of their mission and

their obligations in accordance with applicable laws and these Allocation Rules by themselves or through agents or advisers; or

(f) as far as required in order to obtain clearances or consents from a competent authority.

5. Moreover, the obligations arising from this Article shall not apply:

(a) if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;

(b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;

(c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;

(d) to information whose publication is explicitly provided for by the present Allocation Rules.

6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Participation Agreement.

7. The signature of a Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Allocation Rules.

#### *Article 56*

#### **Assignment and subcontracting**

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Participation Agreement or these Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.

2. Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Participation Agreement or these Allocation Rules without the prior written consent of the Allocation Platform.

3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to this Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Participation Agreement or these Allocation Rules. Entry into a subcontracting agreement by the Allocation Platform does not relieve the Allocation Platform of any obligation or liability under these Allocation Rules.

#### *Article 57*

#### **Governing law**

These Allocation Rules shall be governed by and construed in all respects in accordance with the law of the location of the registered office of the Allocation Platform unless otherwise specified in the Participation Agreement.

*Article 58*  
**Language**

The applicable language for these Allocation Rules shall be English. For the avoidance of doubt, where TSOs need to translate these Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

*Article 59*  
**Intellectual property**

No Party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other Party in connection with these Allocation Rules.

*Article 60*  
**Relationship of the Parties**

1. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Allocation Rules, nothing contained or implied in these Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose or create or be deemed to create any partnership, agency or trust between the Parties.
2. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Allocation Rules, the Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Allocation Rules, the Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Allocation Rules, the Participation Agreements and the disclosed Information except as specifically provided in these Allocation Rules or the Participation Agreement.

*Article 61*  
**No third party rights**

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Participation Agreement between them, including any other market participant, has no rights to enforce these Allocation Rules or the Participation Agreement as between the Allocation Platform and that Registered Participant.

*Article 62*  
**Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Allocation Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Allocation Rules.
2. Any waiver of any right, power or remedy under these Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for

which it is given.

*Article 63*

**Entire agreement**

These Allocation Rules and the Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Allocation Rules or the Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Allocation Rules or the Participation Agreement.

*Article 64*

**Remedies exclusive**

The rights and remedies provided by these Allocation Rules and the Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Allocation Rules and the Participation Agreement. Accordingly, the Allocation Platform and each Registered Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Allocation Rules and the Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

*Article 65*

**Severability**

If any provision of these Allocation Rules or a Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Allocation Rules and the Participation Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality. 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.

## Appendix 5: Day Ahead and Intraday Nomination Rules

### TITLE 1

#### General provisions

##### Article 1

#### Subject matter and scope

1. These Day Ahead and Intraday Nomination Rules (“DA and ID Nomination Rules”) set out:
  - a. The terms for use of Day Ahead Capacity allocated under the Rules for Daily Capacity Allocation on the GB Belgian Border; and
  - b. the terms for use of Intraday Transmission Rights allocated under the Intraday Capacity Allocation Rules.

##### Article 2

#### Definitions and interpretation

1. Capitalised terms used in these DA and ID Nomination Rules shall have the meaning given to them in either 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 (or any amendment or successor to such legislative provisions) or in the Rules for Daily Capacity Allocation on the GB Belgian Border or Intraday Capacity Allocation Rules (together, the Allocation Rules) as the case may be, as set out in the table below.

Business Rules	Those additional terms and conditions as set out in the Annex to these DA and ID Nomination Rules
Contract Day	In relation to a Contract Day D, means a period of 24 hours commencing at 00:00 CET or CEST hours on day D.
Deemed Metered Volumes	For each Settlement Period, the Deemed Metered Volume of each PTR Holder for a direction is equal to the maximum between 0 and the net of the Long-Term and where applicable Daily and where applicable Intraday Mid-Interconnector Nominations (as amended by any curtailment) of that PTR Holder for that Settlement Period integrated over the Settlement Period.
Energy Accounts	The declared energy volume of a balance responsible party used for the calculation of its imbalance.
Information System Rules	Rules related to the technical use of the Nomination Platform as referred to in the Nomination Participation Agreement and published on the Nemo Link website.
Intraday Capacity Allocation Rules	The Allocation Rules for Intraday Capacity Allocation as adopted for use on the Nemo Link interconnector
Nomination Gate	Relevant time period in which a PTR Holder is able to nominate its Explicit Day Ahead and Intraday PTRs, timings of which are defined within Article 6 of this Proposal.

Nomination Participation Agreement	The binding agreement, between a market participant and Nemo Link incorporating the Long Term Nomination Rules, these DA & ID Nomination Rules, the Information System Rules and all other aspects of the Nomination Platform.
Nomination Platform	The relevant system used by PTR Holders to Nominate PTRs on Nemo Link.
PTR Holder	A Registered Participant which has been allocated explicit Day Ahead and/or Intraday PTRs under the Rules for Daily Capacity Allocation on the GB Belgian Border or Intraday Capacity Allocation Rules
Registered Participant	A market participant which has entered into a Nomination Participation Agreement.
Rules for Daily Capacity Allocation on the GB Belgian Border	This means the explicit day ahead auction rules allocating day ahead capacity on the GB Belgian border
Settlement Period	The time unit for which a balance responsible party's imbalance is calculated, in each respective imbalance area.

## TITLE 2

### Nomination Rules

#### *Article 3*

#### **Entitlement of a PTR Holder to nominate electricity exchange schedules**

1. In order to Nominate PTRs, a PTR Holder must have a signed and completed Nomination Participation Agreement along with evidence of the following:
  - a. its accession to a Use of System Interconnector Agreement with National Grid Electricity Transmission Plc and the Framework Agreement established under the Connection and Use of System Code;
  - b. its accession to the Framework Agreement as defined in the Balancing and Settlement Code (BSC) together with full details of the Production and Consumption Interconnector BM Units registered to the PTR Holder under the BSC;
  - c. A signed Access Responsible Party (ARP) contract with Elia.

#### *Article 4*

#### **Minimum technical requirements to Nominate**

1. PTR Holders must comply at all times with the applicable Information System Rules as published by the TSOs on their websites.
2. The Nomination Platform is a web-based application, therefore the minimum technical requirement for a PTR Holder to Nominate is to have internet access.

#### *Article 5*

#### **Description of the Nomination process**

1. PTR Holders are entitled to Nominate PTRs acquired pursuant to the Rules for Daily Capacity Allocation on the GB Belgian Border and Intraday Capacity Allocation Rules. Such Nominations shall be issued at Mid-Interconnector and on a per direction and per Market Time Unit basis. The Nominations are subject to the terms and conditions of these Nomination Rules and as

specified in the relevant Allocation Rules (including curtailment).

2. All Nominations shall be made in accordance with the Business Rules described in the Annex to these rules. In the event of any conflict between the Business Rules and the main body of these DA and ID Nomination Rules then the Business Rules shall prevail. PTR Holders will only be entitled to nominate Explicit Day Ahead and/or Intraday PTRs allocated under the Rules for Daily Capacity Allocation on the GB Belgian Border or Intraday Capacity Allocation Rules to the extent provided for under these DA & ID Nomination Rules.
3. For each hour in a Contract Day for which a Rights Document has been issued by the Allocation Platform, each PTR Holder may nominate the PTR on the Nomination Platform at mid-interconnector (as defined in the applicable Business Rules) up to but not exceeding the amount set out in the Rights Document in the relevant direction for that hour ("**Mid-Interconnector Nomination**").
4. For the avoidance of doubt, the Nomination Platform will reject a Nomination in its entirety for the Contract Day where the corresponding Mid-Interconnector Nomination(s) in one or more hours exceed(s) the PTR Holder's rights set out in the applicable Rights Document(s).
5. The Mid-Interconnector Nomination for each hour in the Contract Day must be expressed in whole MW, with a single value, greater than or equal to zero, for each hour.
6. Mid-Interconnector Nominations of Day Ahead PTRs shall not be subject to any modification by the PTR Holder after the Nomination Gate.
7. Mid-Interconnector Nominations of Intra-Day PTRs may be modified by the PTR Holder in subsequent Nomination Gates prior to the applicable UIOLI Deadline. For the avoidance of doubt Nominations of Intra-Day PTRs shall not be subject to modification after the applicable UIOLI Deadline.
8. In the absence of a Nomination by a PTR Holder in a direction, the corresponding Mid-Interconnector Nominations are assumed to be equal to zero.
9. Each PTR Holder may authorise a third party to submit Nominations on its behalf and the Nomination Platform shall accept such third party Nominations provided that a) they are made in accordance with these Nomination Rules; and b) such third party complies at all times with the requirements identified in Article 3(a – c) of these Nomination Rules. Any PTR Holder which authorises a third party to Nominate on its behalf shall procure that the third party complies with these Nomination Rules in its access of the Nomination Platform.

#### *Article 6*

#### **Nomination timings**

1. PTR Holders can submit Explicit Day Ahead and/or Intraday Mid-Interconnector Nomination in accordance with the Business Rules.
2. Under exceptional circumstances Registered Participants will be informed of new timings where these situations arise at the earliest opportunity.
3. All timings in these DA & ID Nominations Rules are CET, unless stated otherwise.

#### *Article 7*

#### **Format of nomination and communication**

1. Each Registered Participant must notify its Nominations electronically to the Nomination Platform. The Nomination Platform supports two ways of communication of Nominations:
  - Web form interface;
  - Web services communication.
2. Nominations shall be submitted in the formats specified by the relevant TSO(s) in the Information System Rules and pursuant to any other technical requirements provided via the Nomination Platform to the Registered Participants.
3. The Nomination Platform will acknowledge receipt of each Nomination to the relevant Registered Participant by a message indicating that the Nomination has been correctly registered.
4. Only Nominations confirmed via the Nomination Platform (or by a TSO pursuant to Article 7 paragraph 5) as correctly registered shall be valid.
5. Notwithstanding Article 7(1), in the event of a problem of communication between a PTR Holder and the Nomination Platform or in the event of technical issues affecting the operation of the Nomination Platform, the PTR Holder may contact the single point of contact of the relevant Interconnector (as determined by the relevant TSO(s)) to request, in respect of Nominations periods for which Nomination Gate closure has not occurred, the possibility to send applicable Nominations by email.

## TITLE 3

### Miscellaneous

#### *Article 8*

##### **Effective date and application**

1. These Nomination Rules shall apply on the date communicated by Nemo Link with at least 28 days' notice, unless directed otherwise by the relevant authorities.

#### *Article 9*

##### **Additional Nomination Information**

1. Cancellation of a Nomination Gate:
  - a. Should the Nomination Platform cancel an Intraday Nomination Gate, the PTR Holder's corresponding PTRs set out in the Rights Document will be compensated at the price of the Units corresponding to such rights. For the avoidance of doubt, where a PTR can be nominated during several Nomination Gates, such compensation shall only be considered after the last Nomination Gate where that PTR can be nominated.
  - b. Notwithstanding the above paragraph (b) of this Article 9(1), where the cancellation of an Intraday Nomination Gate is due to a national time change, the PTR Holder's corresponding PTRs will not be compensated.
2. Treatment of Nominations following curtailment:
  - a. For Day Ahead capacity in case of curtailment due to an emergency situation or Force Majeure ahead of the relevant Daily Nomination Gate closure, the Rights Documents will be updated and the following will apply:

- i. Where a PTR Holder has already issued a Nomination above its updated Rights Document, the Nomination Platform will automatically reduce the Nomination in line with the updated Rights Document and inform the PTR Holder of such reduction.
    - ii. Where a PTR Holder has not issued a Nomination above its updated Rights Document, then the original Nomination will be retained.
    - iii. Where a PTR Holder has not issued a Nomination and in the case of Nomination after receipt of the updated Rights Document, then the normal Nomination process shall apply.
  - b. For Day Ahead Capacity, in the event of curtailment due to an emergency situation or Force Majeure after the relevant Daily Nomination Gate closure the nominations submitted by the PTR Holders may be curtailed in accordance with the procedure described in the Rules for Daily Capacity Allocation on the GB Belgian Border.
  - c. For intraday capacity, in the event of curtailment due to an emergency situation or Force Majeure, intraday nominations will be curtailed in accordance with Chapter 6 of the Intraday Capacity Allocation Rules.
3. Default Nominations:
  - a. Default Nominations can be activated by a PTR Holder for Day Ahead and/or Intraday Nominations. Where a default Nomination is activated, all Mid-Interconnector Nominations would be automatically generated at the value set out in the Rights Document for each hour of that Contract Day.
  - b. The registered default Nomination is considered as a schedule of Mid-Interconnector Nomination submitted by a PTR Holder at the opening of the Nomination Gate. This Mid-Interconnector Nomination is considered as valid once confirmed as such by the Nomination Platform or by the relevant TSO(s).
  - c. A PTR Holder may modify the Mid-Interconnector Nomination resulting from the default Nomination within the Nomination Gate in accordance with the normal Nomination process.
  - d. A PTR Holder may deactivate its default Nomination on the Nomination Platform at any time. Where such deactivation is received by the Nomination Platform after the opening of the Nomination Gate, any existing valid Mid-Interconnector Nomination resulting from a Default Nomination remains unchanged.
4. Deemed Metered Volumes:
  - a. When a PTR Holder submits a valid Mid-Interconnector Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses and for any reductions in Mid-Interconnector Nominations as a result of curtailment pursuant to the Allocation Rules, is allocated to the relevant PTR Holder using the allocation rules in the applicable Business Rules.

*Article 10*  
**Amendment**

1. Any amendment to these DA & ID Nomination Rules shall be subject to approval by the relevant national regulatory authorities.

*Article 11*

### **Liability**

1. Nemo Link and each PTR Holder is solely and individually responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the these DA & ID Nomination Rules and the Nomination Participation Agreement.
2. Subject to any other provisions of the Nomination Rules Nemo Link shall only be liable for damages caused by:
  - a) fraud, gross negligence or wilful misconduct.
  - b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.
3. A PTR Holder shall indemnify and keep indemnified Nemo Link and its officers, employees and agents from and against any and all loss or liability (including legal costs) related to a damage that it has caused, which (i) any of them may suffer or (ii) incur by reason of any claim by any third party on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with the Nomination Rules and the PTR Holder's use of the Nomination Platform (including any use by a third party authorised by such PTR Holder pursuant to Article 5(10)).
4. Nemo Link and each PTR Holder acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.
5. The PTR Holder shall be solely responsible for its participation in Nominations including but not limited to the following cases:
  - a) the timely submission of Notifications by the PTR Holder;
  - b) technical failure of the information system on the side of the PTR Holder preventing the communication via the channels foreseen in accordance with these DA & ID Nomination Rules.
6. PTR Holders shall not be entitled to compensation for breach of these DA & ID Nomination Rules other than the remuneration described in Article 9(1) of these DA & ID Nomination Rules and for damages relating to those causes set out in paragraph 2 above.
7. In addition to paragraph 3 of this article, the PTR Holder shall be liable to Nemo Link with respect to any sanctions, penalties, or charges that may be imposed by financial authorities for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.
8. This Article survives the termination of the PTR Holder's Nomination Participation Agreement.

### *Article 12*

#### **Dispute Resolution**

1. Without prejudice to paragraphs 6 and 7 of this article, where there is a dispute Nemo Link and the PTR Holder shall first seek amicable settlement through mutual consultation pursuant to paragraph 2 below. For this purpose, the party raising the dispute shall send a notification to the other party indicating:
  - a) the existence of a Nomination Participation Agreement between the disputing parties;
  - b) the reason for the dispute; and

- c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.
2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.
3. The senior representative of Nemo Link and the PTR Holder with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.
4. Where a dispute is to be referred to arbitration under paragraph 3, either Nemo Link or the PTR Holder may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of one of the TSOs premises unless otherwise defined in the Nomination Participation Agreement and in accordance with the governing law of these Nomination Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.
5. Arbitration awards shall be final and binding Nemo Link and the relevant PTR Holder as from the date that they are made. Nemo Link and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.
6. Notwithstanding paragraphs 3 and 4 of this Article, the parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arisen in connection with the Nomination Rules.
7. The Parties agree that proceedings referred to in paragraph 6 may be brought in any competent court to hear such claim. The PTR Holder irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
8. Notwithstanding any reference to amicable settlement, or arbitration under this Article, Nemo Link and the Registered Participant shall continue to perform their respective obligations under the Nomination Rules and the PTR Holder's Nomination Participation Agreement.

9. This Article survives the termination of the Registered Participant's Nomination Participation Agreement.

*Article 13*

**Force Majeure**

1. Nemo Link or a PTR Holder, which invokes Force Majeure, shall promptly send to the other party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.
2. The affected obligations, duties and rights of a party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 15.
3. Suspension under paragraph 2 is subject to the following:
  - a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;
  - b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.
4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between Nemo Link and the PTR Holder, are the party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations under the Nomination Rules during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
5. If the Force Majeure continues for a period longer than six (6) months, Nemo Link or each PTR Holder may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Nomination Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice.

*Article 14*

**Notices**

1. Unless otherwise expressly provided in the Nomination Rules, all notices or other communications shall be in writing between Nemo Link and each PTR Holder and shall be sent to the email address and if not possible, by letter and marked for the attention of the other Party's representative as set out in the applicable Nomination Participation Agreement.
2. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:
  - a) the conclusion of the Nomination Participation Agreement;
  - b) the suspension and termination of the Nomination Participation Agreement.
3. All notices or other communications shall be deemed to have been received:
  - a) in the case of delivery by hand, when delivered against receipt; or
  - b) in the case of recorded delivery prepaid post, on the day following the recorded day of

delivery; or

- c) in the case of email, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the party sending the e-mail.
4. If a notice or other communication has been received outside normal Working Hours on a Working Day, it is deemed to have been received at the opening of business on the next Working Day.

#### *Article 15*

#### **Confidentiality**

1. The Nomination Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
2. Nemo Link and each PTR Holder who is a recipient of confidential information in relation to these Nomination Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
3. Notwithstanding paragraph 2 of this Article, Nemo Link or a PTR Holder may disclose confidential information of the disclosing party to a third party with the other party's prior consent expressed in writing and subject to the condition that the receiving party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in the Nomination Rules directly enforceable by the other party.
4. Notwithstanding paragraph 2 of this Article Nemo Link or a PTR Holder may disclose confidential information of a disclosing party:
  - a) to the extent expressly permitted or contemplated by the Nomination Rules;
  - b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with the Nomination Rules;
  - c) as far as required in order to comply with applicable national or EU legislation such as, but not limited to, REGULATION (EU) No 1227/2011 and REGULATION (EU) No 543/2013 or any other relevant European or national regulatory, legislative or administrative acts such as grid codes;
  - d) as far as required by a competent regulatory authority, court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a party;
  - e) as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Nomination Rules by themselves or through agents or advisers; or
  - f) as far as required in order to obtain clearances or consents from a competent authority (including the National Regulatory Authorities).
5. Moreover, the obligations arising from this Article shall not apply:
  - a) if the party which receives the information can prove that at the time of disclosure,

such information was already publicly available;

- b) if the receiving party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
  - c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
  - d) to information whose publication is explicitly provided for by the present Nomination Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of a PTR Holder's Nomination Participation Agreement.
  7. The signature of a Nomination Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of the Nomination Rules.

#### *Article 16*

#### **Assignment and Subcontracting**

1. Nemo Link may assign, novate or otherwise transfer any of its rights or obligations under a Nomination Participation Agreement or the Nomination Rules to another party. The TSO shall notify an affected PTR Holder of the change by sending an email with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. A PTR Holder may not assign, novate or otherwise transfer any of its rights or obligations under its Nomination Participation Agreement(s) or the Nomination Rules without the prior written consent of the relevant TSO(s).
3. Nothing in this Article shall prevent Nemo Link or PTR Holder from entering into a subcontracting agreement in relation to the Nomination Rules. Entry into a subcontracting agreement by a PTR Holder does not relieve the Registered Participant of any obligation or liability under its Nomination Participation Agreement(s) or the Nomination Rules.

#### *Article 17*

#### **Intellectual Property**

No party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other party in connection with the Nomination Rules.

#### *Article 18*

#### **Relationship of the Parties**

1. The relationship of Nemo Link and the PTR Holder via the applicable Nomination Participation Agreement is that of service provider and service user respectively. Except as expressly provided in the Nomination Rules, nothing contained or implied in the Nomination Rules constitutes or is deemed to constitute Nemo Link or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever or to create or be deemed to create any partnership, agency or trust between Nemo Link and a PTR Holder.

2. The PTR Holder acknowledges that neither Nemo Link nor any person acting on behalf of or associated with Nemo Link makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of the Nomination Rules, the Nomination Participation Agreements or the disclosed information or otherwise in relation to or in connection with the Nomination Rules, the Nomination Participation Agreements and the disclosed information or arrangement contemplated by the Nomination Rules, the Nomination Participation Agreements and the disclosed information except as specifically provided in these Nomination Rules or a Nomination Participation Agreement.

*Article 19*

**No Third Party Rights**

Nemo Link and each PTR Holder acknowledges and agrees that a person who is not a party to the applicable Nomination Participation Agreement between them, including any other market participant, has no rights to enforce the Nomination Rules or the applicable Nomination Participation Agreement as between Nemo Link and the PTR Holder.

*Article 20*

**Waiver**

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under the Nomination Rules shall impair or constitute a waiver of such or any other right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under the Nomination Rules.
2. Any waiver of any right, power or remedy under the Nomination Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

*Article 21*

**Remedies Exclusive**

The rights and remedies provided by the Nomination Rules and the applicable Nomination Participation Agreement to Nemo Link and each PTR Holder are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of the Nomination Rules and the applicable Nomination Participation Agreement. Accordingly, Nemo Link and each PTR Holder hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in the Nomination Rules and the Nomination Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

*Article 22*

**Language**

1. The reference language for these Nomination Rules shall be English. For the avoidance of doubt, where Nemo Link need to translate these Nomination Rules into other languages, in the event of inconsistencies between the English version published by Nemo Link on its website and any

version in another language Nemo Link shall, in accordance with national legislation, provide the relevant NRAs with an updated translation of the Nomination Rules.

*Article 23*

**Governing Law**

1. These Nomination Rules and any non-contractual obligations arising out of or in connection with them will be governed by English law.

## Annex to the Explicit Day Ahead and Intraday Nomination Rules Business Rules for Nemo Link

### Day Ahead Business Process

1. **Day-Ahead Business Process when Explicit Daily Auctions are invoked prior to the Implicit Daily Auction Window:**
  - a. PTR Holders can submit Daily Mid-Interconnector Nominations (MINs) of Daily Units for the Contract Day D, from opening of the gate for Daily MINs at 12:05 on the day D-1 until Daily MINs gate-closure at ~~14:00~~ 13:30 on day D-1, in accordance with these Nomination Rules.

### Intraday Business Process

1. **Intraday Nomination Timings:**
2. Before the first intraday auction, Nemo Link shall publish on its website details of the applicable Nomination Gates for each Contract Day D. Such details shall include the gate opening and closure times for each Nomination Gate, the Product Period to which each such Nomination Gate is applicable; and any Nomination Gate which constitutes a UIOLI Deadline. For the avoidance of doubt, in the absence of any amendment, the Nomination Gate details published for the previous Contract Day shall apply to Contract Day D.
3. There will be not more than twenty four (24) Nomination Gates in one Contract Day.

### Deemed Metered Volume Allocation

#### 1. Introduction

When a PTR Holder submits a valid Mid-Interconnector Nomination, then the Nomination Platform will ensure that a corresponding Deemed Metered Volume, adjusted for losses on the Interconnector and for any reductions in Mid-Interconnector Nominations as a result of curtailment, is allocated to the relevant PTR Holders using the Deemed Metered Volume allocation rules set out in this annex.

#### 2. Losses

The physical flow on each interconnector is subject to losses. For each interconnector the Nomination Platform will apply a Loss Factor ("LF") to calculate each PTR Holder's share of the

losses in accordance with paragraph 3 of this Annex. The Loss Factor is symmetrical between Mid-Interconnector and either end of the Interconnector.

The Loss Factor to be applied is published on Nemo Link's website. If there is a requirement to change the Loss Factor at any time, then PTR Holders shall be notified at least five (5) working days before the change is to take effect.

### 3. Adjustment for losses

In the following formulas "DMV" means the Deemed Metered Volume calculated for that Registered Participant for that Settlement Period and "LF" represents the Loss Factor.

For the purposes of the Balancing and Settlement Code, the Nomination Platform will send to the Settlement Administration Agent (as defined in that Code) a program called BM Unit Metered Volume expressed in kWh at the relevant GB onshore grid connection point in half-hourly points and calculated by this formula:

- for a BM Unit in the direction from Belgium to England:

$$\text{BMUMV} = ((1-\text{LF}/2) * \text{DMV})/2$$

- for a BM Unit in the direction from England to Belgium:

$$\text{BMUMV} = ((1+\text{LF}/2) * \text{DMV})/2$$

For the purpose of the Elia imbalance settlement arrangements and for an export from Belgium to England, the Nomination Platform will send to Elia a notification of the energy to be allocated to the Energy Accounts of the PTR Holders in the form of a program expressed in MW at Zeebrugge with a Hourly or Quarter-Hourly time resolution and calculated by this formula:

$$\text{Export BE to GB} = (1+\text{LF}/2) * \text{DMV}$$

For the purpose of the Elia imbalance settlement arrangements and for an import from England to Belgium, the Nomination Platform will send to Elia a notification of the energy to be allocated to the Energy Accounts of the PTR Holders in the form of a program expressed in MW at Zeebrugge with a Hourly or Quarter-Hourly time resolution and calculated by this formula:

$$\text{Import GB to BE} = (1-\text{LF}/2)*\text{DMV}.$$

This notification will be sent to Elia after the Nomination Gate Closure and will be updated and resent to Elia with a new version of the file in case of nomination curtailments. Elia will adjust the Energy Accounts (this is the BRP perimeters) of the Registered Participants in the Elia Local Hub in accordance with aforementioned notification received from the Nomination Platform.

## Appendix 6: Definitions and Interpretation

Capitalised words and phrases used in these Rules have the following meaning given to them:

**Allocation Platform** means Nemo Link Limited and Elia acting jointly for the purposes of these rules;

**Applicable Law** means any statute, statutory instrument, licence (including the Nemo Link Interconnector Licence, NGET Transmission Licence and the Licence Standards), law (whether English or Belgian) or decree (décret) or order in council or directive, or any code including the NGET Grid Code, the Belgian legal and regulatory framework, and the Balancing and Settlement Code, or any request, requirement, instruction, direction or rule of any Competent Authority but only, where not having the force of law, if compliance with the Applicable Law is in accordance with the general practice of persons to whom the Applicable Law is addressed;

**Auction** means any auction of Daily Units under Section E

**Auction Specification** means, the specification for a Day Ahead Auction published by the Allocation Platform, as described in Section E respectively or the specification for a Long Term Auction published by the Allocation Platform under the Harmonised Allocation Rules;

**Auction Tool** means the Single Allocation Platform operated by the Joint Allocation Office;

**Balancing and Settlement Code** means the code of that name established under the NGET Transmission Licence;

**Bid** means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

**Business Day** means a week-day on which banks in both London and Brussels are open for domestic business and for dealings in sterling and euro deposits;

**Capacity Subcontracting Arrangement** means any arrangement between a Unit Holder and another person under which the Unit Holder allows the person, either directly or indirectly, to use the Interconnector Capacity of the Unit Holder;

**Competent Authority** means the Secretary of State (as defined in the Governing Act), the GB Regulator, the Belgian Regulator and any local, national or supra-national agency, authority, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom, Belgium or the European Union;

**Collateral** means security for payment of amounts owed under these Rules provided in accordance with the requirements referred to in Section C;

**Contract Day** in relation to a Contract Day D means a period of 24 hours commencing at 00:00 hours on day D;

**Curtail** means to reduce Unit Holders' Daily Transmission Rights and Daily Mid Interconnector Nominations in accordance with Section K and "Curtailed" and "Curtailedment" have corresponding meanings;

**Daily** means processes relating to Auctions with Product Period of one (1) Contract Day and associated Interconnector Capacity activities;

**Daily Auction** means Auction of Daily Units

**Daily Unit** means a Unit offered in a Daily Auction, with a Product Period equal to a Contract Day and as specified when applicable in the relevant Auction Specification;

**Dispute** means any dispute under or in relation to these Rules;

**Energy Transmission** means the transmission of electricity across the Interconnector;

**Forced Outage** means any Outage of which notice was given after the publication of the Auction Specification for the Daily Auctions for the Contract Day on which the outage occurs;

**Insolvency Event** means in relation to a Registered Participant, any of the following events:

- a. an order of a competent court is made or a resolution is passed for its insolvent winding up or dissolution;
- b. a receiver of the whole or any material part of its assets or undertaking is appointed (whether under contract or by a court) or a decision for the opening of insolvency proceedings has been made by a competent court;
- c. an administration order is made or a voluntary arrangement is proposed or a decision is made to appoint a mediator or to approve a voluntary arrangement with creditors;
- d. anything analogous to, or having a substantially similar effect to, any of the circumstances specified in paragraphs (a) to (c) above occurs in relation to the Registered Participant in any jurisdiction;

**Interconnector** means the interconnection of the NGET Transmission System with the Elia Transmission System

**Interconnector Capacity** means the right of use of the Interconnector made available by the Allocation Platform in Auctions, to facilitate the Transmission of energy by Registered Participants between Great Britain and Belgium, to the extent that NTC permits and as provided for in these Rules;

JAO means the Joint Allocation Office [www.jao.eu](http://www.jao.eu) and performs long and short term auctions of transmission capacity.

**Long Term** means processes relating to Auctions with Product Periods greater than 1 Contract Day and associated Interconnector Capacity activities;

**Mid-Interconnector Nomination** means the point at which nominations are deemed to take place on the Interconnector

**Nemo Link Limited** means the joint venture between National Grid and Elia licensed in GB to operate the interconnector between GB and Belgium, known as “Nemo Link”.

**Net Transfer Capacity or NTC** means the capability (in MW at Mid-Interconnector) of the Interconnector to Transmit electrical energy between England and Belgium taking into account the effects of any event or circumstance affecting such capability at any relevant time, including events or circumstances on the NGET Transmission System or the Elia Transmission System or disconnection or de-energisation of the Interconnector from either of those transmission systems;

**NGESO** means National Grid Electricity System Operator

**NLL** means Nemo Link Limited

**Nomination Tool** means the Regional Nomination Platform (RNP) used for nominating capacity rights;

**Net Transfer Capacity (NTC)** means the capability (in MW, at Mid-Interconnector) of the Interconnector to Transmit electrical energy between England and Belgium via the National Grid Interconnector Circuits and the Elia Interconnector Circuits taking into account the effects of any event or circumstance affecting such capability at any relevant time, including events or circumstances on the NGET Transmission System or the Elia Transmission System or disconnection or de-energisation of the Interconnector from either of those transmission systems

**Outage** means any reduction of NTC in either direction and includes forced outages and trips;

**Participation Agreement** means the agreement, by which parties undertake to comply with the terms and conditions for cross border trade as contained in these Rules;

**PTR Holder** means a Registered Participant which has been allocated explicit Day Ahead PTRs under the Daily Allocation Rules;

**Registered Participant** means a market participant which has entered into a Participation Agreement with the Allocation Platform

**Rules** means Nemo Link Access Rules as amended from time to time;

**Timescales** means either Long Term or Daily period of time;

**Transparency Regulation** means the EU regulation on submission and publication of data in electricity markets (No 543/2013);

**Trip** means any unforeseen event which results in an Outage;

**Unit** means a Registered Participant who has been allocated Units under these Rules (or in the case of Long Term Interconnector Capacity), any of which at the relevant time have not yet reached the end of their Product Period;

**Unit Holder** means a Registered Participant who has been allocated Units under these Rules (or in the case of Long Term Interconnector Capacity), any of which at the relevant time have not yet reached the end of their Product Period

For the purpose of these Rules the following Interpretations shall apply unless the context requires otherwise:

- a. All timings referred to within these Rules are CET time, unless otherwise stated.
- b. the singular indicates the plural and vice versa;
- c. references to one gender include all other genders;
- d. the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of these Rules;
- e. the word “including” and its variations are to be construed without limitation;
- f. any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- g. any reference to a “Rule” is a reference to a rule contained in the relevant Section, any reference in a Schedule to a “paragraph” is a reference to a paragraph contained in that Schedule and any reference to a “Schedule” is a reference to a Schedule to these Rules;
- h. any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
- i. any reference to a day, month or year is to be construed as a reference to a calendar day, month or year as the case may be;
- j. the symbol \* requires multiplication to be effected;
- k. where the Allocation Platform is required to publish any information under these Rules, it may do so by making the information or data available on the Nemo Link website or via the Auction Tool;