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# **BritNed Access Rules**

October 2019

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## SECTION A: PARTICIPATION

A1: The Allocation Platform is the operator of the Interconnector but it may commission a third party to operate the Auctions and/or the processes in relation to Nominations on its behalf.

### A2: Eligibility

A2.1 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 and Transfers) of the Allocation Rules.

A2.2 To be eligible to participate in Day Ahead and Intraday Auctions or in transfers of Intraday Transmission Rights a person must fulfil all applicable conditions specified in Chapter 2 (Requirements and process for participation in Auctions and Transfers) of the Allocation Rules. For the avoidance of any doubt, the participation in Day Ahead and Intraday Auctions requires compliance with provisions related to collateral as specified in Chapter 3 (*Collaterals*) of the Allocation Rules.

A2.3 The provisions of Chapter 5 (*Return of Long Term Transmission Rights*) and Chapter 6 (*Transfer of Transmission Rights*), insofar as they relate to the disposal of Long Term Units, Chapter 7 (*Use and remuneration of Long Term Transmission Rights*) and Chapter 9 (*Curtailment*) of the Allocation Rules shall apply mutatis mutandis to a Non-Participating User in respect of and to the extent only of all Long Term Units allocated under the version of these Rules approved by the relevant Competent Authorities. A Non-Participating User shall not be entitled to participate in Auctions or to exercise any other rights under these Rules.

A2.4 Upon the exercise of all rights and the discharge in full of all obligations of a Non-Participating User in respect of its Long Term Units described in Rule A2.3, its Legacy BritNed Participant Agreement shall be of no further force or effect.

### A3: Regulatory and legal requirements

A3.1 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 Transmission Rights.

### A4: Costs of participation

A4.1 All Registered Participants will participate in Auctions and/or transfers of Transmission Rights and/or will Nominate at their own cost, expense and risk. The Allocation Platform will not be liable to any person (including Registered Participants) for any cost, claim, or expense of any Registered Participant in connection with the Registered Participant participating in Auctions and/or transfers of Transmission Rights and/or Nominations process.

### A5: Registered Participant Forum

A5.1 The Allocation Platform will from time to time invite Registered Participants to meet with the Allocation Platform 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 the Allocation Platform within a reasonable time before the meeting.

A6: Collusion

- A6.1 There must be no collusion by any Registered Participant with any other Registered Participant and Registered Participants must not otherwise seek improperly to 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 and, upon decision of the Competent Authority or jurisdiction that the Registered Participant's behaviour is unlawful, may disqualify the relevant Bids.

A7: Information System Rules

- A7.1 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 Tool.
- A7.2 The Allocation Platform will give Registered Participants the information (including updates as applicable) reasonably necessary to enable Registered Participant Systems (and, where applicable and to the extent reasonably necessary, the systems of any Programme Responsible Party) to access and interface with the Auction Tool.
- A7.3 Each Registered Participant must demonstrate to the reasonable satisfaction of the Allocation Platform its ability to exchange information with the Auction Tool before being eligible to participate in the Auctions and the Nominations process.
- A7.4 The Allocation Platform shall endeavour, where possible, to give Registered Participants access to a training platform for the Auction Tool to test their interfaces.
- A7.5 The Allocation Platform may from time to time, where reasonably necessary for the purpose of protecting the security and authenticity of communications under these Rules, including those between the Auction Tool and Registered Participant Systems, establish communication protocols and standards with which Registered Participants must comply.
- A7.6 Registered Participants accept that data sent to the Auction Tool is binding and that Registered Participants are fully responsible for those individuals who have access to the Auction Tool on behalf of the Registered Participant.
- A7.7 Standard Training for the use of the Auction Tool is available to the Registered Participant upon request to the Allocation Platform. The Allocation Platform will discuss with the Registered Participant the training required in order to determine the nature and extent of such request. When the scope of the required training is agreed, the Allocation Platform will use reasonable endeavours to organise such Standard Training to commence within 10 Business Days of such agreement. Standard Training for the use of the Auction Tool is available to the Registered Participants free of charge.

A8: Bids

- A8.1 A Set of Bids submitted by a Registered Participant in respect of any Auction may not exceed twenty (20) Bids.

A9: Intraday Allocation

- A9.1 The Allocation Platform will in respect of each Contract Day undertake Intraday

allocation on the basis set out in Rule C3. If the Allocation Platform decides to introduce Implicit Intraday allocation it will give as much prior notice as reasonably practicable to Registered Participants on its website of the periods for which an Implicit Intraday product will be made available.

## SECTION B: FINANCIAL MATTERS

### B1: Payments

- B1.1 Each Registered Participant must pay the Allocation Platform the Unit Prices for all Unit Quantities acquired even if all or some of the Units have been Transferred as set out in Rule D3, or if the Registered Participant does not use the corresponding Transmission Rights.
- B1.2 All prices and payments referred to in Rule B1 are indicated and shall be paid in Euros.

### B2: Invoices

- B2.1 No later than the tenth (10<sup>th</sup>) Business Day of each month, the Allocation Platform shall send, by email as a PDF attachment (or by any other means as indicated from time to time by the Allocation Platform), to the Registered Participant an invoice or credit note stating:
- (a) the amount payable by the Participant in respect of Day Ahead and Intraday Units, calculated as the product of the Unit Quantity and the Unit Price; not used;
  - (b) the Units subject to Transmission Rights Transfer by or to the Registered Participant;
  - (c) any amounts payable or credits due to the Registered Participant by the Allocation Platform under Rule D7 (*Curtailed Reconciliation*);
  - (d) any amount payable by the Registered Participant to the Allocation Platform for any training requested by the Registered Participants, in addition to the Standard Training provided to the use of the Auction Tool pursuant to Rule A7.7;
  - (e) any Taxes payable by the Registered Participant or the Allocation Platform in respect of amounts in the invoice;
  - (f) the total amounts payable by the Registered Participant to the Allocation Platform under that invoice (or receivable by the Registered Participant from the Allocation Platform under that credit note); and
  - (g) any other information required to be included in the invoice under English or Dutch law.
- B2.2 Where an invoice issued by the Allocation Platform does not contain full background data for the derivation of invoice summary amounts, then the Registered Participant may consult the Auction Tool to obtain such background data.
- B2.3 The Allocation Platform may fulfil the requirements of Rule B2.1 by issuing a consolidated invoice in accordance with Section 18 of the BritNed Border Specific Annex to the Allocation Rules.
- B2.4 Article 65 (*Invoicing and payment conditions*) of the Allocation Rules as amended and supplemented by the BritNed Border Specific Annex shall apply mutatis mutandis to the payment of any amount invoiced in accordance with this Rule B2.

B3: Payment disputes

- B3.1 Article 66 (*Payment disputes*) of the Allocation Rules shall apply mutatis mutandis to the payment of any amount invoiced in accordance with Rule B2 (*Invoices*).

B4: Late payments

- B4.1 Article 67 (*Late payment and payment incident*) of the Allocation Rules shall apply mutatis mutandis in respect of any amounts invoiced in accordance with Rule B2 (*Invoices*).

B5: Payment Security

- B5.1 Collateral must be provided and subsequently maintained and may be increased or decreased in accordance with Chapter 3 (*Collaterals*) of the Allocation Rules as amended and supplemented by the BritNed Border Specific Annex and this Rule B5.
- B5.2 An Auction Credit Limit ("ACL") shall be calculated for each Registered Participant in respect of any explicit Day Ahead Auction and any explicit Intraday Auction in accordance with Article 23 (*Credit Limit*) of the Allocation Rules which in addition shall allow Collateral from UK banks as amended by the BritNed Border Specific Annex which shall apply mutatis mutandis to these Rules. A Registered Participant will only be able to participate in an Auction if its Auction Credit Limit in respect of that Auction is greater than zero.
- B5.3 The potential maximum commitment associated with any Bid, taking into account Taxes and levies in force, will be assessed against the Auction Credit Limit.
- B5.4 Any Bid that breaches the Auction Credit Limit will be treated in accordance with the Allocation Rules Article 34 (Credit Limit verification).
- B5.5 Any Bid submitted to an Auction will be used to calculate a revised Auction Credit Limit for any concurrent Auction and the Auction Evaluation of any concurrent Auction will be used to calculate a revised Credit Limit.
- B5.6 A Registered Participant may request an increase of its Collateral in accordance with the Allocation Rules.
- B5.7 The Allocation Platform is entitled to call on the Collateral of a Registered Participant in the event of a Payment Incident in accordance with Article 26 (*Calls on collaterals*) of the Allocation Rules as amended and supplemented by the BritNed Border Specific Annex.

## SECTION C: AUCTION RULES

### C1: Auctions

- C1.0 The Transmission Rights are made available by the Allocation Platform via a combination of Long Term Auctions, as further detailed in Schedule 4, under the Allocation Rules and Day Ahead Auctions and Intraday Auctions under these Rules.
- C1.1 Subject to Rule C1.18, the Allocation Platform will use the following procedures for explicit Auctions:
- (a) Auctions for Day Ahead Units, using the procedure described in Rule C2; and
  - (b) Auctions for Intraday Units, using the procedure described in Rule C3.
- C1.2 Each Auction will consist of Units. Units will be divided into following categories as specified by the Allocation Platform and the Auction Specification shall state (where relevant):
- (a) the code identifying the Auction in the Auction Tool;
  - (b) type of Transmission Rights (e.g. Physical Transmission Rights);
  - (c) category of Unit (e.g. Day Ahead, Intraday);
  - (d) form of product (e.g. base, peak, off-peak);
  - (e) identification of the direction covered which will either be "GB to NL" or "NL to GB";
  - (f) the Product Period;
  - (g) Reduction Period(s) associated with the Product Period when applicable;
  - (h) the Bidding Period;
  - (i) the deadline for the publication of the final Auction results;
  - (j) the provisional Offered Capacity, which shall include any Long Term Transmission Rights released via the Use It Or Sell It rule or Transmission Rights released as a result of suspension or termination in accordance with Articles 71 or 72 of the Allocation Rules; and
  - (k) any other relevant information or terms applicable to the product or the Auction.
- C1.3 Each category of Unit will be auctioned separately. Day Ahead and Intraday hourly Units will be auctioned respectively in single Auctions. Separate Auctions may be conducted concurrently.
- C1.4 Where the Allocation Platform accepts any Bid by allocating one or more Units to a Registered Participant in accordance with these Rules, then the Registered Participant will acquire such Unit(s) for the Unit Price on the terms and conditions of these Rules and the relevant Auction Specification. The rights and obligations of Unit Holders are set out in these Rules.
- C1.5 The provisional Auction results will be published on the Auction Tool:
- (a) not used;
  - (b) for each Day Ahead Auction as soon as practicable and within twenty (20) minutes after the end of the Bidding Period;
  - (c) for each Intraday Auction as soon as practicable and within ten (10) minutes after the end of the Bidding Period.
- C1.6 The provisional Auction results are non-binding and shall be for information purposes only.



- C1.7 Each Registered Participant may consult only its own provisional Auction results on the Auction Tool. The provisional Auction results are detailed per Auction and per Registered Participant.
- C1.8 Should the Allocation Platform not publish the provisional Auction results within the relevant timeframe, the Allocation Platform will keep the Registered Participants informed of the new timeframe of publication and/or any other consequences related to the relevant results.
- C1.9 The Registered Participant agrees to check the Auction results and, where reasonably appropriate, query Day Ahead Auction results no later than ten (10) minutes after the provisional Auction results have been published on the Auction Tool. This time for checking is referred to in the Auction Tool as "Contestation Period".
- C1.10 Any query pursuant to C1.9 has to be marked as such, supported with full details and be sent by e-mail or fax accompanied by a phone call to the Allocation Platform helpdesk. Only queries where the Registered Participant believes there is an error in the Auction results shall be considered.
- C1.11 If the Registered Participant does not query the Auction result within the times specified in C1.9 and under the conditions specified above, the Registered Participant agrees that it loses all rights to query such Auction results.
- C1.12 The Allocation Platform shall endeavour to reply to the Registered Participant no later than two (2) hours after receipt of the query for Day Ahead Auctions.
- C1.13 Due to time constraints in the Intraday process, there is no time for checking after an Intraday Auction. Any query of an Intraday Auction result shall be considered as a Dispute and must be made in accordance with Rule E8. Only queries where the Registered Participant believes there is an error in the Auction results shall be considered.
- C1.14 The Allocation Platform will publish on the Auction Tool the final results:
- (a) for each Day Ahead Auction as soon as practicable and within thirty (30) minutes after the end of the period dedicated to checking of Auction results; and
  - (b) for each Intraday Auction as soon as practicable and within fifteen (15) minutes after the end of the Bidding Period.
- C1.15 The final Auction results are binding.
- C1.16 The final Auction results shall comprise:
- (a) total requested Transmission Rights (expressed in MW);
  - (b) total allocated Transmission Rights (expressed in MW);
  - (c) Marginal Price (expressed in EUR/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);
  - (g) Total Cost for Allocation; and
  - (h) Congestion Income.
- C1.17 Should the Allocation Platform not publish the final Auction results within the

relevant timeframe, the Allocation Platform will keep Registered Participants informed of the new timeframe of publication and/or any other consequences related to the relevant results.

- C1.18 Auctions will be conducted electronically via the Auction Tool except in the case of failure of the Auction Tool as described in Rule C1.19.
- C1.19 If the Auction Tool fails, and in the reasonable opinion of the Allocation Platform it is not practical to conduct an Auction electronically, the Allocation Platform may allocate the Units using a procedure for conducting the Auctions by email or fax to be specified by the Allocation Platform.
- C1.20 In the unlikely event of unavailability or technical difficulties, the Allocation Platform may be forced to cancel an Auction:
- (a) before and during the course of the Auction itself: Registered Participants are informed by a message that appears directly on the Auction Tool or by an electronic message;
  - (b) after the provisional Auction results have been published, in the event of erroneous results: Registered Participants are informed by an electronic message. The results of the Auction are thereupon cancelled.
- C1.21 The Allocation Platform shall notify the Registered Participants as soon as possible of the reasons which caused the Auction cancellation.
- C1.22 The Allocation Platform may defer the dates or times of an explicit Day Ahead Auction (but not an Intraday Auction) by notifying Registered Participants of the revised date or time of such Auction. In this event, the Bidding Period will open and close at the revised time as notified by the Allocation Platform. Only Bids submitted during the revised Bidding Period and confirmed by the Allocation Platform will be valid.
- C1.23 If the fallback procedure described in C1.19 cannot, in the reasonable opinion of the Allocation Platform, and based on objective grounds (for example due to a lack of time or to technical difficulties), be implemented as necessary to enable an Auction to be conducted, the Auction will be deferred.
- C1.24 If deferral of an Auction is not considered by the Allocation Platform as being possible, based on objective grounds (for example due to a lack of time or to technical difficulties), the Auction will be cancelled and all Bids already submitted will automatically be cancelled.

C2: Explicit Day Ahead Auctions

- C2.1 The Allocation Platform will, subject to paragraphs (b) and (c), conduct explicit Day Ahead Auctions, for Units having a Product Period of one Contract Day.
- C2.2. The Day Ahead Auction held on day "D-1" is for Units relating to use of Transmission Rights on the Contract Day commencing at 00:00hrs (CET) on day "D".
- C2.3. Explicit Day Ahead Auctions are held if the Offered Capacity is at least one (1) Unit to the extent that the Interconnector Capability permits, and subject to the outcome of UIOSI processes pursuant to Chapter 7 (*Use and remuneration of Long Term Transmission Rights*) of the Allocation Rules.
- C2.4 The total Offered Capacity for any Contract Day in Day Ahead Auctions will include:
- (a) available Transmission Rights (in the form of Units) not already allocated to Registered Participants pursuant to Long Term Auctions under the Allocation

Rules (and that is not unavailable due to Outages and/or due to the application of Curtailment);

- (b) Unused Units (if any) that have become available for the Day Ahead Auctions pursuant to UIOSI processes pursuant to Chapter 7 (Use and remuneration of Long Term Transmission Rights) the Allocation Rules (and that are not unavailable due to Outages and/or due to the application of Curtailment); and
- (c) Units (if any) that have become available by application of Netting on Long Term Nominations (and that are not unavailable due to Outages and/or due to the application of Curtailment).

C2.5 No later than fifteen (15) minutes before opening of the Bidding Period of a Day Ahead Auction, the Allocation Platform will publish the Auction Specification for that Day Ahead Auction in accordance with the requirements of Rule C1.2.

C2.6 The Bidding Period for each Day Ahead Auction will be at such times as specified by the Allocation Platform in Schedule 2 of these Rules and/or in the relevant Auction Specification. In case of contradiction between the times specified in Schedule 2 and in the relevant Auction Specification, the Auction Specification shall prevail.

### C3: Intraday Auctions

C3.1 The Allocation Platform will conduct explicit Intraday Auctions, for Units having a Product Period of up to one Contract Day, in accordance with this Rule C3.

C3.2 Intraday Units can be allocated in one or more explicit Intraday Auctions.

C3.3 Separate explicit Intraday Auctions may be conducted each day for each category of Intraday Unit.

C3.4 Explicit Intraday Auctions are held:

in respect of any other period, seven (7) days a week including weekend and public holidays, provided that the Offered Capacity for explicit Intraday Auctions is at least one (1) Unit (to the extent that the Interconnector Capability permits, and subject, in the case of Day Ahead and Intraday Units, to the outcome of UIOLI processes pursuant to Rule D4 .

C3.5 Intraday Units will be allocated in several explicit Intraday Auctions, with a minimum, but not limited to, one held on day "D-1", the other(s) on day "D", in accordance with this Rule C3, and pursuant to the number of Auctions and times of Intraday Auctions which are set out in Schedule 2.

C3.6 The number of Units auctioned for any part of a Contract Day in an explicit Intraday Auction, being subject to any limitations due to real time system security reasons, will include:

- (a) potentially available Transmission Rights (in the form of Units) not already allocated to Registered Participants and that is not unavailable due to Outages and/or due to the application of Curtailment;
- (b) Unused Units (if any) that have become available for the Intraday Auctions under Rule D6 and that are not unavailable due to Outages and/or due to the application of Curtailment; and
- (c) Netted Units (if any) that have become available for the Contract Day and that are not unavailable due to Outages and/or due to the application of

## Curtailement.

- C3.7 The allocated capacity in an Intraday Auction which has not been nominated before the gate closure of the last Nomination Gate before the next Intraday Auction will be returned to the Allocation Platform to be offered in the next Intraday Auction if applicable, without compensation to the previous owner of the Transmission Rights (Use It or Lose It principle is applied)
- C3.8 The Allocation Platform has the right to restrict the offered Intraday Transmission Rights in the Intraday Auction for the purpose of limiting the ramping of the flow between different market time units.
- C3.9 No later than five (5) minutes before the opening of the Bidding Period of the relevant Intraday Auction, the Allocation Platform will publish the Auction Specification for the explicit Intraday Auction in accordance with the requirements of Rule C1.2.
- C3.10 The Bidding Period for each explicit Intraday Auction will be at such times as specified by the Allocation Platform in Schedule 2 of these Rules or in the relevant Auction Specification. In case of contradiction between the times specified in Schedule 2 and in the relevant Auction Specification, the Auction Specification shall prevail.

## C4: Submission of Bids

- C4.1 Bids in explicit Auctions must be submitted to the Auction Tool in accordance with this Rule C4.
- C4.2 A Bid or a Set of Bids become valid when acknowledged as such by the Auction Tool in accordance with Rule C4.7.
- C4.3 Each valid Bid or Set of Bids registered at closure of the Bidding Period will constitute an unconditional and irrevocable offer by the Registered Participant to the Allocation Platform to buy Units up to the quantity and at prices up to those specified in the Bid or the Set of Bids and on the terms and conditions of these Rules and the relevant Auction Specification.
- C4.4 Once submitted, a Bid or a Set of Bids cannot be withdrawn but the Registered Participant may modify its previous Bid or Set of Bids at any time during the Bidding Period. The modified Bid or Set of Bids will supersede the previous Bid or Set of Bids. Irrespective of whether the previous submission was a Bid or a Set of Bids, only the updated valid Bid or Set of Bids will be considered for the Auction allocation.
- C4.5 Each Bid must:
- (a) be submitted electronically using the Auction Tool during the Bidding Period;
  - (b) be in the form and include the information required by the Allocation Platform from time to time;
  - (c) identify the Registered Participant submitting the Bid, using the form of identification required by the Allocation Platform for the purposes of Auctions;
  - (d) state the price for the Bid in Euros. All prices bid must be to a maximum of two decimal places and must be a price per Unit for one hour of the Product Period of the Unit. Therefore, Unit Prices for any Product Period will be a price per Mega Watt per hour (€/MW/h); and
  - (e) state the number of Units being bid for.
- C4.6 The Registered Participants will submit their Bids through the Auction Tool or by

such other means as specified by the Allocation Platform from time to time, pursuant to Rule A7.2. The format of such Bid submission shall be as specified by the Allocation Platform and pursuant to the ENTSO-E recommendations or to any other technical recommendations provided by the Allocation Platform.

- C4.7 Provided that the format of the Bid file is in a compliant format pursuant to Rule C4.6, the Auction Tool will automatically acknowledge receipt of Bids to Registered Participants by a message indicating whether the Bids have been correctly registered.
- C4.8 Only Bids confirmed as being registered correctly by the Allocation Platform shall be valid.
- C4.9 The Allocation Platform may reject any Bid that:
- (a) causes the Registered Participant to exceed its Auction Credit Limit, pursuant to Rule B5; or
  - (b) does not comply with the requirements of this Rule C4; or
  - (c) is received from a Registered Participant which is suspended pursuant to Rule E6.1 or Rule E6.2.
- C4.10 The Allocation Platform will notify any Registered Participant whose Bid is rejected as invalid and the reason of this rejection, as soon as reasonably practicable after the Bid is rejected.
- C4.11 All Bid prices are deemed to be exclusive of Taxes.
- C4.12 A Manifest Error means a human error in submitting Bids, if the price or the volume of the concerned Bid is unmistakably too high in comparison with Bids which are usually submitted for the Auctions concerned. A Manifest Error will not be corrected by the Allocation Platform in any instance.
- C4.13 In order to prevent a Manifest Error from occurring, the Registered Participant is obliged to set his bid parameters, price and volume, to the range between a minimum and a maximum value within which parameters are allowed by the individual Registered Participant. Any Bid outside of these bid parameters will be automatically rejected by the Auction Tool.
- C4.14 The Allocation Platform will maintain a record of all Bids received.
- C4.15 The Registered Participants may define, at any time, in the Auction Tool, Default Bids for any explicit Auction which shall be identified as such in the Auction Tool by the Registered Participant.
- C4.16 The Registered Participant may place Default Bids for explicit Ahead Auctions and explicit Intraday Auctions.
- C4.17 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.
- C4.18 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.

C4.19 A Registered Participant may modify a Default Bid for a future Auction by changing the Bid quantity and the Bid Price of its Default Bids before the applicable Auction Bidding Period opening.

C4.20 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.

## C5 Allocation

C5.1 After the closure of the Bidding Period for an Auction, the Allocation Platform will determine its Auction results and allocate Units in accordance with Rules C1 and C5.

C5.2 If the total number of Units for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, then the lowest Bid accepted will set the Marginal Price. The Auction results are obtained using the methodology described below:

1. First, for each Auction the Allocation Platform ranks the valid Bids in decreasing Bid Price order. (Different Bids with the same Bid Price receive the same rank).
2. The highest ranked valid Bid(s) received for a number of Units requested which in aggregate does(do) not exceed the Offered Capacity is (are) allocated. Any residual available Offered Capacity is then allocated to the next highest ranked valid Bid(s). If the number of Units requested in such next highest ranked valid Bid(s) does/do not exceed in aggregate the residual Offered Capacity, this process is then repeated for the remainder of the residual Offered Capacity;
3. Following the iterative process described in Rule C5.2.2, when the number of Units requested under the next highest ranked valid Bid is equal to or greater than the residual Offered Capacity, the Bid is allocated either in full, or partially up to the limit of the residual Offered Capacity, as the case may be. The price of this Bid constitutes the Marginal Price;
4. If two (2) or more Registered Participants have submitted valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Units, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Units per Registered Participant based on a pro rata approach as follows:
  - (a) the Units 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) if the quantity of Units 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) if the requested quantity of Units 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 Units 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.

C5.3 The Units are deemed to have been allocated to a Registered Participant after the publication of the final results of the relevant Auction.

C5.4 Registered Participants acknowledge and accept that their Bids may be partially accepted according to the methodology above.

## SECTION D: CAPACITY USAGE RULES

### D1: Rights Documents

- D1.1 Each Unit entitles the Registered Participant that acquires it (whether pursuant to these Rules or the Allocation Rules) to use Physical Transmission Rights by requesting, in accordance with Rule D2, an Energy Transmission of 1 MW at mid North Sea but only:
- (a) in the direction specified for that category of Unit; and
  - (b) in settlement periods during the Unit Validity Times of that Unit and subject to and on the terms and conditions of these Rules including any Curtailment and as specified in the relevant Auction Specification.
- D1.2 The Allocation Platform shall make available via the Auction Tool the Registered Participants' summary of acquired Units for any given Contract Day.
- D1.3 The Transmission Rights of a Unit Holder for a Contract Day in a direction and per Timescale are set out in a Rights Document including, the total number of MW of Physical Transmission Rights the Unit Holder is entitled to Nominate during each hour of that Contract Day in that direction and for the relevant Auction Type determined in accordance with these Rules. Each Registered Participant will for a Contract Day and in each direction have access through the Auction Tool to a Rights Document setting out Transmission Rights:
- (a) allocated in Long Term Auctions under the Allocation Rules;
  - (b) allocated for each of the various Unit Validity Times applicable to Day Ahead Auctions; and
  - (c) allocated for each of the various Unit Validity Times applicable to Intraday Auctions.
- D1.4 The Allocation Platform will provide to each Registered Participant its Rights Documents for:
- (a) Day Ahead Timescales for the Contract Day "D" before the Nomination Gate Opening of the relevant Timescale for that Contract Day at the times specified in Schedule 2; and
  - (b) for Intraday Units for Contract Day D, before the Nomination Gate Opening in respect of such Intraday Units at the times specified in Schedule 2.

### D2: Mid North Sea Nominations

- D2.1 For each hour in a Contract Day for which a Rights Document has been published by the Allocation Platform (either under these Rules or under the Allocation Rules), each Unit Holder may, subject to having received confirmation from the Allocation Platform of its compliance with the Relevant Requirements, Nominate to the Allocation Platform within the Auction Tool an Energy Transmission at mid North Sea up to but not exceeding the Unit Holder's Physical Transmission Rights (as set out in the applicable Rights Document) in the relevant direction in that hour ("Mid North Sea Nomination").
- D2.2 The Unit Holder shall submit its Mid North Sea Nominations in respect of



Physical Transmission Rights during the relevant Nomination Gate and no later than the relevant Nomination Gate Closure for all relevant hours as referred to in the corresponding Rights Document. The timescales for submitting Nominations are contained in Schedule 2.

- D2.3 Schedule 2 specifies the Intraday Nomination Gate Closures. A Unit Holder Nominates a Mid North Sea Nomination in respect of an Intraday Unit for a specific hour within an Intraday Nomination Gate and prior to the final Intraday Nomination Gate Closure for such hour, the Unit Holder may subsequently modify its Intraday Mid North Sea Nomination in respect of that hour prior to the last Intraday Nomination Gate Closure that applies for such hour or any Available Transmission Capacity recalculation prior to an upcoming Intraday Auction. Provided that no such modifications may be made in respect of any Intraday Unit whose Unit Validity Time is affected by any Curtailment.
- D2.4 The Allocation Platform will reject a Nomination in its entirety for the Contract Day where the corresponding Mid North Sea Nomination(s) in one or more hours exceed(s) the Unit Holder's relevant Transmission Rights.
- D2.5 The Mid North Sea 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.
- D2.6 Mid North Sea Nominations are not subject to any modification by the Unit Holders after the relevant Nomination Gate Closure pursuant to Schedule 2.
- D2.7 In the absence of a Nomination by a Unit Holder in a direction, the corresponding Mid North Sea Nominations are assumed to be equal to zero.
- D2.8 Each Unit Holder must notify its Nominations electronically within the Auction Tool.
- D2.9 Nominations shall be submitted to the Auction Tool in the formats specified by the Allocation Platform and pursuant to the ENTSO-E recommendations and/or any other technical recommendations provided by the Allocation Platform to the Registered Participants.
- D2.10 Subject to D2.4, and provided that the format of the Nomination is in accordance with D2.9, the Allocation Platform will acknowledge receipt of the Nomination to Unit Holders (and, where applicable, any Programme Responsible Party appointed by a Unit Holder) by a message indicating that the Nomination has been correctly registered.
- D2.11 Only Nominations confirmed as correctly registered shall be valid.
- D2.12 Default Nominations can be activated by the Unit Holder per Timescale. Where they are activated, all Mid North Sea Nominations for the relevant Timescale would be automatically generated at the value of the relevant Physical Transmission Rights set out in the Rights Document for each hour of that Contract Day.
- D2.13 Unit Holders may activate Default Nominations independently for Long Term, Day Ahead and Intraday Timescales.
- D2.14 The registered Default Nomination is considered as a schedule of (Mid North Sea) Nominations submitted by the Unit Holders for the relevant Timescale at the opening of the relevant Nomination Gate (or each relevant Nomination Gates in the case of Intraday). This Mid North Sea

Nomination is considered as valid once confirmed as such by the Allocation Platform.

- D2.15 The Unit Holder may modify the Mid North Sea Nomination resulting from the Default Nomination within the relevant Nomination Gate.
- D2.16 The Unit Holder may deactivate its Default Nomination on the Auction Tool at any time. Where such deactivation is during a relevant Nomination Gate, any existing valid Mid North Sea Nomination resulting from a Default Nomination remains unchanged.
- D2.17 In case of a communication problem between the Unit Holder and the Auction Tool due to a failure of the Auction Tool, the Unit Holder may contact the Allocation Platform to request, in respect of Nomination Gates for which Nomination Gate Closure has not occurred, that the Unit Holder be permitted to send its Mid North Sea Nominations by email and/or fax to the Allocation Platform.
- D2.18 In the event of technical difficulties, the Allocation Platform may be forced to cancel a Nomination Gate. In that case, the Allocation Platform shall inform the relevant Unit Holders as soon as practicable of such cancellation.
- D2.19 Should the Allocation Platform cancel a Long Term or Day Ahead Nomination Gate, the Unit Holder is compensated for its Transmission Rights at the relevant hourly Auction Price of the explicit Day Ahead Auction.
- D2.20 Should the Allocation Platform cancel an Intraday Nomination Gate or not allow any changes to Intraday Nominations in accordance with Rule D2.3, the Unit Holder is compensated for its Transmission Rights at the Auction Price of the Intraday Units corresponding to such rights, only for Settlement Periods GB or Settlement Periods NL for which Nominations can no longer be entered as a result.
- D2.21 Registered Participants must comply with the Business Rules in Schedule 2, including the timing of Mid North Sea Nominations.
- D2.22 (a) If a Registered Participant submits a valid request for an Energy Transmission for a Settlement Period (GB or NL), then the Allocation Platform will ensure that: (i) on the GB side a corresponding Deemed Metered Volume, adjusted for DC losses on the Interconnector and for any reductions in Mid North Sea Nominations as a result of Curtailment, is notified in a Physical Notification made in accordance with the GB Grid Code and is allocated to the relevant Energy Accounts of the Unit Holders for the purposes of the Balancing and Settlement Code; and (ii) on the NL side a corresponding notification is made to TenneT TSO B.V. through an E-Programme and, in the event of Curtailment, a Single Sided Transaction.
- (b) For each hour in a Contract Day for which a Rights Document has been published by the Allocation Platform, each Unit Holder may, subject to Rule D2.1 Nominate an Energy Transmission up to but not exceeding the Unit Holder's Deemed Metered Volume as calculated by the Allocation Platform according to the rules set out in Schedule 3 in the relevant direction in that hour.
- (c) Where a Unit Holder (or a third party Programme Responsible Party on its behalf) submits a Mid North Sea Nomination to the Allocation Platform in accordance with this Rule D2 then the Unit Holder concerned shall ensure that a notification is submitted (either by the Unit Holder in its capacity as a Programme Responsible Party or by a third party Programme Responsible Party) to TenneT TSO B.V. through an E-Programme which matches the

notification made by the Allocation Platform to TenneT TSO B.V. in accordance with Rule D2.22(a)(ii). Notifications must be submitted through an E-Programme:

- (i) as soon as reasonably practicable once the relevant Nomination has been made and, in any event: (A) in the event of an Intraday Nomination, prior to 10:00 on day D + 1 (where Contract Day D is the Contract Day in respect of which such Nomination is made) and (B) in the event of any other Nomination, prior to 14:00 on day D - 1; and
- (ii) regardless of the submission of any Single Sided Transaction.

If this Rule D.2.22(c) is not complied with either by the Unit Holder in its capacity as a Programme Responsible Party or by a third party Programme Responsible Party, the Unit Holder shall pay to the Allocation Platform all associated charges incurred by the Allocation Platform which arise out of such failure.

For the avoidance of doubt, The Allocation Platform shall not pay any positive charges which arise from such a failure as described in Rule D2.22.

D2.23 The Allocation Platform will calculate and submit to NGESO Physical Notifications for each Settlement Period GB on behalf of each Unit Holder, based on the Mid North Sea Netted Nominations received from each Unit Holder in respect of such Settlement Period GB.

D2.24 Each Registered Participant acknowledges that, without prejudice to the rights of Unit Holders under this Rule D2, Unit Holders do not have a right to control Energy Transmissions over the Interconnector. 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 North Sea Nominations, operational requirements and use of the Interconnector by NGESO and/or TenneT TSO B.V. 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.

### D3: Use-It-or-Lose-It

D3.1 The provisions under this Rule D4 details how 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.

D3.2 To the extent that any Unit Holder does not Nominate any Day Ahead Unit(s) associated with its Day Ahead Transmission Rights for any hour of a Contract Day that were derived from the fall back Day Ahead Explicit Auction, it will lose the right to use such Day Ahead Unit(s) on that Contract Day in accordance with this Rule D3.2 and D3.3.

D3.3 Day Ahead Unused Units resulting from the process described in D3.2 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 other rights and obligations in relation to its Units, whether Unused or not Unused, will not be affected; the Unit Holder shall still pay the Allocation Platform for its Unused Unit(s), subject to whether such Unused Units were acquired in a Transmission Rights Transfer;

- (c) the Allocation Platform will make Unused Unit(s) available in the appropriate Intraday Auction for the same Contract Day; and
- (d) the proceeds of the sale of the Unused Units in the relevant Intraday Auction will not be paid by the Allocation Platform to the Unit Holder.

D3.4 To the extent that any Intraday Transmission Rights remain unused such Intraday Transmission Rights shall be treated as Unused Units and shall be subject to the following:

- (a) these Unused Unit(s) will be unavailable for subsequent use by the Unit Holder;
- (b) the Unit Holder's other rights and obligations in relation to its Units, whether Unused or not Unused, will not be affected;
- (c) the Unit Holder shall still pay the Allocation Platform for these Unused Unit(s), subject to whether such Unused Units were acquired in a Transmission Rights Transfer; and
- (d) these Unused Units can be made available in any subsequent Auction for the same business day.  
Any Unit which has not been nominated in the last Nomination Gate before an Intraday Auction for the same business day is considered as an Unused Unit.

#### D4: Outages

D4.1 The Allocation Platform will give Registered Participants information about Reduction Periods in accordance with Article 30 of the Allocation Rules.

D4.2 The Allocation Platform will notify Registered Participants of any Forced Outage as soon as practicable after the Forced Outage. Following this initial notice, the Allocation Platform will as soon as practicable give Registered Participants information about the Forced Outage including where possible the expected Interconnector Capability and its expected duration. These details will be given for information purposes only and they are not binding on the Allocation Platform and Rule D4.3 will apply to this information.

D4.3 Without prejudice to Rule E7 (*Liability*), 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 Rule D4 and actual Outages (other than credits calculated under Rule D6), whether the claim arises in contract or on any other basis, except to the extent that liability cannot be excluded by law.

#### D5: Curtailment

D5.1 The Allocation Platform will after the Day Ahead Firmness Deadline (and to the extent necessary) Curtail in accordance with this Rule D6 Day Ahead and Intraday Transmission Rights secured by all Unit Holders, and if necessary each Unit Holder's Day Ahead and Intraday Mid North Sea Netted Nomination, during each Settlement Period GB or Settlement Period NL (as appropriate) that the Allocation Platform considers to be affected by an event of Force Majeure or an Emergency Situation. Long Term Transmission Rights and Long Term Mid North Sea Netted Nominations shall be subject to Curtailment under Chapter 9 (*Curtailment*) of the Allocation Rules as amended by the BritNed Border Specific Annex.

D5.2 Each relevant Unit Holder will lose its entitlement to use Transmission Rights Curtailed by the Allocation Platform in accordance with Rule D6.1.

D5.3 If a need to Curtail in accordance with Rule D6.1 is identified, the Allocation Platform shall inform Registered Participants of the revised level of Interconnector Capability, as

soon as practicable after becoming aware of the requirement.

D5.4 If the Allocation Platform has given notice under Rule D6.3, it will keep Registered Participants informed of the anticipated duration of the event of Force Majeure or Emergency Situation.

D5.5 A Capacity Shortage occurs in any minute in a direction if:

$$NTC_{dir} < \sum \text{Capa}^{GNC}_{dir} + \sum \text{MNN}^{GC}_{dir} - \sum \text{MNN}^{GC}_{opp}$$

Where:

$NTC_{dir}$

is the value of the Interconnector Capability at that time in that direction; and

$\sum \text{Capa}^{GNC}_{dir}$

is the sum of the Transmission Rights, across all Registered Participants in that direction and for all Timescales, including any Long Term Transmission Rights allocated under the Allocation Rules, for which Nomination Gate Closure has not yet occurred, (before Curtailment of these rights); and

$\sum \text{MNN}^{GC}_{dir}$

is the sum of the MNN values, across all Registered Participants in that direction for all Timescales, in respect of Units for which Nomination Gate Closure has occurred, (before Curtailment of that MNN in accordance with Rule D6.1); and

$\sum \text{MNN}^{GC}_{opp}$

is the sum of the MNN values, across all Registered Participants in the opposite direction for all Timescales, in respect of Units for which Nomination Gate Closure has occurred, (before Curtailment of that MNN in accordance with Rule D6.1),

and the “Curtailment Quantity” is the positive number equal to the difference between the Net Transfer Capacity (“NTC”) in such direction and ( $\sum \text{Capa}^{GNC}_{dir} + \sum \text{MNN}^{GC}_{dir} - \sum \text{MNN}^{GC}_{opp}$ ).

D5.6 In the circumstances described in Rule D5.1, the Day Ahead and Intraday Transmission Rights of all Unit Holders in an affected Settlement Period in the direction of the Capacity Shortage will be Curtailed by the Allocation Platform under this Rule D5, where applicable, on a pro rata basis with any Long Term Transmission Rights to be Curtailed under the Allocation Rules.

In the circumstances described in Rule D5.1, the Intraday Transmission Rights of all Unit Holders in an affected Settlement Period in the direction of the Capacity Shortage will be Curtailed by the Allocation Platform under this Rule D5, where applicable, and each relevant Unit Holder will lose all its entitlement to use Intraday Transmission Rights

D5.7 Following the Nomination Gate Closure, the Day Ahead and Intraday MNNN values to be Curtailed under Rule D5.1 shall be Curtailed, where applicable, on a pro rata basis with any Long Term MNNNs to be Curtailed under the Allocation Rules.

D5.8 To the extent that the calculations under Rule D5.7 result in a Transmission Rights value and/or an MNNN value for a Registered Participant that is not a whole number, the Allocation Platform will round the result down to the nearest whole

number. Any Transmission Rights remaining as a result of the rounding down process will, to the extent it is a whole number, be allocated by the Allocation Platform to Registered Participants at the next relevant Auction, where practicable.

- D5.9 If a Registered Participant's Units have been Curtailed in accordance with this Rule D5 then any such Units will not be reinstated if the Allocation Platform, acting reasonably, decides to increase the Interconnector Capability in any Settlement Period (either GB or NL) in any flow direction. Any such increase of Interconnector Capability will be added to the Offered Capacity in the next available Auction.
- D5.10 Registered Participants acknowledge that a Capacity Shortage, or any increase or decrease in the Curtailment Quantity during an event of Force Majeure or Emergency Situation, which arises after the relevant Nomination Gate Closure will be reflected in the calculation of Deemed Metered Volumes in accordance with Schedule 3.

D6: Curtailment Reconciliation

- D6.1 If a Curtailment is implemented in accordance with Rule D5, the compensation for any Curtailed Units or MNNN of a Registered Participant will be shown by the Allocation Platform as a credit on the relevant invoice(s), in accordance with this Rule D6.
- D6.2 For the avoidance of doubt, whilst the relevant invoice will show as payable by the Unit Holder all Units acquired in the Auctions and the Unit Holder shall pay the total amount shown on such invoice, the compensation for any Units which have been Curtailed shall be shown as a credit on the relevant invoice.
- D6.3 Unit Holders will be compensated for Units allocated through explicit allocation and Curtailed under Rule D5.1 by reason of a Capacity Shortage arising from an event of Force Majeure on the basis of the Unit Price.
- D6.4 Unit Holders will be compensated for Units allocated through explicit allocation and Curtailed under Rule D5.1 by reason of a Capacity Shortage arising from an Emergency Situation on the basis of the weighted average marginal price.
- D6.5 If Units notified for Transmission Rights Transfer by a Registered Participant to the Allocation Platform are Curtailed in accordance with Rule D5 and:
- (i) the Transmission Rights Transfer has been confirmed by the party to whom the Transmission Rights Transfer was made before the Curtailment, the Units are Curtailed and a credit is made to such Party in accordance with Rules D5 and D6; or
  - (ii) the Transmission Rights Transfer has not been confirmed by the party to whom the Transmission Rights Transfer is being made before the Curtailment, the Transmission Rights Transfer is cancelled in its entirety by the Allocation Platform, the corresponding Units are returned to the party which submitted the associated Transmission Rights Transfer Notice and no credit is due to the party which had not confirmed the Transmission Rights Transfer. These Units are then subject to Curtailment in accordance with Rules D5 and D6.

## SECTION E: GENERAL CONDITIONS

### E1: Notices

- E1.1 The provisions of Article 74 (*Notices*) of the Allocation Rules shall apply mutatis mutandis to any notice or other communication to be given under or in connection with these Rules.

### E2: Confidentiality

- E2.1 Subject to Rule E2.2, the provisions of Article 75 (*Confidentiality*) of the Allocation Rules shall apply mutatis mutandis to any information exchanged between the Allocation Platform and any Registered Participant under or in connection with these Rules.
- E2.2 The Allocation Platform shall (in addition to the rights set out in Article 76(4) of the Allocation Rules) be permitted to disclose confidential information as may be required to comply with the requirements of the GB Grid Code, the Dutch Codes or the Balancing and Settlement Code.

### E3: Assignment

- E3.1 The provisions of Article 74 (*Assignment and subcontracting*) of the Allocation Rules 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.

### E4: Amendments

- E4.1 Subject to Rule E4.2, the Allocation Platform is entitled to amend these Rules from time to time by giving an Amendment Notice to Registered Participants.
- E4.2 Before making any amendment to these Rules under Rule E4.1, the Allocation Platform will, unless the amendment is urgent or minor in its nature, give Registered Participants a reasonable opportunity, which shall be at least twenty-eight (28) days, to comment on the proposed amendments.
- E4.3 Subject to Rule E4.9, an amendment made under Rule E4.1 takes effect from the date and time specified in the Amendment Notice.
- E4.4 Nothing in this Rule E4 shall prevent a Registered Participant from proposing in writing amendments to these Rules at any time.
- E4.5 If 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 such proposal.
- E4.6 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.
- E4.7 Unless expressly stated otherwise by the Allocation Platform, the amended Rules shall govern all rights to use Transmission Rights and all other rights and obligations acquired under these Rules including those acquired before but for use after the amendment takes effect.
- E4.8 Any amendment of these Rules will apply automatically to the Participation

Agreement, without the need for the Registered Participant to sign the amended Rules but without prejudice to the Registered Participant's right to request termination of its Participation Agreement in accordance with Rule E6.

- E4.9 These Rules are subject to the law prevailing at the time at which they take effect. If 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, the Rules will be amended accordingly and, where possible, pursuant to this Rule E4.
- E4.10 Schedule 2 contains the timings of the business processes. Modifications may be made to this Schedule 2 by the Allocation Platform to reflect changes in either the Dutch or British electricity markets and/or changes to the Allocation Platform's operational practices by giving at least 10 Business Days' notice to the Registered Participants.
- E4.11 These Rules are approved by the Competent Authorities and a copy of the approved Rules will be published on the Allocation Platform's website.

#### E5: Force Majeure

- E5.1 The provisions of Article 73 (*Force Majeure*) of the Allocation Rules 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.

#### E6: Termination and suspension

##### **Suspension**

- E6.1 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) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform;
  - (b) if a Registered Participant fails to provide and maintain Collateral in accordance with the requirements referred to in Rule B5 or if a Collateral Incident occurs under Article 25 (*Collateral Incident*) of the Allocation Rules;
  - (c) any breach which may have a material financial impact on the Allocation Platform;
  - (d) 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
  - (e) if a Registered Participant's rights have been suspended in accordance with Article 71 (*Suspension of the Participation Agreement*) of the Allocation Rules.
- E6.2 In any case of a 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.



- E6.3 After the suspension takes effect in accordance with Rules E6.1 or E6.2, the suspended Registered Participant may no longer participate in any Explicit Day Ahead Auction or an Intraday Auction and the suspended Registered Participant shall not be entitled to Nominate its Transmission Rights. For the avoidance of doubt, the 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 be required to compensate the Registered Participant.
- E6.4 The Allocation Platform may withdraw a notice under Rule E6.1 or E6.2 at any time. Having given a notice under Rule E6.1 or E6.2, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.
- E6.5 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 Transmission 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 Transmission Rights allocated prior to the suspension and which remain unused may be Nominated.
- E6.6 If the Allocation Platform gives a notice to a Registered Participant under Rule E6.1 or E6.2, such notice of suspension does not relieve the Registered Participant from its obligations to pay for allocated Transmission Rights.

#### **Termination**

- E6.7 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.
- E6.8 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.
- E6.9 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 Transmission Rights whose Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Transmission 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.
- E6.10 If any of the termination events in Rule E6.11 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 Rule E6.10 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.

E6.11 The termination events referred to in Rule E6.10 shall be the following:

- (a) if the rights of the Registered Participant are suspended in accordance with Rule E6.1 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 NGENO Grid Code or the Dutch Codes 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;
- (f) 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;
- (g) 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 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
- (h) a termination event occurs under Article 72 (*Termination of the Participation Agreement*) of the Allocation Rules.

E6.12 After the termination takes effect in accordance with this Rule E6 and from that time, the Registered Participant may no longer participate in an Auction. 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 and the Allocation Platform shall not be required to compensate the Registered Participant.

E6.13 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 E6. Accordingly, any Registered Participant whose Participation Agreement is terminated will remain liable, subject to and in accordance with these Rules, in respect of all such rights and liabilities. This Rule E6 shall apply without prejudice to other remedies available to the Allocation Platform under these Rules.

## E7: Liability

E7.1 Subject to Rule E7.2, the provisions of Article 69 (*Liability*) of the Allocation Rules as amended and supplemented by the BritNed Border Specific Annex 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.

E7.2 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.

E8: Dispute Resolution

E8.1 Subject to Rule E8.2, the provisions of Article 70 (*Dispute resolution*) of the Allocation Rules shall apply mutatis mutandis to any Dispute.

E8.2 The seat of arbitration for any dispute referred to arbitration under the rules of the International Chamber of Commerce shall be London.

E9: Miscellaneous

E9.1 The provisions of Article 77 (*Governing law*), Article 78 (*Language*), Article 79 (*Intellectual property*), Article 80 (*Relationship of the parties*), Article 81 (*No third party rights*), Article 82 (*Waiver*), Article 83 (*Entire agreement*), Article 84 (*Remedies exclusive*) and Article 85 (*Severability*) of the Allocation Rules shall apply mutatis mutandis to these Rules.

## Schedule 1: Definitions and interpretation

### Part I: Definitions

In these Rules, capitalised words and phrases have the meanings given to them below unless the context requires otherwise. Further words and phrases have meanings given to them in Article 2 of Allocation Rules and Section 1 of Border Specific Annex

“Allocation Platform”	means BritNed Development Limited;
“Allocation Platform Registered Participant Guide”	means the guide to these Rules published by the Allocation Platform from time to time;
“Allocation Rules”	means the rules governing the allocation of forward capacity as set out in Annex 1 of these Rules.
“Amendment Notice”	means the notification and any associated documents issued by the Allocation Platform pursuant to Rule E4, provided to the Registered Participants and which provide Registered Participants with the Allocation Platform’s proposed amendment(s) to the Rules;
“Applicable Law”	means any statute, statutory instrument, licence (including the Allocation Platform Interconnector Licence, NGESO Transmission Licence and the Licence Standards) law (whether English or Dutch) or decree or order in council or directive, or any code including the GB Grid Code, the Dutch Codes 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 conducted under these Rules;
“Auction Credit Limit”	means a credit limit established by a Registered Participant as referred to in Rule B5.2 in respect of participation in any Auction;
“Auction Price”	means the value of the Marginal Price of an Auction, and which is payable by all Unit Holders resulting from such Auction;
“Auction Specification”	means, the specification for the Auction published by the Allocation Platform, as described in Rules C2 and C3 for Day Ahead and Intraday Timescales or the specification for a Long Term Auction published by the Allocation Platform under the Allocation Rules;
“Auction Tool”	means the IT system used for conducting Auctions and other associated Transmission Rights activities;
“Available Transmission Capacity”	means Available Transmission Capacity (ATC) and is the amount of electric transfer capability remaining in a power transmission network that is available for sale above already committed uses and restrictions.
“Balancing and	means the code of that name established under the

Settlement Code”	NGESO Transmission Licence;
“Bid”	means a Registered Participant’s offer to buy Units in an Auction, and made in accordance with these Rules;
“Bidding Period”	means, in relation to an Auction, the time during which Bids may validly be submitted in that Auction in accordance with these Rules;
“BritNed Border Specific Annex”	means the Annex to the Allocation Rules describing the rules applicable specifically to the Netherlands-Great Britain border comprising the Interconnector operated by the Allocation Platform as set out in Annex 2 of these Rules;
“Business Day”	means a week-day on which banks in both London and Amsterdam are open for domestic business and for dealings in sterling and Euro deposits;
“Business Rules”	means the rules for day to day use of Transmission Rights in Schedule 2;
“Capacity Shortage”	has the meaning given to it in Rule D6.5;
“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 Transmission Rights of the Unit Holder;
“Competent Authority”	means the Secretary of State (as defined in the Governing Act), the GB Regulator (Office of the Gas and Electricity Markets), the Dutch Regulator (Netherlands Authority for Consumers and Markets) 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, the Netherlands or the European Union;
“Contract Day”	in relation to a Contract Day D, means a period of 24 hours commencing at 00:00 hours CE(S)T local time on day D;
“Collateral”	means security for payment of amounts owed under these Rules provided in accordance with the requirements referred to in Rule B5;
“Collateral Incident”	means an incident as described in Article 25 of the Allocation Rules;
“Curtail”	means to reduce Unit Holders’ Transmission Rights and MNNN in accordance with Rule D6 and “Curtailed” and “Curtailed” have corresponding meanings;
“Curtailed Quantity”	means, in relation to a Capacity Shortage, the quantity calculated under Rule D6.5;
“CUSC”	means the Connection and Use of System Code established under the NGESO Transmission Licence;
“Day Ahead”	means processes relating to Auctions with Product Period of one (1) Contract Day and associated Transmission Rights activities, the business process for which is described in Schedule 2;

“Day Ahead Auction”	means any Auction of Day Ahead Units;
“Day Ahead Auction – Hourly”	means a Day Ahead Auction in which all hours have an independent Auction Price, therefore each hour being a Unit Validity Time;
“Day Ahead Auction – Grouped Hours”	means a Day Ahead Auction in which a group of hours has a single Auction Price. The Unit Validity Times in this case are the hours that are grouped together with a common Offered Capacity and a common Auction Price. For the avoidance of doubt, separate groups of hours may have different Auction Prices.
“Day Ahead Unit”	means a Unit offered in a Day Ahead Auction, with Unit Validity Times as specified in the relevant Auction Specification;
“Day Ahead Firmness Deadline”	has the meaning given to that term in Article 2 of the Allocation Rules in Annex 1;
“Day Type”	means any of Business Days, non-Business Days or all Days as the case may be, in the context of a Transmission Rights Transfer Notice;
“Deemed Metered Volumes” or “DMV”	means volumes of energy allocated to Registered Participants’ Energy Accounts by the Allocation Platform calculated using the rules in Schedule 3;
“Default Bid”	means the automatic submission of Bids in respect of a particular Auction type (Day Ahead or Intraday) pre-prepared by the Registered Participant;
“Default Nomination”	means the automatic generation and submission of Mid North Sea Nominations in respect of a particular Timescale which are identical to the Transmission Rights notified to the Registered Participant in respect of such Timescale;
“Dispute”	means any dispute between the Allocation Platform and a Registered Participant under or in relation to these Rules;
“Dutch Codes”	are the Rules that govern the transportation and use of electricity on the Dutch Grid, which includes system codes;
“EAN Code”	means the unique identification number in accordance with European Article Numbering (as defined in the NL Definition List);
“Emergency Situation”	means where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible.
“Energy Account”	means in relation to a Registered Participant: <ul style="list-style-type: none"> <li>(a) the Registered Participant’s Production Interconnector BM Unit and Consumption Interconnector BM Unit under the Balancing and Settlement Code; and</li> <li>(b) the PRP account established under the Dutch Codes and acknowledged by TenneT TSO B.V.</li> </ul> <p style="margin-left: 40px;">both as specified by the Registered Participant in its</p>

	Participation Agreement;
“ENTSO-E”	means the European Network of Transmission System Operators for Electricity.
“NL Energy Programme or E-Programme”	means a programme drawn up by a Programme Responsible Party and submitted to TenneT TSO B.V. which contains for each programme time unit within one calendar day: (i) the balance of the transmissions across all connections for which the PRP has Programme Responsibility; (ii) the net quantity of all energy transactions with other PRPs; (iii) the quantity of each Import and Export Transaction;
“Energy Transmission”	means the transmission of electricity across the Interconnector and “Transmitting” has a corresponding meaning;
“Financial Transmission Right”	means a Financial Transmission Right Option as defined in Article 2 of the Allocation Rules in Annex 1;
“Force Majeure”	has the meaning given to it in the Allocation Rules;
“Forced Outage”	means any Outage of which notice was given after the publication of the Auction Specification for the Day Ahead Auction for the Contract Day on which the Outage occurs;
“GB Grid Code”	means the document referred to as the Grid Code in the NGESO Transmission Licence;
“Governing Act”	means the Electricity Act 1989 as amended and supplemented by the Utilities Act 2000;
“Implicit Auction”	means a mechanism whereby cross-border capacity available for spot trades via the spot markets of The Netherlands and Great Britain;
“Insolvency Event”	means in relation to a Registered Participant, any of the following events: <ul style="list-style-type: none"> <li>(a) an order of a competent court is made or a resolution is passed for its insolvent winding up or dissolution;</li> <li>(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;</li> <li>(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; or</li> </ul> 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 NGESO Transmission System with the TenneT Transmission System;

“Interconnector Capability”	means the capability (in MW, at Mid North Sea) of the Interconnector to Transmit electrical energy between Great Britain and the Netherlands taking into account the effects of any event or circumstance affecting such capability at any relevant time, including events or circumstances on the NGENSO Transmission System or the TenneT Transmission System or disconnection or de-energisation of the Interconnector from either of those transmission systems;
“Intraday”	means processes relating to products with Product Periods of up to one Contract Day duration;
“Intraday Auction”	means any Auction of Intraday Units;
“Intraday Unit”	means a Unit with a Product Period shorter than a Contract Day, as specified in the relevant Auction Specification;
“Legacy BritNed Participant Agreement”	means, in relation to a Non-Participating User, the agreement entered into between the Non-Participating User (1) and BritNed Development Limited (2) in relation to the Interconnector under a previous version of these Rules;
“Licence Standards”	means those standards set out in or referred to in the NGENSO Transmission Licence;
“Long Term”	means processes relating to Auctions with Product Periods greater than one Contract Day and up to and including one contract year and associated Transmission Rights activities;
“Long Term Units”	means a Unit with a Product Period longer than one Contract Day, as specified in the relevant Auction Specification;
“Loss Factor”	has the meaning given to it in Schedule 3;
“Manifest Error”	has the meaning given to it in Rule C4.12;
“Mid North Sea Nomination” OR “MNN”	has the meaning given to it in Rule D2.1;
“Mid North Sea Netted Nomination” OR “MNNN”	means, in relation to a particular hour on a particular Contract Day, the Mid North Sea Nomination which results from the Netting of a Unit Holder’s total Mid North Sea Nominations across all Timescales for that hour in one direction and its total Mid North Sea Nominations across all Timescales for that hour in the other direction;
“Netting”	means the superposition of MNNs in two opposite directions (the Netherlands-GB and GB-the Netherlands), in order to release some capacity in the more congested direction for the next allocation step, and “Netted” shall have corresponding meaning;
“NGESO Transmission Licence”	means the licence granted by the Secretary of State to NGENSO under Section 6(1)(b) of the Governing Act permitting, inter alia, the transmission of electricity in England and Wales, as amended from time to time;
“NGESO Transmission System”	means the system comprising electric lines owned or operated by NGENSO for the transmission of electricity as defined in the GB Grid Code;
“NGESO”	means National Grid Electricity System Operator Limited, a company incorporated in England and Wales;



“NL Definition List”	means the “Begrippencode elektriciteit” as is referred in article 31 of the Dutch Electricity Act, and published by the Dutch Regulator;
“NL Energy Programme or E-Programme”	means a programme drawn up by a party with balance responsibility (Programme Responsible Party (PRP)) and submitted to the network operator of the national high-voltage network which contains for each programme time unit within one calendar day (i) the balance of the transmissions across all connections for which the PRP has balance responsibility, (ii) the net quantity of all energy transactions with other PRPs, (iii) the quantity of each import and export transaction;
“Nominate”	means, in relation to a Registered Participant, the action to submit a MNN to the Allocation Platform, and “Nomination” shall have corresponding meaning;
“Nomination Gate”	means, for particular Units and in relation to a Settlement Period, the period during which Nominations may be made in respect of those Units and that Settlement Period (those times being listed in Schedule 2);
“Nomination Gate Closure”	means, in relation to a Nomination Gate, the last time at which Nominations can be made during that Nomination Gate (as listed in Schedule 2);
“Nomination Gate Opening”	means, in relation to a Nomination Gate, the first time at which Nominations can be made during that Nomination Gate (as listed in Schedule 2);
“Non-Participating User”	means a holder of Long Term Units allocated under the version of these Rules approved by the relevant Competent Authorities on 18 December 2014 who has not entered into a Participation Agreement and who is not therefore eligible to participate in any Auction;
“Offered Capacity”	means the number of Units being made available in the respective Unit Validity Times in an Auction;
“Outage”	means any reduction of Interconnector Capability in either direction and includes Forced Outages;
“Participation Agreement”	has the meaning given to that term in Article 2 of the Allocation Rules;
“Planned Outage Period”	means a period of time during a Product Period where the Offered Capacity is less than the Offered Capacity at other times during the Product Period as a consequence of a planned Outage;
“Physical Notification”	has the meaning given to that term in the GB Grid Code;
“Physical Transmission Right”	has the meaning given to that term in Article 2 of the Allocation Rules, and for the purpose of these Rules means such a right of transfer between Great Britain and the Netherlands, to the extent that the Interconnector Capability permits;
“Product Period”	means the period of time beginning on the first Contract

	Day in respect of a specific Auction and ending at the end of the last Contract Day in respect of such Auction;
“Programme Responsibility”	means the responsibility of consumers, other than captive consumers, and licence holders to draw up or to have drawn up energy programmes for the generation, transmission and consumption of electricity for the network operators and to act in accordance with such energy programmes subject to applicable conditions (and as further defined in the NL Definition List);
“Programme Responsible Party” or “PRP”	means a party with Programme Responsibility;
“Registered Participant”	means any person, other than the Allocation Platform, who for the time being is a party to a Participation Agreement;
“Registered Participant Forum”	has the meaning given to it in Rule A5;
“Registered Participant Systems”	means, in relation to a Registered Participant, the hardware, software and other systems needed by the Registered Participant to exercise its rights and perform its obligations under these Rules, including communicating electronically with the Allocation Platform, participating in Auctions and using Transmission Rights;
“Relevant Requirements”	means, in relation to a Registered Participant seeking to exercise any right to Nominate Transmission Rights, that the Registered Participant has: <ul style="list-style-type: none"> <li>(a) acceded to a Use of System Interconnector Agreement with NGESO and the Framework Agreement established under the Connection and Use of System Code;</li> <li>(b) acceded to the Framework Agreement as defined in the Balancing and Settlement Code and provided to the Allocation Platform full details of the Production and Consumption Interconnector BM Units registered to the Registered Participant under the BSC; and</li> <li>(c) (i) entered into either a Programme Responsible Party (“PRP”) agreement with TenneT TSO B.V. or an agreement with a PRP, which has full recognition (<i>programmaverantwoordelijke met een volledige erkenning</i>) from TenneT TSO B.V, in either case, in respect of notifications through an E-Programme; and (ii) completed and returned to TenneT TSO B.V. a completed authorisation form for Single Sided Transactions in the Dutch market;</li> </ul>
“Rights Document”	means a document issued by the Allocation Platform to a Registered Participant under the Allocation Rules in respect of Long Term Physical Transmission Rights and under these Rules in respect of Day Ahead and Intraday Physical Transmission Rights, in the case of Physical Transmission

	Rights, setting out in relation to a direction and Settlement Period the maximum amount of Transmission Rights that the Registered Participant can Nominate;
“Rules”	means these BritNed Access Rules, as amended from time to time;
“Set of Bids”	means all valid Bids from a Registered Participant registered in the Auction Tool and as modified during the relevant Bidding Period, at any time;
“Settlement Period GB”	means each half-hour period coinciding with Settlement Periods as defined in the Balancing and Settlement Code in the GB market;
“Settlement Period NL”	means the time unit used to settle an imbalance in the NL market, i.e. 15 minutes as defined in the NL Definition list;
“Single Sided Transaction”	means a transaction in relation to an Energy Transmission which is submitted by the Allocation Platform, in accordance with the Dutch Codes, to TenneT TSO B.V. (a) without inclusion in an E-Programme, and (b) with the relevant Registered Participant’s prior authorisation pursuant to the Participation Agreement;
“Standard Training”	means a set of on-line exercises designed by the Allocation Platform to enable Registered Participants to become sufficiently familiar with the Auction Tool. The exercises shall be undertaken on the test platform of the Auction Tool with remote support from the Allocation Platform and in conjunction with a the Allocation Platform Registered Participant Guide and other relevant documentation;
“Taxes”	means all forms of taxation and statutory, governmental, state, federal, provincial, local government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and of any jurisdiction and any penalty, fine, surcharge, interest, charges or costs payable in connection with any Taxes;
“TenneT Transmission System”	the system of electric lines operated by TenneT TSO B.V. for the transmission of electricity as defined in the Dutch Codes;
“Timescale”	means either Long Term, Day Ahead or Intraday periods of time;
“Transmission Rights”	means Physical Transmission Rights and/or Financial Transmission Rights, as the context requires;
“Transmission System Operator”	means each of NGESO in its capacity as operator of the NGESO Transmission System and TenneT TSO B.V. in its capacity as operator of the TenneT Transmission System;
“Transmission Rights Transfer”	means the mechanism by which a Unit Holder passes over Units to another Registered Participant in accordance with Rule D5, and “Transfer Transmission Rights”, “Transferred”, “Transferee” shall have corresponding meanings;

“Transmission Rights Transfer Notice”	has the meaning given to it in Rule D3.1(a);
“Transmission Rights Transfer Period”	has the meaning given to it in Rule D3.1(d);
“Unit”	means a Physical Transmission Right of one MW, entitling the Unit Holder (subject to Curtailment and these Rules) to Nominate in a particular direction and during the Product Period of the Unit, as defined in Rule D1.1 and subject to and on the terms and conditions of these Rules;
“Unit Holder”	means a Registered Participant who has been allocated Units under these Rules, any of which at the relevant time have not yet reached the end of their Product Period and, for the purposes of Rule D3.10(a), Registered Participants to whom a Transmission Rights Transfer is made;
“Unit Price”	means, for a Unit, the Auction Price (in euros per megawatt hour) resulting from the Auction at which the Unit was allocated to the Registered Participant;
“Unit Quantity”	means, in megawatt-hours, the product of (a) the number of Units allocated to the Registered Participant at a specific Auction (in megawatts) and (b) the aggregate hours of the Unit Validity Times within the Product Period of such Units;
“Unit Validity Times”	means: <ul style="list-style-type: none"> <li>(i) in the case of Long Term Units, the specific hours within the Product Period for which the Units have been offered in the applicable Auction, in the case of Day Ahead Units, the individual hours (in the case of Day Ahead Auction – Hourly product) or the relevant groups of hours (in the case of a Day Ahead Auction – Grouped Hours product) for which the Units have been offered in the applicable Auction,</li> <li>(ii) in the case of Intraday Units, the individual hours for which the Units have been offered in the applicable Auction;</li> </ul>
“Unused Units”	has the meaning given to it in Rule D3.1, and is referred, in the Auction Tool, “Non-Nominated capacity”;
“Use-It-or-Lose-It” (UIOLI)	has the meaning given to it in Rule D3;
“Use of System Interconnector Agreement”	means an agreement (including a Framework Agreement as defined in CUSC) between NGESO and a Registered Participant in the form agreed by NGESO setting out the terms on which the Registered Participant may use the NGESO Transmission System in relation to Energy Transmission.

## Part II: Interpretation

In these Rules (including its Schedules and 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 the 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 a “Rule” is a reference to a rule contained in the relevant Section, any reference in a Schedule and/or Annex to a “paragraph” is a reference to a paragraph contained in that Schedule and/or Annex and any reference to a “Schedule” and/or “Annex” is a reference to a Schedule and/or Annex to the Rules. Rules are identified by reference to the relevant Section and Rule number. For example, Rule D4 refers to Rule 4 in Section D;
- (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) 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;
- (i) a reference to time is a reference to CET time unless (otherwise specified);
- (j) the symbol \* requires multiplication to be effected; and
- (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 its website or via the Auction Tool.
- (l) For the avoidance of doubt the Schedules and Annexes shall be legally binding and shall apply as part of one agreement with the Rules and shall be read as such.

## **Schedule 2: Business Rules for Use of Physical Transmission Rights**

*(All timings are put between brackets as they are only indicative and might be amended at a later stage)*

### **1. Introduction**

- 1.1 This Schedule 1 describes the business process and timings of the following activities:
- (a) calculation and notification by the Allocation Platform of the Settlement Period values of the entitlement to Day Ahead Units and Intraday Units for each Registered Participant in each direction for each Contract Day;
  - (b) submission by each Registered Participant of Nominations in respect of Long Term Units, Day Ahead Units and Intraday Units in each direction for each Contract Day.
- 1.2 Timings given in this Schedule 2 are nominal timings, which may be subject to change from time to time and under exceptional circumstances. In this case, Registered Participants would be informed of new timings to follow in due time.
- 1.3 Times are given in CE(S)T.

### **2. Energy Accounts**

- 2.1 Each Registered Participant must identify its Production and Consumption Interconnector BM Units under the BSC and the PRP in the Dutch Codes as acknowledged by TenneT TSO B.V. in its Participation Agreement.
- 2.2 Each Registered Participant may notify an Energy Transmission against one of each of the types of Energy Account referred to above in any one Settlement Period.

### **3. Long Term Business Process**

- 3.1 Unit Holders can submit Long Term Mid North Sea Nominations of Long Term Units for the Contract Day D, from opening of the gate for Long Term MNNs at 16:30 hrs on the day D-2 until Long Term MNNs gate-closure at 09:30 hrs on day D-1, in accordance with Rule D2 (or at any other time specified in advance by the Allocation Platform).
- 3.2 When D-2, in respect of a Contract Day D, is not a Business Day, then the opening of the gate for Long Term MNNs shall take place on the last Business Day preceding D-2, at 16:30 hrs.

### **4. Day Ahead explicit shadow Auction (this is the fallback to the Day Ahead Implicit Auction)**

The fallback for the Day Ahead implicit Auction will be operated in line with the Shadow Allocation Rules.

### **5. Intraday Business Process (all timings are indicative)**

- 5.1 The Auction Specification of the first Intraday Auction of Units for Contract Day D is published by the Allocation Platform no later than 19:25 hrs on day D-1, in accordance with Rule C3. This first Intraday Auction covers hours from 00:00 to 23:59 hrs.
- 5.2 The first Intraday Auction for the Contract Day D opens at 19:30 hrs on day D-1 and closes 20:00 hrs on day D-1 (or at any other times specified by the Allocation Platform in the relevant Auction Specification or after publication of the Auction Specification). During this period of time, Registered Participants can submit bids to the Allocation Platform, in accordance with Rules C3 and C4.

- 5.3 Once the first Intraday Auction is closed, Units are allocated, pursuant to Rule C5, and final results of this Intraday Auction are published.
- 5.4 The Allocation Platform will notify each Unit Holder of its Intraday Transmission Rights in respect of Intraday Units with a Unit Validity Time for the period of time corresponding to the latest intraday auction of the Contract Day D in each direction, pursuant to Rules D1, no later than 10 minutes after the end of the auction (or at any other time specified in advance by the Allocation Platform).
- 5.5 Unit Holders can submit Intraday Mid North Sea Nominations of Intraday Units with a Unit Validity Time of 00:00 to 23:59 hrs of the Contract Day D, from the respective nomination gate opening until the closure of the nomination gate, as detailed in the table below.

#### Timings summary (CET time) (indicative)

BritNed is intending to transition from Intraday Schedule 1 to Intraday Schedule 2 as soon as operationally practicable. BritNed will announce the transition between the schedules at least 14 Calendar Days prior to the transition on its website ([www.britned.com](http://www.britned.com)). Once BritNed transitions to Intraday Schedule 2, Intraday Schedule 1 will become redundant.

#### Intraday Schedule 1 (2 Auctions - 6 Nomination Gates)

Units Validity Times	Intraday Auction	Nomination Gate-Opening	Nomination Gate-Closure
00:00-15:59	ID auction 1 (end 19:00 D - 1)	20:00 D – 1	22:00 D - 1
04:00-15:59	ID auction 1 (end 19:00 D - 1)	22:15 D – 1	02:00 D
10:00-15:59	ID auction 1 (end 19:00 D - 1)	02:15 D	08:00 D
16:00-23:59	ID auction 2 (end 11:00 D)	12:00 D	14:00 D
18:00-23:59	ID auction 2 (end 11:00 D)	14:15 D	16:00 D
20:00-23:59	ID auction 2 (end 11:00 D)	16:15 D	18:00 D

#### Intraday Schedule 2 (4 Auctions - 24 Nomination Gates)

Unit Validity Time	Intraday Auction	Nomination Gate-Opening	Nomination Gate-Closure
00:00-23:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	20:10 D - 1	22:50 D - 1
01:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	22:55 D - 1	23:50 D - 1
02:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	23:55 D - 1	00:50 D
03:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	00:55 D	01:50 D
04:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	01:55 D	02:50 D
05:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	02:55 D	03:50 D
06:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	03:55 D	04:50 D
07:00-07:59	ID auction 1 (start 19:30 -1 end 20:00 D - 1)	04:55 D	05:50 D
08:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	06:30 D	06:50 D
09:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	06:55 D	07:50 D
10:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	07:55 D	08:50 D
11:00-11:59	ID auction 2 (start 5:50 D end 06:20 D)	08:55 D	09:50 D
12:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	10:30 D	10:50 D

Unit Validity Time	Intraday Auction	Nomination Gate-Opening	Nomination Gate-Closure
13:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	10:55 D	11:50 D
14:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	11:55 D	12:50 D
15:00-15:59	ID auction 3 (start 9:50 D end 10:20 D)	12:55 D	13:50 D
16:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	14:30 D	14:50 D
17:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	14:55 D	15:50 D
18:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	16:30 D	16:50 D
19:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	16:55 D	17:50 D
20:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	17:55 D	18:50 D
21:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	18:55 D	19:50 D
22:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	19:55 D	20:50 D
23:00-23:59	ID auction 4 (start 13:50 D end 14:20 D)	20:55 D	21:50 D



## Schedule 3: Deemed Metered Volume Allocation

### 1. Introduction

- 1.1 The Allocation Platform will calculate the Deemed Metered Volumes for each Registered Participant for each direction for each Settlement Period in each Contract Day and allocate those amounts to the Energy Accounts of Registered Participants in accordance with this Schedule 3.

### 2. Deemed Metered Volumes

- 2.1 For each Settlement Period, the Deemed Metered Volume of each Registered Participant is equal to the net of the Long Term, Day Ahead and Intraday Mid North Sea Nominations (as amended by any Curtailment) of that Registered Participant for that Settlement Period integrated over the Settlement Period to give a MWh figure in the net direction (and zero in the other).

### 3. Losses

- 3.1 The physical flow on the Interconnector is subject to DC losses. The Allocation Platform will apply a Loss Factor ("LF") to calculate each Registered Participant's share of the DC losses on the Interconnector and apply this to Deemed Metered Volumes in accordance with paragraph 4. The Loss Factor is symmetrical between Mid North Sea and either end of the Interconnector (Isle of Grain and Maasvlakte).
- 3.2 The Loss Factor to be applied by the Allocation Platform is published on the Allocation Platform website ([www.britned.com](http://www.britned.com)). If there is a requirement to change the Loss Factor at any time, then the Registered Participants shall be notified in accordance with Rule E1 and such notification to be made at least five (5) Business Days before the change takes effect.

### 4. Adjustment for DC losses on the Interconnector

- 4.1 For the purpose of the Balancing and Settlement Code, the Allocation Platform will send to the SAA (as defined in that Code) a program called BM Unit Metered Volume (BMUMV) expressed in MWh at Grain in half-hourly volumes and calculated by this formula:
- (a) for a BM Unit in the direction from The Netherlands to GB:  $BMUMV = (1-(LF/2)) * DMV$ ; and
- (b) for a BM Unit in the direction from GB to The Netherlands:  $BMUMV = (1+(LF/2)) * DMV$ .
- 4.2 For the purpose of the TenneT TSO B.V. settlement arrangements and for an export from The Netherlands to GB, BritNed will send to TenneT TSO B.V. (in its capacity as Transmission System Operator) the NL Energy Programme expressed in kWh at Maasvlakte in quarter hour volumes and calculated by this formula:
- $$ETM = 1+ (LF/2)) * DMV.$$
- 4.3 For the purpose of the TenneT TSO B.V. settlement arrangements and for an import from GB to The Netherlands, the Allocation Platform will send to TenneT TSO B.V. the NL Energy

Programme expressed in kWh at Maasvlakte in quarter hour volumes and calculated by this formula:

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

- 4.4 In paragraphs 4.1, 4.2, and 4.3, “DMV” means the Deemed Metered Volume calculated for that Registered Participant for that Settlement Period under paragraph 2 above.

**Schedule 4: Long Term Auctions**

Type of Products	Timeframes on bidding zone border	Form of Product
Physical Transmission Rights	Annual Seasonal Quarterly Monthly Weekly Easter Weekend Long Weekend Weekend	Base Load Peak Load Off Peak Load

# **ANNEX 1 ALLOCATION RULES FOR LONG-TERM TRANSMISSION RIGHTS**

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## CHAPTER 1 GENERAL PROVISIONS

### *Article 1*

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

These Allocation Rules including the related regional and/ or border specific annexes, contain the terms and conditions for the allocation of Long Term Transmission Rights on the Great Britain to Netherlands border, 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 Auction, including the determination of Marginal Price as a result of 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.

### *Article 2*

#### **Definitions and interpretation**

1. Definitions are found in Schedule 1 of the Access Rules and Section 1 of Border Specific Annex. The following definitions also 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;

**Allocation Constraints** means the constraints to be respected during capacity allocation to maintain the transmission system within operational security limits and have not been translated into cross-zonal capacity or that are needed to increase the efficiency of capacity allocation.

**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 it being a single allocation platform or regional platform(s) for the attribution of Long Term Cross Zonal Capacity through the Auctions as defined in the Participation Agreement;

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

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

**Bidding Zone Border** means a set of physical transmission lines linking adjacent Bidding Zones.

**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;

**Capacity Allocation** means the attribution of cross zonal capacity.

**Congestion Income** means the revenues received as a result of Capacity Allocation.

**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;

**Cross-Zonal Capacity** means the capability of the interconnected system to accommodate energy transfer between bidding zones.

**Day-Ahead Firmness Deadline** means the point in time after which cross-zonal capacity becomes firm.

**Direct Current** means Direct Current or DC electricity is the continuous movement of electrons from an area of negative (-) charges to an area of positive (+) charges through a conducting material.

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

**Explicit Allocation** means the allocation of cross zonal capacity only, without the energy transfer.

**Financial Transmission Right Option** means a right entitling its holder to receive a financial remuneration based on the day ahead allocation results between two Bidding Zones during a specified period of time in a specific direction;

**Financial Transmission Right Obligation** means a right entitling its holder to receive financial remuneration or obliging its holder to provide financial remuneration based on the day ahead allocation results between two Bidding Zones during a specified period of time in a specific direction;

**Forward Capacity Allocation** means the attribution of long-term cross-zonal capacity through an auction before the day-ahead timeframe.

**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;

**Implicit Allocation** means a congestion management method in which energy is obtained at the same time as cross zonal capacity.

**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;

**Interconnector** means the interconnector linking the transmission systems in Great Britain and the Netherlands operated by BritNed

**Long Term Transmission Right** means a Physical Transmission Right or a Financial Transmission Right Option or a Financial Transmission Right Obligation acquired in the Forward Capacity Allocation.

**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;

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

**Nomination Rules** means the rules with regard to the notification of use of long-term cross-zonal capacity by a physical transmission rights holder and their counterparty, or an authorised third party, to the respective TSOs.

**Operational Security Limits** means the acceptable operating boundaries: thermal limits, voltage limits, short-circuit current limits, frequency and Dynamic Stability limits.

**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;

**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);

**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 or the maximum amount of Financial Transmission Rights that will be considered for financial remuneration, 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.;

**Use-it-or-sell-it** means the principle according to which the underlying cross-zonal capacity of physical transmission rights purchased and non-nominated is automatically made available for day-ahead capacity allocation and according to which the holder of these physical transmission rights receives remuneration from the TSOs.

**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;

2. In these Allocation Rules, including its annexes, unless the context requires otherwise:
  - (a) Any reference to the word Bidding Zone border may cover all interconnectors collectively or, for the purpose of the application of a cap to compensations with the meaning of Article 59(2) or 59(3) of these Allocation Rules, only one or a subset of interconnector(s) at this Bidding Zone border
  - (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; and

#### *Article 3*

#### **Allocation Platform**

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

1. These Allocation Rules shall enter into force in accordance with the applicable national regulatory regimes and on the date announced by the Allocation Platform.
2. These Allocation Rules apply to Capacity Allocation for Long Term Transmission Rights with the delivery period to be specified by the Allocation Platform on its website upon the entry into force of these Allocation Rules.

3. Unless expressly stated otherwise by the regional or border specific annex or otherwise required by the applicable governing law, these Allocation Rules shall govern all rights and obligations in connection with Long Term Transmission Rights acquired before the entry into force of these Allocation Rules but with the delivery date after the entry into force of these Allocation Rules.

## **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 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 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, facsimile 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, facsimile 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, facsimile 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, facsimile 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 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, Switzerland or the United Kingdom;
  - (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.

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, two (2) 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 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 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. A provisional Auction calendar for each calendar year shall be published no later than 1 December of the year preceding 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 Allocation Platform shall offer capacity on annual and monthly timeframes and in addition may offer capacity on other long term timeframes such as seasonal, quarterly, weekly and weekend.
2. All Auction products shall be a base product by which a fixed amount of MW throughout the Product Period is allocated subject to announced Reduction Periods.

### *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) or a subset of the Interconnectors on the Bidding Zone border and direction covered;
  - (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. 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.
2. 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.
3. 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.
4. 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:

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

- (a) When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take the following into account:
- (b) 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;
- (c) increase of the maximum payment obligations with applicable taxes and levies in force subject to Article 64; and
- (d) 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 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 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 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
  - (g) 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 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.
4. In case the Long Term Transmission Rights holder reserves its Long Term Transmission Rights for the balancing services, such Cross Zonal Capacity shall be excluded from the application of the remuneration processes as detailed in Chapter 7. The process of notification of such reservation shall be subject to the relevant rules entered into force in accordance with the applicable national regulatory regime and published by the responsible Allocation Platform.

### *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 or subsets of interconnectors of 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 [15:15] on the second (2nd) day preceding the delivery day via the Auction Tool to the Registered Participant.

*Article 48*

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

1. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for the Long Term Transmission Rights which are reallocated at the 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 a price, depending on the type of the day-ahead allocation, as follows:
  - (a) in case of day-ahead Implicit Allocation, including in case of fallback allocation for Implicit Allocation, the price shall be the Market Spread at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the Long Term Transmission Rights of the day-ahead Implicit Allocation in which that Cross Zonal Capacity was reallocated, and 0€/MWh, otherwise. If applicable this price may be adjusted to reflect Allocation Constraints on interconnections between Bidding Zones where these Allocation Constraints are included in the day-ahead Cross Zonal Capacity allocation process, if specified in the respective regional or border specific annexes.
  - (b) in case of day-ahead Explicit Allocation different from fallback allocation for Implicit Allocation for Physical Transmission Rights, the price shall be the Marginal Price of the daily Auction at which that Physical Transmission Right was reallocated, for the concerned hourly period; and
  - (c) in case of fallback allocation of Implicit Allocation or Explicit 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.
2. The Allocation Platform shall compensate the Long Term Transmission Rights holder for the Financial Transmission Rights and 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.
3. The Allocation Platform shall compensate the Long Term Transmission Rights holder in accordance with Article 59.1 letter (a) and (b) 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:

- (c) 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 of incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons; and
  - (d) 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 Deadline specified in Article 58. For the avoidance of doubt a Capacity Shortage shall be automatically deemed by the Allocation Platform as requiring a curtailment to ensure operation remains within the applicable Operational Security Limits to the extent it occurs before the Firmness Deadline.
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 Deadlines shall be curtailed in the same way as day-ahead and intraday capacity.
4. Long Term MNNs may be curtailed ex-post after the Long Term Gate Closure whether before or after the Firmness Deadline in accordance with these Allocation Rules.
5. 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.
6. This Chapter 9 should be read in conjunction with Sections D6 and D7 of the Access Rules published on BritNed's website which cover the curtailment of Daily and Intraday Interconnector Capacity and Daily and Intraday MNNs.

### *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. 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.
5. 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.

6. 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.
7. 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*

**Day Ahead Firmness deadline**

1. The Allocation Platform shall take into account for the calculation of compensation for curtailed Long Term Transmission Rights the following Firmness Deadline of: 11:00 a.m. on the first (1st) day preceding the delivery day, unless otherwise specified by the Allocation Platform on its website.

*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 a price calculated as follows:
  - (a) the Market Spread resulting from an implicit Day Ahead Auction held on behalf of BritNed at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the curtailed Long Term Transmission Rights, and 0€/MWh, otherwise. If applicable this price may be adjusted, if specified in the respective regional or border specific annexes, to reflect Allocation Constraints on interconnections between Bidding Zones where these Allocation Constraints are included in the day-ahead Cross Zonal Capacity allocation process. The direction of the curtailed Long-Term Transmission Right shall be determined by the destination and the origin Bidding Zones as defined in the Auction Specifications of the concerned Long Term Transmission Right; or
  - (b) the Auction Price of the explicit Day Ahead Auction if it had been performed for the affected Business Day and no implicit Day Ahead Auction has been held on behalf of BritNed;
  - (c) the Marginal Price of the initial Auction if no explicit Day Ahead Auction has not been performed for the affected Business Day and no implicit Day Ahead Auction has been held on behalf of BritNed
2. If specified in the relevant annexes to these Allocation Rules a cap shall be applied to the compensations on specific bidding zone borders. The cap shall be determined as the total amount of Congestion Income collected by the concerned TSOs on the respective Bidding Zone border in the relevant calendar year, deducting all remunerations paid according to Articles 40 and 48 and compensations paid according to Article 60 and where applicable Article 61.



3. In case of Direct Current interconnectors, the cap shall be determined as the total amount of Congestion Income collected by the concerned TSOs on the Bidding Zone border in the relevant month, deducting all remunerations paid according to Article 40 and Article 48 and compensations paid according to Articles 60 and where applicable Article 61 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 on the concerned Bidding Zone Border and the revenues generated by the monthly Auction and congestion income from other timeframes which occurred during this month on the concerned Bidding Zone border.
4. If, before application of the relevant cap described in paragraph 2 of this Article, the total calculated compensations of curtailed Long Term Transmission Rights exceed the relevant cap, the compensations of curtailed Long Term Transmission Rights shall be reduced on a pro rata basis. This will be based on the proportion of uncapped compensation of allocated Long Term Transmission Rights due to each Registered Participant in the relevant period (calendar month or calendar year). The compensations due to each Registered Participant will be calculated as follows:

(Uncapped compensations of curtailed Long Term Transmission Rights due to Registered Participant)/(Total uncapped compensations of curtailed Long Term Transmission Rights due to all Registered Participants) x (Relevant Cap as described in paragraph 2 of this Article)

#### *Article 60*

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

1. 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; or
  - (b) 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
  - (c) 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.

#### *Article 61*

#### **Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the D 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) the Market Spread resulting from an implicit Day Ahead Auction held on behalf of BritNed at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the curtailed Long Term Transmission Rights, and 0€/MWh, otherwise. If applicable this price may be adjusted, if specified in the respective regional or border specific annexes, to reflect Allocation Constraints on interconnections between Bidding Zones where these Allocation Constraints are included in the day-ahead Cross Zonal Capacity allocation process. The direction of the curtailed Long-Term Transmission Right shall be determined by the destination and the origin Bidding Zones as defined in the Auction Specifications of the concerned Long Term Transmission Right; or

- (b) the Auction Price of the explicit Day Ahead Auction if it had been performed for the affected Business Day and no implicit Day Ahead Auction has been held on behalf of BritNed;

## 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.

*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. Where compensations are due to the Registered Participant in respect of curtailment of Long Term Transmission Rights and are subject to a cap set forth in Article 59(2), such compensations shall be settled with the first invoice to be issued after the end of the relevant month and subject to a cap determined as the total amount of Congestion Income collected by the concerned TSOs on the Bidding Zone border in the relevant month, deducting all remunerations paid according to Article 40 and Article 48 and compensations paid according to Article 60 and where applicable Article 61 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 on the concerned Bidding Zone Border and the revenues generated by the monthly Auction and Congestion Income from other timeframes which occurred during this month on the concerned Bidding Zone border.
- 7. An invoice shall be issued after the end of the relevant period over which caps on compensation are calculated in accordance with Article 59(2), reconciling any discrepancy between the compensations paid out on a monthly basis and the compensations required to be paid out in accordance with Article 59(2). In the case of default of a market participant, TSO cost recovery shall be ensured by relevant NRAs in accordance with the applicable legislation.
- 8. 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.
- 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 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.
- 10. 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.

- 11. 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.

12. Upon the collection of the payment as set forth in paragraph 8 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
13. 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.
14. 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.
15. 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) 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 legislation or any action by competent authorities at national level 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 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 legislation such as any 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**

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 including transfer of Long Term Transmission Rights 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 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.

**ANNEX 2 BORDER SPECIFIC ANNEX**

**TO THE BRITNED ALLOCATION RULES IN ANNEX 1**

## CHAPTER 1 GENERAL PROVISIONS

### Section 1

#### Subject-matter and scope

1. In accordance with Article 4 (*Regional specificities*) of the BritNed Allocation Rules, regional or border specificities may be introduced for one or more Bidding Zone borders. Rules described in this Annex apply to the Netherlands-Great Britain border comprising the Interconnector operated by BritNed (the “**Border**”).
2. The capitalised terms used in this Annex are defined or referred to in the BritNed Allocation Rules or in the Access Rules unless otherwise specified below:

**Long Term Auction** means an auction held for the purposes of Forward Capacity Allocation;

**Reserve Price** means the minimum price in a Long Term Auction for which Long Term Transmission Rights are offered, as approved by the relevant National Regulatory Authorities. This minimum price will be set by reference to costs and not by reference to predictions of market revenues. Several steps of minimum prices may be identified within an Auction, ranging from the marginal cost to the full cost (including an allowance for capital expenditure) of operating the Interconnector;

**Weighted Average Marginal Price** means, in relation to a Registered Participant, the Weighted Average Marginal Price of the Long Term Transmission Rights of that Registered Participant, the aggregate of which forms its entitlement set out in the applicable Rights Document.

### Section 2

#### Effective date and application

1. This Annex shall be effective from the date on which the BritNed Allocation Rules and Access Rules enter into force, subject to approval from the relevant National Regulatory Authorities. This Annex shall be reviewed annually by BritNed and the National Regulatory Authorities may also request a review. In the event that this Annex requires amendment, Article 68 (*Duration and amendment of Allocation Rules*) of the Allocation Rules shall apply.
2. The Allocation Rules and this Annex shall apply to Long Term Transmission Rights and all other rights and obligations in relation to the Border including those acquired before but with all or part of the delivery period occurring after the date on which the Allocation Rules and this Annex take effect in accordance with paragraph 1 above.

## CHAPTER 3 COLLATERALS

### *Section 3* **Collaterals**

1. By way of amendment to Article 20(e) (*Form of cash deposit*) of the BritNed Allocation Rules, the dedicated Business Account will not be used by the Allocation Platform for the purposes of settlement and must in all cases be opened in the name of the Allocation Platform at a financial institution selected by the Allocation Platform.
2. By way of amendment to Article 21 (*Form of Bank Guarantee*) of the BritNed Allocation Rules, the requirement to provide a Bank Guarantee may be satisfied by delivery of an equivalent instrument (“Alternative Guarantee”) in terms acceptable to the Allocation Platform, issued by a financial institution other than a bank with a long term credit rating meeting the requirements of Article 21(1)(h).

### *Section 4* **Credit Limit**

1. For the purposes of calculating the Credit Limit under Article 23 (*Credit Limit*) of the BritNed Allocation Rules and Rule B5 (*Payment Security*) of the Access Rules, any outstanding payment obligations of the Registered Participant under the Access Rules shall additionally be taken into account.
2. In the case of Long Term Auctions with a Product Period greater than one (1) month, one (1) month of potential maximum commitment associated with the Bid will be considered for the purposes of assessing the Credit Limit. (For example, in an Auction with a Product Period of a year where the Credit Limit is one hundred Euros (€100), Bids will be permitted up to a level that creates a total Product Period commitment of one thousand two hundred Euros (€1,200)).

### *Section 5* **Calls on collaterals**

The right of the Allocation Platform to call upon the collateral of a Registered Participant in respect of the Border under Article 26 (*Calls on collaterals*) of the BritNed Allocation Rules and Rule B5 (*Payment Security*) of the Access Rules shall additionally apply in relation to any sum invoiced under the Access Rules that a Registered Participant has failed to pay by the due date for payment.

## CHAPTER 4 AUCTIONS

### Section 6

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

1. For the purposes of Article 30 (*Reduction Periods of Offered Capacity*) of the Allocation Rules in, Reduction Periods may be included by the Allocation Platform in the Auction Specification for Products with a Product Period of twelve months on the basis of indicative start and finish times for reductions in Cross Zonal Capacity that will subsequently be confirmed by the Allocation Platform with as much advance notice as reasonably practicable, provided that the aggregate period of reduction shall not exceed that specified in the Auction Specification.

### Section 7

#### **Reserve Price**

1. In Article 35(4) (*Auction Results Determination*) of the Allocation Rules and for the purposes of determining the Auction results, paragraph (a) shall be deleted and the following shall be inserted as new paragraphs (a) and (b) (and the existing paragraph (b) shall become (c)):
  - a. Bids with prices lower than the Reserve Price will be excluded for the purposes of determining the Auction results and, as a consequence, the Marginal Price will always be equal to or higher than the Reserve Price; and
  - b. If the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is equal to or lower than the Offered Capacity for the relevant Auction then the Bids will be accepted and the Marginal Price will be the Reserve Price.
2. The Reserve Price for a particular Auction will be made available to Registered Participants as soon as practicable after the Auction has finished. Confirmation of the Reserve Price shall be submitted to both The Gas and Electricity Markets Authority and the Netherlands Authority for Consumers and Markets immediately before any Auction is conducted.

## CHAPTER 5 RETURN OF LONG TERM TRANSMISSION RIGHTS

### *Section 8*

#### **Returns**

1. By way of amendment to Article 39(1) (*Process of the return*) of the Allocation Rules, Long Term Transmission Rights may only be returned directly by the Long Term Transmission Right Holder(s). For the avoidance of doubt, a notification sent indirectly through a third party will not be accepted by the Allocation Platform.
2. By way of amendment to Article 39(7) (*Process of the return*) of the Allocation Rules, the inability of the Allocation Platform to register a return shall include circumstances in which the Allocation Platform is not able to accept a return for legal or regulatory reasons.

### *Section 9*

#### **Transfers**

By way of amendment to Article 42 (*Process of the transfer*) of the Allocation Rules, the notifications of transfers of Long Term Transmission Rights can only be achieved directly by the Long Term Transmission Right Holder(s). For the avoidance of doubt, a notification sent indirectly through a third party will not be accepted.

## **CHAPTER 7 USE AND REMUNERATION OF LONG TERM TRANSMISSION RIGHTS**

### *Section 10*

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

1. For the purposes of calculating the remuneration payable to a Registered Participant under Article 48(1) (*Remuneration of Long Term Transmission Rights holders for non-nominated Physical Transmission Rights and Financial Transmission Rights*) of the Allocation Rules:
  - a. the “Market Spread” to be calculated under Article 48(1)(a) shall be calculated as the Weighted Average Marginal Price; and
  - b. the Marginal Price of the initial Auction to be calculated under Article 48(1)(c) shall be calculated as the Weighted Average Marginal Price.

### *Section 11*

#### **Cancellation of a Long Term Nomination Gate**

Where Long Term Physical Transmission Rights have been issued and technical difficulties with the Auction Tool occur, the Allocation Platform may be forced to cancel a Long Term Nomination Gate. In that case, the Allocation Platform shall inform the Registered Participants as soon as practicable of such cancellation. Should BritNed cancel a Long Term Nomination Gate, the Registered Participant’s corresponding Long Term Physical Transmission Rights set out in the Rights Document shall be compensated in accordance with Article 48(1) of the Allocation Rules in and Section 10 of this Annex.

### *Section 12*

#### **Deemed Metered Volumes**

1. When a Registered Participant issues a Mid North Sea Nomination of Physical Transmission Rights, then the Allocation Platform will, subject to paragraph 2 below, ensure that a corresponding Deemed Metered Volume, as adjusted to reflect DC losses on the Interconnector and for any reductions in Mid North Sea Nominations as a result of curtailment, is allocated to the relevant Registered Participant for the purposes of the Balancing and Settlement Code using the Deemed Metered Volume allocation rules set out in Schedule 3: “Deemed Metered Volume Allocation” of the Access Rules.
2. The capacity calculation methodology takes into account DC losses on the Interconnector, the calculation of Deemed Metered Volumes allocated in accordance with paragraph 1 above shall be amended to reflect that methodology.



## CHAPTER 9 CURTAILMENT

### Section 13

#### Curtilment general provisions

1. This chapter should be read in conjunction with Rules D6 (*Curtilment*) and D7 (*Curtilment Reconciliation*) of the Access Rules published on the website of the Allocation Platform which covers the curtilment of Day Ahead and Intraday Transmission Rights and Day Ahead and Intraday MNNs.
2. For the purposes of Article 56 (*Triggering events and consequences of curtilment on Long Term Transmission Rights*) of the Allocation Rules, a Capacity Shortage, as defined in paragraph 3 of this Section 13, occurring:
  - a. before the Day Ahead Firmness Deadline, may be considered by the Allocation Platform to have been triggered by a breach of the Operational Security Limits or an event of Force Majeure; or
  - b. on or after the Day Ahead Firmness Deadline, may be considered by the Allocation Platform to have been triggered by an emergency situation or an event of Force Majeure,

and, in either case, for the purposes of Article 57 (*Process and notification of curtilment*) of the Allocation Rules, the aggregate quantity of Transmission Rights to be curtilment on a pro rata basis with any Day Ahead or Intraday Transmission Rights to be curtilment in accordance with the Access Rules shall be equal to the Curtilment Quantity calculated in accordance with paragraph 3 of this Section 13.

3. A Capacity Shortage occurs in any minute in a direction if:

$$NTC_{dir} < \Sigma \text{Capa}^{GNC}_{dir} + \Sigma \text{MNN}^{GC}_{dir} - \Sigma \text{MNN}^{GC}_{opp}$$

Where:

$NTC_{dir}$	is the value of the Interconnector Capability at that time in that direction; and
$\Sigma \text{Capa}^{GNC}_{dir}$	is the sum of the Transmission Rights, across all Registered Participants in that direction and for all timescales, including any Day Ahead and Intraday Transmission Rights allocated under the Access Rules, for which Nomination Gate Closure has not yet occurred, (before curtilment of those rights); and
$\Sigma \text{MNN}^{GC}_{dir}$	is the sum of the MNN values, across all Registered Participants in that direction for all timescales, in respect of Units for which Nomination Gate Closure has occurred, (before curtilment of that MNN in respect of the relevant Capacity Shortage in accordance with this Annex or the Access Rules); and
$\Sigma \text{MNN}^{GC}_{opp}$	is the sum of the MNN values, across all Registered Participants in the opposite direction for all timescales, in respect of Units for which Nomination Gate Closure has occurred, (before curtilment of that

MNN in respect of the relevant capacity  
Shortage in accordance with this Annex or  
the Access Rules),

and the “Curtailment Quantity” is the positive number equal to the difference between the Net Transfer Capacity in such direction and ( $\Sigma \text{CapaGNCdir} + \Sigma \text{MNNGCdir} - \Sigma \text{MNNGCopp}$ ).

#### *Section 14*

### **Curtailment of Long Term Transmission Rights and Long Term MNNs**

1. If a Registered Participant’s Long Term Transmission Rights or Long Term MNNs have been curtailed as a result of a triggering event described in Article 56 of the Allocation Rules (*Triggering events and consequences of curtailment on Long Term Transmission Rights*) as amended by paragraph 2 of Section 13 of this Annex then any such Long Term Transmission Rights and Long Term MNNs will not be reinstated if the Allocation Platform, acting reasonably, decides to increase the Interconnector Capability in any Settlement Period (either GB or NL) in any flow direction. Any such increase of Interconnector Capability will be added to the Offered Capacity in the next available Auction.

#### *Section 15*

### **Compensation for curtailments general provisions**

1. For the purposes of Chapter 9 (*Curtailment*) of the Allocation Rules:
  - a. any calculation of the “Market Spread” shall be calculated as the Weighted Average Marginal Price; and
  - b. any calculation of the “Marginal Price of the initial Auction” shall be calculated as the Weighted Average Marginal Price.

#### *Section 16*

### **Compensation for curtailments of Long Term Transmission Rights**

1. For the purposes of Article 59 of the Allocation Rules, the compensation payable in respect of Long Term Transmission Rights shall be subject to the caps set out in paragraph 3 of that Article.
2. For the purposes of Article 59(3) of the Allocation Rules, there shall be deducted from the total amount of Congestion Income for the relevant month, in addition to the remuneration paid under Articles 40 and 48 and the compensation paid under Articles 60 and 61 for that month, any amount paid by way of compensation under Section 11 of this Annex (*Cancellation of a Long Term Nomination Gate*).

## CHAPTER 10 INVOICING AND PAYMENT

### Section 17

#### Invoicing and payment conditions

1. Article 65(10) (*Invoicing and payment conditions*) of the Allocation Rules shall not apply in respect of the Border and the following shall apply in its place:

“Payments by the Registered Participant under paragraph 7 of this Article shall be made as follows:

- a. 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; or
  - b. alternatively, the Allocation Platform shall, subject to prior agreement with the Registered Participant, collect the payment automatically from any bank account other than the dedicated Business Account (which, for the avoidance of doubt, may only be used for the purposes of holding collateral) of the Registered Participant on the due date of the invoice.
2. The alternative procedure set out in sub-paragraph b may only be used upon request of the Registered Participant and with the consent of the Allocation Platform. The Registered Participant may request the Allocation Platform to use the alternative procedure by email at least two (2) Working Days before the date of issuing of the next invoice under paragraph 2 of this Article (as amended by the Annex). Once the alternative procedure is agreed, it shall be deemed to be valid until otherwise agreed between the Registered Participant and the Allocation Platform.”

### Section 18

#### Invoicing

1. By way of amendment of Article 65(2) to (8) (inclusive) (*Invoicing and Payment Conditions*) of the Allocation Rules, unless notified otherwise, no later than the 10th Working Day of each month, the Allocation Platform will send by email as a PDF attachment (or by any other means as indicated from time to time by the Allocation Platform) to the Registered Participant an invoice or credit note stating:
  - a. the monthly instalments payable by the Registered Participant in respect of the portion related to month M+1 of Long Term Transmission Rights, the Product Period of which is equal to or greater than one month, and the allocation of which will have taken place before the 3rd Working Day of month M;
  - b. the monthly instalments payable by the Registered Participant in respect of the portion related to month M of Long Term Transmission Rights, the Product Period of which is equal to or greater than one month, and the allocation of which will have taken place after or on the 3rd Working Day of month M-1;
  - c. the amount payable by the Registered Participant in respect of Long Term Transmission Rights, the Product Period of which is less than one (1) month and starts in month M-1;
  - d. the monthly instalments payable by the Allocation Platform to the Registered Participant in respect of the portion related to month M+1 of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is

equal to or greater than one month, and the allocation of which will have taken place before the 3rd Working Day of month M;

- e. the monthly instalments payable by the Allocation Platform to the Registered Participant in respect of the portion related to month M of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is equal to or greater than one month, and the reallocation of which will have taken place after or on the 3rd Working Day of month M-1;
  - f. the amount payable by the Allocation Platform in respect of the Long Term Transmission Rights returned for reallocation in Auctions in accordance with Chapter 5 (*Return of Long Term Transmission Rights*) in Auctions, the Product Period of which is less than one (1) month and starts M-1;
  - g. any amount payable by the Allocation Platform in respect of non-nominated Long Term Physical Transmission Rights or any amount payable by the Allocation Platform in respect of Long Term Financial Transmission Right Options;
  - h. where practicable, the notification of the portion related to month M-1 of the Long Term Transmission Rights subject to transfer in accordance with Chapter 6 (*Transfer of Long Term Transmission Rights*) by or to the Registered Participant;
  - i. any amounts payable or credits due to the Registered Participant by the Allocation Platform under Chapter 9 (*Curtailment*) as amended by this Annex;
  - j. any amount payable by the Registered Participant to the Allocation Platform for any training requested by the Registered Participant, in addition to the Standard Training provided for the use of the Allocation Platform;
  - k. any taxes payable by the Registered Participant or the Allocation Platform in respect of amounts in the invoice;
  - l. the total amounts payable by the Registered Participant to the Allocation Platform under that invoice (or receivable by the Registered Participant from the Allocation Platform under that credit note); and
  - m. any other information required to be included in the invoice under English or Dutch law.
3. Where an invoice issued by the Allocation Platform does not contain full background data for the derivation of invoice summary amounts, then the Registered Participant may consult the Auction Tool to obtain such background data.
4. Any invoice issued under Article 65 (*Invoicing and payment conditions*) of the Allocation Rules may include other items including those to be invoiced under the Access Rules.

## CHAPTER 11 MISCELLANEOUS

### *Section 19*

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

By way of clarification to Article 68(6) (*Duration and amendment of Allocation Rules*) of the Allocation Rules in, the biennial review required of the Allocation Rules and the border and /or regional specific annexes included with the Allocation Rules by the relevant TSOs shall be treated as satisfied to the extent that any such review is undertaken in accordance with the requirements of competent National Regulatory Authorities.

### *Section 20*

#### **Liability**

By way of clarification of Article 69(2) (*Liability*) of the Allocation Rules in, the Allocation Platform shall not be liable for damages caused by any act or omission that does not amount to fraud, gross negligence or wilful misconduct or that does not cause death or personal injury of any person.