

Intraday Auction Rules

for the
Allocation of capacities
on the
interconnection
between the
control areas
of
CN TRANSELECTRICA SA (“TRANSELECTRICA”)
and
EMS (“ EMS”)

(“Intraday Auction Rules”)
(Annex ./3 of the “AGREEMENT”)

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1. Definitions and interpretation

1.1 The following capitalized words in these Rules and its Annexes have the meaning ascribed thereto in this paragraph 1.1:

- **“Allocation”** - the processes by which the Intraday Auction Office attributes Capacity to the Auction Participant according to the Intraday Auction Rules in response to a Capacity Request.
- **“Applicant”** means a legal person applying to become an Auction Participant;
- **“Auction Participant”** (further Participant) - A person and/or an entity taking part in the auction procedures set out in the Intraday Auction Rules and submitting to the Intraday Auction Rules. The auction participants have to complete and sign a Registration Form for participation in intraday auctions (Annex 1) confirmed by TRANSELECTRICA and allocation contracts with TRANSELECTRICA.
- **“Auction Price”**- the price in EUR/MW per hour to be paid by Participants receiving capacity in case the total amount of the requested allocated network capacity exceeds the ATC.
- **“Available Intraday Transfer Capacity (ATC)”** - the part of the NTC that remains available, after each phase of the allocation procedure, considering the netting process, for further commercial activity and which shall be offered in the intraday auction procedures.
- **“Bid”**- an offer submitted during an auction by a Participant to purchase rights to use capacity pursuant to and in compliance with these Intraday Auction Rules. An offer consists of two values per product: Capacity in MW and Bid Price in EUR per MW per hour.
- **“Bid Price”**- the highest price which an Participant is willing to pay for 1 MW of Capacity per hour
- **“BRP”** – Balance Responsible Party, a market participant recognized by TSOs (as nomination validators) for the nomination of allocated capacity. It must be identified with a unique EIC code. On the TRANSELECTRICA side it is the market participant with a valid and effective balancing contract with TRANSELECTRICA. On EMS side it is the market participant with a valid and effective contract with EMS on acquiring and using capacity rights at the borders of EMS control area and nomination and balancing of the schedules or balancing contract.
- **“Business Day”** – every calendar day.
- **“Capacity”** - physical transmission right (PTR) of electrical power (=energy per time unit), defined by a value, expressed in whole Megawatts, over the Romania-Serbia Interconnection, either from Romania to Serbia or from Serbia to Romania.
- **“Capacity Allocation”** - the allocation of Capacity to Participants through the Capacity Allocation Platform pursuant to these Rules;
- **“Capacity Allocation Platform”** - an internet based platform to perform the Intraday Capacity Allocation Auction, technically hosted by DAMAS and functionally operated by the Intraday Auction Office, and which can be accessed at website: <https://markets.transelectrica.ro/>;
- **“Capacity Request”** - a request by a Participant for Capacity Allocation submitted on the Capacity Allocation Platform.
- **“Curtailement of Allocated Capacities** - the reduction of allocated capacities by Intraday Auction Office (based on the request of EMS and/or TRANSELECTRICA) in respect of the Participants. Curtailement of Allocated Capacities shall only be used in case of emergency situations. Any such

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procedure shall be applied in a non-discriminatory manner.

- **“Day D”** - the day on which intraday electricity transfers take place on the Interconnection.
- **“EIC-Code”** - Energy identification code of a Participant in a cross-border trade (see https://www.entsoe.eu/fileadmin/user_upload/edi/library/eic/cds/area.htm).
- **“ENTSO-E”** – (European Network of Transmission System Operators for Electricity): an International Association with membership of European Transmission System Operators.
- **“ EMS (JP Elektromreža Srbije) ”** - company with registered office on Kneza Miloša 11, 11000 Beograd, Serbia and incorporated in the Serbian Business Register with the Company Identification No. 20054182
- **“EU-Regulation”**: Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity concerning common rules for internal market in electricity
- **“Force Majeure”** - operational conditions and/or events and/or circumstances which are beyond the reasonable control of TRANSELECTRICA and/or EMS, and which cannot be prevented or overcome with reasonable foresight and diligence, such as, but not limited to, international superimposed Loop Flows, atmospheric phenomena considered irresistible due to their cause or on account of their size or duration, unexpected or irresistible generation capacity outages or limitations, if TRANSELECTRICA and/or EMS are only able to counteract them by endangering the security of supply, and/or which cannot be solved by measures which are from a technical, financial and/or economic point of view reasonably possible for TRANSELECTRICA and/or EMS.
- **“Gate-Closure Time (“GCT”) ”**: is a specified time providing a deadline for submission of schedules by market parties.. The GCT is related to the timestamp of reception.
- **“Interconnections”** -a single and/or double circuit lines between the Romanian and Serbian transmission system which connects the control areas of TRANSELECTRICA and EMS synchronously.
- **“Intraday Auction Office”** - a legal entity appointed by the TSOs, which operates the Capacity Allocation Platform and is responsible for the handling of the intraday auction procedures on behalf of TRANSELECTRICA and EMS. Pursuant to these Rules, this function is commissioned to TRANSELECTRICA.
- **“Intraday cross-border exchanges”** – physical notification of exchanges on the interconnection considering the results Intraday Capacity Allocation auctions.
- **“Net Transfer Capacity” (“NTC”)** - the maximum exchange program between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions.
- **“Transfer”** - the trading of the allocated capacity purchased in the course of yearly and monthly auctions between market participants.
- **“TRANSELECTRICA”** - CN TRANSELECTRICA SA with registered office in Bucharest, Sector 1,33 Gen. Gh. Magheru Blvd, and business address in Bucharest, Sector 3, Olteni 2-4 and incorporated in the Commercial Register kept by Bucharest Commercial Register Office with the Company Identification No. J40/8060/2000.
- **“TSO”** - means a Transmission System Operator, being either TRANSELECTRICA or EMS;

1.2 In paragraph 1.1, unless provided otherwise, definitions of terms in singular shall be construed as to include such terms in plural, and vice versa.

1.3 In these Rules the headings shall not affect their interpretation

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2. General provisions

- 2.1 In accordance with Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity concerning common rules for internal market in electricity, these Rules set forth the terms and conditions governing the Intraday Allocation of Available Transmission Capacity in both directions on the Interconnection in a transparent and non-discriminatory manner.
- 2.2 Available Intraday Transfer Capacity is allocated by the Intraday Auction Office, operating through the DAMAS platform. TRANSELECTRICA is appointed by the TSOs as the Intraday Auction Office.
- 2.3 In determining the Capacity safely available for Allocation, the mutual influence of Allocation in the entirety of the European extra high-voltage grid is taken into consideration. In the calculation of Capacity netting is applied.
- 2.4 EMS and TRANSELECTRICA will fully accept the result of the individual auction procedures held by the other party provided these procedures are consistent with the terms and conditions of the Rules and will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access, and applicable market rules.
- 2.5 The TSOs shall not charge Participants a fee, under whatever denomination, for the participation in the Capacity Allocation. The auction of the ATC and the financial settlement of the ATC purchased via an auction do not include energy transports or any rights, liabilities or financial aspects concerning energy transport.
- 2.6 These Rules may be amended by the TSOs upon approval of Regulatory Authorities pursuant to a change of the regulatory framework, to improve or clarify provisions and procedures or to fill gaps. In exercising this right the TSOs shall not be liable for any damages or compensatory payments claimed by a Participant as a result of it.
- 2.7 Each purchase of intraday capacity made pursuant to the Rules shall be deemed to constitute a contract between TRANSELECTRICA on the one hand and the Participant on the other hand ("Contract") With the purchase of intraday capacity the Participant assumes the rights and the duties set out in the Rules, especially the full payment of the Auction Price in due time.
- 2.8 If the Participant does not fulfill or only partially fulfills any obligation resulting from the Contract in due time, especially if the Participant does not pay the full Auction Price within the time limits set out in the Rules, TRANSELECTRICA is entitled either to enforce the completion of the Contract and hold the Participant liable for the Auction Price, interests, charges and expenses including attorney's fees, arising from the enforcing of the completion of the Contract or to withdraw from the Contract and hold the Participant liable for the total damage resulting from the withdrawal, such as, but not limited to fees, including attorney's fees, expenses.
- 2.9 With the delivery of a bid the Participant shall be obliged to pay the Auction Price for the allocated capacity, independent of the actual use and other transmission fees.. The Participants shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claims of EMS and/or TRANSELECTRICA, whether or not arising out of an auction.
- 2.10 If the Participant does not comply with the Rules, he shall be expressly barred from the participation in the auction process and his bids shall not be accepted by the Intraday Auction Office.
- 2.11 By notification of the auction result, the Participant obtains the guarantee of EMS and TRANSELECTRICA that by settlement of the payment in accordance with the Rules, the Capacity shall be allocated in accordance with the notified auction results with the exception of emergency situations, including Force Majeure.
- 2.12 To avoid problems related to the potential use of dominant position of any market player, the relevant Regulatory and/or Competition Authorities from Romania and Serbia, may impose additional restrictions in general or on an individual company on account of market dominance. The Auction Office will act accordingly in the course of the year. Any such restriction has to be set forth in advance in announcement of ATC.

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- 2.13 The actual version of the Rules will be published on the website of TRANSELECTRICA (www.transelectrica.ro) as well as on the website of EMS (www.ems.rs), minimum 15 days before coming into force. By the delivery of a bid after the amendments and/or the adaptations being published, the Participant submits to the new version of the Intraday Auction Rules.
- 2.14 The allocated capacity or capacity corresponding to submitted schedules can be curtailed in cases described in Annex 2. In this Annex the details about curtailment procedure including financial issues are also described.
- 2.16 Annexes to these Rules form a part thereof.

3. Participation on the Intraday Capacity Allocation Auction

3.1 Requirements for participating on the Intraday Capacity Allocation Auction

- 3.1.1 An Applicant can be appointed as Participant to the intraday Capacity Allocation auction if he holds a license and capacity allocation contract and has valid EIC Code.
- 3.1.2 With the delivery of the Bids for the Intraday Capacity Allocation Auction, the Participant declares legally binding and irrevocably that:
- i. he is business company/entrepreneur operating and incorporated under law and is not subject to bankruptcy or liquidation proceedings;
 - ii. he is in full and complete knowledge of the actually applicable Rules, which are published at the website of the Intraday Auction Office (www.transelectrica.ro);
 - iii. he accepts and submits without any reservation/restriction to these actually applicable Rules;
 - iv. there are no court or other proceedings in progress against him that would threaten the fulfillments of the conditions set out in these Rules;
 - v. the representative(s) who sign(s) the bid have all authorizations by law or from other organizations, based on which they are able to assume the obligations arising out of participation;
 - vi. he has not any debts outstanding to the concerned TSOs (TRANSELECTRICA and/or EMS)
- 3.1.3 In case the Participant does not meet any of the above requirements he shall be excluded from the auction.

3.2 Suspension and withdrawal of the participation

- 3.2.1 The Intraday Auction Office shall suspend a Participant, if that Participant no longer meets the requirements of paragraph 3.1.1 and 3.1.2.
- 3.2.2 The suspension notice indicates the reason for the suspension and the date at which it takes effect.
- 3.2.3 The suspension ends on the 5th Business Day following the day on which the situation which has led to the suspension has been remedied.
- 3.2.4 The Intraday Auction Office informs the Participant of the lifting of the suspension before 12.00 hrs on the Day immediately preceding the 5th Day referred to in the previous full sentence.
- 3.2.5 The participation to the Intraday Capacity Auction of a Participant shall be withdrawn by the Intraday Auction Office, if:
- i. an event as referred to in 3.2.1 happens;
 - ii. the Participant has misused any of its rights under these Rules, or has acted on the Capacity Allocation Platform in a way which is harmful to other Participants, to the Intraday Auction Office, a TSO or the transparency, fairness and effectiveness of the Intraday Capacity Allocation process, or has committed any fraudulent act regarding the Capacity Allocation of the use of Capacity;

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- iii. the Participant has acted repeatedly in violation of these Rules or energy market regulations in Romania or Serbia, national competition rules or decisions of EU, Romanian or Serbian Regulatory Authorities;
- iv. an authority as referred to in the previous paragraph has ordered the withdrawal, it being understood that the TSOs and the Intraday Auction Office are under no obligation to investigate or review the grounds for such order;

The withdrawal notice indicates the reason for the withdrawal and the date at which it takes effect.

3.2.6 A Participant is not entitled to damages or compensatory payments as a result of a suspension or withdrawal.

3.2.7 The suspension or the withdrawal of a Participant does not affect the right of another Participant, the Intraday Auction Office or a TSO to seek remedies in law or contract against that Participant for damage it has suffered or may suffer as a result of acts or omissions committed by the Participant that has been suspended.

4. Intraday Capacity Allocation Auction

4.1 DAMAS System

4.1.1 The Intraday Capacity is exclusively allocated through the Capacity Allocation Platform, an internet based platform, technically hosted by DAMAS and functionally operated by the Intraday Auction Office, and which can be accessed at website: <https://markets.transelectrica.ro>

4.1.2 In accessing the Capacity Allocation Platform and acting on it, the Participants must follow the rules and instructions as laid down in the "Capacity Trader DAMAS User Guide" published on the website of TRANSELECTRICA (www.transelectrica.ro).

4.1.3 All issues concerning the intraday auctions, such as, but not limited to, the security, technical and operational issues concerning the DAMAS system and particularly the "DAMAS Capacity Trader User Guide" are developed by TRANSELECTRICA. Therefore the execution and the administration of the intraday auctions are totally in the responsibility of TRANSELECTRICA. Consequently TRANSELECTRICA takes full responsibility for the correct, non-discriminatory and transparent execution of the Intraday Capacity Allocation Auctions and for the full compliance with applicable national and EU laws and/or regulatory requirements.

4.1.4 The Intraday Auction Office reserves the right to change operationally a business day(s) regime in reasonable cases, especially when the following technical problems arise: a general collapse of the Internet, a collapse of all Internet connections of the DAMAS system, or a collapse of DAMAS system (servers, database or DAMAS system application error). All Users of the DAMAS system will be informed, without undue delay, of the actual operational situation.

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

4.2 The Intraday ATC

4.2.1 The intraday ATC equals the net capacity of that month (monthly Net Transfer Capacity - NTC), reduced by the modifications in case of planned or unplanned disconnections of critical network components, further reduced by the scheduled deliveries covered by yearly, monthly and daily capacity and increased by the nominations in the respective counter direction (netting effect).

4.2.2 The intraday ATC will be published and offered during each auction session on hourly basis, for each transmission direction separately.

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4.3 Intraday Capacity Allocation Bids

- 4.3.1 In order to participate in the Intraday Capacity Allocation Auction, Bids shall be submitted to the DAMAS system in accordance with the "Capacity Trader DAMAS User Guide" document.
- 4.3.2 The Bids are on hourly basis for upcoming session (4 (four) hours), for each of both direction of transmission and must contain the following unambiguous and legible specifications:
- 4.3.2.1 Identification of the Participant,
 - 4.3.2.2 Specification of the transmission direction,
 - 4.3.2.3 Day the bid refers to (day on which intraday electricity transfers take place on the Interconnection),
 - 4.3.2.4 The transmission capacity to be allocated in MW (positive values, minimum amount 1 MW, maximum published ATC for the bidding hour.)
 - 4.3.2.5 The value of the Bid Price in EUR/MW/h (values bigger than zero, with max. two decimals). Bids must state the highest Auction Price the Participant is willing to pay.
- 4.3.3 The Participant is entitled to submit up to 10 independent Bids for one profile and one transmission direction.
- 4.3.4 DAMAS system will reject the Bids, which do not fulfill the above mentioned requirements. They will not be considered in the allocation procedure and the Participant will be informed about the reason for refusal.
- 4.3.5 After successful Bid(s) submission, the DAMAS system will send a confirmation to the bidding Participant, with a time stamp.
- 4.3.6 The Bids confirmation receipt delivered by the DAMAS system is the criterion in meeting the time limit for the auction.
- 4.3.7 In case of any failure during the Bids submission, the Bids will be rejected and the Participant will be informed accordingly.

4.4 Intraday Capacity Allocation Auctions

- 4.4.1 Auction schedule is considered in CET (Central European Time)
- 4.4.2 Intraday Capacity Allocation auctions will be held on each day from Monday to Sunday with no exceptions. EMS and TRANSELECTRICA reserve the right to change operationally a business day regime - i.e. auction time closures, in reasonable cases, in accordance with the "Capacity Trader DAMAS User Guide" especially in case of technical problems.
- 4.4.3 Separate auctions shall be held for the ATC for both transmission directions (from Romania to Serbia and from Serbia to Romania).
- 4.4.4 The Intraday Capacity Allocation auctions will be held in six sessions, as follows:

The initial configuration: 6 sessions, standard day with 24 hours (CET):

Intraday Session	Ordinal Number of Hours	Time Interval (CET)
Session 1.	1.-4.	(00:00:00-04:00:00)
Session 2.	5.-8.	(04:00:00-08:00:00)
Session 3.	9.-12.	(08:00:00-12:00:00)
Session 4.	13.-16.	(12:00:00-16:00:00)
Session 5.	17.-20.	(16:00:00-20:00:00)
Session 6.	21.-24.	(20:00:00-00:00:00)

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The initial configuration: 6 sessions, daylight saving time day with 23 hours (CET):

Intraday Session	Ordinal Number of Hours	Time Interval (CET)
Session 1.	1.–3.	(00:00:00–04:00:00)
Session 2.	4.–7.	(04:00:00–08:00:00)
Session 3.	8.–11.	(08:00:00–12:00:00)
Session 4.	12.–15.	(12:00:00–16:00:00)
Session 5.	16.–19.	(16:00:00–20:00:00)
Session 6.	20.–23.	(20:00:00–00:00:00)

The initial configuration: 6 sessions, daylight saving time day with 25 hours (CET):

Intraday Session	Ordinal Number of Hours	Time Interval (CET)
Session 1.	1.–5.	(00:00:00–04:00:00)
Session 2.	6.–9.	(04:00:00–08:00:00)
Session 3.	10.–13.	(08:00:00–12:00:00)
Session 4.	14.–17.	(12:00:00–16:00:00)
Session 5.	18.–21.	(16:00:00–20:00:00)
Session 6.	22.–25.	(20:00:00–00:00:00)

The time line (CET) for one intraday (ID) session is described in table below (H is the first hour of ID time interval,):

Process	Start time	Closing time CET	Responsibility
Publishing of ID ATC		H - 6:00	TEL
Bids submission	H - 4:00	H - 3:00	BRPs
Publishing ID allocation results	H - 3:00	H - 2:30	TEL

- 4.4.5 All received Bids are ordered by descending Bid Price. In case two or more Bids have the same Bid Price the ordering will be done on the basis of the “first come first served”- ranking principle, according to the time stamp of the Bid.
- 4.4.6 If the total amount of requested capacity is smaller than the ATC or equals the ATC, payment for congestion management procedure will be in amount of zero, i.e. each Participant will receive the allocated capacity according to his Bid and free of charge at the interconnection.
- 4.4.7 If the total amount of the requested capacity exceeds the ATC, the price for the allocated capacities shall be determined by the accepted Bid with the lowest Bid Price and this price will be the "Auction Price".
- 4.4.8 The Auction Price shall be paid by all Participants receiving capacity rights.

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4.5 Publication and Notification of the Results of an Auction

- 4.5.1 After each auction session TRANSELECTRICA will publish, via the DAMAS system, the final results of the Intraday Capacity Allocation Auction, as follows:
- 4.5.1.1 Date and Session of allocated capacity,
 - 4.5.1.2 Specification of direction,
 - 4.5.1.3 Amount of hourly allocated transmission capacity for each Participant in MW,
 - 4.5.1.4 Capacity Agreement Identification for scheduling nomination,
 - 4.5.1.5 Auction price in EUR/MW for each hour.
- 4.5.2 Summary results (for each hour and direction TTC, TRM, NTC, AAC, ATC, total requested capacity, the total allocated capacity, non-allocated capacity, auction price, winners` name, allocated capacity per Participant, income, number of bid submitters, number of winners) will be published on the website of TRANSELECTRICA (www.transelectrica.ro) after the auctions are finished (at.H - 2:30).

4.6 Use of Allocated Capacity

- 4.6.1 General grid access for the use of allocated (purchased) capacity is not covered by the scope of the Rules unless otherwise stipulated in the following provisions.
- 4.6.2 TRANSELECTRICA and EMS will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access in each control area, and applicable market rules of EMS and TRANSELECTRICA.
- 4.6.3 Upon allocation of capacity in the course of an auction, EMS and TRANSELECTRICA commit themselves to ensure that the allocated capacity is operationally feasible for the Participant solely at the Interconnection with the exception of emergency situations, including Force Majeure.
- 4.6.4 The use of allocated transmission capacities operates via the delivery of fixed and binding schedules to EMS and TRANSELECTRICA as well, in compliance with the legal requirements of grid access in each control area, and applicable market rules of EMS and also TRANSELECTRICA. The allocated capacities are used on the basis of the schedules disposal respecting the principle 1:1 (exclusive partnership).
- 4.6.5 The Participants deliver their fixed and binding schedules based on the allocated intraday capacity on both side of the border until the deadline of nomination according to the following deadlines described below:

The time line (CET) for one intraday (ID) session is described in table below (H is the first hour of ID time interval):

Process	Start time	Closing time CET	Responsibility
ID nominations entering	H - 2:30	H - 1:30	BRPs
Confirmation of final nominations	H-1:30	H -1:00	TEL and EMS

Both TSOs are responsible for the matching on Serbian – Romanian border of all intraday schedules and has the eventual possibility of applying agreed rules to resolve possible issues regarding the allocated intraday capacity. The BRPs will be informed by Confirmation Report (CNF) about the matched nominations by H – 1:00. The type of CNF used depends on local market rules. ESS format is used for CNF.

- 4.6.6 The use of allocated capacity is based on the principle "use it or lose it". This means that allocated capacity which is not used by fixed schedules at the time will fall back to EMS and TRANSELECTRICA.

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- 4.6.7 In case the Participants (from the respective pair 1:1 - exclusive partnership) deliver the incompatible schedules of transmission, on the closing time for the intraday nominations entering, the schedules will be reduced or refused. In so far as the schedules do not tally in transmission value terms (MW) only, but the transmission direction tallies, less-valued transmission shall be accepted. Unless the schedules tally in the transmission direction, such unmatched schedules shall not be accepted.
- 4.6.8 In order to use the allocated capacity a valid Contract governing the access to the Transmission System of Romania must be concluded with TRANSELECTRICA before the use of allocated capacity for transmission on TRANSELECTRICA side pursuant to the effective version of the Commercial Code and legal regulations on electric energy in Romania,
- 4.6.9 The allocated capacity use, respecting the principle 1:1 (exclusive partnership) means, that the use is enabled only to registered market participants (one is registered on the EMS side and he meets the requirements of EMS and his partner is registered on the TRANSELECTRICA side and he meets requirements of TRANSELECTRICA for the allocated capacities use). The subjects meeting these requirements are registered by the Intraday Auction Office on the basis of the information exchange between TRANSELECTRICA and EMS. The Intraday Auction Office performs the registration of the exclusive partners on the basis of a joint application of the exclusive partners. The registration is performed only for the whole calendar month and the application must be delivered to the both TSOs at least 5 working days prior the 1st day of the calendar month for which the registration is required. The registered 1:1 partnership is valid for the use of intraday, daily, monthly and yearly capacities.
- 4.6.10 The payment determined in the auction covers only the right for allocated capacity at the interconnection. Transmission fees, will be charged independent from the payment of the Auction Price.

4.7 Assignment (Transfer) of Allocated Capacities

- 4.7.1 The allocated capacities purchased in the course of Intraday Capacity Allocation Auctions **cannot be transferred** to other market participants.

4.8 Accounting, Losing of Allocated Capacity and Exclusion of Participating in Intraday Capacity Allocation Auction

- 4.8.1 The payment and accounting of the Auction Price will be handled by TRANSELECTRICA.
- 4.8.2 The results of the intraday capacity auctions are settled financially between TRANSELECTRICA and the Participants on full-month settlement periods.
TRANSELECTRICA will send the issued invoice to the Participant by post and a copy by fax. The Participant shall credit the invoiced payment to TRANSELECTRICA onto its account stated on the invoice. The invoice will be mature within 8 working days of its issue date.
- 4.8.3 According to the EU and Romanian tax law, VAT will be charged to the payment and will be shown separately on the invoice. In case the Participant declares its VAT registration in an EU Member State the method of the "Reverse charge taxation" that EU enforced is applied. In this mode the Participant must provide TRANSELECTRICA with its EU VAT Number and is obliged to settle the VAT with the respective national tax office. TRANSELECTRICA is entitled to make adjustments of the payment due to increases or introduction of taxes, duties, etc. In case the Participant declares its VAT registration in Serbia, VAT is not charged. The Participant must provide Intraday Auction Office with its Serbian VAT Number and is obliged to settle the VAT with the Serbian tax office.
- 4.8.4 All bank fees have to be paid by the Participant. The date of payment is the date upon which the given amount is credited to the stated account of TRANSELECTRICA. Invoices have to be paid not later than on the mature date stated on the invoice, free of charge and without deduction and/or offsetting (receipt of payment at the account of TRANSELECTRICA).

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- 4.8.5 If such a time limit expires on a bank holiday, payment is due on the following working day.
- 4.8.6 Transmission fees such as, but not limited to, transmission fees resulting from the cross-border-tariffs, including all relevant and allowable charges, will be charged independently of the payment for congestion management.
- 4.8.7 In case of delayed payment TRANSELECTRICA is entitled to charge default rates on a due amount for each day delay in payment corresponding to percent of the interest rate due for not paying in due time the obligations to the state budget, until the day of the payment (exclusively). The total value of the delay payments cannot exceed the invoice value.
- 4.8.8 If the payment of the summary invoice is not settled according to the above mentioned deadlines, EMS and TRANSELECTRICA will enforce the completion of the Contract and the Participant will be excluded from the Capacity Allocation (Daily and Intraday) till the payment is done, but not less than a month, and shall be liable pursuant to the General Provisions set out in chapter 2) of these Rules.

5 Force Majeure

- 5.1. Under Force Majeure can be included operational conditions and/or events and/or circumstances which are beyond the reasonable control of EMS and/or TRANSELECTRICA, and which cannot be prevented or overcome with reasonable foresight and diligence, such as, but not limited to, international superimposed Loop Flows, atmospheric phenomena considered irresistible due to their cause or on account of their size or duration, unexpected or irresistible generation capacity outages or limitations, if EMS and/or TRANSELECTRICA are only able to counteract them by endangering the security of supply, and/or which cannot be solved by measures which are from a technical, financial and/or economic point of view reasonably possible for EMS and/or TRANSELECTRICA

6 Exceptional Circumstances

- 6.1 Exceptional circumstances shall be serious disturbance to the functioning of the IT System(s) or devices within the Intraday Auction Office in cases such as, but not limited to, defined in article 4.1.4.
- 6.2 Exceptional circumstances may be the reason for changing, cancelling or suspending an auction. In case of exceptional circumstances, the Intraday Auction Office shall inform all Participants via DAMAS interface, telephone, fax or e-mail of the status of the relevant auction(s). The TSOs will also publish information on their auction websites, if available.
- 6.3 In cases where auctions are cancelled all Bids already submitted to the Capacity Allocation Platform are deemed as invalid.

7 Applicable Law, Complaint Procedure and Mitigation of disputes

Applicable Law

- 7.1. These Rules shall be governed by and construed in accordance with the laws of Romania without recourse to Romanian private international law as well as by EU law, particularly Regulation 714/2009/EC . For the avoidance of doubt, the application of the UN Convention on the International Sale of Goods shall be excluded.
- 7.2. In the event of any dispute or differences arising from the Rules and its Annexes or related to its violation, termination or becoming null or void, the claimant is obliged to describe and present its claim in detail including the identification of the respective article/paragraph of the Rules. The place of jurisdiction for all disputes, arising from the Intraday Capacity Allocation Auctions, shall be the competent Court at the registered seat of the Intraday Auction Office.
- 7.3. The place of performance of all obligations of the Participants resulting from the intraday auctions

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held in accordance with these Rules shall be the registered seat of the Intraday Auction Office.

Complaint Procedure

- 7.4. Should a Participant come to conclusion that the Rules have been breached by an incorrect calculation, incorrect output from data check, or incorrect evaluation, the Participant is entitled to initiate through its representative, the Capacity Allocation Platform "DAMAS" User examination procedure. The request must be delivered to the contacts of Intraday Auction Office by signed fax message or via registered mail, and must contain:
- 7.4.1 - date
 - 7.4.2 - identification of Participant
 - 7.4.3 - contact details (name, e-mail address and telephone of contact person)
 - 7.4.4 - the subject matter
 - 7.4.5 - detailed description of the situation,
 - 7.4.6 - well-founded means of proof (downloads from logs, communication records, etc.)
- 7.5 The Auction Office will confirm the receipt of such a complaint via e-mail.
- 7.6 If the Parties could not reach an agreement within 10 days the Participant may refer a complaint pursuant to the process described in the Rules to the relevant national Regulatory Authority as defined in Directive 2009/72/EC.
- 7.7 The TSOs are obliged to give all information to the proceeding Regulatory Authority, which is necessary to handle the complaint in due time.
- 7.8 The above described initiative shall not have suspensive effect on the results of the relevant intraday Allocation process.

Mitigation of disputes

- 7.9 The parties involved in a dispute shall endeavor all diligences to reach an amicable settlement.
- 7.10 However, in the event that such a settlement is not reached within thirty (30) days of first notification of the reason for the disputes, then all disputes arising in connection with the Rules shall be resolved by a three-person Arbitral Tribunal appointed in accordance with the rules of arbitration of the United Nations Commission of International Trade Law (Uncitral Rules).
- 7.11 All costs and expenses incurred in connection with any arbitral proceedings hereunder shall be born by the losing party, except as provided otherwise in the arbitral award.

8 Liabilities

- 8.1 EMS and/or TRANSELECTRICA shall only be liable for any damage caused by willful misconduct or gross negligence. Claims for damages arising out or related to the Rules and/or the Contract are limited to the damages typical and foreseeable, unless EMS and/or TRANSELECTRICA have acted willfully or by gross negligence.
- 8.2 In no event shall EMS and/or TRANSELECTRICA be liable for any loss of profit, loss of business, or any other damages of any kind. In any case the liability of EMS and/or TRANSELECTRICA for damages arising out or related to the Rules shall be limited to € 10.000, in total.
- 8.3 EMS and TRANSELECTRICA undertake to carry out the provisions set out in the Rules with the diligence of a careful businessman and control area manager in compliance with the applicable regulations set out by EU law, respectively by the EU-Regulation, Serbian and Romanian law and by the Serbian and Romanian Regulatory Authorities.

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- 8.4 Liability for a breach of Contract damaging life, physical well-being, or health that has been caused willfully, by gross negligence, or by a felony offense cannot be validly excluded.
- 8.5 Any contractual clause shall be null and void if it beforehand limits or excludes liability for damage proceeding from willful or gross negligence; injury to life, physical well-being, or health; or the consequences of a crime.

9 Miscellaneous

- 9.1 Notwithstanding special provisions set out in the Rules no modification of the Contracts between TRANSELECTRICA on the one hand and the Participant on the other hand shall take effect unless it is in writing, by fax or e-mail confirmed, executed and delivered by the Participant and TRANSELECTRICA.
- 9.2 If any part or provision of the Rules is or become invalid, illegal, void and/or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.
- 9.3 EMS and TRANSELECTRICA reserve the right to amend and/or adapt the Rules, pending approval by the respective Regulatory Authorities.

10 Information published on the TSOs websites

In addition to the information to be published on the TSOs websites pursuant to other provisions in these Rules or applicable legislation in Romania and Serbia at least the following information is published:

- a. these Rules, including, as applicable, earlier versions of these Rules;
- b. forms to be used by applicants and Participants;
- c. contact details;
- d. "Capacity Trader DAMAS User Guide".

11 Assignment and Changes

- 11.1 A Participant may not transfer any of its rights and obligations, other than provided for in these Rules, without the prior written consent of the Intraday Auction Office.
- 11.2 A Participant shall notify the Intraday Auction Office in advance by a validly executed letter by registered mail with acknowledgement of receipt of a change of its company name or of its legal form. The notification shall be made no later than fifteen (15) Business Days before the date at which the change is to take effect.

12 Entry into Force

These Rules enter into force on 01.01.2014 with Regulatory Authorities approvals.

Annex 1 Registration Form

APPLICATION FOR REGISTRATION AS CROSS-BORDER AUCTION PARTICIPANT Applicant's data

Full name of the company:

Headquarters:

Certificate of registration tax (CUI/VAT number):

Chamber of Commerce Registration Number:

Share capital:

Contact details: telephone:

fax:

e-mail:

Web page:

Applicant's license type:

License number:

Applicant's legal representatives:

Name:

telephone: Fax:

e-mail:

Name:

Telephone: Fax:

e-mail:

Contact persons:

Name:

Telephone: Cell phone:

Fax: e-mail:

The solicitant declares having read the provisions of this procedure and of its annexes, as well as of the regulations in force regarding the allocation of the interconnection capacities of the Romanian Power System and it fully accepts them.

Legal representative signature

The Balancing Responsible Party assuming the balancing responsibility for the CBA participant for Romanian Market Participant)

Full name of the company:

Headquarters:

Telephone: fax:

E-mail: web page:

BRP Identification code:

BRP Statement on assuming the balancing responsibility for the CBA participant:

Annex 2

Curtailment

The Allocated Capacity or capacity corresponding to submitted schedules can be curtailed in case of emergency situation, including Force Majeure.

The Curtailment of Allocated Capacity can be applied before the cut-off time for the matching process.

The reduction of schedules can be applied only in case of transmission constraints after the cut-off time for the matching process. .

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

TSO, which requested curtailment, shall issue a description of reasons and effects of curtailment for solving network or system problems and that will be published by both TSOs.

In cases of Curtailment of Allocated Capacities or schedules reduction the following priority order is used:

- 1.Capacity allocated in intra-day auction
- 2.Capacity allocated in daily auction.
- 3.Capacity allocated in monthly and yearly auction.

Within each of the above listed groups of capacities, proportional curtailment will be used, in a non-discriminatory manner.

1. Curtailment before the cut-off time for the matching process

Before the cut-off time for the matching process the allocated capacities shall be reduced by Intraday Auction Office based on the request of EMS and/or TRANSELECTRICA according with present Intraday Auction Rules.

Intraday Auction Office (based on request of EMS and/or TRANSELECTRICA) informs the Auction Participants of a Curtailment of Allocated Capacities and will submit the values of the reduced Capacities. The Participants have to submit their schedules to EMS and to TRANSELECTRICA taking into consideration the reduced Capacities.

In case of Curtailment of Allocated Capacity from intraday auction – before the cut-off time for the matching process - the Participant whose allocated capacity has been curtailed will pay only the capacity which was not curtailed, including in case of Force Majeure.

2.Curtailment after the cut-off time for the matching process

After the cut-off time for the matching process, the reduction of the confirmed schedules shall be implemented pursuant to the proceedings set forth in the relevant laws, and shall only be used in emergency situations where the relevant TSO must act in an expeditious manner and redispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.

The principle “use it or lose it” applies. That means that Participants who submit schedules less than their capacity rights, are losing any right over the remaining capacity. In this case, curtailment is applied to capacity corresponding to submitted schedules, proportionally, using the same rules regarding the priority order and calculation of payment obligation as in case of curtailment performed before the cut-off time for the matching process, including in case of Force Majeure.

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Example:

For a Participant A:

- allocated capacity	AC = 50 MW
- submitted schedule	S = 40 MW
- curtailment	C = 30 MW
- curtailment hours	n = 1 h
- auction price (AP) for hour h	AP = 2 EUR/MW/h
- submitted schedule curtailed	SSC = S - C = 40 - 30 = 10 MW
- capacity to be paid (PC) for hour h	AC - C = 50 - 30 = 20 MW

Payment obligation:

$$P (EUR) = \sum_{h=1}^n [AP_h (EUR / MW / h) \cdot PC_h (MW)]$$

$$P (EUR) = 2 \cdot 20 = 40$$