

**Slovenia – Austria Interconnection Capacity Access Rules**

**between the control areas  
of**

**VERBUND-Austrian Power Grid AG (“APG”)**

**and**

**ELES – ELEKTRO-SLOVENIJA, d.o.o. (“ELES”)**

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## **0. Introduction**

### **0.1. General Context**

In accordance with Regulation (EC) n° 1228/2003 of the European Parliament and of the Council, which is dated 26<sup>th</sup> of June 2003 and concerns the conditions for access to the network for cross-border exchanges in electricity, this Auction Rules set out the terms and conditions governing the Allocation via Auctions of Available Interconnection Capacity in both directions on the Austria-Slovenia Interconnection. This available Interconnection Capacity is jointly offered from 1<sup>st</sup> of December 2007 in form of Physical Transmission Rights (PTRs) by VERBUND - Austrian Power Grid AG (APG) the Austrian Transmission System Operator and ELES - Elektro-Slovenia, d.o.o. (ELES) the Slovenian Transmission System Operator (hereinafter: TSOs).

### **0.2. Accrued rights**

Due to the amended legal situation, this present Auction Rules, henceforth stipulate the provisions concerning the yearly, monthly and daily auctions, beginning with 1<sup>st</sup> of December, 2007 till 31<sup>st</sup> of December 2008, in the direction from Austria to Slovenia and from Slovenia to Austria. Auction Participants who auctioned the yearly capacities in the yearly auction held by APG on 1<sup>st</sup> of December 2006 will keep their yearly capacity for 2007 further on.

### **0.3. Auction Procedure**

For the allocation of Available Capacity on the Austria-Slovenia Interconnection for the year 2007 and 2008:

- a. APG operates, as Auction Operator, the Auction of PTRs in direction from Austria to Slovenia on behalf of the TSOs; The Auction Office Austria, is in charge of operating yearly, monthly and daily auctions in direction from Austria to Slovenia on behalf of both TSOs.
- b. ELES operates, as Auction Operator, the Auction of PTRs in direction from Slovenia to Austria on behalf of the TSOs.

Auction proceedings may be discontinued or interrupted by the Auction Operators at any time without prior notice - be it temporarily in case of technical failures, or permanently based on instructions from APG and ELES (e.g. change of capacity

allocation method). Such temporary or permanent discontinuance will not affect the rights and obligations which have arisen as a consequence of daily auctions having taken place under these Auction Rules prior to such discontinuance or interruption.

Receipt of Bids at the Auction Office Austria and ELES is the decisive criterion in meeting the time limit.

All relevant information is made available on the Auction Websites:

For Austria: [www.Auction-Office.at](http://www.Auction-Office.at)

For Slovenia: [www.UPO.ELES.si](http://www.UPO.ELES.si)

#### **0.4. The Auction Rules (General Aspects)**

These Rules describe (among other aspects) the various types of Auctions, the requirements that Auction Participants must fulfill to participate in the Auctions, the Auction proceedings, the awarding of ATC as a result of the Auction and the use of Allocated Capacity after the Auction. Article 17 contains a limitation of liability. As a matter of course this liability limitation is in line with all relevant national and European legislation. These Auction Rules in particular are handling the allocation of Yearly, Monthly, and Daily ATCs on the Interconnection Austria-Slovenia; they may be amended jointly by the TSOs along the way in order to improve or clarify provisions and procedures and to fill gaps according to Article 21.

#### **0.5. Collection of debts / waiver of right to compensate**

ELES, as Auction Operator, collects on behalf of both TSOs all debts resulting from the Auction of PTRs from Slovenia to Austria.

APG, as Auction Operator, collects on behalf of both TSOs all debts resulting from the Auction of PTRs from Austria to Slovenia through the Auction Office Austria.

Although APG and ELES collect these payments on behalf and in the name of both TSOs, Auction Participants accept by participating in the Auctions that they can only be discharged of their debts through payment to the appropriate TSO (either to APG for PTRs from Austria to Slovenia or to ELES for PTRs from Slovenia to Austria) and that payment of a debt to the other TSO will not release them from this obligation. Moreover, as payment by compensation would thwart the administrative structure of the co-operation between both TSOs, Auction Participants waive the right to offset

any debts that arise in connection with an Auction to claims that those Auction Participants have on a TSO, whether or not arising out of an Auction.

## 1. Definitions / Terms

In these Auction Rules (including any ANNEXES and Forms) the terms defined in this article (where appropriate in plural) shall, for all purposes of these Auction Rules have the meanings specified in this article (unless the context requires otherwise).

**Advance Payment Invoice:** The invoice issued to the PTR holder directly after the conclusion of the Yearly and/or Monthly Auction, which must be settled no later than two (2) days before the publication of auction specifications for the next auction.

**Allocated Capacity:** for all auctions this is referred to the Assigned PTRs as the auction result after fulfilling the payment conditions according to these Auction Rules as stated in article 12.

**All or Nothing (Fill-or-Kill Orders):** orders by the Auction Participant to buy only the exact amount of Capacity in MW indicated in his bid – if this is not possible, the Auction Participant does not want to buy anything. If the order is not a denominated "All or Nothing" the Auction Participant also accepts an amount of Capacity smaller than the requested one.

**APG:** VERBUND-Austrian Power Grid AG ("APG") with registered office in A-1220 Wien, Wagramer Straße 19, IZD Tower and with the number of the commercial register FN 177696 v.

**Assigned PTRs:** the capacity gained by the Auction Participant by notification of the Auction results in form of Physical Transmission Rights.

**Auction Office Austria:** the entity executing auction procedures in direction from Austria to Slovenia and is commissioned by APG.

**Auction Operator:** The legal entity which operates the Auctions: APG operates through the Auction Office Austria the joint Auction of PTRs from Austria to Slovenia. ELES operates the joint Auction of PTRs from Slovenia to Austria. Both APG and ELES are referred to as Auction Operators.

**Auction Participant:** a person and/or an entity taking part in the auction procedures set out in the Auction Rules and submitting the Auction Rules.

**Auction Price:** the price to be paid by the PTR holder for Assigned PTRs in case the total amount of submitted bids exceeds the ATC.

**Auction Rules:** the regulations set out in this document applicable to the allocation of ATC at the transmission interconnections between the control areas of APG and ELES.

**Auction Specifications:** information on the relevant auctions provided by the TSOs and/or Auction Office Austria on their Auction Websites.

**Auction System:** IT system used by ELES to conduct auctions in direction from Slovenia to Austria.

**Available Transmission Capacity (“ATC”):** the part of the NTC that remains available, after each phase of the allocation procedure, for further commercial activity and which shall be offered in the monthly and daily auction procedures.

**Auction Day:** every day except Saturdays, Sundays and any official holiday in Austria and Slovenia and days as listed in ANNEX 3b attached to these Auction Rules.

**Auction Websites:** websites of the TSOs and Auction Office Austria as referred in article 2.2 of these Auction Rules (see [www.UPO.ELES.si](http://www.UPO.ELES.si), [www.APG.at](http://www.APG.at), [www.Auction-Office.at](http://www.Auction-Office.at)).

**Beneficiary:** an Auction Participant that receives Allocated Capacity as a result of a Transfer.

**Bid:** is an offer submitted by an Auction Participant to purchase rights to use capacity pursuant to and in compliance with these Auction Rules.

**Block Bid:** A Bid submitted by an Auction Participant in the daily auction. It refers to multiple, (consecutive) hourly blocks, which have been defined by the Auction Participant. The price in Euro (€) per MWh applies to every hour of the defined Block Bid.

**Bid Price:** the highest price which an Auction Participant is willing to pay for the Capacity.

**Block:** a quantity of Megawatts made available at auction over a range of Hourly Periods and/or a range of days.

**Capacity:** cross-border transmission capacity in MW.

**Capacity Auction System:** web based cross border capacity allocation application used by APG to conduct auctions in direction from Austria to Slovenia.

**Curtailement:** is the reduction of Capacity in emergency situations and/or in the case of security problems on the interconnections between Slovenia and Austria where ELES and APG must act in an expeditious manner.

**Daily ATC:** is a part of the ATC to be allocated in daily auctions.

**Day of execution:** Day on which electricity transports using Capacities allocated in an Auction take place.

**EIC-Code:** ETSO identification code which univocally identifies Auction Participants in a cross-border trade (see <http://www.edi.etso-net.org/eic/cds/allocated-eic-codes.xml>).

**ELES** (“ELEKTRO-SLOVENIJA, d.o.o.”) with registered office in 1001 Ljubljana, Hajdrihova 2, Slovenija.

**ETSO (“European Transmission System Operators”):** an International Association with membership of European Transmission System Operators with the aim to harmonize network access and conditions for usage, especially for cross border electricity trade.

**EU-Regulation:** The Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity as valid on the day of issuing of the Auction Rules.

**Force majeure:** operational conditions and/or events and/or circumstances which are beyond the reasonable control of APG and/or ELES, and which cannot be prevented or overcome with reasonable foresight and diligence, such as, but not limited to, international superimposed Loop Flows, if APG and/or ELES 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 APG and/or ELES.

**Interconnection:** a single and/or double circuit lines between the Austrian and Slovenian transmission system which connects the control areas of APG and ELES synchronously.

**Interconnection Capacity:** Available cross-border electric energy transfer capacity on the interconnections between Austria and Slovenia.

**Maintenance Period:** is a period of time during which part of a Product cannot be guaranteed due to planned maintenance. In such Maintenance Period the Allocated Capacities are proportionally curtailed to the amount of the announced reduced ATC. The duration of Maintenance Period(s) and the reduced ATC(s) for the Maintenance Period(s) are announced at the date of publication of ATC for the relevant auction. Maintenance Periods are used to maximize the Monthly and Daily ATC(s).

**Monthly ATC:** is a part of the ATC to be allocated in monthly 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.

**Physical Transmission Right (PTR):** Right to use Interconnection capacity for electricity transfers expressed in MW.

**PTR holder:** the legal entity (Auction Participant) which has obtained Assigned PTR in the Auction.

**Products:** Is the Yearly, Monthly or Daily ATCs offered with reference to a specific period of time. It refers to a set of Blocks sold through an Auction.

**Resale:** is the mechanism which allows PTR holder to return the capacity to the TSO, provided the Resale is notified to APG and/or ELES according to the regulations as set out in Article 15.2 of these Auction Rules.

**Transfer:** is the mechanism which allows that capacity held at a given time, may be

transferred by a PTR holder to another, provided the Transfer is notified to APG and/or ELES according to the regulations as set out in Article 15.1 of these Auction Rules.

**UCTE (“Union for the Co-ordination of Transmission of Electricity”)**: an association of transmission system operators in continental Europe, providing a reliable market base by efficient and secure electric "power highways".

**Working Day**: every day except for Saturdays, Sundays and any official holiday in Austria as listed in ANNEX 3a attached to these Auction Rules (Peak Products are valid only on Working Days).

**Yearly ATC**: is a part of the ATC to be allocated in yearly auctions.

The headings in these Auction Rules are intended only as a matter of convenience and for reference and shall be given no effect in the construction or interpretation of these Auction Rules.

## **2. Scope of the Auction Rules**

This document contains the terms and conditions governing the allocation via Auctions of Yearly, Monthly and Daily ATC at the Interconnection between the control areas of APG and ELES that is jointly offered by APG and ELES. Separate Auctions are held for PTRs for each direction from Austria to Slovenia and from Slovenia to Austria.

The following Auctions take place on the Interconnection between the control areas of Austria and Slovenia:

- a) Yearly Auctions in respect of PTRs for Yearly electricity transports from the first through the last day of a calendar year,
- b) Monthly Auctions in respect of PTRs for Monthly electricity transports from the first through the last day of a calendar month,
- c) Daily Auctions in respect of PTRs for daily electricity transports during each hour of a calendar day.

### **2.1. Quantities Available for Auctioning**

The Interconnection Capacity for auctioning in form of PTRs is the Interconnection Capacity available at the border between Austria and Slovenia according to the criteria defined by ETSO. The Interconnection Capacity is published on the Auction Websites.

Any Yearly or Monthly PTRs from the direction Slovenia to Austria not nominated or returned to ELES for resale are re-auctioned at the first relevant auction and thereby increase the respective quantity of ATC for auctioning in the mentioned direction. Resale of the Daily PTRs is not possible.

Any Yearly or Monthly PTRs from the direction Austria to Slovenia not nominated or returned to APG for resale are re-auctioned at the first relevant auction and thereby increase the respective quantity of the ATC for auctioning in the mentioned direction. Resale of the Daily PTRs is not possible.

When publishing quantities for daily ATC netting of yearly and monthly nominated PTRs is applied.

## **2.2. Auction websites**

The Yearly, Monthly and Daily ATCs – and reduced ATC(s) at the Maintenance Periods if necessary – will be published on the Auction websites according to the dates set out in ANNEX 2. In particular, the following information will be published on the Auction websites:

Public Section:

- a) These Auction Rules (valid release),
- b) Additional information on the auction proceedings (Auction Specifications),
- c) Names, facsimile and telephone number(s), e-mail address(es) of contact, persons of the Auction Office Austria and ELES,
- d) Forms to be used by Auction Participants,
- e) Yearly, Monthly and Daily ATC (NTC indicative; not binding values),
- f) Maintenance Period(s) and relevant reduced Yearly and/or Monthly ATC(s),
- g) Summary of the results of the yearly, monthly and daily auctions (Clearing price, assigned quantity for all products, number of Auction Participants with successful Bids and overall number of Auction Participants),
- h) Frequently asked questions and answers,
- i) Other relevant information.

Secure Section of the auction website used only for auctions organized by APG:

- j) Electronic bidding portal.

### **2.3. Basis on which Interconnection Capacity is offered**

- (1) ATC is offered in form of PTRs in units of 1 MW with a minimum of 1 MW.
- (2) For Yearly, Monthly and Daily Auctions, PTRs are offered as Products defined by TSOs, published on the Auction Website in accordance with this Auction Rules.

### **2.4. Firmness of Allocated Capacity**

Yearly, Monthly and Daily ATC is offered on a firm basis except in case of curtailments due to circumstances of Force Majeure or if safe network operation can only be secured by curtailing Allocated Capacity after taking into account all other available measures according to relevant national and European legislation. Only in case of Allocated Capacity curtailments for network security reason, the PTR holder is compensated according to Article 14.

In case of Curtailment ELES and APG will reduce Allocated Capacity according to Article 14 and will pay compensation to the Auction Participant with exception of Force Majeure and during Maintenance Periods.

## **3. General Provisions**

### **3.1. Treatment of Auction Participants**

Prior to, during and after an Auction, Auction Participants shall refrain from any action or behavior which adversely affects or threatens competition in the Auction proceedings, which aims at gaming, or which in any other way disrupts or threatens to disrupt the Auction proceedings, transparency, cost-effectiveness or fairness thereof.

APG and ELES respectively as Auction Operator in the direction from Austria to Slovenia and as Auction Operator in the direction from Slovenia to Austria are entitled to exclude from further participation in an Auction or a fixed or indefinite number of subsequent Auctions those Auction Participants who act or behave or have acted or behaved in violation of the first paragraph, who misuse any right or position obtained pursuant to an Auction or who do not comply with any other provi-

sion of these Rules. The exclusion of one Auction Participant can be operated by ELES or APG only after the approval of the other TSO.

### **3.2. Deadline for contesting Auction results**

The PTR holder may contest the Auction results according to the conditions and within the deadline specified in the Auction Specifications. The Auction Operator shall reply to the PTR holder no later than the deadline indicated in the Auction Specifications.

If the PTR holder does not contest the Auction result within the deadline and under the condition specified in the Auction Specifications, the PTR holder loses the right to contest.

### **3.3. Separation of Auction and Fees for Grid Use**

A successful Bid for Interconnection Capacity commits both TSOs and the PTR holder to fulfill their respective duties. The TSOs are obliged to make Interconnection Capacity for electric energy transfer available to the PTR holder while the PTR holder is under the obligation to pay the Auction Price. By fulfilling the payment conditions in accordance with the Auction Rules Assigned PTRs are guaranteed by ELES/APG ("Allocated Capacity").

The payment determined covers only the right for the Allocated Capacity at the bottleneck. This option does not include any use of the transmission system on the Interconnection. Said use of the transmission system, including corresponding fees, if any, must be agreed separately with APG on the Austrian side of the border and with ELES on Slovenian side.

### **3.4. Payment**

If the PTR holder does not fulfill or only partially fulfils any obligation resulting from these Auction Rules in due time, especially if the PTR holder does not pay the full Auction Price within the time limits set out in the Auction Rules, Auction Participant loses the right to use assigned PTRs. Those capacities shall be offered at first relevant auction. Moreover ELES and APG are entitled to hold the PTR holder liable for the difference, only if negative, between Auction Price set on the first auction at which the capacity was allocated and the new Auction Prices determined at the next following auctions where that capacity is reallocated. The PTR holder shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claim of ELES and/or APG, whether or not arising

out of an auction. The detailed payment conditions are described in Article 11.

## **4. Participation Requirements**

### **4.1. Registration Requirements**

In order to participate in yearly, monthly and/or daily auctions, the Auction Participant must comply with all requirements set forth in these Auction Rules. In any case the Auction Participant:

- must send the Statement of acceptance/Registration form to the Auction Operator as in Article 4.3,
- must fulfill financial requirement as in Article 4.2.

In addition the Auction Participant must fulfill the following conditions:

a.) in Austria:

- Recognition by the Austrian regulatory authority as representative of a balance group or
- Membership of a recognized Austrian balance group.

In case the Auction Participant is a member of a balance group it shall submit the written acknowledgement of the representative of the balance group wherein the representative of its balance group commits itself to handle the corresponding cross border schedule (see ANNEX 7).

or

b.) in Slovenia:

- Auction Participant has to be a Balance responsible party or
- must have signed a Contract for Settlement of Imbalances with a Balance responsible party in Slovenia.

### **4.2. Financial Guaranties**

#### **a) Auctions in direction from Slovenia to Austria:**

Yearly and monthly auctions will be settled monthly, directly on to the transaction account of ELES on the basis of “advance payment invoice”.

The Auction Participant must settle the liabilities arising from yearly and monthly

Auctions at least two (2) working days before the publication of Auction Specifications for the next Auction of PTRs with the same technical characteristic.

Auction Participants who want to participate to the daily auction:

- will be provided with the balance sub account opened by ELES in the name of the Auction Participant for the settlement of liabilities.

or, alternatively

- are required to provide ELES with a Bank Guarantee covering all outstanding debts resulting from the Daily Auctions.

The minimum amount of the Bank Guarantee is Fifty thousand (50 000) Euros. Auction Participant's bidding ability at specific auction depends of the current level of his Bank Guarantee. The amount of the Bank Guarantee is adjusted by the Auction Participant.

In order to participate at the auction the Auction Participant has to provide sufficient funds on his deposit sub account or Bank Guarantee before the start of the daily auction. With every Bid inserted into the Auction System by Auction Participant, application will automatically check sufficiency of funds on the deposit sub account/Bank Guarantee. Auction Participant's bidding ability at specific auction depends of the current level of funds on his deposit sub account/Bank Guarantee.

#### **b) Auctions in direction from Austria to Slovenia:**

For the participation in yearly, monthly and daily auctions in direction Austria to Slovenia, the Auction Participant shall submit to APG an Austrian business account and a direct debit authorization according to Article 11.1 in order to be able to join the auctions.

#### **4.3. Admission and acceptance of Auction Rules**

By submitting the duly signed and completed registration form (see ANNEX 5 for Auction Office Austria and »Application for participation in auctions for cross-border transfer capacities allocation« published on auction web site for ELES) the Auction Participant:

- accepts the auction regulations set out in these Auction Rules (English version) and submits the Auction Rules without any reservation. If the Auction Participant does not conform to these Auction Rules, the Auction Participant shall be expressly barred from the participation in further Auctions,

- confirms that it has read, understood and accepted the present Auction Rules and that it will follow any and all instructions given by the Auction Office Austria, ELES and/or APG, in particular in case of ambiguity in these Auction Rules or non-availability of the Capacity Auction Systems or Auction System,
- authorizes ELES and the Auction Office Austria, to check the Auction Participant's respective statements. The Auction Participant shall be informed about the admission or rejection. In case of rejection of its registration request, the Auction Office Austria / ELES shall inform the Auction Participant of the reasons for the rejection.

An Auction Participant who has been declared bankrupt or insolvent or granted suspension of payment, or against whom a petition for bankruptcy, insolvency or suspension of payment has been filed, does not qualify for participation in yearly, monthly and daily auctions.

Subject to all existing requirements being fulfilled, the original countersigned copy of the registration form/Statement of acceptance and the procedure (password, user ID) for entering the secure auction websites or Auction System shall be sent to the Auction Participant.

The password shall be kept with particular care and may under no circumstances be passed to others or made accessible in any other way (including non-authorized representatives of the Auction Participant). Responsibility for all transactions authorized using the password shall be borne by the Auction Participant.

#### **4.4. Notification of Changes**

The requirements for participation set forth in these Auction Rules must be fulfilled at all times when participating in yearly, monthly and/or daily auction proceedings. As a consequence, the Auction Participant shall promptly inform ELES and the Auction Office Austria in writing of any changes effecting fulfillment of the requirements concerned.

Changes concerning the Auction Participant's contact data and statements set forth in the forms submitted by the Auction Participant shall be promptly notified to ELES and the Auction Office Austria in writing.

## **5. Deregistration and exclusion of Auction Participants**

### **5.1 Deregistration**

Should the Auction Participant not wish to participate in any further yearly, monthly and daily auctions, it may submit a written request for deregistration to ELES and the Auction Office Austria. The request will be granted on condition that:

- the Auction Participant no longer possesses rights to use any Allocated Capacity awarded in yearly and monthly and/or daily auctions and
- the Auction Participant has fulfilled all its financial obligations towards ELES and/or APG.

Auction Participants who have been deregistered may apply for readmission by completing the registration process pursuant to article 4 above.

### **5.2 Exclusion**

Should the Auction Participant in any manner:

- (a) infringe these Auction Rules,
- (b) declare bankruptcy, become insolvent or be granted suspension of payment,
- (c) become object of a petition for bankruptcy, insolvency or suspension of payment,
- (d) be in default of payment,
- (e) lose entitlement to register net schedules in Slovenia or Austria (termination of registration of a balance group),

the Auction Participant will be excluded from yearly, monthly and daily auctions by ELES and the Auction Office Austria without delay. The barring shall promptly be notified to the Auction Participant by both facsimile transmission and mail.

The Auction Participant shall be obligated to pay any remaining invoices or claims of ELES or of the Auction Office Austria within a period of five (5) working days after notification of its exclusion.

Auction Participants who have been excluded from further yearly, monthly, and/or daily auctions by ELES and by APG (via Auction Office Austria), may apply for re-consideration only after all obligations towards ELES and APG are fulfilled.

## 6. Auction Specifications

For general information, the Auction Specifications are published on the relevant Auction Websites according to the timing set in ANNEX 2 and the article 9.1 and 9.2.

The Auction Specifications consist of information regarding:

- Products traded at Auctions:
  - a. Yearly Product: base load, peak-load,
  - b. Monthly Product: base load, peak-load,
  - c. Daily Product: hourly products (and if applicable also base load, peak load, off-peak load products).
- Auctions time table,
- Auctioned Interconnection Capacity (relevant ATCs),
- Gate openings and closures,
- Publication of the results,
- Deadline to contest results,
- Deadline for nomination of the PTR's,
- Other information.

## 7. Yearly Auctions Procedure

Separate yearly auctions shall be held for the allocation of yearly ATC. Auctions shall be held in name of both TSOs:

- **Auction Y1:** deals with awarding of PTRs in the direction from Austria to Slovenia, organized by APG,
- **Auction Y2:** deals with awarding of the PTRs the direction from Slovenia to Austria, organized by ELES.

Yearly auctions take place on the dates mentioned in ANNEX 2.

### 7.1 Deadlines for Yearly Auctions

For the Yearly auctions the following deadlines are valid:

Deadline Y1: deadline for Publishing of Yearly ATC and Maintenance Periods is seven (7) days before the auction until 18:00 (CET);

Deadline Y2: deadline for bid submission is set in Auction Specifications published

on the auction website;

Deadline Y3: deadline for publication of yearly auction results is set in Auction Specifications published on the Auction website.

## **7.2 Yearly bids submission**

### **a.) Yearly bid submission at auctions in direction from Austria to Slovenia**

Bids shall be submitted in electronic form via the Capacity Auction System – in accordance with the “Cross Border Capacity Manual – Technical Instructions” set out in ANNEX 6. Each legitimated (registered) Auction Participant shall submit Bids starting from deadline Y1 (see ANNEX 2 and relevant Auction Specifications) to the deadline for bid submission (deadline Y2). The bids submission to the Auction Office Austria shall be binding until the end of the relevant yearly auction and cannot be withdrawn or modified after deadline Y2.

The Auction Participant must be prepared to pay the Auction Price for his Assigned PTRs. For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant yearly auction (Auction Y1),
- 2 Value of the Bid in EUR/MWh (max. two decimals),
- 3 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,
- 4 The All or Nothing Orders (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the Auction Office Austria.

### **b.) Yearly bid submission at auctions in direction from Slovenia to Austria**

Bids shall be sent electronically via Auction System in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant,
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the ELES.

### **7.3 Notification of Yearly Auctions Results**

#### **a.) Notification of Yearly Auction results at auctions in direction from Austria to Slovenia**

The Auction Office Austria will provide each Auction Participant, whether successful or not, with the following data within the deadline for publication of Yearly auction results (deadline Y3, see Auction Specifications):

- 1 Specification of the relevant yearly auction,
- 2 Products and Maintenance Period(s),
- 3 Amount of assigned PTRs in MW,
- 4 Value of payment for the assigned PTRs in EUR.

The overall, results of a yearly auction will be published on the Auction Websites, at deadline Y3 (see Auction Specifications).

#### **b.) Notification of Yearly Auction results at auctions in direction from Slovenia to Austria**

ELES will notify each Auction Participant via Auction System. Results of the Yearly Auction will be published not later than 30 minutes after the conclusion of the auction.

The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at Yearly Auction,
- 2 Amount of assigned PTRs for each product auctioned at Yearly Auction,
- 3 Amount of assigned PTRs in MW to the Auction Participant,
- 4 Value of payment for the assigned PTRs in EUR.

The overall, results of a yearly auction will be published on the Auction Websites, at deadline Y3 (see Auction Specifications).

## **8. Monthly Auctions Procedure**

Separate monthly auctions shall be held for the allocation of Monthly ATC. Auctions shall be held in name of both TSOs:

- **Auction M1:** deals with awarding of PTRs in the direction from Austria to Slovenia, organized by APG;
- **Auction M2:** deals with awarding of the PTRs the direction from Slovenia to Austria, organized by ELES.

Monthly auctions take place on the dates mentioned in ANNEX 2.

### **8.1 Deadlines for Monthly Auctions**

For the monthly auctions the following deadlines are valid:

- Deadline M1: deadline for Publishing of Monthly ATC and Maintenance Periods is five (5) days before the auction until 18:00 (CET);
- Deadline M2: deadline for bid submission is set in Auction Specifications published on the Auction Website;
- Deadline M3: deadline for publication of monthly auction results is set in Auction Specifications published on the Auction Website.

### **8.2 Monthly bids submission**

#### **a.) Monthly bid submission at auctions in direction from Austria to Slovenia**

Bids shall be submitted in electronic form via the Capacity Auction System – in accordance with the “Cross Border Capacity Manual – Technical Instructions” set out in Annex 6. Each legitimated (registered) Auction Participant shall submit Bids starting

from deadline M1 (see ANNEX 2 and relevant Auction Specifications) to the deadline for bid submission (deadline M2). The bids submission to the Auction Office Austria shall be binding until the end of the relevant monthly auction and cannot be withdrawn or modified after deadline M2.

The Auction Participant must be prepared to pay the Auction Price for his Assigned PTRs. For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant monthly auction (Auction M1),
- 2 Value of the Bid in EUR/MWh (max. two decimals),
- 3 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,
- 4 The All or Nothing Orders (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the Auction Office Austria.

b.) Monthly bid submission at auctions in direction from Slovenia to Austria

Bids shall be sent electronically via Auction System in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant;
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above-mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the ELES.

#### **8.4 Notification of Monthly Auctions Results**

##### a.) Notification of Monthly Auction results at auctions in direction from Austria to Slovenia

The Auction Office Austria will provide each Auction Participant, whether successful or not, with the following data within the deadline for publication of monthly auction results (deadline M3, see Auction Specification):

- 1 Specification of the relevant monthly auction,
- 2 Products and Maintenance Period(s),
- 3 Amount of assigned PTRs in MW,
- 4 Value of payment for the assigned PTRs in EUR.

The overall, results of a monthly auction will be published on the Auction Websites, at deadline M3 (see Auction Specifications).

##### b.) Notification of Monthly Auction results at auctions in direction from Slovenia to Austria

ELES will notify each Auction Participant via Auction System. Results of the Monthly Auction will be published at least 30 minutes after the conclusion of the auction. The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at Monthly Auction,
- 2 Amount of allocated PTRs for each product auctioned at Monthly Auction,
- 3 Amount of Assigned PTRs in MW to the Auction Participant,
- 4 Value of payment for the Assigned PTRs in EUR.

The overall, results of a monthly auction will be published on the Auction Websites, at deadline M3 (see Auction Specifications).

### **9. Daily Auctions Procedure**

Separate daily auctions shall be held for the allocation of daily ATC in both directions:

- **Auction D1:** deals with awarding of PTRs in direction from Austria to Slovenia organized by APG;
- **Auction D2:** deals with awarding of PTRs in direction from Slovenia to Austria organized by ELES.

Daily auctions only take place on Working Days except public holidays as listed in ANNEX 3b. On days before weekends and public holidays the daily auctions take place for the following day(s) including the next Working Day.

### **9.1 Deadlines for Daily Auctions**

#### a.) Deadlines for Daily Auctions in direction from Austria to Slovenia

For the daily auctions in the direction from Austria to Slovenia the following deadlines are valid:

**Deadline D1:** deadline for Publishing of Daily ATC not later than 09:15 (CET) on the Working Day the Auction D1 is held. On days before weekends, public holidays and days when no auction is held (see ANNEX 3b) the Daily ATCs will be published for the following day(s) including the next Working Day;

**Deadline D2:** deadline (gate closure) for bid submission for awarding Daily ATC for the following day(s) is at 09:20 (CET);

**Deadline D3:** deadline for publication of auction D1 results – on both the Auction websites – is at 09:30 (CET).

Each Auction Participant must submit his bids to the Auction Operator (APG) in the period starting from 07:00 (CET) to the gate closure (deadline D2) mentioned below. The bids submitted to the Auction Office Austria shall be binding until the end of the auction and cannot be withdrawn or modified after the gate closure.

#### b.) Deadlines for Daily Auctions in direction from Slovenia to Austria

For the daily auctions in the direction Auction D2 the following deadlines are valid:

**Deadline D1:** deadline for the first Publishing of an indicative Daily ATC and Maintenance Periods is one (1) day before the auction until 18:00 (CET). On days before weekends and public holidays the Daily ATCs will be published for the following day(s) including the next Working

Day. The final Daily ATC is published during the pre-auction procedure at 8:45 the latest;

**Deadline D2:** deadline (gate closure) for bid submission for awarding Daily ATC for the following day(s) is at 09:15 (CET);

**Deadline D3:** deadline for publication of auction results is 30 minutes after the gate closure for the bid submission the latest.

The bids submitted to ELES shall be binding until the end of the auction and cannot be withdrawn or modified after the gate closure. ELES has the right to amend the timeframe of the auction. All the amendments must be published in the Auction Specifications.

## 9.2 Daily bid submission

### a.) Daily bid submission at auctions in direction from Austria to Slovenia

Bids shall be submitted in electronic form via the Capacity Auction System, available on the Auction Office Austria website for Daily Auctions in direction from Austria to Slovenia – in accordance with the “Cross Border Capacity Manual – Technical Instructions” set out in ANNEX 6.

Each legitimated (registered) Auction Participant shall submit bids for the Daily Auction D1 from 07:00 (CET) to the deadline for bid submission (deadline D2, Article 9.1). Submitted bids shall be binding until the end of the relevant daily auction and cannot be withdrawn or modified after the relevant deadline D2. The Auction Participant must be prepared to pay the Auction Price for his assigned PTRs.

For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant daily auction (Auction D1),
- 2 The value of the Bid in EUR/MWh (max. two decimals) per Product,
- 3 Optionally the value of the Block Bids in EUR/MWh (max. two decimals),
- 4 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,
- 5 The use of All or Nothing (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids submit-

ted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission.

#### b.) Daily bid submission at auctions in direction from Slovenia to Austria

Bids shall be sent electronically via Auction System in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant,
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing (Fill-or-Kill) option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission.

### **9.3 Determination and Publication of Daily ATC**

The Daily ATC for the next day in the direction from Austria to Slovenia will be published for each hour of a day via the web based Capacity Auction System not later than 09:15 (CET) (see deadline D1) on the Working Day the daily auction is held.

Indicative daily ATC in direction from Slovenia to Austria will be published no later than 18:00 (CET) of D-2. The final Daily ATC will be published via Auction System not later than 08:45 (CET) on the Working Day the daily auction is held.

On days before weekends and days listed in ANNEX 3b the Daily ATCs will be published for the following day(s) including the next Working Day.

#### **9.4 Notification on the Results of Daily Auctions**

##### a.) Notification of Daily Auction results at auctions in direction from Austria to Slovenia

The Auction Office Austria will provide each Auction Participant, whether successful or not, for the daily Auction D1 approximately at 09:20 (CET) with the data listed below.

- 1 Specification of the relevant daily auction,
- 2 Products,
- 3 Amount of Assigned PTRs in MW,
- 4 Value of payment for the Assigned PTRs in EUR for the period of reservation.

The overall, results of a daily auction will be published on the Auction Office Austria website for the daily Auction D1 at approximately 09:30 (CET). For a detailed description regarding the valid deadlines for daily auctions see article 9.1.

##### b.) Notification of Daily Auction results at auctions in direction from Slovenia to Austria

ELES will notify each Auction Participant via Auction System. Results of the Daily Auction will be published at least 30 minutes after the conclusion of the auction. The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at daily auction,
- 2 Amount of allocated PTRs for each product auctioned at daily auction,
- 3 Amount of Assigned PTRs in MW to the Auction Participant,
- 4 Value of payment for the Assigned PTRs in EUR.

The overall results of the daily auction will be published on the Auction Websites according to the deadline set in the Auction Specification.

## **10. Exceptional Circumstances**

Exceptional circumstances shall be serious disturbance to the functioning of the IT System(s) or devices used by the Auction Operator(s)/Auction Office Austria.

Exceptional circumstances may be the reason for changing, cancelling or suspending an Auction. In case of exceptional circumstances, the Auction Operator/Auction Office Austria shall on the basis of internal regulations decide on necessary measures and forthwith inform all Auction Participants via telephone, fax or e-mail of the switch to down-graded mode. The TSOs will also publish information on their Auction Websites, if available.

If postponement of the Auction is not possible, according to downgrade mode, the auction is conducted via Fax according to the Notification of the Auction Operator/Auction Office Austria.

Bids submitted prior to the switch to downgraded mode are deemed invalid and must be submitted again according to the conditions stipulated in the event of downgraded mode being adopted.

If the conditions stipulated in the event of downgraded mode being adopted cannot be implemented in time for a given Auction, that Auction is cancelled and all Bids already submitted are automatically cancelled.

## **11. Accounting, Losing of Allocated Capacity**

### **11.1 Yearly, Monthly and Daily Auctions in the direction from Austria to Slovenia**

The payment and accounting of the Auction Price will be handled by APG. To secure the payment of the Auction Price, the PTR holder:

- has to communicate to APG an Austrian business account within five (5) working days after getting the positive registration confirmation by mail from the Auction Office Austria,
- enables APG to effectuate automatic collection with a direct debit authorization in APG's favor (the form for the direct debit authorization is shown in ANNEX 4) and
- has to provide sufficient funds.

**Yearly Auctions** will be invoiced in twelve equal monthly amounts. Each amount is to be paid two months in advance. The amount of January and February will be invoiced at the same time – directly after the publication of yearly auction results (relevant deadlines Y3, see article 7.1) – and the other months will be invoiced month by month (e.g. amount for March in January). Invoices for yearly auctions are

collected automatically from the Austrian business account not later than on the 10th day of the month for the second month following, free of charge and without deduction and/or offsetting (i.e. not later than on the 10th of January for March).

**Monthly Auctions** will be invoiced directly after the publication of monthly auction results (relevant deadlines M3, see article 8.1) and will be collected automatically from the Austrian business account.

**Daily Auctions** will be invoiced directly after the publication of daily auction results (relevant deadlines D3 according article 9.1a and article 9.2a). The Auction Price will be collected automatically from the Austrian business account.

If funds are not sufficient to cover debts or if the payment is not settled on the 20<sup>th</sup> day of the same month:

- APG will withdraw from the obligations resulting from these Auction Rules and the PTR holder will lose Assigned PTRs awarded through Yearly and Monthly auction and shall be liable pursuant to the General Provisions set out in Article 3 of the these Auction Rules. Such released Capacity will be auctioned in the daily auction – or if applicable in the following monthly auction;
- the Auction Participant shall be excluded from all following auctions until the date when he remits sufficient funds to the business account for APG and all payments of the Auction Participant are settled.

If the Auction Participant is not able to communicate an Austrian Business Account to APG, APG will accept in advance payment (instead of a direct-debt authorization) for **the total amount for all kind of auctions** (e.g. yearly and/or monthly auction) within five working days after the publication of the auction results (relevant deadline Y3, see article 7.1 and/or relevant deadlines M3; see article 8.1) to the following account:

**Bank Austria – Creditanstalt**

**Am Hof 2a**

**1010 Vienna**

IBAN: AT06 1200 0506 1660 3600

BIC: BKAUATWWXXX

Pursuant to the General Provisions set out in Article 3 of these Auction Rules the Auction Participant is not entitled to offset any debts that arise in the connection with monthly and/or daily auction to any claim on APG, whether or not arising out of the

auction.

If the expiration date of payment is public holiday, payment has to be settled on the preceding Working Day. Should the expiration date on Sundays or public holidays following a Sunday, payment has to be settled on the following Working Day. In case of delayed payment APG is entitled to charge interest rates on a due amount for each commenced day of the delay starting from the expiry date. The interest rate, determined on the Day on which the invoice is sent, is equal to the rate of interest applied by the European Central Bank at its most recent refinancing operation, plus 5 points. This interest is calculated from the first Day following the expiry date, until the date on which the invoice is paid in full. This interest will be increased to include taxes and levies in force.

APG is entitled to make adjustments of the payment due to increases or introduction of taxes, duties, etc.

VAT and other taxes or levies – if any – shall be invoiced in accordance with the applicable laws.

## **11.2 Settlement of Yearly, Monthly and Daily Auctions in the direction from Slovenia to Austria**

Auction Participant who fails to settle his liabilities pertaining to allocated transfer capacities may be excluded from any further auctions by the System Operator until the aforementioned participant has settled all their liabilities. Auction Participant is obliged to settle all liabilities arising from the difference between Auction Price set on the first auction at which the taken capacity was allocated and the Auction Price set on the following Auctions where the taken capacity is once again allocated.

### **(1) Deposit Sub account**

Coverage and financial settlement performed at the daily auctions are run through deposit sub account. Deposit sub account is a special type of bank account which is opened by the System Operator on its own bank account for each and every participant at the auction when the latter decides to participate at the daily auctions. Deposit sub accounts are kept in euro (EUR) currency.

Only the System Operator has a power of disposal with financial assets kept on deposit sub accounts, namely on the basis of irrevocable authorization (see ANNEX 10) given by the Auction Participant which thus authorizes the System Operator to

dispose of these financial assets for the purposes of coverage and financial settlement arising from the auctions. The holders of deposit sub accounts are only allowed to deposit the money on their sub accounts.

Interests on financial assets kept on deposit sub accounts appertain to the holders of these sub accounts at the interest rate defined with a respective decree on interest rates in force and issued by the bank. The interests are remitted by the bank onto the deposit sub accounts of the Auction Participants on monthly basis.

In the event the deposit sub account holder wishes to withdraw financial assets or a part of the financial assets from their sub account, the bank enables them to do so after they have submitted a request previously approved by the System Operator.

After an Auction Participant submits a written statement of withdrawal from cooperating at auctions and after the System Operator deprives the said Auction Participant from accessing the Auction System, the System Operator remits the money from the deposit sub account onto the aforementioned Auction Participants bank account.

The handling costs of the deposit sub accounts are covered by the System Operator.

## **(2) Coverage for daily auctions**

The participants of daily auctions need to keep financial resources on their deposit sub accounts/Bank Guarantee as collateral for fulfilling the liabilities arising from allocated transfer capacities.

Before each auction, the Auction Operator needs to submit into Auction System all the information on net balance of financial assets kept on deposit sub accounts of the Auction Participants, namely by taking into account the net balance on deposit sub accounts at 6:00 am of the Auction day and disregarding any individual transfers or eventual changes in sub accounts' balance recorded after that time.

For Auction Participants who provided bank guarantee as an alternative to the use of deposit sub account, the Auction Operator submits into Auction System the amount of its bank guarantee.

Auction Participant may place their bids at an auction; however, the amount of the said bids (together with VAT which is added by the trading application) may not exceed the balance of financial assets kept on deposit sub account/Bank Guarantee. Available coverage of the Auction Participant is lowered with each submitted bid. The value of a bid which exceeds the available coverage is rejected and the participant of that auction is informed accordingly. Auction Participants have an insight into current

balance of financial assets on their deposit sub account/Bank Guarantee via trading application.

In the event the participant decides to participate at a number of auctions which are held at the same time, the bids placed at every auction – at which the participant partakes – are deducted from the available balance of financial assets kept on deposit sub account/Bank Guarantee or coverage of individual participant.

### **(3) Settlement for daily auctions**

Settlement for daily auctions is performed after the auction gate closure. The System Operator is paid from deposit sub account appertaining to the Auction Participant in the entire amount of liabilities arising from the auction in question.

Auction Participant, who provided bank guarantee as an alternative to the use of deposit sub account, shall be invoiced on a weekly basis. The copy of the invoice will be sent by fax and subsequently by post. Invoices have to be paid no later than eight (8) days upon issuing.

### **(4) Settlement for monthly auctions**

After the results of monthly auctions have been published, the System Operator shall issue an advance payment invoice to the Auction Participant namely for the entire allocated period. Liabilities arising from allocated transfer capacities need to be settled by the Auction Participants within the set deadline and in the amount defined on the advance payment invoice, namely by remitting the outstanding amount onto the System Operator's bank account.

Payment deadline is set not later than two (2) working days before date of publication of Auction Specification for Daily PTRs referred to the same month of the not settled Monthly PTRs.

In the event an Auction Participant fails to settle their liabilities within the set deadline, the entire transfer capacity allocated at the auction on the basis of which the advance payment invoice is issued, is deemed as unallocated and the Auction Operator shall offer such transfer capacity at future auctions.

### **(5) Settlement for yearly auctions**

After the results of yearly auctions have been published, the system operator shall issue an advance payment invoice to all the PTR Holders of the allocated capacity.

The advance payment invoices are then issued in equal monthly installments. The first advance payment invoice is issued for the period of the first two months (January and February) while the remaining advance payment invoices are issued once a month. Liabilities arising from allocated transfer capacities need to be settled by the PTR Holder within the set deadline and in the amount defined on advance payment invoice, namely by remitting the outstanding amount onto the System Operator's bank account.

Payment deadline is set not later than two (2) working days before the date of publication of Auction Specification for PTRs referred to the same month of the not settled Monthly PTRs.

In the event a PTR Holder fails to settle their liabilities within the set deadline, the entire transfer capacity allocated at the auction, on the basis of which the advance payment invoice is issued, is deemed as unallocated and the Auction Operator shall offer such transfer capacity at future auctions.

ELES is entitled to make adjustments of the yearly, monthly and/or daily settlement due to increases or introduction of taxes, duties, etc.

## **12. Use of Allocated Capacity**

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

ELES and APG carry out the transmission services in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable rules of ELES and APG.

The use of reserved transmission capacities is done via the delivery of fixed schedules to APG and ELES in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable market rules of APG and ELES.

The conditions for the general grid access for the use of Allocated Capacity in both control areas of ELES and APG can be fulfilled also by two Auction Participants and/or holders of reserved capacity, each of both is correctly registered/identified only at one side of the Interconnection in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable market rules of APG and ELES.

### **12.1 Use of Allocated Capacities acquired through Yearly and Monthly Auctions**

To use Allocated Capacity from yearly and monthly auctions the delivery of fixed schedules to APG and ELES for the following day – before weekends and before the public holidays and before days when no daily auction is held (according to ANNEX 3a and 3b) for the following days until and including the next Working Day – must be received by:

- **APG before 08:00 (CET);**
- **ELES before 08:00 (CET).**

Modifications of schedules after this time are not possible. Use is generally based on the principle "use it or lose it". This means that reservations which are not used by fixed schedules at 08:00 (CET) will be made available to all Auction Participants in the daily auction procedures.

### **12.2 Use of Allocated Capacities acquired through Daily Auctions**

To use Allocated Capacity from daily auctions operates via the delivery of fixed schedules to APG and ELES for the following day, before weekends and before the public holidays for the following days until and including the next Working Day must be received by:

- **APG before 14:30 (CET);**
- **ELES before 14:00 (CET).**

Modifications of schedules after this time are not possible. Use is generally based on the principle "use it or loose it". Reservation of capacities purchased in the course of daily auctions cannot be returned to TSO for resale purpose.

### **12.3 Intraday Procedure**

The agreed schedules after daily nomination (see Article 12.2) can not be modified. This means that assigned PTRs which are not used by schedules according to Article 12.2 shall be made available to all Auction Participants in an intra-day allocation process – processed by APG for the direction Austria to Slovenia and by ELES for the direction from Slovenia to Austria, based on the first-come, first-served principle

according to the current market rules in Austria and Slovenia, published on [www.e-control.at](http://www.e-control.at) ("Sonstige Marktregeln" Kapitel 3 Fahrpläne) and [www.UPO.ELES.si](http://www.UPO.ELES.si) (Slovenian Grid Code). The Intraday capacity is free of charge.

### **13. Nomination Process**

For using capacities allocated in auctions the PTR holders have to fulfill the following requirements of both control areas:

For APG:

- must be recognized by the Austrian regulatory authority as representative of a balance group or must be member of a recognized Austrian balance group. In particular, in case the Auction Participant is a member of a balance group it shall submit the written acknowledgement of the representative of the balance group wherein the representative of its balance group commits itself to handle the corresponding cross border schedule (see ANNEX 7);

and for ELES:

- Auction Participant has to be a Balance responsible party or must have signed a Contract for Settlement of Imbalances with a Balance responsible party in Slovenia.

The conditions for the general grid access for the use of allocated PTRs in both control areas of APG and ELES can be fulfilled also by two Auction Participants, correctly registered/identified only at one side of the Interconnection in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable market rules of APG and ELES, if they establish an exclusive 1:1 partnership for the exchange of schedules (trading) for at minimum of one calendar month.

In any case, Auction Participant has to notify 1:1 partnership to ELES and APG at least 5 Working Days prior to the day the partnership becomes effective. Partnership notification has to be delivered to ELES and APG by fax, see ANNEX 8. This partnership can be established and changed only for whole calendar months.

### **14. Curtailment**

Curtailments due to circumstances which do not constitute Force Majeure or which do not happen during Maintenance period(s) entitles the PTR holder to be compen-

sated at 100% of the total payments effectuated for the hours of curtailed PTRs (i.e. the PTR holder is compensated with the relevant Auction Price which he paid). PTR holders have the right to be compensated for curtailments communicated before the dead line for nominations to APG and/or ELES.

In any case ELES and/or APG shall inform about the curtailment:

- immediately the PTR holder and his Counterpart,
- by the 5th calendar day of the following month the PTRs holder of the amount of compensation.

The amount of refund will be offset with the amount of yearly, monthly and/or daily auction invoice.

## **15. Secondary Market**

### **15.1. Transfer of Allocated Capacities**

Transfer of Allocated Capacities is performed electronically or exceptionally via fax (for direction Slovenia to Austria only) by ELES and APG for both directions. Each TSO is managing its export direction. Allocated Capacities awarded in yearly and/or monthly auctions or resulting from transfers can be transferred by the holder of Allocated Capacity under the following conditions:

- Only transfers to Auction Participants are allowed,
- Minimum transfer unit is 1 MW,
- Transfer is allowed only for Allocated Capacity that has been previously paid by Auction Participant, Transfer of Allocated Capacity has to be confirmed by both Auction Participants (Transferor and Beneficiary),
- Transfer nomination has to be done two (2) Working Days, till 12:00 CET before the Allocated Capacity takes effect.

Transfer of the daily capacity is not possible.

Any disputes arising between the Transferor and the Beneficiary do not affect the validity of the Transfer after confirmation by ELES and/or Auction Office Austria. A cancellation of a transfer is not possible.

In case of Curtailment, eventual indemnification according to Article 14 shall be in favor of the Beneficiary who obtained Allocated Capacity via Transfer. The Beneficiary will be liable for all obligations resulting from the Transfer.

## **15.2. Resale of Allocated Capacities**

Resale of Allocated Capacities is performed electronically or exceptionally via fax (for direction Slovenia to Austria only) by ELES and/or Auction Office Austria for both directions. Each TSO is managing its export direction. Allocated Capacities from yearly and monthly auctions and/or Transfers can be returned to ELES and/or Auction Office by the Auction Participant.

Resale to monthly auctions:

- Allocated Capacities from the yearly auction can be resold to ELES and/or Auction Office Austria for the relevant direction. The product has to be the same profile as allocated in the relevant yearly auction.
- Deadline: two (2) Working Days, at 12:00 CET before publication of Monthly ATC (see ANNEX 3).

Resale to daily auctions:

- Allocated Capacities from the yearly and/or monthly auction can be resold to ELES and/or Auction Office Austria on hourly basis.
- Deadline: two (2) Working Days, at 12:00 CET before day of respective daily auction.

Auction Participants that Resell Allocated Capacities to Auction Office Austria and/or ELES are entitled to receive financial compensation in the amount of the Auction Price determined at the relevant new Auction.

## **16. Waiver of Right to Compensate**

The Auction Participant is not entitled to offset and/or withhold any debts that arise in connection with a yearly, monthly and/or daily auction to any claim on ELES and/or APG, whether or not arising out of yearly, monthly and/or daily auction.

## **17. Limitation of Liability**

The TSOs, either jointly or separately, shall not be liable to a PTR holder for any damages resulting from a PTR holder participating or not being able to participate in an Auction or from the results of the Auction or from an Auction not being held and a PTR holder shall hold harmless and indemnify the TSOs, jointly and severally, in re-

spect of claims regarding such damages from third parties. In no event shall ELES and/or APG be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind.

ELES and/or APG undertake to carry out the provisions set out in the Auction Rules with the diligence of a careful businessman and control area manager in compliance with the applicable regulations set out by European law, respectively by the EU-Regulation, Austrian and Slovenian law and regulations set out by the Austrian and Slovenian Authorities.

## **18. Force Majeure**

ELES and/or APG shall not be held liable for non-performance, defective performance or delayed performance of obligations arising from these Auction Rules if and to the extent that said non-performance, defective performance or delayed performance is due to circumstances over which the obliged party has no influence, including but not limited to Force Majeure or other circumstances the relevant party is not responsible for and which cannot be solved by measures which, from a technical, financial and/or economic point of view, can reasonably be taken by ELES and/or APG.

## **19. Miscellaneous**

Notwithstanding special provisions set out in these Auction Rules no modification of the contract between ELES and/or APG on the one hand and the Auction Participant on the other hand shall take effect unless it is in writing, by fax or e-mail confirmed, executed and delivered by ELES and/or APG. If any part or provision of the Auction Rules and/or its ANNEXES are 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.

## **20. Confidentiality**

By operation and performance under Auction Rules ELES and/or APG and its affiliates, if any, may receive or have access to Auction Participant's confidential information. Confidential information shall include all information delivered in writing and des-

ignated as “Confidential”, or disclosed other than in writing, information as to which the person to whom such information is disclosed, prior to or essentially concurrent with such disclosure, is made aware that confidential information may be or is being disclosed. ELES and APG agree to hold the confidential information in confidence and not to disclose without the prior consent of the Auction Participant, or make such confidential information available, in any form, to any third person or to use such confidential information for any purpose other than the contemplation of the provisions of these Auction Rules except to public authorities.

The provisions of this Article 20 shall not apply to any information disclosed to ELES and APG as contemplated by said Article if:

- before such disclosure it was public knowledge or, after such disclosure, becomes public knowledge through no fault of ELES and APG,
- it was known to ELES and APG before that disclosure,
- after that disclosure the same information is received by ELES and APG from a third party owing no obligation of secrecy to the respective Auction Participant in respect to such information.

## **21. Amendments and Changes**

Any amendments and changes to these Auction Rules shall be notified to the Auction Participants by means of publication of the respective new version of these Auction Rules on the website of Auction Office Austria and ELES. Such notification shall include reference to the articles amended or changed and the date on which the new version of these Auction Rules enters into force. Each version of these Auction Rules shall bear its specific number.

## **22. Applicable law and disputes**

All disputes among APG and/or Auction Office Austria and users arising from these Auction Rules and Auctions in direction from Austria to Slovenia that take place hereunder are governed exclusively by Austrian law.

All disputes among ELES and users arising from these Auction Rules and Auctions in direction from Slovenia to Austria that take place hereunder are settled exclusively under jurisdiction of competent authority in Slovenia.

## 23. Notices

Except where these Auction Rules provide otherwise, any notice given under these Auction Rules must be in writing and addressed to the following addresses:

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**For the direction Austria to Slovenia:**

Auction Office Austria  
A-1090 Wien, Alserbachstrasse 14-16, Austria  
Phone: +43 1 253 7272 90, Fax: +43 1 253 7272 96  
[www.auction-office.at](http://www.auction-office.at)

**For the direction Slovenia to Austria:**

Elektro Slovenija d.o.o  
Hajdrihova ulica 2, 1000 Ljubljana, Slovenia  
Tel.: +386 (1) 474 2645, Faks: +386 (1) 474 2642  
[www.upo.eles.si](http://www.upo.eles.si)

## **ANNEX 1: Auction Procedure**

If the sum of all Bids submitted for a given Auction falls short of or equals the total Interconnection Capacity, no Clearing Price is charged to the PTR holder.

If the sum of all Bids submitted for a given Auction strictly exceeds the Interconnection Capacity, a Clearing Price is charged to the PTR holder. For this purpose, the Bids are sorted out by the criterion price/time stamp, starting with the highest price and ending with the lowest one. Should several bids have the same price, the priority shall be given to Bids with earlier time stamp.

The requested Interconnection Capacities of the Bids are added up. Up to the Bid (marginal Bid), which represents the level above which the sum of the Interconnection Capacity requested by the Auction participants strictly exceeds the Interconnection Capacity. Each Auction participant receives the Interconnection Capacity requested at the price of this marginal Bid in form of a PTR. In cases where several Bids have the same price, the priority shall be given to Bids with earlier time stamp.

The Clearing Price determined according to the above principle is used as a basis for calculating the charges for Interconnection Capacity Price and apply to all PTR holders.

PTRs are considered to have been awarded to a successful PTR holder at the moment that PTR holder has been informed by the respective Auction Operator.

## ANNEX 2: Scheduled dates of the yearly and monthly auctions in 2007 and 2008 (indicative)

Yearly Auction		Date (indicative)
Year 2008	Publication of Auction Specifications Auction Day	20.11.2007 27.11.2007

Monthly Auctions		Date (indicative)
December 2007	Publication of Auction Specifications Auction Day	14.11.2007 19.11.2007
January 2008	Publication of Auction Specifications Auction Day	12.12.2007 17.12.2007
February 2008	Publication of Auction Specifications Auction Day	11.01.2008 16.01.2008
March 2008	Publication of Auction Specifications Auction Day	14.02.2008 19.02.2008
April 2008	Publication of Auction Specifications Auction Day	13.03.2008 18.03.2008
May 2008	Publication of Auction Specifications Auction Day	11.04.2008 16.04.2008
June 2008	Publication of Auction Specifications Auction Day	15.05.2008 20.05.2008
July 2008	Publication of Auction Specifications Auction Day	12.06.2008 17.06.2008
August 2008	Publication of Auction Specifications Auction Day	11.07.2008 16.07.2008
September 2008	Publication of Auction Specifications Auction Day	14.08.2008 19.08.2008
October 2008	Publication of Auction Specifications Auction Day	12.09.2008 17.09.2008
November 2008	Publication of Auction Specifications Auction Day	15.10.2008 20.10.2008
December 2008	Publication of Auction Specifications Auction Day	13.11.2008 18.11.2008

## ANNEX 3a: Austrian public holidays 2007, 2008

<b>Date:</b>	<b>Description:</b>
08.12.2007 Sat.	Immaculate Conception
25.12.2007 Tue.	Christmas / Christtag / Weihnachtstag
26.12.2007 Wed.	St. Stephen's Day / Stefanitag / Stephanstag
01.01.2008 Tue.	New Year's Day / Neujahr
06.01.2008 Sun.	Epiphany / Heilige Drei Könige
24.03.2008 Mon.	Easter Monday / Ostermontag
01.05.2008 Thu.	Labour Day / Tag der Arbeit
12.05.2008 Mon.	Whit Monday / Pfingstmontag
22.05.2008 Thu.	Corpus Christi / Fronleichnam
15.08.2008 Fri.	Assumption Day / Maria Himmelfahrt
26.10.2008 Sun.	Austria National Day / Nationalfeiertag Österreich
01.11.2008 Sat.	All Saints' Day / Allerheiligen
08.12.2008 Mon.	Immaculate Conception / Maria Empfängnis
25.12.2008 Thu.	Christmas / Christtag / Weihnachtstag
26.12.2008 Fri.	St. Stephen's Day / Stefanitag / Stephanstag

## ANNEX 3b: Days when no auction is held (indicative)

<b>Date:</b>	<b>Description:</b>
08.12.2007 Sat.	Immaculate Conception
24.12.2007 Mo	Christmas Evening / Heiliger Abend
25.12.2007 Tue.	Christmas / Christtag / Weihnachtstag
26.12.2007 Wed.	St. Stephen's Day / Stefanitag / Stephanstag
31.12.2007 Mon	Sylvester
01.01.2008 Tue.	New Year's Day / Neujahr
02.01.2008 Wed.	New Year's Day / Neujahr
06.01.2008 Sun.	Epiphany / Heilige Drei Könige
08.02.2008 Fri.	Culture Day
24.03.2008 Mon.	Easter Monday / Ostermontag
27.04.2008 Sun.	National Resistance Day
01.05.2008 Thu.	Labour Day / Tag der Arbeit
02.05.2008 Fri.	Labour Day / Tag der Arbeit
12.05.2008 Mon.	Whit Monday / Pfingstmontag
22.05.2008 Thu.	Corpus Christi / Fronleichnam
25.06.2008 Wed.	National Day
15.08.2008 Fri.	Assumption Day / Maria Himmelfahrt
26.10.2008 Sun.	Austria National Day / Nationalfeiertag Österreich
31.10.2008 Fri.	Reformation Day
01.11.2008 Sat.	All Saints' Day / Allerheiligen
08.12.2008 Mon.	Immaculate Conception / Maria Empfängnis
24.12.2008 Wed.	Christmas / Hl. Abend
25.12.2008 Thu.	Christmas / Christtag / Weihnachtstag
26.12.2008 Fri.	St. Stephen's Day / Stefanitag / Stephanstag
31.12.2008 Wed.	Sylvester

## ANNEX 4: Form for the direct debit authorization

name:  
street:  
zipcode/city:  
phone:  
fax:  
email:



VERBUND-Austrian Power Grid AG  
A-1220 Wien, Wagramer Straße 19, IZD-Tower  
Phone: +43-(0)-50313-56159  
Fax: +43-(0)-50313-52089

Mail: Engelbert.Freiler@verbund.at

### Authorization for direct debit collection

Hereby we revocably authorize you to collect debts at maturity from our bank account by debit advice. Herewith our bank shall be authorized to cash the debit advice, whereas there is no obligation for redemption, particularly if our bank account offers insufficient coverage. We reserve the right to revoke the debts collection within 42 days after the date of debts collection without stating the reason.

Account number:	Name of bank:	Bank code:
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To (payee):

Verbund Austrian Power Grid AG  
A- 1010 Wien, Am Hof 6a

location, date:

signature:

## ANNEX 5: Registration Form

A-1090 Wien, Alserbachstrasse 14-16  
 Phone: +43 1 253 7272 90 Fax: +43 1 253 7272 96  
[www.auction-office.at](http://www.auction-office.at)

<b>Company</b>	
Name according to commercial register	
Department	
No. of Commercial Register	
Address	
Post Code	
Country	
UID-Number	

<b>Balance Group Information</b>	
Name Of Balance Group	
EIC Code	
E-Mail	

<b>Member data</b>	
Responsible Person	
Telephone	
Fax	
E-mail	

<b>Auction Participant</b>	
Name (Senior User)	
Telephone	
E-mail	
Name (User)	
Telephone	
E-mail	
Name (User)	
Telephone	
E-mail	

\_\_\_\_\_  
 date, signature

## ANNEX 6: Capacity Auction System - Manual

The manual of the “**Capacity Auction System**” is an integrative part of these Auction Rules and is hosted on the homepage of the Auction Office Austria (<http://www.auction-office.at>).

## ANNEX 7: Form of Acknowledgement of “Membership of recognized Austrian Balance Group”

This form shall be delivered to the following fax number:

To Mr. Günther Mann  
 Verbund Austrian Power Grid AG  
 A-1100 Wien, Am Johannesberg 5  
 Phone: +43-(0)-50313-53223  
**Fax: +43-(0)-50313-53219**  
 Mail: Guenther.Mann@verbund.at

	Auction Participant	Austrian Balance Group
<b>Name of the company/ Austrian Balance Group:</b>		
<b>Address:</b>		
<b>EIC-Code</b>		
<b>Contact Person/ Representative:</b>		
<b>Telephone No.:</b>		
<b>Fax No.:</b>		
<b>E-mail address:</b>		

	From	To
<b>Period:</b>		

By signing this acknowledgement the representative of the Austrian Balance Group confirms that the Auction Participant is a member of its balance group during the above given period and commits itself to handle the corresponding cross border schedule for the Auction Participant.

Confirmation		
	Auction Participant registered/identified by APG:	Name of the Austrian Balance Group:
<b>Date:</b>		
<b>Signature:</b>		

## ANNEX 8: Form for “1:1” – system notification

This form shall be delivered to the following fax numbers:

To ELES +386 (1) 474-2142

To APG +431 53113 – 53219

	APG	ELES
<b>Name of the company</b>		
<b>Address</b>		
<b>VAT No. (if available)</b>		
<b>EIC-Code</b>		
<b>Contact Person</b>		
<b>Telephone No.</b>		
<b>Fax No.</b>		
<b>E-mail address</b>		

	From	To
<b>Period</b>		

Confirmation done by nominated companies		
	<i>Name of the company registered/identified by APG</i>	<i>Name of the company registered/identified by ELES</i>
Date		
<b>Signature and stamp</b>		

	APG's approval	ELES's approval
Date		
<b>Signature</b>		

## ANNEX 9: Slovenian Bank Guarantee

### Payment guarantee No....

Name of the bank – Guarantor: .....

Applicant: .....

Beneficiary: Elektro – Slovenija, d.o.o., Ljubljana, Hajdrihova 2, Slovenia

Amount: EUR....

Expiry Date:

We ...( the Bank) have been informed that our Client ( Messrs....) will participate on an Auction for available transmission capacities at the Slovene – Italian interconnection.

In accordance with the Auction Rules published on the web site [www.eles.si](http://www.eles.si). and as a security for their obligations a guarantee by a bank shall be furnished.

At the request of ..... ( Applicant), we .....( the Bank) hereby irrevocably and unconditionally undertake to pay to you on your first demand, waiving all rights of objection and defense, any amount up to a maximum of

EUR.....

upon receipt of your written request, stating that the amount claimed has fallen due and that ..... (the Applicant) have failed to fulfil their obligations.

For the purpose of identification, your request for payment has to be presented through the intermediary of a first rate bank confirming that the signatures are legally binding upon your firm. For the purpose of identification, your request for payment has to be presented through the intermediary of a first rate bank confirming that the signatures are legally binding upon your firm. If, in this respect, such bank will make use of swift, it will have to transmit, in any case, the full request for payment and to confirm at the same time that the original of this document, legally binding upon your firm, has been forwarded to us.

The total amount of this guarantee will be reduced by any payment effected by us hereunder.

The demand for payment must be received no later than the Expiry date. The present guarantee will become null and void at the Expiry Date, irrespective of whether or not it has been returned to us by such date.

We (the Guarantor) may only be released from the obligations under the terms of the present guarantee before the Expiry Date, if the Beneficiary gives its written consent.

Any payment must be made within the 7 working days following receipt of demand for payment.

This guarantee is governed by Slovenian law, place of jurisdiction is Ljubljana.

Signature of the Guarantor

## ANNEX 10: Irrevocable authorization

Pursuant to the provisions of the “Slovenia – Austria Interconnection Capacity Access Rules between the control areas of VERBUND-Austrian Power Grid AG (“APG”) and ELES – ELEKTRO-SLOVENIJA, d.o.o. (“ELES”)” dated \_\_\_\_\_ and in accordance with the rules and regulations of the system operator, Elektro-Slovenija, d.o.o.,

(company name) \_\_\_\_\_, represented by  
\_\_\_\_\_

hereby issues to

the company ELEKTRO-SLOVENIJA, d.o.o., Hajdrihova 2, 1000 Ljubljana, represented by Vitoslav Türk, M.Sc.

the following

### IRREVOCABLE AUTHORIZATION

for the unrestricted disposal of funds deposited on subaccount no. SI56290000152003028\_\_\_\_\_ of deposit transaction account no. SI56290000152003028 held by ELEKTRO-SLOVENIJA, d.o.o., Hajdrihova 2, 1000 Ljubljana.

Bank and account number:

- the number of the account (IBAN): SI56290000152003028
- bank address: UniCredit Banka Slovenija d.d., Šmartinska 140, 1000 Ljubljana
- SWIFT (BIC) code: BACXSI22.

Place: \_\_\_\_\_, Date: \_\_\_\_\_

\_\_\_\_\_  
(signature of representative of auctions participant)