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

[date of approval]

DISCLAIMER

This document is released on behalf of the transmission system operators (“TSOs”) of the bidding zone border(s) Bulgaria and Romania solely for the purpose of public consultation on their proposal for nomination rules for Physical Transmission Right for the bidding zone border(s) Bulgaria and Romania in accordance with Article 36 of Commission Regulation (EU) No 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (“FCA Regulation”). This version of the Proposal is a draft proposal and does not constitute a firm, binding or definitive TSOs’ position on the content.

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

Whereas

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

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

TITLE 1

General provisions

Article 1

Subject matter and scope

1. This document describes the provisions governing Nomination Rules on bidding zone border(s) between related TSOs in terms of:
 - (a) entitlement of a physical transmission rights holder to nominate electricity Exchange Schedules;
 - (b) minimum technical requirement to nominate;
 - (c) description of the nomination process;
 - (d) nomination timings;
 - (e) format and communication.
2. This document only contains rules and provision related to the nomination of yearly and monthly physical transmission rights.
3. Forward capacity allocation on the bidding zone borders between related TSOs takes place through joint explicit allocation of Physical Transmission Rights through yearly and monthly auctions in accordance to harmonised allocation rules for long-term transmission rights developed as per Article 51 of the FCA Regulation (hereafter referred to as “**HAR**”).
4. This Proposal contains the terms and conditions for the nomination of Physical Transmission Rights on the bidding zone border(s) of related TSOs.
5. In accordance with the FCA Regulation and the HAR, this Proposal shall bind the holders of Physical Transmission Rights, their counterparties where applicable, and eligible parties acting on their behalf.

Article 2

Definitions and interpretation

1. Capitalised terms used in this nomination rules Proposal shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, Article 2 of Regulation (EC) 2015/1222, Article 2 of Directive 2009/72/EC, Regulation (EU) 2016/1719 and in the applicable harmonised allocation rules for long-term transmission rights.
2. In addition, the following definitions shall apply:
 - (a) TEL means CNTEE TRANSELECTRICA SA, the Romanian TSO;
 - (b) ESO means **ELEKTROENERGIEN SISTEMEN OPERATOR EAD**, the Bulgarian TSO;
 - (c) CAI means Capacity Agreement Identification;
 - (d) CCT means Capacity Contract Type;

- (e) EIC means Energy Identification Code;
- (f) PTR means Physical Transmission Rights;
- (g) BT means Business Type;
- (h) RD means Rights Document;
- (i) COT means Cut-off-time;
- (j) AAC means Already Allocated Capacity;
- (k) ACK means Acknowledgement document;
- (l) CNF means Confirmation Report;
- (m) ANO means Anomaly Report;
- (n) ESS means ETSO Scheduling System;
- (o) ECAN means ETSO Capacity Allocation and Nomination System.

Article 3

Effective date and application

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

TITLE 2

Nomination rules

Article 4

Entitlement of a physical transmission rights holder to nominate electricity exchange schedules

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

ESO	PTRs holders must have a valid and effective balancing contract with ESO or membership of a Bulgarian balance responsible group and to comply with Bulgarian Market Rules. This market participant is allocated capacity holder or has cross-border counter party on TEL side who is allocated capacity holder.
TEL	PTRs holders must have a valid and effective balancing contract with TEL or membership of a Romanian balance responsible party . This market participant is allocated capacity holder or has cross-border counter party on ESO side who is allocated capacity holder.

Article 5

Minimum technical requirements to nominate

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

ESO	ESO scheduling system is a web-based application, to which the minimum technical requirements are published on ESO website (www.eso.bg).
TEL	TEL scheduling system is a web-based application, to which the minimum technical requirements are published on TEL website (www.transelectrica.ro).

Article 6

Description of the nomination process

1. Schedules for nominations will be sent to the TSOs in accordance with local market rules in ESS standards defined in Article 8 of this Porposal;
2. A nomination will be accepted under following conditions:
 - (a) The sender market participant has valid cotracts for access, transmission and balancing with the receiver TSO;
 - (b) The sender is a balance responsible party or a member of balance responsible group in the area of the receiver TSO.

Any error regarding these conditions leads to a negative ACK.

3. A CAI and CCT of a nomination is valid if
 - (a) the combination of CCT and CAI exists in the RD;
 - (b) at least one of InParty or OutParty of the nomination is the “RightsHolder” transmitted in the RD.

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

4. Examples for invalid CAI:

- (a) time series with invalid combination of CAI and CCT;
- (b) unknown CAI;
- (c) rights holder is not given neither in the InParty nor in the OutParty.

5. Cross nominations (N:M) are not allowed.

6. Basic rules for nomination and schedule matching process:

- (a) the direction of nominations and the direction of the relevant capacity right must be the same;
- (b) the total of the volume in the nominated time series using the same CAI must not exceed the volume of the respective capacity right.

7. When a document with a schedule nomination is received by a TSO it will be formally checked immediately. If the result of the formal check is OK, the trader gets an ACK with the reason code A01. In case of formal errors TSO doesn't accept the document.

8. Nomination without RD function depends on local market rules.

9. If a validation against the RD couldn't be executed during the formal check because of non-availability of the RD, the market participant will be informed by an additional reason Code A75 within the ACK. If the RD is available to the TSO at the time of receiving the nomination, trader will be informed by the TSO about any exceeded capacity rights within an ANO. If the RD is received later on or a nomination from another market participant leads to an exceeding of capacity rights, the trader will be informed by an ANO after the indication was detected.

10. In case of nomination rejection reason codes and reason texts are given in the ACK.

11. Besides the exceeding of capacity rights the ANO can contain detected mismatches depending on the process step. An ANO will always contain the original values of the sender and, if available, the original values of the partner;

12. TEL and ESO 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 TEL and ESO.

13. TEL and ESO will commit themselves to ensure that the allocated capacity is operationally feasible for the market participant solely at the border and/or unplanned network conditions.

14. The allocated capacity may only be used by the market participant if the market participant fulfils the prerequisites for cross-border transmission network use on the Romanian-Bulgarian border and has registered ("1:1") cross-border partnership. Rules for the registration of ("1:1") cross border partnership:

- (a) The ("1:1") cross border partnership registration is obligation for every market participant planning to use allocated capacity.

- (b) The (“1:1”) cross border partnership registration is based on the principle that each of market participants (identified with an EIC-Code) may be only included as one crossborder partner in cross-border registered couple for the Romanian-Bulgarian border.
 - (c) The (“1:1”) cross border partnership registration prerequisites for conclusion of cross-border transmission on the Romanian-Bulgarian border may be fulfilled in the following way for couple market participant X (with registered EIC-Code X) – market participant Y (with registered EIC-Code Y):
 - i. Market participant X fulfils the conditions on TEL side for the use of allocated capacity and for the use of the TEL transmission network, i. e. market participant X is recognized in TEL control area as a party responsible for submitting schedules to TEL, and
 - ii. Market participant Y fulfils the conditions on ESO side for the use of allocated capacity and for the use of the ESO’s transmission networks, i. e. market participant Y is recognized in ESO control area as a party responsible for submitting schedules to ESO, and
 - iii. Market participant X and market participant Y notify both TEL and ESO about their (“1:1”) cross-border partnership, market participant X for the Romanian-Bulgarian border in ESO network and market participant Y for the Romanian-Bulgarian border in TEL transmission network.
 - (d) TEL and ESO will carry out the registration of market participants who fulfil the (“1:1”) cross-border partnership registration prerequisites for Romanian-Bulgarian border. The registration is possible only for whole calendar months or for a period of several months or for the whole year. The market participant X and his crossborder (“1:1”) partner market participant Y together have to deliver by e-mail (scanned copy) of (“1:1”) registration (forms are published on relevant TSOs’ homepage) with the specification of required validity of the cross-border partnership registration not later than 12:00h CET on 24th calendar day of the month before the month for which notification/registration should be valid. Contact addresses assigned for (“1:1”) registration are published on relevant TSOs’ homepage. Rules for the change of the already registered (“1:1”) cross-border couple are the same as those for the registration of (“1:1”) cross-border couple as determined above in this paragraph.
 - (e) If the requirements stated in this Proposal are fulfilled, TEL and ESO shall confirm the registration to the concerned market participant X and its (“1:1”) cross-border partner market participant Y by e-mail, and after that the registration of the (“1:1”) cross-border couple becomes valid.
 - (f) TEL and ESO shall register the (“1:1”) cross-border couple after checking whether the EIC Codes notified in the (“1:1”) cross-border couple are published on the ENTSO-E webpage.
 - (g) The registered (“1:1”) cross-border couple is valid for the use long term allocated capacity.
15. The use of allocated capacity must be in compliance with requirements stated in this Porposal.
16. The submitted schedule data of cross-border electricity exchange shall contain data which unambiguously determine the allocated capacity (CAI and CCT).
17. Only cross-border nominations compying with (“1:1”) cross-border partnership are allowed.

Article 7 Nomination timings

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

1. During the correction cycle market participants may send corrected nominations. Only mismatched time series can be re-nominated at this stage of the process. Already matched time series must not be changed.
2. The correction cycle ends with the long term COT. During correction cycle a new matching process between the TSOs will be started every 10 minutes until COT. As a result of every matching process traders will be informed about confirmation and errors of nominated schedules by a CNF or ANO reports. A CNF confirming all traders' nominations is sent only once. Sending will not be repeated after further matching processes during correction cycle. Depending on local market rules, the result of the matching process is an intermediate or a final CNF report sent to the market participant.
3. If the nominations do not match at COT, the nominations are modified by the TSOs respecting the lower value rule as follows:
 - when time-series values are different but the direction is the same, the nomination time-series values are modified to the lower values;
 - when there is missing exclusive cross-border partner or the directions are not the same, nomination time-series are modified to zero values.

Article 8 Format of nomination and communication

1. Relevant TSOs set the following communication standards to be applied:
 - (a) ETSO ESS 2.3 / 3.3;
 - (b) ETSO ECAN 4.0;
 - (c) **Error! Reference source not found.**General Code list For Data Interchange;
 - (d) **Error! Reference source not found.**Acknowledgement Document (EAD) 5.0;
 - (e) ENTSO-E Reference Manual 5.0.
4. General rules for the format of nominations are defined in the local market rules, but content of used elements and the use of some elements used for nomination on bidding zone border(s) between related TSOs may differ:

- (a) InParty / OutParty: Beside the own EIC the EIC of the traders partner within a sources-ink relation shall be used;
- (b) BT: Use of “A03” is mandatory;
- (c) CAI: given by relevant allocation office in the Rights Document;
- (d) CCT: in accordance with the allocation rules, depending on auction type;
- (e) Local market rules can require resolutions of 15 Minutes for nominations. In this case, market participants have to send 4 equal values for each quarter within one hour and TSOs have to check the existence of 4 equal values for each quarter within the same hour. The violation of this condition results in the rejection of the nomination.

TITLE 3

Miscellaneous

Article 9

Amendment of the nomination rules

Any change of the rules related to nomination of PTRs of TSO ESO on the bidding zone border with TSO Transelectrica or of the rules related to nomination of PTRs of TSO Transelectrica on the bidding zone border with TSO Bulgaria shall lead to an amendment of the present nomination rules proposal.

Article 10

Language

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