
Proposal for nomination rules for Physical Transmission Rights for the bidding zone border Italy NORD - Austria 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 Italy NORD - Austria solely for the purpose of public consultation on their proposal for nomination rules for Physical Transmission Right for the bidding zone border Italy NORD-Austria 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 Italy NORD – Austria (hereafter referred to as *NORD – AT*), taking into account the following,

Whereas

- (1) This document is the common proposal developed by the Transmission System Operators of the bidding zone border Italy NORD - Austria (hereafter referred to as *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 *NORD-AT*.
- (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 be consulted at least by 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 *NORD-AT*.
- (5) TSOs on the bidding zone border *NORD-AT* 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. 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* contributes to the achievement of the objectives of Article 3 of the *FCA Regulation*. In particular, this *Proposal* serves the aim of promoting effective long-term cross-zonal trade with long-term hedging opportunities for market participants giving 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 *NORD-AT*:

TITLE 1

General provisions

Article 1

Subject matter and scope

1. This document describes the provisions governing *Nomination Rules* on Italy NORD - Austria bidding zone border in terms of:
 - Entitlement of a physical transmission rights holder to nominate electricity *Exchange Schedules*;
 - Minimum technical requirement to nominate;
 - Description of the nomination process;
 - Nomination timings;
 - 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 border *NORD-AT* 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 *Allocation Rules*) and the proposal for design of Long Term Transmission Rights in accordance with Article 31 of the *FCA Regulation* (hereafter *Long Term Rights Design*).
4. This *Proposal* contains the terms and conditions for the *Nomination* of long-term physical transmission rights on the bidding zone border *NORD - AT*.
5. In accordance with the *FCA Regulation* and the *Allocation Rules and the Long Term Rights Design*, 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) 'APG' means Austrian Power Grid AG, the Austrian system operator;
 - (b) 'ECAN' means the ENTSO-E standard protocol for Capacity Allocation and Nomination system
 - (c) 'GCT' means Gate Closure Time
 - (d) 'HTTPS' means HyperText Transfer Protocol over Secure Socket Layer

- (e) 'ICMR' means the congestion management rules on the Italian interconnection, pursuant to art. 7 of annex A of the deliberation by the Italian Authority for Electricity and Gas arg/elt 162/1 published on the web site of TERNA
- (f) 'PTRs' means physical transmission rights as defined in the Allocation Rules and Long Term Rights Design;
- (g) 'TERNA' means TERNA S.p.A. Rete Elettrica Nazionale, the Italian system operator;
- (h) 'XML' means the Extensible Markup Language

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 by *TSOs* of the bidding zone border *NORD - AT* on their website.

TITLE 2 **Nomination rules**

Article 4 **Entitlement to nominate electricity Exchange Schedules**

1. In order to *Nominate* physical transmission rights to *TERNA*, the holders of *PTRs* and/or their counterparties and eligible parties acting on their behalf must be a signer of a injection and/or withdrawal dispatching contract and be compliant with the *ICMR*.
2. In order to *Nominate* physical transmission rights to *APG*, the holders of *PTRs* and/or their counterparties and eligible parties acting on their behalf must have a Datenübermittlungsvertrags-Paar with *APG* and a BGV-Vertrag with *APCS* which together result in a valid Genehmigungsbescheid from Energie-Control Austria. Furthermore the nomination has to be compliant with the most recently published version of Sonstige Marktregeln.

Article 5 **Minimum technical requirements to nominate**

1. The nomination tool of *TERNA* is a web-based application, therefore the minimum technical requirement to nominate to *TERNA* is to have an internet access and the MS Internet Explorer. The nomination tool gives the possibility to communicate also through a web services connection.
2. The nomination of schedules of *APG* requires an internet access and is performed via e-mail. All information and detailed parameters for assembling a correct schedule is published in the most recent version of the of the local market rules ("sonstige Marktregeln")

Article 6

Description of the nomination process

1. The *PTRs* must be *Nominated* to both *TSOs*.
2. The holder of *PTRs* shall notify to the *Allocation Platform* the person eligible to nominate *PTRs*, according to the provisions set in the *Allocation Rules*.
3. The *Allocation Platform* notifies by electronic message the *Rights Document* of the yearly and monthly *PTRs* to the person eligible to nominate according to the *Allocation Rules*. For each direction one Rights Document is sent to TERNA and APG, where all the yearly and monthly allocated *PTRs* are listed with the indication of the related contract identification and the person eligible to nominate.
4. The person eligible to nominate, has to submit the nomination at least to one *TSO*. The nominations to the other *TSO* can be submitted by the person eligible to nominate or by one or more counterparty/ies.
5. The *Nominations* submitted to *TSOs* for each contract identification shall not exceed the capacity indicated in the *Rights Documents*, otherwise the *Nominations* are reduced to the values determined in the *Rights Documents*.
6. After *GCT*, *TSOs* match the *Nominations* and in case of mismatch a correction cycle provides time to to correct the *Nominations*.

Article 7

Nomination timings

1. *Nominations* shall be sent to both *TSOs* for both directions by 08:30 CET of the day preceding the delivery day (*GCT*).
2. The Single Allocation Platform shall publish information on its website on the nomination deadline related to the nomination of long term *PTR*. In case of any discrepancy between the deadline published by the Single Allocation Platform and those of this valid and legally binding nomination rules Proposal, the latter shall prevail and the Single Allocation Platform shall not be held liable for any damaged due to such a discrepancy.

Article 8

Format of nomination and communication

1. The nomination tool of *TERNA* supports two ways of communication:
 - (a) web form interface;
 - (b) web services communication of XML files through secure standard protocol *HTTPS*.

The format of XML file is defined by XSD charts available on the web site of *TERNA* , which make it possible to validate semantics of a *XML* message. The structure is based on the *ECAN* standard provided by the *ENTSO-e*.

2. The nomination of schedules to *APG* is performed via e-mail. The structure is based on the *ECAN* standard provided by the *ENTSO-e*. All information and detailed parameters for assembling a correct schedule is published in the most recent version of the local market rules (“sonstige Marktregeln”)

TITLE 3

Miscellaneous

1. For any matter related to PTR's nomination that is not contained in the present document, the following documents shall be valid:
 - a) For nomination to *TERNA: Congestion management rules on the Italian interconnection*, pursuant to art. 7 of annex A of the deliberation by the Italian Authority for Electricity and Gas arg/elt 162/1.
 - b) For nomination to *APG: "Sonstige Marktregeln, Kapitel 3"* published by the Austrian NRA Energie-Control Austria.

Article 9

Amendment of the nomination rules

Any change of the *Congestion management rules on the Italian interconnection*, pursuant to art. 7 of annex A of the deliberation by the Italian Authority for Electricity and Gas arg/elt 162/11 or of the "Sonstige Marktregeln, Kapitel 3" that has an impact on the present nomination rules, shall lead to an amendment of the present nomination rules proposal.

Article 10

Language

The reference language for this nomination rules Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this nomination rules 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.