

***CONSULTATION DRAFT***

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**The TSOs proposal from SEE region for fallback procedure in  
accordance with Article 44 of the Commission Regulation  
(EU) 2015/1222 of 24 July 2015  
establishing a guideline on Capacity Allocation and  
Congestion Management**

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## Contents

Whereas .....	3
Article 1 - Subject matter and scope .....	3
Article 2 - Definitions and interpretation .....	3
Article 3 - List of Information Required from Relevant NEMOs .....	4
Article 4 – Fallback Procedure for Romania-Bulgaria (RO-BG) interconnection .....	4
Article 5 – Fallback Procedure for Bulgaria-Greece (BG-GR) interconnection .....	4
Article 6 – Decoupling scenarios .....	5
Article 6.1 Full decoupling .....	5
Article 6.2 Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection .....	5
Article 6.3 Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection .....	5
Article 7 - Implementation date .....	5
Article 8 - Language .....	5

Transelectrica, ESO/EAD and IPTO/ADMIE and taking into account the following:

### **Whereas**

1. This document is a common proposal developed by Transelectrica, ESO/EAD and IPTO/ADMIE as the Transmission System Operators of SEE Region (hereafter referred to as SEE TSOs), which intend to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead market coupling process is unable to produce results. This proposal is required by Article 44 of Regulation (EU) 2015/1222 on Capacity Allocation and Congestion Management (the “CACM Regulation”).
2. The Fallback Procedures Proposal takes into account the general principles, goals and other methodologies reflected in Regulation 2015/1222. The goal of Regulation 2015/1222 is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday markets.
3. The Fallback Procedures shall be applied in case the single day-ahead market coupling process is unable to produce results in accordance with Articles 44 and 50 of Regulation 2015/1222.
4. According to Article 9(9) of Regulation 2015/1222, the proposed timescale for the implementation of the proposed Fallback Procedures shall be included and can be found in Article 7 of the Fallback Procedures Proposal.
5. The proposed fallback procedures across the SEE region contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. The fallback procedures ensure a transparent and non-discriminatory approach towards facilitating cross zonal capacity allocation in the event that the single day-ahead coupling process is unable to produce results. This supports the CACM objective of ensuring and enhancing the transparency and reliability of information.
6. If will be the case, the proposed fallback procedure will be revised after the day-ahead markets from SEE region will be coupled.

### **Article 1 - Subject matter and scope**

1. The Fallback Procedures, as determined in this Fallback Procedures Proposal shall be considered as the common proposal of SEE TSOs to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead market coupling process is unable to completely or partially produce results, in accordance with Article 44 of Regulation 2015/1222. The Fallback Procedures Proposal shall cover the following:
  - a) Fallback Procedure on Romania-Bulgaria (RO-BG) interconnection; and
  - b) Fallback Procedure on Bulgaria-Greece (BG-GR) interconnection.

The scope of the Fallback Procedures does not extend to the assignment of roles and responsibilities to specific parties. Neither does the scope attempt to provide a governance framework for specific roles or responsibilities. These aspects will be defined by the SEE TSOs in accordance with Article 8(2i) of Regulation 2015/1222.

## **Article 2 - Definitions and interpretation**

1. For the purposes of this Fallback Procedures Proposal, terms used shall have the meaning of the definitions included in Article 2 of Regulation 2015/1222, Commission Regulations (EU) 543/2013 and (EU) 1227/2011. In addition, the following definitions shall apply:

- a) 'Shadow Auction' means the explicit auction run by the Allocation Platform by which daily Cross Zonal Capacity is offered as fallback procedure for the single day-ahead coupling process and allocated to market participants who submit Bid(s) according to the Shadow Allocation Rules;
- b) 'Allocation Platform' means the entity appointed and commissioned by the TSOs to act on their behalf and on its own name for the attribution of Cross Zonal Capacity through the Shadow Auctions;
- c) 'Shadow Allocation Rules' means the rules for the Shadow Auctions applied by the Allocation Platform, and published on the Allocation Platform website, always in its last version;
- d) 'SEE NEMOs' means the NEMOs officially designated in Romania, Bulgaria and Greece in accordance with Article 4 of Regulation 2015/1222.
- e) 'Full decoupling' means the situation where the unavailability of single day-ahead market coupling to produce results affects the whole Bidding Zones within it leading to the application of fallback procedures at every Bidding Zone border within the single day-ahead market coupling.
- f) 'Partial decoupling' means as the situation where the unavailability of single day-ahead market coupling to produce results affects a subset of Bidding Zones within it leading to the application of fallback procedures only in the relevant Bidding Zone borders.
- g) 'IPTO' means Independent Power Transmission Operator, the Greece system operator;
- h) 'ESO' means Electroenergien Sistemem Operator EAD, the Bulgarian system operator;
- i) 'Transelectrica' means the Romanian Transmission System Operator

2. In this Fallback Procedures Proposal, unless the context requires otherwise:

- a) the singular indicates the plural and vice versa;
- b) the table of contents and headings are inserted for convenience only and do not affect the interpretation of these fallback procedures; and
- c) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force.

## **Article 3 - List of Information Required from Relevant NEMOs**

SEE NEMOs performing Market Coupling Operator (MCO) function shall inform SEE TSOs in the event of risk of Full decoupling or Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection and Bulgaria-Greece (BG-GR) interconnection in accordance with Article 50(2) of Regulation 2015/1222.

#### **Article 4 – Fallback Procedure for Romania-Bulgaria (RO-BG) interconnection**

1. In the event that single day-ahead coupling process is unable to produce results, TSOs will initiate a day ahead Fallback Procedure and launch the execution of Shadow Auctions on the Allocation Platform.
2. Shadow Auctions are held seven days a week, including weekend and public holidays, provided that the offered capacity for Shadow Auctions is at least one MW unit per hour.
3. The auction specification of a Shadow Auction for the contract day will be published by the Allocation Platform in advance according to the Shadow Allocation Rules
4. The execution of Shadow Auctions is based on the last valid version of Shadow allocation Rules.

#### **Article 5 – Fallback Procedure for Bulgaria-Greece (BG-GR) interconnection**

1. In the event that single day-ahead coupling process is unable to produce results, TSOs will initiate a day ahead Fallback Procedure and launch the execution of Shadow Auctions on the Allocation Platform.
2. Shadow Auctions are held seven days a week, including weekend and public holidays, provided that the offered capacity for Shadow Auctions is at least one MW unit per hour.
3. The auction specification of a Shadow Auction for the contract day will be published by the Allocation Platform in advance according to the Shadow Allocation Rules
4. The execution of Shadow Auctions is based on the last valid version of Shadow allocation Rules.

#### **Article 6 – Decoupling scenarios**

The Fallback Procedures in SEE Region shall apply for the following scenarios:

- a) Full decoupling
- b) Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection
- c) Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection

##### **Article 6.1 Full decoupling**

In the event of Full Decoupling Fallback Procedures described in Article 4 and 5 shall apply.

##### **Article 6.2 Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection**

In the event of Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection Fallback Procedure described in Article 4 shall apply.

##### **Article 6.3 Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection**

In the event of Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection Fallback Procedure described in Article 5 shall apply.

##### **Article 6.2 Fallback procedure unable to be initiated**

1. If the Fallback procedure cannot be implemented as necessary to enable an auction to be conducted in time, based on decision of Allocation Platform, the Shadow Auction will be postponed.
2. If postponement of a Shadow Auction is not considered by the Allocation Platform as being possible, based on objective grounds and in compliance with Shadow Allocation Rules, the Shadow Auction will be cancelled and all bids already submitted will automatically set to be invalid.

#### **Article 7 - Implementation date**

The arrangements described in Articles 3 to 6 shall be implemented after SEE NRAs approval and when the Day Ahead Markets from SEE region will be coupled.

#### **Article 8 - Language**

The reference language for this Fallback Procedures Proposal shall be English. For the avoidance of doubt, where TSOs need to translate this Fallback Procedures Proposal into their national language(s), in the event of inconsistencies between the English version published by SEE TSOs in accordance with Article 9(14) of the Regulation 2015/1222 and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this Fallback Procedures Proposal to their relevant national regulatory authorities.