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

June 2018

All TSOs of the bidding zone border(s) Italy BRNN-Greece, 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) Italy BRNN-Greece (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 (PTRs) pursuant to the UIOSI principle or in the form of Financial Transmission Rights (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) Italy BRNN-Greece.
- (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 27 June 2017 until 18 August 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) Italy BRNN-Greece.
- (5) TSOs on the bidding zone border(s) Italy BRNN-Greece consider that the FCA Regulation allows the submission of this Proposal on bidding zone border level, since proposals for nomination rules for Scheduled Exchanges 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. Given the pan-European scope of the harmonization process, timing of such process shall be set in coordination at all TSO level.
- (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..
- (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) Italy BRNN-Greece:

TITLE 1

General provisions

Article 1

Subject matter and scope

1. This Proposal contains the terms and conditions for the nomination of Physical Transmission Rights on the bidding zone border(s) Italy BRNN-Greece.
2. In accordance with the FCA Regulation and the applicable harmonised allocation rules for long-term transmission rights developed as per Article 51 of the FCA Regulation, this Proposal shall bind the holders of Physical Transmission Rights, their counterparties where applicable, and authorised third parties acting on their behalf.

Article 2

Definitions and interpretation

1. Capitalised terms used in this 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) Day-Ahead Energy Transaction Contract, means the contract concluded between the Greek NEMO on one side and the registered participants in the Greek market on the other.
 - (b) 'ESS' means the ENTSO-E standard protocol for Scheduling 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 162/11 published on the web site of TERNA;
 - (f) 'IPTO' means Independent Power Transmission Operator (ADMIE), the Greek system operator;
 - (g) 'PTRs' means physical transmission rights as defined in the Allocation Rules;
 - (h) 'TERNA' means TERNA S.p.A. Rete Elettrica Nazionale, the Italian system operator;
 - (i) 'Transmission System Contract' means the contract concluded between ADMIE on one side and the registered participants in the Greek market on the other.
 - (j) '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 the TSOs of the bidding zone border Italy BRNN-Greece on their website.

TITLE 2

Nomination rules

Article 4

Entitlement of a physical transmission rights holder to nominate Scheduled Exchanges

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 ADMIE, the holders of PTRs and/or their counterparties and eligible parties acting on their behalf must have concluded a Day-Ahead Energy Transaction Contract with the Greek NEMO and Transmission System Contract with ADMIE.

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 tool of ADMIE is based on Microsoft EXCEL therefore the minimum technical requirement to nominate to ADMIE is to have an internet access, an email account and Microsoft Excel.

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 Single Allocation Platform the person eligible to nominate PTRs, according to the provisions set in the Allocation Rules.
3. The Single Allocation Platform notifies by electronic message the Rights Document of the long-term PTRs to the person eligible to nominate according to the Allocation Rules. For each direction, one Rights Document is sent to TERNA and ADMIE where all long-term allocated PTRs are listed with the indication of the related contract identification and the person eligible to nominate.
4. For the PTRs allocated in direction from Greece to Italy BRNN, the person eligible to nominate shall submit the Nomination to ADMIE. The Nomination to TERNA shall be submitted by the persons eligible to nominate or by its counterparties (each person eligible to nominate can designate several counterparties on Italian side) according to the modalities described in ICMR.

5. For the PTRs allocated in direction from Italy BRNN to Greece, the person eligible to nominate shall submit the Nomination to Terna. The Nomination to ADMIE shall be submitted by the persons eligible to nominate or by its counterparties (each person eligible to nominate can designate several counterparties on Greek side).
6. The Nomination submitted to TSOs shall not exceed the amount indicated in the Rights Documents. otherwise the submission is rejected by the nomination tool.
7. In case there are more Nominations submitted related to the same allocated Right, if the sum of the Nominations exceeds the volume of allocated Right, the Nominations are reduced pro-rata by TSOs at the GCT indicated in article (7).
8. After the GCT, TSOs match the Nominations and in case of mismatch the following rule is applied:
 - (a) in direction from Greece to Italy BRNN , the Nomination submitted to ADMIE prevail
 - (b) in direction from Italy BRNN to Greece, the Nomination submitted to Terna prevail
9. Where the Nomination gate is cancelled, Nomination submitted will not be considered and all Physical Transmission Rights will be treated as non nominated Physical Transmission Rights. The holders of Physical Transmission Rights will be compensated in accordance with applicable allocation rules as defined in Article 51 of FCA regulation.

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 ESS standard provided by the ENTSO-e.

2. The nomination tool of ADMIE supports communication via email. The nomination tool processes excel files based on a template excel file. The tool processes the files based on a validation procedure described in the Nomination of Cross Border Schedules.

TITLE 3

Art. 9 Miscellaneous

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 162/11;
- b) For nomination to ADMIE: Rules Regarding Nomination of Cross Border Schedules.

Article 10

Amendment of the nomination rules

Any change of the *Congestion management rules on the Italian interconnection*¹, 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 Rules Regarding Nomination of Cross Border Schedules² that has an impact on the present nomination rules, shall lead to an amendment of the present Proposal.

Article 11

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 Proposal

¹ <http://www.terna.it/en-gb/sistемаelettrico/importexport.aspx>

² <http://www.admie.gr/en/operations-data/electricity-power-market-participation/forward-market/long-term-auctions/useful-info/>