

Врз основа на член 24 став (1) точка 2) алинеја 5 од Законот за енергетика („Службен весник на Република Македонија“ бр. 96/18 и „Службен весник на Република Северна Македонија“ бр. 96/19), а во врска со член 7 од Правилата за доделување на прекугранични преносни капацитети („Службен весник на Република Северна Македонија“ бр.228/19) Регулаторната комисија за енергетика и водни услуги на Република Северна Македонија на седницата одржана на 5 ноември 2019 година, донесе

РЕШЕНИЕ

за одобрување на Правила за алокација на прекугранични преносни капацитети на граница Република Северна Македонија - Република Бугарија за 2020 година

1. Се одобруваат Правила за алокација на прекугранични преносни капацитети на граница Република Северна Македонија – Република Бугарија за 2020 година кои се состојат од Agreement between Elektroenergien Sistemen Operator EAD and JSC MEPSO, вклучувајќи и:
 - Yearly and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of Elektroenergien Sistemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”), и
 - Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones of Elektroenergien Sistemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”),а доставени од страна на Операторот на електропреносниот систем на Република Северна Македонија, Акционерско друштво за пренос на електрична енергија и управување со електроенергетскиот систем во државна сопственост, Скопје.
2. Одобрените Правила од точка 1 од ова Решение се во прилог на ова Решение.
3. Се задолжува Операторот на електропреносниот систем на Република Северна Македонија, Акционерско друштво за пренос на електрична енергија и управување со електроенергетскиот систем во државна сопственост, Скопје, текстот на Правилата од точка 1 од ова Решение, да го објави на својата веб страница.
4. Ова Решение се доставува до Операторот на електропреносниот систем на Република Северна Македонија Акционерско друштво за пренос на електрична енергија и управување со електроенергетскиот систем во државна сопственост, Скопје.
5. Ова Решение влегува во сила со денот на неговото донесување, а се објавува на веб страницата на Регулаторната комисија за енергетика и водни услуги на Република Северна Македонија.

ОБРАЗЛОЖЕНИЕ

Операторот на електропреносниот систем на Република Северна Македонија, Акционерско друштво за пренос на електрична енергија и управување со електроенергетскиот систем во државна сопственост, Скопје (во понатамошниот текст: АД МЕПСО Скопје) постапувајќи согласно член 7 од Правилата за доделување на прекугранични преносни капацитети на 4 октомври 2019 година до Регулаторната комисија за енергетика и водни услуги на Република Северна Македонија (во понатамошниот текст: Регулаторна комисија за енергетика) достави за одобрување текст на Правилата за алокација на прекугранични преносни капацитети на граница Република Северна Македонија – Република Бугарија за 2020 година бр. 12-3152/1 (во понатамошниот текст: Правила), кои се состојат од Agreement between Elektroenergien Sistemen Operator EAD („ESO“) and JSC MEPSO (“MEPSO”), вклучувајќи и:

- Yearly and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of Elektroenergien Sistemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”), и
- Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones of Elektroenergien Sistemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”).

Република Северна Македонија со потпишување на Договорот за основање на енергетската заедница, меѓу другото презема обврска и за учество во регионалните иницијативи кои што ќе придонесат за формирање на заеднички пазар на електрична енергија во регионот. Од овие причини, АД МЕПСО Скопје како вршител на енергетската дејност, пренос на електрична енергија, на 31 мај 2016 година го потпиша Договорот за процедурите за учество во Канцеларијата за координирана аукција на Југоисточна Европа (Agreement on the procedure for MEPSO accession to CAO SEE). Претходно, овој Договор го потпишаа операторите на преносните системи од Албанија, Босна и Херцеговина, Косово, Хрватска, Турција, Црна Гора и Грција. Согласно овој Договор, во земјите чии оператори на преносни системи се потписници на Договорот, при распределбата на прекуграничните преносни капацитети ќе се применуваат Правила за доделување на прекуграничните преносни капацитети кои се применуваат од Канцеларијата за координирана аукција на Југоисточна Европа.

Имајќи предвид дека операторот на преносниот систем на Република Бугарија се уште го нема потпишано Договорот за процедурите за учество во Канцеларијата за координирана аукција на Југоисточна Европа, за границите кои не се опфатени со договорот со SEE CAO, АД МЕПСО Скопје е должен да подготви соодветни Аукциски правила за доделување на прекуграничните преносни капацитети на соодветната граница.

Доставениот текст на Правилата претставува крајна верзија постигната во постапката на повеќекратното усогласување помеѓу АД МЕПСО Скопје, ЕСО ЕАД Софија, Комисијата за регулирање од областа на енергетиката и водните услуги на Република Бугарија и Регулаторната комисија за енергетика.

Врз основа на Решение за свикување на подготвителна седница бр. 02-3194/1 од 9 октомври 2019 година на Регулаторната комисија за енергетика, на 16 октомври 2019 година се одржа подготвителна седница на која се разгледуваа Правилата. На подготвителната седница немаше забелешки по предлог текстот на Правилата.

На 31 октомври 2019 година Регулаторната комисија за енергетика одржа подготвителна седница на која се разгледуваа предлог Правилата за доделување на прекугранични преносни капацитети, по што истиот ден одржа седница на која донесе Решение за одобрување на Правила за доделување на прекугранични преносни капацитети бр. 12-3270/2 од 31 октомври 2019 година. Во член 7 од Правилата за доделување на прекугранични капацитети е уредено дека за границите кои не се опфатени со договор со регионална канцеларија за координирано доделување на расположивиот прекуграничен преносен капацитет, АД МЕПСО Скопје подготвува соодветни Аукциски правила за доделување на прекуграничните преносни капацитети, и истите најдоцна до 31 октомври ги доставува до Регулаторната комисија за енергетика заради одобрување.

На ден 5 ноември 2019 година се одржа седница на Регулаторната комисија за енергетика на којашто се одобрија Правилата.

Имајќи го во предвид горенаведеното се одлучи како во диспозитивот на ова Решение.

ПРАВНА ПОУКА: Против ова Решение, може да се поведе управен спор, во рок од 30 дена од денот на приемот.

бр. 02-3152/2
05.11.2019 година
Скопје

ПРЕТСЕДАТЕЛ
Марко Бислимоски

Изготвил: Анастасија Стефановска Ангеловски

ПРИЛОГ:

Правила за алокација на прекугранични преносни капацитети на граница Република Северна Македонија – Република Бугарија за 2020 година кои се состојат од Agreement between Elektroenergien Sistemen Operator EAD („ESO“) and JSC MEPSO („MEPSO“), вклучувајќи и:

- Yearly and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of Elektroenergien Sistemen operator EAD („ESO“) and JSC MEPSO („MEPSO“), и
- Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones of Elektroenergien Sistemen operator EAD („ESO“) and JSC MEPSO („MEPSO“)

**Yearly and Monthly Auctions Rules
for the
Allocation of
Cross Zonal Capacities
between the Bidding Zones of
Elektroenergien Systemen Operator EAD
("ESO")
and
JSC MEPSO("MEPSO")
for the year 2020**

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Definitions

Terms used herein shall have the following meanings unless otherwise defined.

Allocated Capacity – The *Promise of Capacity* notified to *Registered Participants* in yearly or monthly *Auctions* becomes *Allocated Capacity* when fulfilling the payment conditions stated in the Section 8. *Allocated Capacity* is guaranteed by both neighboring *TSOs*, vis-à-vis *Auction Office*, in accordance with these *Auction Rules*.

Announcement of Auction Capacities – document published on the *Auction Office* website specifying offered *Capacities*, period(s) of reservation, and any additional information necessary for the *Auction* process.

Auction – congestion management mechanism adopted by *TSOs* in order to allocate the available *Capacities*.

Auction Platform– an electronic web-based application with restricted access operated by the *Auction Office* available at www.mepso.mk. Monthly and yearly *Auctions* provided by the *Auction Office* are carried out through the *Auction Platform*.

Auction Office – stands for *MEPSO* (in its function as the *Auction Office*). *MEPSO* will be subject to all rights and responsibilities attributed to the *Auction Office*.

Auction Price – the price in EUR determined for border and direction in accordance with Section 4, to be paid by each *Registered Participant* for each MW of *Promise of Capacity* for each hour.

Bid – a request of *Capacity* reservation (*Bid Amount*) at the specified price (*Bid Price*) submitted for the given border and direction.

Bid Amount – the requested amount of *Capacity* reservation in MW (integral part of a *Bid*).

Bid Price – the price in EUR which *Registered Participant* is willing to pay for 1MW of *Capacity* for each hour.

Bidding Zone – means the largest geographical area within which market participants are able to exchange energy without allocation of *Capacity*.

Bid Sheet – a form with the unambiguous and legible specifications stated in Attachment A and Attachment B of Annex 5 for submitting *Bids* to the *Auction Office* in case of alternative yearly and monthly auction procedure.

BRP (Balance Responsible Party): a market participant recognized by *TSOs* as nomination validators for the nomination of *Allocated Capacity*. It must be identified by an unique EIC-Code. On both *MEPSO* and *ESO* side, it is the market participant with a valid and effective balancing responsibility contract.

Capacity – cross zonal capacity in MW.

Capacity Agreement Identification – an identification that uniquely identifies *Allocated Capacity*.

Congestion – means a situation in which an interconnection linking national transmission networks, cannot accommodate all physical flows resulting from cross-border trade requested by market participants because of a lack of capacity of the interconnectors and/or the national transmission systems concerned.

Contract – contract between the *Auction Office* and the *Registered Participant* for *Auctions* at Bulgarian-Macedonian border for 2020 created by confirmation of the Registration Form of *Registered Participant* by the *Auction Office*. The *Auction Rules* constitute the terms and conditions of the contract.

Curtailement of Allocated Capacities - The reduction of *Capacity* between the *Bidding Zones* of North Macedonia and Bulgaria in case of *Force Majeure* or *Emergency Situations* where *ESO* and *MEPSO* must act in an expeditious manner.

EU Regulation – the Regulation (EU) 2019/943 of the European Parliament and the Council of 5 June 2019, on the internal market for electricity and also Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU.

EIC-Code – Energy identification code serving to clear the identification of entities in a cross-border trade. *EIC-Codes* are issued by local issuers and published on https://www.entsoe.eu/fileadmin/user_upload/edi/library/eic/EICRegistry.htm

Emergency Situation – conditions and/or events and/or circumstances which in the professional assessment of *ESO* and/or *MEPSO* put under risk the security of supply, provision or transmission of electricity or the technical safety of a given national transmission system or its significant part.

Energy Community Treaty – Treaty establishing the Energy Community between the European Community on the one hand and Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Republic of North Macedonia, Montenegro, Romania, Serbia and UNMIK on the other hand, signed on October 25, 2005.

ENTSO-E – European Network of Transmission System Operators for Electricity – association of *TSOs*.

(1M EURIBOR + 3%) p.a. - one-month interest rate at which euro interbank term deposits within the euro zone are offered by one prime bank to another prime bank (see <http://www.euribor.org>) increased by 3% and calculated by using pro-rata method.

Force Majeure – any unforeseeable or unusual event or situation beyond the reasonable control of a *Registered Participant* and/or the relevant *TSOs*, and not due to a fault of the *Registered Participant* and/or the relevant *TSOs*, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view reasonably possible for the *Registered Participant* and/or the relevant *TSOs*, which has actually happened and is objectively verifiable, and which makes it impossible for the *Registered Participant* and/or the relevant *TSOs* to fulfil, temporarily or permanently, its obligations.

JSC MEPSO (MEPSO)– The Joint Stock Company for electricity transmission and power system control with registered office at Maksim Gorki No.4 1000 Skopje, Republic of North Macedonia and incorporated in the Business register with the Company Identification No 5933781

Offered Capacity – the *Capacity* offered by the concerned TSOs on the border and direction for the period indicated in the *Auction* procedure and guaranteed by concerned TSOs.

Promise of Capacity – by notification of the *Auction* result of yearly or monthly *Auction*, the *Registered Participant* gains the promise of the *Auction Office* that, by settlement of the payment in accordance with Section 8, *Capacity* shall be allocated.

Registered Participant – a person and/or an entity identified with a unique *EIC-Code* and registered at the *Auction Office* in accordance with Article 3.1.

Reservation Period – the period for which *Capacity* is offered in the *Auction*. It can be a part of or a whole calendar month.

Time Stamp - the *Auction Platform* system time assigned to a message when it leaves and/or comes into the *Auction Platform*. The *Time Stamp* is definitive when settling disputes.

Transferor - the *Registered Participant* or *ITR* who wishes to transfer the *Allocated Capacity* to another *Registered Participant* or *ITR*.

Transferee - the *Registered Participant* or *ITR* to whom the *Allocated Capacity* is transferred.

TSO - means a natural or legal person responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and where applicable its interconnections with other system, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.

TSOs - Transmission System Operators participating in this common auction procedure, i.e. *ESO* and *MEPSO*.

User - a person entitled to use the *Auction Platform* in the name of *Registered Participant*.

Working Day – the calendar days from Monday to Friday, with the exception of Macedonian public holidays and corresponding non-working days (see Annex 7).

Unless context requires otherwise, any wording in the *Action Rules* denoting the singular also applies to the plural as logic requires, and vice versa. Furthermore, the same principle of inclusion applies to references of gender.

Section 1

Preamble

Article 1.1 Considerations

According to *EU Regulation* and *Energy Community Treaty*, a market-based mechanism should be adopted to allocate cross zonal capacity among market players.

In order to achieve maximum transparency in the allocation of this transmission capacity and to avoid discrimination in allocating capacities, *TSOs* will organize common auctions, i.e. a common allocation of cross zonal capacities.

Article 1.2 General Principles

TSOs agreed to introduce a common auctioning procedure of *Capacities* on the Bulgarian-Macedonian border and to allocate available *Capacities* on the congested border to market players.

The *Auction Rules* are constructed in accordance with the *EU regulation*, mandatory national laws of *TSOs*, and regulations set forth by National Regulatory Authorities.

The aim of the common *Auction* is to offer the market participants an easy, transparent, and non-discriminatory system for *Capacity* allocation.

Capacities are offered firm, i.e. concerned *TSOs* have committed themselves vis-à-vis *Auction Office* to guarantee the *Allocated Capacity* with the exception of cases described in Section 11.

Auctions for yearly and monthly *Capacities* for the year 2020 will be held in order to ensure that each reservation of *Capacity* on the Bulgarian-Macedonian border shall be valid for both sides of the border where the *Capacity* is allocated. *Capacities* will be offered to the market participants through the common *Auction* procedure.

TSOs have committed themselves vis-à-vis *Auction Office* to offer through the *Auction Office* and through the *Auctions* all *Capacity* recognized as available for commercial activity at the time of the *Offered Capacity* computation.

The Methodology for computation of capacity limits for Bulgarian-Macedonian border shall be based on the standard *ENTSO-E* methodology for calculation of Available Transfer Capacity.

Article 1.3 The Auction Office

The *Auction Office* is responsible for carrying out the *Auctions* in accordance with the *Auction Rules*. The *Auction Office* conducts the *Auctions* and provides the market participants and concerned *TSOs* with all relevant information. *TSOs* have agreed that for the 2020 *Auctions*, the function of *Auction Office* will be provided by *MEPSO* based on the Agreement between *MEPSO* and *ESO*. Therefore, the contractual relations in the framework of these *Auctions* will only be between *MEPSO* and the *Registered Participant*.

TSOs have committed themselves vis-à-vis *Auction Office* to make the *Capacity* available to the extent that it has been allocated to the *Registered Participants*, with the exception of cases described in Article 11.1.

Section 2

General

Article 2.1 Scope of the Auction Rules

These *Auction Rules* contain the terms and conditions for the allocation of the *Capacity* in both directions of the Bulgarian-Macedonian border.

Among other aspects, the *Auction Rules* describe the requirements which the *Registered Participants* in the *Auction* must fulfill in order to participate, the *Auction* algorithm (including the determination of *Auction Price* as a result of *Auction*), and the conditions for using the *Allocated Capacity*.

By notification of the *Auction* result in case of yearly and/or monthly *Auction*, the *Registered Participant* gains a promise of the *Auction Office* that, through settling payment in accordance with Section 8, the *Capacity* shall be allocated in accordance with notified *Auction* results, with the exception of cases described in Article 11.1, i.e. the *Registered Participant* gains the *Promise of Capacity*.

TSOs have committed themselves vis-à-vis *Auction Office* to accept the result of the common *Auctions* and to reserve the *Capacities* for *Registered Participants* according to the individual *Auction* results. Each *TSO* has committed itself to carry out the transmission services in accordance with their individual respective prerequisites, and in accordance with the legal requirements applicable to them /see Section 9/.

Grid access is not covered and granted by the scope of *Auction Rules* or the *Auction* results.

Auction Price is set forth independently of the actual use, and other transmission fees if applicable, separately in each *Bidding Zone*.

Article 2.2 Auctions

The *Auction Office* organizes yearly and monthly *Auctions*.

Auctions are held for *Capacity* to be reserved for both directions on the Bulgarian-Macedonian border for the following *Reservation Periods*:

- for the yearly *Auction* – the *Reservation Period* starts on 1 January 2020 and ends on 31 December 2020,
- for the monthly *Auction* – the *Reservation Period(s)* start on the 1st day and end on the last day of each calendar month for the year 2020,

Prospective *Reservation Period(s)* and *Capacity* announced for *Reservation Period(s)* are specified in the *Announcement of Auction Capacities*.

The *Offered Capacities* for yearly and monthly *Auctions* shall be published in the *Announcements of Auction Capacities* on the website of the *Auction Office*, (<https://aukcijaatc.mepso.com.mk/>) and on *Auction Platform* (<https://aukcijaatc.mepso.com.mk/>) according to the deadlines set forth in Annex 3.

Section 3

Procedure and Requirements for Participating in the Auction

Article 3.1 Registration and Acceptance of the Auction Rules

In order to participate in *Auctions*, the legal entities shall be either in the eligibility list of *MEPSO* or in the list of *ESO*.

In order to be included in the eligibility list of *MEPSO*, a legal entity has to fulfil the following requirement:

- To be registered as market participant according to the valid Market rules in the Republic of North Macedonia.

In order to be included in the eligibility list of *ESO*, a legal entity has to meet the following requirement:

- To have valid a license issued by Energy Agency of Bulgaria for electricity production, supply of electricity, wholesale supply of electricity or public supply of electricity,
- To have a valid and effective balancing responsibility contract..

Only market participants who declare legally binding and irrevocably their full and complete knowledge and acceptance of the valid and effective *Auction Rules* which are published at the website of the *Auction Office* may take part in an *Auction*.

This declaration is done by the market participant through the delivery of a validly-signed Registration Form (see Annex 1) together with following documents:

- Original or verified copy of an extract from the Commercial or Company register not older than three months from the issuing date (in Macedonian, Bulgarian or officially translated in English).
- A list of the authorized representatives who are entitled to communicate with the *Auction Office* in the name of the market participant and to execute statements towards the *Auction Office* which bind the market participant (see Attachment 1 of Annex 1).

All the sections of the Registration Form must contain complete and true information.

Each market participant is identified with a valid and unique *EIC-Code* issued for the market participant as a subject of law and registered in the list of *EIC-codes* published by *ENTSO-E* on https://www.entsoe.eu/fileadmin/user_upload/edi/library/eic/EICRegistry.htm.

The three signed copies of the Registration Form have to be delivered to the *Auction Office* in

writing by registered mail, messenger/courier or personally. The Registration Form has to be delivered to the *Auction Office's* address or personally to the filing office of the *Auction Office* (see Annex 2). The Registration Forms delivered by fax or e-mail will be null and void and rejected by a refusal note. For the avoidance of doubt, the rejected Registration Form shall be considered null and void as of their submission.

The *Auction Office* may verify information provided in the delivered Registration Forms and in their Attachments. The *Auction Office* is entitled to refuse to register a market participant in case of any discrepancy and/or misrepresentation in the Registration Form.

The *Auction Office* will confirm registration or refusal by sending a note to the market participant no later than five *Working Days* following the receipt of the Registration Form by the *Auction Office*.

The confirmation or refusal note will be sent by e-mail to the e-mail address filled in the Registration Form. If the *Auction Office* refuses to register a market participant, the reason(s) will be stated in the refusal note.

The deadline for delivery of the Registration Form to register market participant as *Registered Participant* for the yearly *Auction* is 12:00 (CET) seven *Working Days* before the deadline 2Y (see Annex 3). The deadline for delivery of the Registration Form to register market participant as *Registered Participant* for the relevant monthly *Auction* is 12:00 (CET) seven *Working Days* before the deadline for the delivery of *Bids* to the relevant monthly *Auction* – deadline 2M (see Annex 3).

The *Auction Office* will announce the start of the registration process on its webpage (<https://aukcijaatc.mepso.com.mk/>). A Registration Form delivered to the *Auction Office* or signed before this date will be rejected.

The declaration is valid for an indefinite number of *Auctions* for 2020, notwithstanding the obligation of the *Registered Participant* to inform the *Auction Office* forthwith of any changes and notwithstanding the right of the *Auction Office* to request any update or resubmission of any part of the registration documentation described above.

Market participant is considered as *Registered Participant* once it receives the confirmation of the registration signed by the representative of the *Auction Office*, in which case only the signed Registration Form creates a *Contract* between the *Auction Office* and *Registered Participant* that allows it to participate in *Auctions* for 2018. Registration Forms rejected through a refusal note will be null and void.

The *Auction Rules* constitute the terms and conditions of the aforementioned *Contract*.

Each *Registered Participant* may change its list of authorized representatives or other data listed in Attachment 1 of the Registration Form. Based on updated and validly-signed Attachment 1 of the Registration Form delivered by the *Registered Participant* by e-mail to the e-mail addresses of the persons responsible for registration of *Registered Participant* (see Annex 2), the *Auction Office* will confirm the registration of the change to the *Registered Participant*, at the latest, three *Working Days* after the receipt of the updated and validly-signed Attachment 1 of the Registration Form. The confirmation will be sent by e-mail to the e-mail address filled in the Registration Form of the *Registered Participant*. The change becomes valid with the delivery of the confirmation to the *Registered Participant*.

With regard to the fact that *Auctions* are carried out through the *Auction Platform*, a *Registered Participant* interested in participating in *Auctions* is also obliged to fulfill prerequisites for access to the *Auction Platform* stated in Article 5.2.

In the event that the *Registered Participant* does not fulfill the payment conditions set forth in Section 8, the procedures and rules determined in Section 8 shall be applied.

Section 4

Auctions Algorithm and Determination of the Auction Price

Article 4.1 Border

The Bulgarian – Macedonian border is included into the common *Capacity* allocation procedure.

The reservation of *Capacity* (equal to full or reduced *Bid Amount*) is a result of the *Auction* process based on the individual *Bid Prices* for the border and direction. This process takes into account *Offered Capacities* on the border.

Article 4.2 Algorithm

The *Auction Office* arranges all *Auction Bids* received in descending order according to the individual *Bid Price* (merit order) on the border and direction to which the individual *Bids* relate.

If the considered *Bid*, together with already accepted *Bids*, does not exceed the *Offered Capacity* on the border and the direction, it will be accepted by the *Auction Office*, and the required *Capacity* will be assigned to the *Registered Participant*.

If the considered *Bid*, together with already accepted *Bids*, exceeds the *Offered Capacity* on the border, the considered *Bid* will be accepted with a reduced *Bid Amount* up to the *Offered Capacity*. The *Capacity* allocation on the border and direction limited by the given *Offered Capacity* is finished at this moment.

If there are two or more *Bids* on the merit order with an identical *Bid Price*, and the sum of all these *Bids* together with *Bids* already accepted, exceeds the *Offered Capacity* on the border (marginal *Bids*), all marginal bids are accepted with a reduced *Bid Amount* up to the *Offered Capacity* using pro-rata reduction. In case that after fulfillment of this criterion *Capacity* remains unallocated this will be allocated taking into consideration the time of *Bid* submission.

Determination of the Auction Price

If accepted *Bids* do not exceed the *Offered Capacity* on the Bulgarian-Macedonian border and direction, then the *Auction Price* for the border and direction is equal to zero.

If received *Bids* exceed the *Offered Capacity* on the border, the *Auction Price* equals the

lowest *Bid Price* of all *Bids* accepted on the border and direction, i.e. the price of the last accepted bids.

The *Registered Participant* is obliged to pay the *Auction Price* determined for the border and direction for each MW of *Promise of Capacity* according to Section 8 hereto.

Section 5

Auction Platform

Article 5.1 General Conditions

The *Auction Office* will organize and execute the common *Auction* of the yearly and monthly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

The *Auction Office* will provide the *Users* with documentation of the *Auction Platform* (on web site <https://aukcijaatc.mepso.com.mk>), and operational instructions, related to using of the *Auction Platform* and *Users* support.

The *Auction Office* reserves the right to change operationally a business day(s) regime (dates and times of Auctions procedures in Annex 3) in reasonable cases, especially when the following technical problems arise: a general collapse of the Internet, a collapse of all Internet connections of the *Auction Platform*, or a collapse of *Auction Platform* (servers, database or *Auction Platform* application error).

All *Users* of the *Auction Platform* will be informed, without undue delay, of the actual operational situation and new dates and times for the *Auction* which was postponed.

The system time is available in the *User* account environment.

A data receipt will be valid only if the data had been accepted by the *Auction Platform* server by the deadline. After the deadline, the receipt of data given will be rejected due to the expiration of the deadline.

In order to participate in the *Auction* procedure, *Bids* shall be submitted to the *Auction Platform*. Already submitted *Bids* may be modified by the *Registered Participant* before the deadline for delivery.

The last accepted *Bids* shall be binding on the *Registered Participant*.

The *Registered Participant* is responsible for the timelines of the delivery of *Bids* and/or its modifications to the *Auction Office*.

Bids which do not fulfill any of the requirements stated in the *Auction Rules* shall be excluded and shall not be included among the assessed *Bids*.

Article 5.2 Access to the Auction Platform

After registration by the *Auction Office* (Article 3.1.), the *Auction Office* shall set the *Auction Platform User* account.

For using of the *Auction platform* the *Registered Participant* is obliged to provide token according to the procedures described on the following link: <https://aukcijaatc.mepso.com.mk/PublicPage/Help.aspx#user-manual>. The certificate for token will be generated by *MEPSO* and sent to *Registered Participant*.

The *Registered Participant* shall keep all information related to the access to the *Auction Platform* as personal and confidential and shall be liable for any direct or indirect damages resulting from any unauthorized disclosure of such information. The *Auction Office* is not liable for any and all unauthorized use of the *User* name and password.

The *Auction Office* shall be entitled to prevent the *Registered Participant* from accessing the *Auction Platform* in the case it finds any discrepancy such as, but not limited to, the following: information on the *Registered Participant*, or the *Contract* is not effective.

Section 6

Specific Rules for the Yearly Auction

In case of technical problems identified in Article 5.1 the yearly *Auction* could be postponed.

In particular, in case of technical problems identified in Article 5.1, the specific rules for yearly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by this Section may be replaced by the alternative rules specified in Annex 5. Information about use of the alternative yearly *Auction* procedure according to Annex 5 may be published by 12:00 (CET) on the last *Working Day* before the day on which the deadline 2Y falls (see Annex 3). Information shall be published on the *Auction Office* webpage (<http://www.mepso.com.mk>). Furthermore, the *Auction Office* will notify the use of the alternative yearly *Auction* procedure to all *Registered Participants* by e-mail.

Article 6.1 Bids for the Reservation of Capacity in Yearly Auction

The *Auction Office* will organize and execute the common *Auction* of the yearly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

Yearly *Auction* will be held on dates according to Annex 3.

Each *Bid* submitted to the yearly *Auction* must contain the following unambiguous and legible specifications:

- a) The identification of the *User*.
- b) The specification of the border and direction.
- c) The year to which the *Bid* refers.
- d) *Bids* with following specifications:
 - i. The amount of the *Capacity* to be allocated in MW without decimals; the minimum amount of a single *Bid* is 1 MW;
the maximum amount of a single *Bid* for the specific direction is 20 MW
 - ii. The *Bid Price* in EUR/MWh with a maximum of one decimal. The *Bid Price* has to

be more than zero (minimum value is 0.1 EUR/MWh).

Each *Registered Participant* can deliver up to 20 (twenty) *Bids* for specific direction.

Each *Registered Participant* shall deliver its *Bids* in the *Auction Platform* from 09:00 till 13:00 (CET) in the Day for submitting *Bids* (deadline 2Y) for the yearly *Auction* (deadlines are specified in Annex 3), with the exception of changing of the time closure according to a business day regime change (see Article 5.1).

Article 6.2 Auction Proceeding

All *Bids* which fulfill the above-mentioned requirements will be evaluated, and the *Auction Price* will be determined in accordance with the rules stated in Section 4.

In case there are no newly recognized technical limitations of *Capacity*, any remaining *Capacity* in the yearly *Auctions* will be offered in the monthly and daily *Auctions*.

Article 6.3 Notification of the Results of an Auction

The *Auction Office* publishes results of yearly *Auction* on the *Auction Office's* webpage (<http://www.mepso.com.mk>) for each border direction by the deadline 3Y (deadlines are specified in Annex 3):

- ATC (Available Transfer Capacity)
- Total *Promise of Capacity*
- Total requested *Capacity*
- *Auction Price*
- Number of *Registered Participants* in *Auction*
- Number of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*
- Number of *Bids* placed in *Auction*
- List of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*

In accordance with Regulation (EC) No. 543/2013/EC and Manual of procedure issued by *ENTSO-E*, *Auction Office* shall provide to the Electricity Market Fundamental Information Platform (EMFIP) developed by *ENTSO-E*, the following information for Bulgarian-Macedonian border:

- Yearly offered cross-zonal capacity
- Total *Capacity* already allocated
- Yearly *Auction* results (the *Capacity* requested by the market, the *Capacity* allocated to the market, the price of the *Capacity*, the *Auction* revenue per border)

Section 7

Specific Rules for Monthly Auction

In case of technical problems identified in Article 5.1 the monthly *Auction* could be postponed.

In particular, in case of technical problems identified in Article 5.1, the specific rules for monthly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by this Section may be replaced by the alternative rules specified in Annex 6. Information about use of the alternative monthly *Auction* procedure according to Annex 5

may be published by 12:00 (CET) on the last *Working Day* before the day on which the deadline 2M falls (see Annex 3). Information shall be published on the *Auction Office* webpage (www.mepso.mk). Furthermore, the *Auction Office* will notify use of the alternative monthly *Auction* procedure to all *Registered Participants* by e-mail.

Article 7.1 Bids for the Reservation of Capacity in Monthly Auction

The *Auction Office* will organize and execute the common *Auction* of the monthly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

Monthly *Auctions* will be held in dates according to Annex 3.

Each *Bid submitted* to the monthly *Auction* must contain the following unambiguous and legible specifications:

- a) The identification of the *User*.
- b) The specification of the border and direction.
- c) The month to which the *Bid* refers.
- d) *Bids* with following specifications:
 - i. The amount of the *Capacity* to be allocated in MW without decimals; the minimum amount of a single *Bid* is 1 MW;
the maximum amount of a single *Bid* for the border and direction is 20MW
 - ii. The *Bid Price* in EUR/MWh with a maximum of one decimal. The *Bid Price* has to be more than zero (minimum value is 0.1 EUR/MWh).

Each *Registered Participant* can deliver up to 20 (twenty) *Bids* for the specific direction.

Each *Registered Participant* shall deliver its *Bids* in the *Auction Platform* from 09:00 till 13:00 (CET) in the Day for submitting *Bids* (deadline 2M) for the monthly *Auction* (deadlines are specified in Annex 3), with the exception of changing of the time closure according to a business day regime change (see Article 5.1).

Article 7.2 Auction Proceeding

All *Bids* which fulfill the above-mentioned requirements will be evaluated, and the *Auction Price* will be determined in accordance with the rules stated in Section 4.

In case there are no newly recognized technical limitations of *Capacity*, any remaining *Capacity* in the monthly *Auctions* will be offered in the daily *Auctions*.

Article 7.3 Notification of the Results of an Auction

The *Auction Office* publishes results of monthly *Auction* on the *Auction Office's* webpage (<http://www.mepso.mk>) for each border direction by the deadline 3M (deadlines are specified in Annex 3):

- ATC (Available Transfer Capacity)
- Total *Promise of Capacity*
- Total requested *Capacity*
- *Auction Price*

- Number of *Registered Participants* in *Auction*
- Number of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*
- Number of *Bids* placed in *Auction*
- List of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*

In accordance with Regulation (EC) No. 543/2013/EC and Manual of procedure issued by *ENTSO-E*, *Auction Office* shall provide to the Electricity Market Fundamental Information Platform (EMFIP) developed by *ENTSO-E*, the following information for Bulgarian-Macedonian border:

- Monthly offered cross-zonal capacity
- Total *Capacity* already allocated
- Monthly *Auction* results (the *Capacity* requested by the market, the *Capacity* allocated to the market, the price of the *Capacity*, the *Auction* revenue per border)

Section 8 Payment

Article 8.1 General Provisions

The relevant currency for invoicing is EUR. The payment is executed in EUR for non-Macedonian resident companies and in MKD using the middle exchange rate of the National Bank of North Macedonia on the date of invoicing for Macedonian resident companies.

The date of payment or settlement of payment is the date upon which the given amount is credited to the account of the *Auction Office*.

Invoices have to be paid no later than on the due date stated on the invoice, free of charge and without deduction. The *Registered Participant* shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an *Auction*, against any claims of the *Auction Office*, whether or not arising out of an *Auction*.

The *Auction Office* will invoice the *Registered Participant* for amounts due resulting from the *Promise of Capacity* to *Registered Participant*, rounded to one decimal place.

Original invoices are sent to the *Registered Participant* concerned by registered mail. Copies of the invoices are sent by e-mail.

All bank fees connected with the payments resulting from participation in *Auction* procedure have to be paid by the *Registered Participant*. Bank fees of the intermediary bank (if applicable) will be covered by the *Registered Participant*.

In case of delayed payment, the *Auction Office* is entitled to charge interest rates on the amount due for each day which has commenced during the delay. The daily interest rate for payments in EUR is set regularly on the first *Working Day* of each calendar month of the year as an amount equaling (1M EURIBOR + 3%) p.a. calculated using pro-rata method. The daily interest rate for payments in MKD is the default interest rate calculated in compliance with the law.

Each payment is identified by the payment identification number, which is the number of the pro-invoice/invoice. The payments shall match the amount of the debt (*i.e.* the amount indicated on the relevant issued invoices) via the payment identification number stated as a number on the pro-invoices/ invoices and the invoiced/paid amount. In case the amount of the payment and/or payment identification number of the payment differs from the invoiced data, the debt is considered as unpaid until its final manual clearance.

The following VAT modes will be used:

For Macedonian resident companies:

- VAT as given by Macedonian law mode. In this mode, the *Auction Office* will charge VAT on the payment and will show it separately on the invoice and the *Registered Participant* will pay the total amount in MKD, VAT included, according to the note given in the invoice.

For non - Macedonian resident companies:

- No VAT is charged. In this mode, the *Registered Participants* must provide the *Auction Office* with their national VAT Number and are obliged to settle the VAT with the national tax office.

If the *Registered Participant* does not fulfill or only partially fulfills any obligation resulting from the *Contract* in due time, especially if the *Registered Participant* does not pay the full *Auction Price* within the time limits set out in the *Auction Rules*, or stops to fulfill requirements for participation in *Auctions* stated in Article 3.1, *ESO* and *MEPSO* are entitled to enforce the termination of the *Contract* and hold the *Registered Participant* liable for the *Auction Price*, interests, charges and expenses arising from the enforcing of the termination of the *Contract*, for the total damage resulting from the termination, such as, but not limited to fees, including attorney's fees, expenses and deficiencies caused by lower *Auction Prices* in the event of a re-auctioning of the capacity. The *Registered Participant* shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an *Auction* to any claim of *ESO* and/or *MEPSO* whether or not arising out of an *Auction*.

Article 8.2 Payment for Yearly Auction

Payment for the allocation of auctioned *Capacity* will be made on the basis of invoices and in twelve monthly amounts/installments rounded to one decimal. Each amount is to be paid for the respective month in advance taking into consideration the number of hours of usage. Each monthly amount has to be paid based on the invoice issued by the *Auction Office*.

Following the payment of each monthly amount, the respective *Capacity* is allocated for the following calendar month.

The monthly invoice is issued by the deadline 4Y for the relevant month (see Annex 3). The due date of the invoice shall be the deadline 5Y for the relevant month (see Annex 3).

If the payment is not settled by the due date, the *Auction Office* will warn the *Registered Participant* by e-mail that the payment of the invoice has not been credited to the account of the *Auction Office*.

If the payment is not received two *Working Days* after the deadline 5Y for the relevant month (see Annex 3) the *Registered Participant* loses the *Promise of Capacity* gained by way of the yearly *Auction* for the relevant month. In this case the participation of *Registered Participant* in monthly and daily *Auctions* will be suspended until the date when all due payments related to the Yearly auction (according to this Agreement) of the *Registered Participant* are settled.

If the payment is not settled three working days before relevant auctions the released Capacity will be included in the Offered Capacities in subsequent Auctions and Registered Participant have no right to participate at this auction.

Article 8.3 Payment for Monthly Auction

Payment for the allocation of *Capacities* will be made on the basis of a invoice for the monthly amount. Each amount is to be paid in advance. Each amount has to be paid based on the invoice issued by the *Auction Office*.

The invoice is issued by the deadline 4M for the relevant month (see Annex 3). The due date of the invoice shall be the deadline 5M for the relevant month (see Annex 3).

If the payment is not settled by the due date, the *Auction Office* will warn the *Registered Participant* by e-mail that the payment of the invoice has not been credited to the account of the *Auction Office*.

If the payment is not received two *Working Days* after the deadline 5M for the relevant month (see Annex 3) the *Registered Participant* loses the *Promise of Capacity* gained by way of the monthly *Auction* for the relevant month. In this case the participation of *Registered Participant* in monthly and daily *Auctions* will be suspended until the date when all due payments related to the Monthly auctions (according to this Agreement) of the *Registered Participant* are settled for the relevant month.

If the payment is not settled three working days before relevant auctions the released Capacity will be included in the Offered Capacities in subsequent Auctions and Registered Participant have no right to participate at this auction.

Section 9 Use of the Allocated Capacity

Article 9.1 National Commercial Terms and Conditions

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

ESO and *MEPSO* will carry out the transmission services according to the respective *Auction* results in compliance with the legal requirements of grid access in each *Bidding Zone* area and applicable market rules of *ESO* and *MEPSO*.

Upon reservation of *Capacity* in the course of an *Auction*, *ESO* and *MEPSO* will commit themselves to ensure that the *Allocated Capacity* is operationally feasible for the *Registered*

Participant solely at the border with the exception of *Force majeure* and/or *Emergency Situation*.

The *TSOs* set the following prerequisites for using *Allocated Capacity* on the Bulgarian-Macedonian border and for using their transmission networks:

- **On *ESO* side** – *Registered participant* who is in the eligibility list of *ESO*
- **On *MEPSO* side** – *Registered participant* who has a valid and effective balance responsibility contract with *MEPSO*

Article 9.2 Scheduling

The use of *Allocated Capacities* must be in compliance with requirements stated in articles 9.1 and 9.2.

The use of *Allocated Capacities* operates via the delivery of firm (fixed and binding) schedules to *ESO* and *MEPSO* in compliance with the legal requirements of grid access in each *Bidding Zone* and applicable market rules of *ESO* and *MEPSO*.

Nomination of schedule by using *Allocated Capacity* could be realized in one or more cross-border electricity exchanges in one direction with several cross-border partners where one cross-border partner has to be *BRP* who has *Allocated Capacity* (“M:N” schedule nomination).

The submitted schedule data of cross-border electricity exchange shall contain data which unambiguously determine the *Allocated Capacity* (*Capacity Agreement Identification* and *Capacity contract type*).

In case of *Allocated Capacity* from the yearly and monthly *Auction*, the schedules concerning the Macedonian-Bulgarian border must have been received by *ESO* and *MEPSO* during the long term schedule declaration gate for the following day in accordance with individual national market rules of each of the *TSOs* valid at the time of delivery. Gate closure time for long term declaration is D-1 08:00 (CET).

If there is mismatch at gate closure time for long term declaration, affected market parties will send corrections of already submitted schedules to their respective *TSO* till cut-off time for long term acceptance gate. Cut-off time for long term acceptance gate is D-1 08:30 (CET).

If there is a mismatch at cut-off time for long term acceptance gate, the *TSOs* modify the nominations in accordance with the following rules:

- i. when value is different, the lower value is decisive,
- ii. when there is missing counterpart or the directions are not correct, zero values are taken into account.

Modifications of schedules after this time are not possible. Use is based on the principle "use it or lose it". This means that *Allocated Capacity* from the yearly and monthly *Auctions* which are not used by fixed schedules till cut-off time for long term acceptance gate will be made available to all market participants in the daily *Auction* procedure.

The fixed schedules will be fully accepted, partially accepted or rejected in accordance with the matching result.

Section 10

Transfer of Allocated Capacities

Article 10.1 General Provisions

The *Capacity* transfer will be provided for *Capacity* allocated in yearly or monthly *Auctions*. Only *Allocated Capacity* is freely transferable.

Both *Registered Participant(s)* (i.e. the *Registered Participant* who wishes to transfer the *Allocated Capacity* to the other *Registered Participant – Transferor* and the *Registered Participant* to whom the *Allocated Capacity* is transferred – *Transferee*) accept that all rights and obligations resulting from these *Auction Rules* (with exception of obligation payment for the allocation of *Capacity*) are transferred together with the *Capacity*, and the *Transferor* is a guarantor.

The transfer of *Capacity* may be realized only if the *Registered Participant* who wishes to transfer *Allocated Capacity – Transferor* has fully paid for the allocation of yearly/monthly *Capacities* for the relevant month for which the transfer of *Capacity* is accomplished.

The *Transferor* may transfer the yearly and/or monthly *Capacity* to the *Transferee* at daily level (one or more calendar days starting from 00:00 of the first day till 24:00 (CET) of the last day) and it will refer to the entire day (24 hours) in full (the total amount of monthly *Allocated Capacity* for the entire calendar days) or partially (a part of the allocated yearly and/or monthly capacity for entire calendar days). The minimum value of a *Capacity* that can be transferred is 1 MW. In addition, only one value of *Capacity* can be transferred during one day for every hour in that day. The transferable volume should not exceed the volume of *Allocated Capacity* (gained at *Auction*).

Article 10.2 Capacity Transfer via Auction Platform

The *Registered Participant* who possesses *Allocated Capacity* shall transfer the *Capacity* to another *Registered Participant* or to several other *Registered Participants* via *Auction Platform*.

Capacity transfer can be performed every day starting from 12:00 (CET) six days before the first day of the corresponding month but not later than 12:00(CET) three calendar days before the first day of usage of the *Allocated Capacity*. After this deadline transfer of *Allocated Capacity* is not possible.

Transferor shall submit transfer directly in the *Auction Platform*. *Transferee* must confirm *Allocated Capacity* transfer in *Auction Platform* within 4 hours after the transfer has been entered, but must ensure, before confirming the transfer in the *Auction Platform*, that the submitted transfer is possible according to the rules by contacting *Auction Office* by e-mail and telephone.

Capacity transfer confirmed by both *Registered Participants* in *Auction Platform* shall be

binding for both *Registered Participants* and after its submission to the *Auction Office* it cannot be changed or withdrawn.

Auction Office will reject *Capacity* transfer confirmed in the *Auction Platform* by *Registered Participants* in case that transfer is not valid or *Capacity* was not paid by *Transferor*. This applies also for consecutive transfers of the same *Capacity* when *Registered Participants* did not previously contact *Auction Office* by e-mail and telephone to check whether the submitted transfer is possible and the transfer was not valid.

All *Allocated Capacity* transfer history will be stored.

Article 10.3 Backup Procedure for Capacity Transfer

The rules for *Capacity* transfer organized electronically in the *User* environment of the *Auction Platform* defined in this Section may be replaced in case of technical problems, with the following backup procedure for *Capacity* transfer.

All *Users* of the *Auction Platform* will be informed, without undue delay, of non-availability to execute *Capacity* transfers via *Auction Platform*.

The *Registered Participants* executing the *Capacity* transfer are obliged to submit to the *Auction Office* a joint request for the *Capacity* transfer separately for the *Capacity* allocated in each *Auction* which has unique identification number. With this number each *Auction* in the *Auction Platform* is unambiguously designated concerning its reservation period, border and direction.

The request for the transfer of *Capacity* is submitted exclusively in writing, by filling in the form of the Request for Capacity Transfer in case of Backup procedure (see Annex 4) published also on the *Auction Office* web site. The completed form of the relevant Request for Capacity Transfer shall be delivered to the *Auction Office* by e-mail (scanned copy) to the e-mail address assigned for *Capacity* Transfer (see Annex 2). The form of the Request for Capacity Transfer shall be filled in properly with all required data about the *Transferor* and the *Transferee*, with signatures of authorized persons of both *Registered Participant(s)*. The Request for Capacity Transfer without all the required data for both *Registered Participant(s)* will not be taken into consideration and it will be rejected.

Request for Capacity Transfer delivered to the *Auction Office* shall be binding for both *Registered Participants* and after its submission to the *Auction Office*, it cannot be changed or withdrawn. Within one *Working Day* after the receipt of the Request for Capacity Transfer the *Auction Office* will respond in writing to the submitted Request for Capacity Transfer. The *Auction Office* will send the reply by e-mail to the *Transferor*, as well as to the *Transferee*.

Deadline for transferring the *Capacity* is three *Working Days* before first day of usage of *Capacity* at 15:00(CET).

Section 11 Capacity Curtailment

Article 11.1 General Provisions

Concerned *TSOs* have committed themselves vis-à-vis *Auction Office* to guarantee the *Allocated Capacity* with the exception of cases set forth in this Section.

The *Allocated Capacity* or *Capacity* corresponding to submitted schedules can be curtailed in case of *Emergency Situation* or *Force Majeure*.

The curtailment of *Allocated Capacity* can be applied before the cut-off time for the matching process.

The reduction of schedules can be applied only in case of transmission constraints after the cut-off time for the matching process.

Capacity curtailments or schedule reductions shall have as reference a time-period multiple of an hour.

TSO, which requested curtailment, shall issue a description of reasons and effects of curtailment for solving network or system problems and that will be published by both *TSOs* on their web sites..

In case of Curtailment of *Allocated Capacities* or schedules reduction, following priority order is used:

- a) *Capacity* allocated in daily *Auction*.
- b) *Capacity* allocated in monthly and yearly *Auction*.

Within each of the above listed groups of *Capacities*, proportional curtailment will be used, in a non-discriminatory manner.

If there were monthly and yearly *Allocated Capacities* curtailed, the daily *Auctions* will be suspended on the respective border direction.

Article 11.2 Curtailment before the Cut-off Time for the Matching Process

Before the cut-off time for the matching process the *Allocated Capacity* shall be reduced by *Auction Office* based on the request of *ESO* and/or *MEPSO* according to these *Auction Rules*.

Auction Office (based on request of *ESO* and/or *MEPSO*) informs by e-mail the *Registered Participants* of the curtailment of *Allocated Capacities* and will submit the values of the reduced *Capacities*. The *BRPs* have to submit their schedules to *ESO* and/or *MEPSO* taking into consideration the reduced *Capacities*.

In case of curtailment of *Allocated Capacity* from a yearly and/or monthly *Auction* before the cut-off time for the matching process, the *Registered Participants* whose *Allocated Capacity* have been curtailed shall be reimbursed by the *Auction Office* for the curtailment. The amount for reimbursement is calculated as curtailed *MWs* multiplied by hours of the curtailment multiplied by *Auction Price*.

Article 11.3 Curtailment after the Cut-off Time for the Matching Process

After the cut-off time for the matching process, the reduction of schedules shall be implemented pursuant to the proceedings set forth in the relevant laws, and shall only be used in case of *Force Majeure* or *Emergency Situations* where the relevant *TSO* must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.

The principle “use it or lose it” is applied. That means that *BRPs* who submit schedules less than their *Capacity* rights, shall lose any right over the remaining *Capacity*. In this case, curtailment is applied to *Capacity* corresponding to the submitted schedules, proportionally and using the same rules regarding the priority order as in case of curtailment performed before the cut-off time for the matching process.

The *Registered Participants* shall be reimbursed by the *Auction Office* for the curtailed capacity which has not been available for usage. The amount for reimbursement is calculated as curtailed MWs multiplied by hours of the curtailment multiplied by *Auction Price*. *Auction Office* will send the credit note to the *Registered Participant* at latest till the 10th calendar day of the month following the month in which the curtailment occurred.

Section 12

Miscellaneous

Article 12.1 Liability

The *Auction Office* shall be liable for damage caused by gross negligence or willful misconduct of the *Auction Office*. In such a case the following rules apply: Claims for damages arising out of or related to these *Auction Rules* are limited to the damages typical and foreseeable. The *Auction Office* shall not be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind. The liability of the *Auction Office* shall be limited to € 5 000 in total for a *Registered Participant* and a year.

The same limitations apply to *MEPSO* (in its function as *TSO*) and *ESO*, should they be considered liable despite the fact that the *Contract* is concluded between the *Auction Office* and the *Registered Participant*. In this case, the limit of € 5 000 counts for the *Auction Office*, *MEPSO* (in its function as *TSO*) and *ESO* together.

The amount for compensation in case when curtailment is paid according to Article 11.2 is excluded from the above mentioned limitation.

The *Auction Office* undertakes to carry out its duties and comply with its obligations under these *Auction Rules* with the diligence of a specialized professional and as a responsible *Bidding Zone* manager, in compliance with the applicable laws and regulations in the electricity sector. *TSOs* have undertaken a similar obligation vis-à-vis the *Auction Office*.

Article 12.2 Communication

The contact persons of *Auction Office* appointed for communication are listed in Annex 2.

The *Auction Office* and each *Registered Participant* have the right to change the list of contact persons.

The *Auction Office* shall announce each change to the list of contact persons on the web site and inform *Registered Participants* by e-mail. The new contact details of *Auction Office* will be considered official on the *Working Day* following the transmission of the e-mail. The *Registered Participant* shall announce the change in accordance with Article 3.1 hereto.

These *Auction Rules* and all related notices, legal procedures, and communications thereunder, and the dispute settlement procedures provided in Article 12.4 of *Auction Rules*, shall be carried out in English, to the extent permitted by rules of public policy relating directly or indirectly to these procedures.

In the event of difficulties in using e-mail, notices may be served by fax, hand delivery, courier or post; and the service will be deemed as effective on the date of receipt.

In case of any uncertainty, the *Registered Participants* or the *Auction Office*, respectively, is entitled to ask the sending party to repeat the effort.

The entire communication with the *Auction Platform* will be archived by the *Auction Office*. Each *Registered Participant*, as well as the *Auction Office*, undertakes herein not to dispute or claim as invalid any action carried out via the *Auction Platform* in accordance with these *Auction Rules*, on the basis that the respective acts have been done in the form of an electronic data exchange. Furthermore, each *Registered Participant*, as well as the *Auction Office*, state that they shall consider the *Auction Office* data logs from the databases of the *Auction Office* made in line with these *Auction Rules*, to be reliable evidence, unless it is proved otherwise.

A time stamp is attached to every message leaving the *Auction Platform* or received by the *Auction Platform*. The time stamp uses the system time as that from the *Auction Platform*.

If the *Auction Platform* or the website www.mepso.mk is interrupted and/or suspended, all relevant *Users* of the *Auction Platform* will be informed, without undue delay, of the interruption and/or suspension of the *Auction Platform*.

Article 12.3 Data Security and Protection

Commercial data transferred from the *Registered Participant* to the *Auction Platform* via the Internet is secured by means of encryption. All operations done via the *Auction Platform* system are registered with the information of *Registered Participant* and time stamp.

The *Auction Office* is entitled to process all data of the *Registered Participant* and the *Auctions* and to send it to *TSOs* and to publish it according to the terms of these *Auction Rules*.

For the rest, *TSOs* undertake not to use or otherwise process the data they obtained pursuant to these *Auction Rules* for any purpose except those strictly required for the performance of the obligations hereunder. Also, they will not disclose any of the information or related information to any third party other than those of their directors, employees, professional advisors, and representatives, as well as regulatory authorities, which have a strict need to know the information for the proper performance and monitoring of these *Auction Rules* and who are correspondingly bound in writing by the same strict obligations of confidentiality.

Nothing herein shall prevent *TSOs* from disclosing data (i) upon the order of any court or administrative agency, (ii) upon the request or demand of, or pursuant to any regulation of, any regulatory agency or authority, (iii) to the extent reasonably required in connection with the exercise of any remedy hereunder, (iv) to a party's legal counsel or independent auditors, and (v) to any permitted assignee hereunder, provided that such assignee agrees in writing to be bound by the provisions of these *Auction Rules*.

Article 12.4 Dispute Resolution, Venue and Applicable Law

These *Auction Rules* shall be governed by and construed in accordance with the laws of Republic of North Macedonia excluding provisions of Macedonian private international law, as well as by *EU Regulation* and *Energy Community Treaty*. For the avoidance of doubt, the application of the UN Convention on the International Sale of Goods shall be excluded.

In the event of any dispute or differences arising from the *Auction Rules* and its Annexes or related to its violation, termination or becoming null or void, the parties concerned shall endeavor to reach an amicable settlement. The claimant is obliged to describe and present his claim in detail including the identification of an article of the *Auction Rules* which has been breached. However, in the event that such a settlement is not reached within thirty (30) days of first notification of the reason for the disputes, then all disputes arising in connection with the *Auction Rules* shall be resolved by the actual and local jurisdiction of the Arbitration court of the Economic Chamber of Republic of North Macedonia. The parties concerned shall accept the award of the above-mentioned arbitrators as final and binding, and the award may be entered in any court having jurisdiction or an application may be made to the court for juridical acceptance of the award and an order for its enforcement, as the case may be. All costs and expenses incurred in connection with any arbitral proceedings hereunder shall be borne by the losing party, except as provided otherwise in the arbitral award.

The place of jurisdiction for all disputes, arising from the auction process concerning yearly and monthly *Auctions*, shall be the registered seat of the *Auction Office*.

The place of performance of all obligations of the *Registered Participants* resulting from the yearly and monthly *Auctions* held in accordance with the *Auction Rules* shall be the registered seat of the *Auction Office*.

Above mentioned provisions of this article have no impact to the right of the *Registered Participant* taking part in *Auctions* to file a complaint against a *TSO* which refuses use of, or access to, the system to relevant Regulatory Authority in accordance with national law implementing the *EU Regulation*.

Article 12.5 Auction Rules Validity, Effectiveness and Changes

The *Auction Rules* are valid and effective for the allocation of *Capacity* in both directions on the Bulgarian – Macedonian border.

The principles of the *Auction Rules* could be changed during the year 2020. *Registered Participants* will be informed in advance about changes.

The *Auction Rules* and its prospective changes are the subject of Regulatory Authorities approval before they become valid.

If any provision of these *Auction Rules* is declared - in an arbitral, judicial or regulatory decision - to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected.

The same applies in case of an involuntary gap in these *Auction Rules*.

Prospective changes in the *Auction Rules* concerning yearly *Auctions* have to be published on the web page of the *Auction Office* 10 days, at the latest, before the changes coming into force. Furthermore, all *Registered Participants* who already gained *Auction Promises of or Allocated Capacity* have to be informed by letter of the changes prepared. However, the *Auction Rules* for yearly *Auctions* may only be changed as an amendment reflecting changes in the generally binding legal EU, Energy Community Treaty and/or national regulations.

Prospective changes in the *Auction Rules* concerning monthly *Auctions*, which come into force for the forthcoming monthly *Auction* at the earliest, have to be published by the *Auction Office* 5 days, at the latest, before the day set for publishing *Offered Capacities* on the web page of the *Auction Office*.

By accessing the *Auction* after the amendments and/or adaptations are published, the *Registered Participant* submits to the valid and effective version of the *Auction Rules*.

Article 12.6 List of Annexes

Annex 1	Registration Form
Annex 2	List of Contacts
Annex 3	Auctions Procedure Schedule
Annex 4	Request for Capacity Transfer in case of Backup procedure
Annex 5	Alternative Yearly and Monthly Auction Procedure
Annex 6	List of Macedonian Public Holidays
Annex 7	Complaint procedure

The annexes shall constitute an integral part of these *Auction Rules*.

Annex 1 Registration Form

Registration form for the participation in yearly/monthly auctions on Bulgarian-Macedonian border

Name of the company/entrepreneur	
EIC-Code identifying market participant	
Official address, Country	
Commercial/company register No.	
Legal representative(s)	
VAT No.	

With the delivery of this validly-signed Registration Form, the company/entrepreneur identified in table above (hereinafter the market participant) declares that it has full and complete knowledge of the valid *Auction Rules*, which are published at the website of the *Auction Office* and that it accepts them in a manner legally binding and irrevocable.

The market participant also declares, in a manner legally binding and irrevocable that he accepts possible changes in the *Auction Rules*, as described in Article 12.5 of the *Auction Rules*.

The market participant also declares that it is a business company or entrepreneur operating and incorporated under law and it is not subject to bankruptcy or liquidation proceedings, that there are no courts or other proceedings in progress against it that would threaten the fulfillments of the conditions set out in the *Auction Rules*.

The market participant also declares that it has not any debts outstanding to the *ESO* and *MEPSO*.

Confirmation of the Registration Form creates a *Contract* between the *Auction Office* and the market participant for *Auctions* at Bulgarian-Macedonian border for 2020. The *Auction Rules* constitute the terms and conditions of the *Contract*. Through the confirmation of the Registration Form, the *Registered Participant* is registered by the *Auction Office*.

This declaration is valid for an indefinite number of *Auctions* for 2020, notwithstanding the obligation for the market participant to inform the *Auction Office* forthwith of any changes and notwithstanding the right of the *Auction Office* to request a renewal of the declaration.

The market participant declares that the Registration Form and its Attachments contain complete and true information.

This Registration Form and its Attachment have been made in 3 (three) identical copies, 2 (two) for the *Auction Office* and 1 (one) for the market participant.

Date: _____

For the market participant

Signature

MEPSO as the *Auction Office* approves the above-mentioned registration form, and registers the *Contract* concluded herewith between MEPSO and market participant.

Date: _____

For MEPSO

Signature

Annex 1 - Attachment 1

A list of authorized representatives of the market participant

The market participant appoints the following persons to be authorized to act on behalf of market participant:

- for signing the *Contract*

Name	Telephone No.	Mobile phone No.	Fax No.	E-mail

- for submitting Bids to the *Auction Office*, including submitting *Bids* in case of alternative *Auction* procedure (in accordance with Annex 5)

Name	Telephone No.	Mobile phone No.	Fax No.	E-mail

- for financial issues

Name	Telephone No.	Mobile phone No.	Fax No.	E-mail

Valid postal address for sending the Registration form:	
Valid postal address for sending the Invoices:	
Official e-mail for sending Invoices:	

The market participant is obliged to inform the *Auction Office* promptly in case of any changes identified in the table above.

Date:

For the market participant

Signature

Annex 2 - List of Contacts

Registration Forms (see Annex 1) must be delivered by market participants to the *Auction Office* at the following address:

MEPSO
Maksim Gorki 4
1000 Skopje, R. Macedonia
Tel: +389 2 3149 039

For personal deliveries on the above mentioned address filing office is open between 09:00 and 14:00 (CET) on *Working Days*.

Any confirmation issued by the filing office of the *Auction Office* confirms only the date and time of receiving of the document - not the document's accuracy or whether or not it is correct.

ESO: eso.auction@ndc.bg
MEPSO: schedule@mepso.com.mk

In case of executing backup procedure for *Capacity* transfers *Registered Participants* have to submit **Request for Capacity Transfer in case of Backup procedure** (see Annex 4) (scanned copy) to the following e-mail address:

MEPSO: schedule@mepso.com.mk

Registered Participants may use for other communication with *Auction Office* following fax numbers and contacts:

Auction Rules

Name	Phone No.	e-mail	Mobile
Borko Aleksoski	+389 23149 820	borko@mepso.mk	+389 75 226 769
Spase Pavlovski	+389 23149 076	spaski@mepso.mk	+389 75 226 783
Izabela Netkova	+38923149069	izabelan@mepso.mk	+38970298403

Registration of Registered Participants

Name	Phone No.	e-mail	mobile
Frosina Golabovska	+389 23149 016	frosinap@mepso.mk	+389 71 377 743

Auction Platform Helpdesk – User support (Auction Platform Operators)

– Monthly and Yearly Auctions operation and other operational issues

	Phone No.	e-mail	Mobile
Georgi Jarmov	+389 23149 039	gjorgji.jarmov@mepso.com.mk	+38970407763

Financial issues

	Phone No.	e-mail	Mobile
Ljiljana Pecelj	+389 2 3149 090	liljanap@mepso.mk	
Frosina Golabovska	+389 23149 016	frosinap@mepso.mk	+389 71 377 743

Annex 3 - Auctions Procedure Schedule (Payment Schedule)

Yearly Auction

Publishing Offered Capacities	Day for submitting Bids (09:00 – 13:00 CET)	Publishing results until 17:00 CET
Deadline 1Y	Deadline 2Y	Deadline 3Y
22.11.2019	25.11.2019	25.11.2019

	Issuing invoices	Due date of invoices
2020	Deadline 4Y	Deadline 5Y
January	27.11.2019	05.12.2019
February	12.12.2019	20.12.2019
March	13.01.2020	22.01.2020
April	11.02.2020	21.02.2020
May	11.03.2020	20.03.2020
June	10.04.2020	21.04.2020
July	11.05.2020	21.05.2020
August	10.06.2020	22.06.2020
September	10.07.2020	22.07.2020
October	10.08.2020	21.08.2020
November	10.09.2020	21.09.2020
December	13.10.2020	22.10.2020

Monthly Auctions

	Publishing Offered Capacities	Day for submitting Bids (09:00 - 13:00 CET)	Publishing results until 17:00 CET	Issuing invoices	Due date of invoices
2020	Deadline 1M	Deadline 2M	Deadline 3M	Deadline 4M	Deadline 5M
January	06.12.2019	10.12.2019	10.12.2019	12.12.2019	20.12.2019
February	08.01.2020	09.01.2020	09.01.2020	13.01.2020	22.01.2020
March	05.02.2020	07.02.2020	07.02.2020	11.02.2020	21.02.2020
April	05.03.2020	09.03.2020	09.03.2020	11.03.2020	20.03.2020
May	06.04.2020	08.04.2020	08.04.2020	10.04.2020	21.04.2020
June	05.05.2020	07.05.2020	07.05.2020	11.05.2020	21.05.2020
July	04.06.2020	08.06.2020	08.06.2020	10.06.2020	22.06.2020
August	06.07.2020	08.07.2020	08.07.2020	10.07.2020	22.07.2020
September	04.08.2020	06.08.2020	06.08.2020	10.08.2020	21.08.2020
October	04.09.2020	07.09.2020	07.09.2020	10.09.2020	21.09.2020
November	06.10.2020	08.10.2020	08.10.2020	13.10.2020	22.10.2020
December	05.11.2020	09.11.2020	09.11.2020	11.11.2020	20.11.2020

The Auction Office reserves the right to operationally change dates and times according to the Article 5.1.

Annex

4 - Request for Capacity Transfer in case of Backup

procedure

The scanned copy of this form shall be delivered to the following e-mail addresses:

schedule@mepso.mk

schedulemepso@gmail.com

Date of submitting request: _____

Binding request for capacity transfer by both *Registered Participants*

Border/Direction	Auction ID	Period of usage of capacity rights	Allocated Capacity
		dd.mm.yyyy. – dd.mm.yyyy.	MW
Macedonia - Bulgaria			
Bulgaria - Macedonia			

Acknowledgement for capacity transfer

	Transferor	Transferee
Company name		
EIC code		
Name of the authorized person		
Phone no.		
Fax no.		
E-mail		
Signature and seal		

Confirmation of MEPSO as *Auction Office*

Authorized person	
Confirmation Date	
COMMENTS	
Signature and seal	

Annex 5 - Alternative Yearly and Monthly Auction Procedure

The specific rules for yearly and monthly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by Section 6 and Section 7 of *Auction Rules* may be replaced in case of technical problems with the electronic solution identified by *Auction Office* by alternative rules specified below in this Annex 5. The *Auction Office* will notify the use of the alternative yearly or monthly *Auction* procedure to all *Registered Participants* by message in *Auction Platform* and by e-mail.

Substitution of Article 6.1 and Article 7.1 Bids for the Reservation of Capacity

In order to participate in the yearly or monthly *Auction* procedure, *Bids* must be submitted exclusively by e-mail. The *Auction Office* does not accept any responsibility for the security and legibility of data transmitted by e-mail.

Bids have to be delivered to the *Auction Office*'s e-mail address specified on Attachment C of this Annex 5, by the deadline 2Y for the yearly *Auction* or deadline or 2M for the monthly *Auction*. Deadlines are specified in Annex 3.

Each *Bid Sheet* (shown in Attachment A and B of Annex 5) must contain the following unambiguous and legible specifications:

- a) Identification of the *Registered Participant* submitting the *Bids* (name of the *Registered Participant*, unique *EIC-Code*), name of the person authorized by the *Registered Participant* in the Registration Form who submits the *Bids*.
- b) Specification of the border and direction.
- c) *Bids* with following specifications:
 - i. The amount of the *Capacity* to be allocated in MW without decimals; the minimum amount of a single *Bid* is 1 MW;
the maximum amount of a single *Bid* for the border and direction is 20 MW.
 - ii. The *Bid Price* in EUR/MWh with a maximum of one decimal. The *Bid Price* has to be more than zero.

Each *Registered Participant* can deliver up to 20 (twenty) *Bids* for the border and direction.

- d) The signature of the person whose name is entered in the *Bid Sheet* and the *Registered Participant* seal.

The *Bid Sheets/Bids* specifying all data mentioned above must be submitted, without any reservation, in the format shown in Attachment A (Yearly *Auction*) or Attachment B (Monthly *Auction*) of Annex 5. The *Bid Sheets/Bids* are binding and cannot be modified after their delivery. The *Registered Participant* may withdraw his *Bid Sheet*. A declaration of withdrawal has to be received by the *Auction Office* in writing by the deadline 2Y for the yearly *Auction* or deadline 2M for the monthly *Auction*. Deadlines are specified in Annex 3.

Bid Sheets or individual *Bids* (the *Bids* are valid independent of each other) which do not fulfill the requirements specified above of this Annex shall be excluded and shall not be included among the assessed *Bid Sheets/Bids*. In case of two *Bid Sheets* with different *Bids* submitted for the same border and direction by one *Registered Participant*, both *Bid Sheets* shall be excluded and shall not be included among the assessed *Bid Sheets*.

The *Registered Participant* is responsible for the evidence of the timeliness of the delivery of *Bids* or declarations of withdrawal to the *Auction Office*.

Substitution of Article 6.3 and Article 7.3 Notification of the Results of an Auction

The *Auction Office* will notify each *Registered Participant* whose *Bid* was included in a specific *Auction* two *Working days* after the deadline 3Y for the yearly *Auction* or two *Working days* after deadline 3M for the monthly *Auction*, for each border and direction on which his *Bids* were evaluated, of the following information by e-mail (deadlines are specified in Annex 3):

- Specification of border and direction.
- *Reservation Period*.
- *Promise of Capacity* to the *Registered Participant* in MW in *Reservation Period*.
- *Auction Price*

Exemption:

In case the *Bids* of the *Registered Participant* were excluded from the evaluation, the *Auction Office* will send him, without undue delay, only the refusal note including reason of excluding.

The *Auction Office* publishes results of yearly or monthly *Auction* on the *Auction Office's* webpage (www.mepso.mk) for each border and direction five *Working days* after the deadline 3Y for the yearly *Auction* or five *Working days* after deadline 3M for the monthly *Auction*:

- ATC (Available Transfer Capacity)
- Total *Promise of Capacity*
- Total requested *Capacity*
- *Auction Price*
- Number of *Registered Participants* in *Auction*
- Number of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*
- Number of *Bids* placed in *Auction*
- List of *Registered Participants* in *Auction* who obtained the *Promise of Capacity*

Attachment A

Bid Sheet for yearly auction – year 2020

Name of the <i>Registered Participant</i>		
EIC-Code of the <i>Registered Participant</i>		
Name of the person authorized to submit the <i>Bid</i>		

From	Macedonia
To	Bulgaria

Bid No.	Identifier	MW	EUR/MWh
1	MKBG1		
2	MKBG1		
3	MKBG1		
4	MKBG1		
5	MKBG1		

From	Bulgaria
To	Macedonia

Bid No.	Identifier	MW	EUR/MWh
1	BGMK1		
2	BGMK1		
3	BGMK1		
4	BGMK1		
5	BGMK1		

Date:

Signature

Attachment B

Bid Sheet for monthly auction
name of month 2020

Name of the Registered Participant	
EIC-Code of the Registered Participant	
Name of the person authorized to submit the Bid	

From	Macedonia
To	Bulgaria
Reservation period	<i>dd.mm.yy-dd.mm.yy</i>

Bid No.	Identifier	MW	EUR/MWh
1	MKBG1		
2	MKBG1		
3	MKBG1		
4	MKBG1		
5	MKBG1		

From	Bulgaria
To	Macedonia
Reservation period	<i>dd.mm.yy-dd.mm.yy</i>

Bid No.	Identifier	MW	EUR/MWh
1	BGMK1		
2	BGMK1		
3	BGMK1		
4	BGMK1		
5	BGMK1		

Date:

Signature

Attachment C

In case that alternative yearly or monthly Auction procedure according to Annex 5 is used *Registered Participants* have to submit *Bid Sheets* (Attachment A or Attachment B) to the e-mail address specially opened and dedicated for this purpose. *Auction Office* will inform all Registered Participant about e-mail address in due time.

Any Bids submitted to another *MEPSO* e-mail shall be null and void and shall be not included among assessed *Bids*.

Annex 6 - List of Macedonian Public Holidays and corresponding non-working days

01.01.2020 02.01.2020	Wednesday Thursday	New Year's Day (MK)
06.01.2020 07.01.2020	Monday Tuesday	Christmas Day (MK)
17.04.2020	Friday	Easter (MK)
20.04.2020	Monday	Easter Monday (MK)
01.05.2020	Friday	Labor Day (MK)
24.05.2020	Monday 25.05.2020	St. Cyril and Methodius
24.05.2020	Monday 25.05.2020	Ramazan Bajram
05.06.2020	Friday	Duhovden
02.08.2020	Monday 03.08.2020	Ilinden
28.08.2020	Friday	Virgin Mary (Holy Mother)
08.09.2020	Tuesday	Independence Day
11.10.2020	Monday 12.10.2020	Insurrection Day
23.10.2020	Friday	Day of Macedonian Revolutionary Struggle
08.12.2020	Tuesday	St. Kliment Ohridski

Annex 7 - Complaint procedure

Specific initiative concerning the monthly and yearly Auctions

Should the *Registered Participant* come to conclusion that the *Auction Rules* have been breached by an incorrect calculation, incorrect output from data check, or incorrect evaluation of data by the *Auction Platform*, the *Registered Participant* is entitled to initiate through its representative, the *Auction Platform User* examination procedure. The request must be delivered to one of the Contacts of *Auction Platform* operators (Annex 2) by signed e-mail, or via registered mail, and must contain:

- date
- identification of *Registered Participant*
- name, e-mail address and telephone of contact person of the *Registered Participant*
- brief description of the situation – i.e., the subject matter
- detailed description of the situation
- well-founded means of proof (downloads from logs, communication records, etc.)

Auction Platform operators will confirm the receipt of such a complaint via e-mail.

If the *TSOs* and the *Registered Participant* could not reach an agreement within 10 days the *Registered Participant* may refer a complaint pursuant to the process described in the *Auction Rules* to the relevant National Regulatory as defined in the Directive 2009/72/EC.

The *TSOs* are obliged to give all information to the proceeding National Regulatory Authority, which is necessary to handle the complaint in due time.

The above described initiative shall not have suspensive impact on the results of the relevant daily, monthly or yearly *Auction*.

Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones

Of

ELEKTROENERGIEN SISTEMEN OPERATOR EAD

1618 Sofia, 201 Tsar Boris III blvd.

-hereinafter “**ESO**”-

and of

JSC MEPSO

1000 Skopje, Maksim Gorki str. 4

-hereinafter „**MEPSO**“-,

(“Daily Allocation Rules”)

For 2020

(ANNEX./2 of the „AGREEMENT“)

Daily Allocation Rules

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1 Definitions / Terms

Terms used herein and not otherwise defined herein shall have the meanings given such terms as follows:

- **Allocated Capacity:** for the daily auctions this is the Capacity that the Registered Participant gains by notification of the Auction results.
- **Allocation Office (Daily Allocation Office):** the entity executing the daily auction procedures and is commissioned by ESO.
- **Auction Price:** the price in EUR to be paid by Registered Participants for each MW and hour receiving a reservation of Capacity in case the total amount of the requested reservation of network capacity exceeds the ATC.
- **Available Transfer Capacity for Daily Auction (daily ATC)** - the part of the NTC that remains available, after each phase of the allocation procedure, considering the netting process, for further commercial activity and which shall be offered in the daily auction procedures.
- **Bid:** an offer submitted during an auction by a Registered Participant to purchase rights to use capacity pursuant to and in compliance with these Daily Allocation Rules; such an offer consists of two values per product (capacity per direction): a Capacity in MW and a Bid Price in euros per MW/h.
- **Bid Price:** the highest price which a Registered Participant is willing to pay for 1 MW of Capacity. He must be prepared to pay this Bid Price.
- **Bidding Zone:** means the largest geographical area within which market participants are able to exchange energy without Capacity Allocation;
- **Business Day:** every calendar day
- **Capacity Holder:** Registered Participant which has obtained a Capacity in an Auction or via transfer.
- **Control Area:** means a coherent part of the interconnected system, operated by a single system operator and shall include connected physical loads and/or generation units if any;
- **Cross Zonal Capacity (“Capacity”):** means the capability of the interconnected system to accommodate energy transfer between Bidding Zones;

- **Cut Off Time (“COT”)**: specified time providing a deadline for TSOs’ final matching of mismatching schedules submitted by market parties by GCT;
- **Curtailment of Allocated Capacities**: the reduction of Allocated Capacities by the Allocation Office (based on the request of ESO and/or MEPSO) in respect of the Registered Participants. Curtailment of Allocated Capacities shall only be used in case of Emergency Situation/Force Majeure when a TSO must act in an expeditious manner and redispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.
- **Daily Allocation Rules**: the regulations set out in this document applicable to the allocation of the reservation of Capacities at the transmission Interconnections between the Bidding Zones of MEPSO and ESO;
- **EIC-Code**: Energy identification code serving to clear the identification of Registered Participants in a cross-border trade (see https://www.entsoe.eu/fileadmin/user_upload/edi/library/eic/EICRegistry.htm).
- **Emergency Situation** – the situation referred by Article 16 of Regulation (EU) 2019/943 where a TSO must act in an expeditious manner and Redispatching or Countertrading is not possible.
- **ENTSO-E (European Network of Transmission System Operators for Electricity)**: an International Association with membership of European Transmission System Operators.
- **ESO-ELEKTROENERGIEN SISTEMEN OPERATOR EAD(“ESO”)**, The Bulgarian Transmission System Operator with registered office at 201, Tsar Boris III Blvd., 1618, Sofia, Bulgaria. ESO is responsible for handling the daily auction procedures and operates on behalf of ESO and MEPSO
- **EU-Regulation**: the Regulation (EU) 2019/943 of the European Parliament and the Council of 5 June 2019, on the internal market for electricity and also Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU.
- **(1M EURIBOR + 3%) p.a.** - one-month interest rate at which euro interbank term deposits within the euro zone are offered by one prime bank to another prime bank (see <http://www.euribor.org>) increased by 3% and calculated by using pro-rata method.
- **Force Majeure**: means any unforeseeable or unusual event or situation beyond the reasonable control of a Registered Participants and/or ESO or MEPSO, and not due to a fault

- of the Registered Participant and/or the ESO or MEPSO, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view reasonably possible for the Registered Participant and/or the ESO or MEPSO, which has actually happened and is objectively verifiable, and which makes it impossible for the Registered Participant and/or the relevant TSOs to fulfil, temporarily or permanently, its obligations.
- **Gate-Closure Time (“GCT”)**: is a specified time providing a deadline for submission of schedule s by Registered Participant or a deadline for submission of schedule programs for matching purposes. The GCT is related to the timestamp of reception.
 - **Interconnection**: a single and/or double circuit lines between the Macedonian and Bulgarian transmission system which connects the Bidding Zones of MEPSO and ESO synchronously.
 - **JSC MEPSO (“MEPSO”)**:, with registered office at 1000 Skopje, Maksim Gorki str. 4
 - **M:N schedule nomination**: Nomination of schedule by using Allocated Capacity could be realized in one or more cross-border electricity exchanges in one direction with several cross-border partners where one cross-border partner has to be BRP who has Allocated Capacity (“M:N” schedule nomination).
 - **Net Transfer Capacity (“NTC”)**: the maximum exchange program between two Bidding Zones compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions.
 - **Registered Participant (further market participant)**: A person and/or an entity which completed and signed a Statement of Acceptance (ANNEX 1) and Contact Data (ANNEX 2) with ESO and is taking part in the allocation procedures set out in the Daily Allocation Rules.
 - **Transfer**: the changing of the ownership of Allocated Capacity rights obtained in the course of yearly and monthly auctions between Registered Participants.
 - **Working Day**: every day of the week except Saturday, Sunday and Public Bulgarian Holidays (see ANNEX 3)

2 General Rules for the Auctioning of the Reservation of ATC on the ESO - MEPSO Interconnection

The following provisions shall in general apply to daily auctions:

A) Scope of the Daily Allocation Rules

1. The demand for Capacity at the Interconnection between MEPSO and ESO is usually much higher than the ATC. In order to obtain maximum transparency in the allocation of the ATC and to avoid discrimination in allocating the ATC, auctions shall be held. The Daily Allocation Rules are construed in accordance with the regulations set out by European law, in particular by the EU-Regulation and Bulgarian law as well as these set by Macedonian and Bulgarian Regulatory Authorities. In order to correspond with these legal requirements the auction covers the reservation of the ATC. The auctioning of the reservation of the ATC aims at providing a transparent method of congestion management.
2. This document contains the terms and conditions for the auctioning of the reservation of ATC at the Interconnection that is jointly offered by ESO and MEPSO. ESO and MEPSO will carry out the auctions of the daily ATC both for the Macedonian and for the Bulgarian side.
3. Auctions for daily ATC will be held in order to ensure that reservations of ATC will be valid for each side of the Interconnection. Auctions for daily ATC will be held by ESO. The auctions for the daily ATC will start on the 31st December with the publication of daily ATC for the 1st January.
4. MEPSO and ESO will fully accept the result of the individual auction procedures held by the other party provided these procedures are consistent with the terms and conditions of the Daily Allocation Rules and will carry out the transmission services according to the respective auction results in compliance with the legal requirements of grid access and applicable market rules.
5. The Daily Allocation Rules only deal with the reservation of ATC at the Interconnection. The auction of the reservation of ATC and the financial settlement of the reservation of ATC purchased via an auction do not include energy transports or any rights, liabilities or financial aspects concerning energy transports.

B) General Provisions

6. The ATC is determined by ESO and MEPSO in accordance with the applicable technical rules, particularly in accordance with the applicable rules published by the ENTSO-E, ap-

Daily Allocation Rules

plicable laws and regulations in a transparent and non-discriminatory way. The ATC is published according to the regulations set out in the Daily Allocation Rules.

7. The daily ATC is offered for reservation by ESO through the use of the Auction Platform, on the website of ESO. The “Capacity User Guide Manual” document contains detailed information for using the Auction Platform. This document and the “Daily Allocation Rules” are published on the website of ESO www.eso.bg.
8. If the “Capacity User Guide Manual” conflicts with the “Daily Allocation Rules”, the “Daily Allocation Rules” shall prevail.
9. The Registered Participants will be informed in due time in the Auction Platform about the ATC for the reservation for the daily auction procedure.
10. The purchased Capacity or Capacity corresponding to submitted schedules can be curtailed as described in Chapter I of Section 3.
11. Each purchase of reservation of daily Capacity made pursuant to the Daily Allocation Rules shall be deemed to constitute a contract between ESO on the one hand and the Registered Participant on the other hand. With the purchase of reservation of Capacity the Registered Participant assumes the rights and the duties set out in the Daily Allocation Rules, especially the full payment of the Auction Price in due time.
12. With the delivery of a bid the Registered Participant shall be obliged to pay the Auction Price for the reserved Capacity, independent of the actual use and other transmission fees. The Registered Participants shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claims of MEPSO and/or ESO, whether or not arising out of an auction.
13. Furthermore, with the delivery of a bid the Registered Participant accepts the auction regulations set out in the Daily Allocation Rules. If the Registered Participant does not submit to the Daily Allocation Rules, the Registered Participant shall be expressly barred from the participation in the auction process and the bids shall not be accepted by the Daily Allocation Office.
14. By notification of the Auction result the Registered Participant obtains the guarantee of MEPSO and ESO that by settlement of the payment (in accordance with the Daily Allocation Rules) Capacity shall be allocated in accordance with notified auction results with the exception of Emergency Situations, including Force Majeure.
15. To avoid problems related to the potential use of dominant position of a market player, the relevant authorities of both countries may adopt joint decision for restrictions in general or on an individual company on account of market dominance. The Allocation Office reserves the right to introduce such restrictions in the course of the year.

16. MEPSO and ESO reserve the right to amend and/or adapt the Daily Allocation Rules. The actual version of the Daily Allocation Rules will be published on the website of ESO (www.eso.bg) as well as on the website of MEPSO (www.mepso.mk) minimum 15 days before coming into force. By the delivery of a bid after the amendments and/or the adaptations being published, the Registered Participant submits to the new version of the Daily Allocation Rules.

C) Liability

17. MEPSO and/or ESO shall only be liable for any damage caused by willful misconduct or gross negligence. Claims for such damages arising out of the Daily Allocation Rules are limited to the damages typical and foreseeable, unless MEPSO and/or ESO have acted wilfully or by gross negligence. In no event shall MEPSO and/or ESO be liable for any loss of profit, loss of business, or any other damages of any kind. In any case the liability of MEPSO and/or ESO for damages arising out or related to the Daily Allocation Rules shall be limited to € 5 000, in total.
18. MEPSO and ESO undertake to carry out the provisions set out in the Daily Allocation 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, Macedonian and Bulgarian law and by the Macedonian and Bulgarian Regulatory Authorities.

D) Eligibility Requirements for participation in the Auctions

19. A precondition for participation in auctions for cross-border capacities is successful registration in the register of Allocation Office.
20. In order to be included in the register of ESO a legal entity has to fulfil the following requirements under the Bulgarian legislation:
- Must have a registered EIC code;
 - To be registered at the Bulgarian/Macedonian power market following the Bulgarian/Macedonian Market Rules for electricity trading;
 - To have a valid and effective balancing responsibility contract with ESO/MEPSO;
 - To be a company which is not under bankruptcy or liquidation proceedings;
 - To be a company without any outstanding debts to ESO and/or MEPSO (for MEPSO only for invoices related to allocated cross border capacities).
21. ESO publishes at its Allocation Office the list of Registered Participants who are eligible to apply for auction participation according to the requirements as per Article 20. Any objections against the list shall be submitted in written form or electronically to ESO.

22. Without prejudice to the stated above the relevant Allocation Office has the right to ban access to the auctions to Registered Participants regardless of their register notification under section E) and F) in case there is enough evidence that at the time of an auction proceeding the Registered Participant does not meet the auction participation requirements."

E) Registration Procedure

23. Market participants intending to take part in cross-border auctions under these Daily Allocation Rules shall submit to ESO the following documents:
- Statement of Acceptance/Application Form – ANNEX 1 - duly completed and signed by legal representatives of the market participant;
 - Contact Data – ANNEX 2 - duly completed and signed by legal representatives of the market participant;
 - Tax registration certificate issued by the respective Taxation Authority in the country where the market participant is registered as legal person for taxation;
 - Certificate for Good Standing, issued earliest three months before application for participation in the auctions and confirming the actual status and last amendments in the company management, the respective representation rights included;
24. The statement of acceptance has to be of undetermined duration, notwithstanding the obligation of the market participant to inform the Allocation Office of any changes and notwithstanding the right of the Allocation Office to request a renewal of the registration and/or any document mentioned herein.
25. The applicant has to submit the above original documents for registration via post to 201, Tsar Boris III Blvd., 1618, Sofia, Bulgaria. However, the Statement of Acceptance could be sent also in advance to the Allocation Office via fax or e-mail using the contacts reported in the contact list. Where the originals of these documents are not drawn up in Bulgarian or English, they must be accompanied by translation in Bulgarian or English.
26. By signing and submitting the Application Form, the market participant confirms, that he has received, read and accepted the present Allocation Rules and undertakes to comply with all the provisions contained therein.
27. Any amendments in these Daily Allocation Rules, inclusive their replacement by new rules, shall not affect the validity of the Statement of Acceptance signed by the market participant. The Statement of Acceptance is unlimited by time, without prejudice to the right of the market participant to request a change of his status.
28. When receiving the Application Form for registration, ESO shall verify the adequacy of the information supplied and fulfilment of requirements stated above and in case all re-

quirements are fulfilled, ESO shall approve an Application Form within 10 (ten) Working Days after receiving it.

29. ESO acting as an Auction Office shall keep and publish a Register of Registered Participants with the following information:
- Name of Registered Participant;
 - EIC Code;
 - Date of Registration;
 - Status (Active, Suspended, Excluded, or Deregistrated);
 - Date of Status Modification.
30. The registration becomes effective after inclusion in Register of Registered Participants with status "Active".

F) Update of Register

31. In case of change in the data provided in the course of registration, the Registered Participant is obliged to inform ESO within 5 (five) working days as of the change.
32. If an Registered Participant doesn't wish to participate in further auctions and no longer wants to be registered as a Registered Participant, he is obliged to submit a written request for deregistration to ESO. The request will be satisfied provided the Registered Participant has fulfilled all his financial obligations under these Auction Rules.
33. The Registered Participant shall be assigned status "deregistered" in the register under p. 29.
34. Registered Participant who has been deregistered from the register is entitled to be registered again following the registration procedure.
35. In case a Registered Participant:
- did not perform his obligations within the deadlines under these Auction Rules, or
 - does not have valid contract securities under p. 20, it. 3,
- then the Registered Participant shall be suspended from the register under p. 29 and from further participation in Auctions, the Secondary Market and nominations in both directions (import/export) and shall be entered in the register with status "Temporary suspended".

36. Temporary suspension does not release the Registered Participant from his payment obligations. The suspended Registered Participant shall pay the transmission capacity price for already allocated Capacity Rights.
37. Temporary suspension shall be promptly notified by ESO to the Registered Participant, via fax or e-mail and shall be effective as of the date of receipt, but not later than the date of change of the status in the register.
38. Notification shall contain: the reason to revoke the right for participation in the Auctions, date on which the right is revoked, deadline for implementation of the obligations, including payment of the relevant sanctions.
39. Temporary suspension is for a term till 12:00 p.m. CET on the day following the working day on which the reasons for the suspension are eliminated.
40. Should the Registered Participant in any manner:
 - tried to participate by gaming or by any means breaks or threatens to break the Auction procedures;
 - systematically and/or intentionally breaks these Auction Rules;
 - is declared insolvent, bankrupt or is levied distraint;
 - is subject to court proceeding for insolvency, bankruptcy, liquidation or distraint;
 - was temporarily suspended and has not met the deadline to perform his outstanding liabilities as defined by ESO or has not performed any other obligations to ESO;
 - ceases to meet the requirements of p. 20;then the Auction Operator is entitled to immediately exclude him from the Register under p. 29.
41. The Registered Participant shall be promptly notified of the exclusion via fax and/or e-mail. The decision of ESO shall enter in force on the date on which it is received, but not later than the date of the status change in the Register.
42. The excluded Registered Participant is obliged to pay all outstanding invoices and/or claims to ESO within 5 (five) working days as of receipt of the Exclusion Notification.
43. The Registered Participant is assigned the status “Excluded”.

G) Transfer of Reserved Capacities purchased in the course of daily auctions

44. Reservations of capacities purchased in the course of daily auctions cannot be transferred.

H) Exceptional circumstances

45. Exceptional circumstances shall be serious disturbance to the functioning of the IT System(s) or devices used by the Allocation Office. Exceptional circumstances may be the reason for changing, cancelling or suspending an Auction. In case of exceptional circumstances the Allocation Operator/Daily Allocation Office shall inform all Registered Participants via telephone, fax or e-mail of the cancellation of the relevant auction(s), if possible. ESO will also publish information on his Allocation Website, if available. In cases where auctions are cancelled all Bids already submitted to the Capacity Allocation System are deemed as invalid.

I) Miscellaneous

46. If any part or provision of the Daily Allocation 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.

J) Place of Jurisdiction, Applicable Law, and Place of Performance

47. These Daily Allocation Rules shall be governed by and construed in accordance with Bulgarian law as well as by EU law and Regulation (EU) 2019/943. For the avoidance of doubt, the application of the UN Convention on the International Sale of Goods shall be excluded.
48. In case any dispute or differences arise from the Daily Allocation Rules and its ANNEXES or their violation, termination or becoming null or void, the parties concerned shall endeavour to reach an amicable settlement. The claimant is obliged to describe and present its claim in detail including the identification of the respective article/paragraph of the Daily Allocation Rules. However, in the event that such a settlement is not reached within thirty (30) days of first notification of the reason for the disputes, then all disputes arising in connection with the Daily Allocation Rules shall be resolved by the competent court. The place of jurisdiction for all disputes, arising from the auction processes, concerning the daily auctions, shall be the competent court at the registered seat of the Allocation Office.
49. To avoid any doubt, all disputes arising from these Daily Allocation Rules shall be settled according to the provision of p.47 and 48 . The application of clauses of any other contract concluded by the Allocation Office and a Registered Participant (e.g balance responsibility contract) shall be excluded.

50. The place of performance of all obligations of the Registered Participants resulting from the daily auctions held in accordance with these Daily Allocation Rules and its ANNEXES shall be the registered seat of the Allocation Office.

K) Contestation of Auction results

51. The Registered Participants may contest the Auction results within 1 (one) hour after the publication of the Daily Auction results, by sending a fax/Email message to ESO mentioning the grounds to contest the results.
52. If a Registered Participant does not contest the Auction results within the deadline, the Registered Participant loses the right to contest.

3 Specific Rules for the Daily Allocation of the Reservation of Transmission Capacities on the ESO-MEPSO Transmission Border (“Daily Allocation Rules”)

The Allocation of the reservation of the daily ATC at Interconnection points from MEPSO and ESO will be organized and executed electronically by ESO in user environment of the Auction Platform.

The rules and regulations for the daily auctions are principally laid down in these Daily Allocation Rules and specifically in the “Capacity User Guide Manual” published on the website of ESO www.eso.bg .

By accessing the daily auction the Registered Participant shall be obliged to accept the regulations set out in the Daily Allocation Rules and in the “Capacity User Guide Manual” published on the website of ESO www.eso.bg without any reservation.

With the entering of a bid into the daily auction the Registered Participant shall be obliged to pay the Auction Price for the reserved Capacity, independent of the actual use and other transmission fees. The Registered Participants shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claims of MEPSO and/or ESO, whether or not arising out of an auction.

MEPSO and ESO reserve the right to change operationally a Business Day regime – i.e. time closures in reasonable cases, especially in case of technical problems, upon a public and individual notification done with sufficient time in advance, including a brief description of the reasons

MEPSO and ESO reserve the right to amend and/or adapt the Daily Allocation Rules and ESO reserve the right to adapt the “Capacity User Guide Manual”. The actual version of the Daily Allocation Rules will be published on the website of MEPSO (www.mepso.mk) and on the website of ESO (www.eso.bg) as well. The actual version of the “Capacity User Guide Manual” will be

published on the website of ESO www.eso.bg. By accessing the daily auction after the amendments and/or adaptations being published, the Registered Participant submits the bids in accordance with the valid version of the Daily Allocation Rules and/or the “Capacity User Guide Manual”.

Daily auctions will be held from Monday to Sunday (seven days a week) without any regards to the holidays in Bulgaria and North Macedonia.

Separate auctions shall be held for the reservation of Capacity in each of both directions.

ATC values are published by 08:55 AM (CET) in day D-1 for day D.

Each Registered Participant shall deliver his bids in the period starting from 9:00 AM (CET) until 09:45 AM (CET) in day D-1 for day D in the Auction Platform.

The bids shall be binding until the end of the auction and cannot be modified after deadline for delivery (9:45 AM (CET) in day D-1 for day D).

A) Auction Platform

The Auction Platform is a web-based system operated by ESO. The access to the Auction Platform is via ESO website. MEPSO and/or ESO shall not be liable for an uninterrupted provision of the Auction Platform. To access the Auction Platform the Registered Participant shall apply for account using the form published on the website of ESO www.eso.bg which shall be duly completed and signed by legal representatives of the Registered Participant.

The security, technical and operational support concerning the Auction Platform, particularly the “Capacity User Guide Manual”, are provided by ESO. ESO is to execute and administrate the daily auctions in correct, non-discriminatory and transparent manner in compliance with applicable national and European laws and/or regulatory requirements.

If the Auction Platform and/or the website of ESO is interrupted and/or suspended the allocation of daily available capacities will be cancelled. All relevant users of the Auction Platform will be informed immediately of the interruption and/or suspension of the Auction Platform and/or the website of ESO.

The whole communication with the Auction Platform will be archived. Each message from the Auction Platform is attached by a time stamp, both messages leaving the Auction Platform or messages received by the Auction Platform. The time stamp used is the time system from the Auction Platform.

B) Capacities

The daily ATC will be published and offered for reservation for each hour of a day for each transmission direction separately.

When determining the daily ATC the following will be taken into account:

- Monthly Capacity that has not been allocated in the monthly auction in the previous auctions;
- Yearly and/or monthly Capacity already allocated, which had to be withdrawn from the Registered Participant according to Yearly and Monthly Allocation Rules.;
- Yearly and monthly Capacity which was allocated and has not been nominated to MEPSO and ESO through long term nomination process by 08:00 (CET) for the following day.
- Netting effects based on nominations in the respective counter direction according to the following formula:

$$ATC_{mk-bg} = NTC_{mk-bg} - SCHLT_{mk-bg} + SCHLT_{bg-mk}$$

$$ATC_{bg-mk} = NTC_{bg-mk} - SCHLT_{bg-mk} + SCHLT_{mk-bg}$$

where

ATC_{mk-bg} – Daily ATC in direction MK-BG

ATC_{bg-mk} – Daily ATC in direction BG-MK

NTC_{mk-bg} – Agreed daily NTC in direction MK-BG

NTC_{bg-mk} – Agreed daily NTC in direction BG-MK

SCHLT_{mk-bg} – Confirmed Long Term schedules in direction MK-BG

SCHLT_{bg-mk} – Confirmed Long Term schedules in direction BG-MK

The daily ATC for reservation via daily auctions will be published, in the Auction Platform, daily by 8:55 AM (CET).

C) Bids for the Reservation of Capacity

In order to participate in the daily auction procedure, bids shall be submitted to the Auction Platform in accordance with the “Capacity User Guide Manual” document.

Bids are submitted by the Registered Participant according to the requirements stipulated in these Daily Allocation Rules.

Each Registered Participant may submit a maximum of 10 Bids

Daily Allocation Rules

The total amount of the transmission capacities in the Bids for a given Auction shall not exceed the ATC;

Each Registered Participant bidding in the Auction Platform may submit a new version of the Bid File, until the deadline for submission of Bid. In this case (submission of multiple subsequent Bid Files by the same Registered Participant), the most recent Bid File with respect to the corresponding deadline is considered for acceptance by ESO.

Each Bid concerns Interconnection Capacity in units of 1 (one) MW with a minimum of 1 (one) unit and a maximum equal to the ATC over the Interconnections for each period of time.

Each Bid has to contain the following unambiguous and legible specifications:

The value of the Bid in €/MWh (maximum two decimals);

The amount, in the Bids are integer quantity (MW), with minimum 1 MW, of the required Interconnection Capacity.

The Bid (the most recent Bid in case of multiple subsequent Bid Files) is unconditional and irrevocable.

The Bid Price shall be more than 0.00 €/MW.

In case a Bid does not fully comply with the above rules, it is considered unacceptable and it is rejected during the Auction clearing process.

All Bids shall be submitted in conformity with the requirements for access to the Auction Platform and the Capacity User Guide Manual.

D) Auction Procedure for the Reservation of Capacity

The results of each Auction are determined for the respective Interconnections for each hour as follows:

The acceptable bids for Capacity are classified by descending order of Bids prices. The bids are summed in the order defined by the above classification.

a. If the above sum is equal to or less than the amount of the Interconnection Capacity, offered for the Auction at the respective Interconnection, the clearing price is equal to zero.

b. If the above sum exceeds the ATC for the Auction in question, then the bid(s) with the highest price for Capacity in an amount that does not exceed the ATC is (are) accepted. The remaining Capacity is awarded to the bidder(s) which has (have) submitted the next highest price bid(s) for Capacity (next entrance in the classification) in an amount that does not exceed the remaining Capacity; and so on for Capacity remaining after that.

Daily Allocation Rules

- In case two or more bidders have submitted bids of the same price, that qualify according to the provision of paragraph (b) and which relate to Capacity in an amount that exceeds the offered or the remaining Capacity, the offered or the remaining Capacity will be awarded in proportion to the Capacity requested in the equally priced of the bids of these bidders, in units of at least one MW.
- In case the remaining Capacity must be awarded between two or more bidders, at equal other terms and in compliance with the above requirement, the Capacity Rights are being awarded in units of at least one MW and ESO has the right to consider the time of submission of the offers as a priority for awarding of Capacity Rights, in case when the first mentioned proportional principle happens to be inapplicable.
- Capacity is provided at the price of the last MW that is served due to insufficient auctioned capacity, (clearing price), which is the marginal price on the congested Interconnection. The clearing price shall be paid by all bidders that have been awarded Capacity (in the Auction) on the Interconnection.

E) Publication and Notification of the Results of an Auction

Allocation Office will publish the final results of the daily auction procedure daily by 10:00 AM (CET) in the Auction Platform.

The following information in the auction results will be available:

- Requested Capacity;
- Awarded Capacity;
- Auction price;
- Number of Registered Participants;
- Awarded companies;

F) Use of Reserved Capacity

General grid access for the use of reserved (purchased) Capacity is not covered by the scope of the Daily Allocation Rules unless otherwise stipulated in the applicable national regulations.

MEPSO 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 Bidding Zone and applicable market rules of MEPSO and ESO.

Daily Allocation Rules

Upon reservation of Capacity in the course of an auction, MEPSO and ESO commit themselves to ensure that the reserved Capacity is operationally feasible for the Registered Participant solely at the Interconnection with the exception of Emergency Situations, including Force Majeure.

The use of reserved transmission Capacities operates via the delivery of fixed and binding daily schedules to MEPSO and ESO in compliance with the legal requirements of grid access in each Control Area and applicable market rules of MEPSO and ESO. The reserved Capacities are used on the basis of the Daily schedules disposal respecting the principle M:N schedule nomination. The daily schedules for the following day must be received till Gate-Closure Time (GCT). The GCT is 14:30 (CET) in D-1 for day D.

MEPSO and ESO perform the matching of delivered individual fixed daily schedules on common border. Modification of mismatching daily Schedules is possible till Cut-Off Time (COT) for short term matching process at 15:00 (CET). Modifications of these schedules after this time are prohibited.

If still there is a mismatch MEPSO and ESO will modify the delivered daily schedules in accordance with the following rules:

- when value is different but the direction is the same, the lower value is considered;
- when there is missing exclusive cross-border partner or the directions are not correct, zero values are taken into account.

At the Cut-Off Time for matching process gate the fixed daily schedules will be fully accepted, partially accepted or rejected in accordance with the matching result.

The use of the reserved Capacity is based on the principle "use it or lose it".

MEPSO and ESO set the following prerequisites for using Capacity and for using their transmission networks:

- On ESO side – Registered participant who has a valid and effective balance responsibility contract with ESO;
- On MEPSO side – Registered participant who has a valid and effective balance responsibility contract with MEPSO.

The payment determined in the auction covers only the right for reservation of the Capacity at the bottleneck.

G) Transfer of Reserved Capacities

Reservation of capacities purchased in the course of daily auctions **cannot be transferred** to other Registered Participants.

H) Accounting, Losing of Allocated Capacity and Exclusion of Participating in Daily Auction Procedures

Within 5 (five) Working Days after the performance of the last daily auction for a calendar month, ESO shall issue to each Capacity Holder invoices with the amounts due for daily Capacity rights allocated in the timeframe of the month. ESO will send the issued invoice to the Registered Participant by e-mail, by fax or via eFaktura.bg or post.

The Capacity Holder shall pay to ESO the sum as per the invoice within the due date specified in the invoice. The payment deadline under the issued invoice shall be not less than 4 /four/ Working days after the date on which it was sent.

In case a payment is not settled in due time, the Capacity Holder shall pay to ESO in addition to the main payment also an interest for the amount due, according to the invoice, and ESO as Allocation Office shall suspend the Capacity Holder from the right to participate in the Auctions and from the right to nominate cross-border schedules up to the payment of the amounts due.

When the Capacity Holder is suspended from the Daily auctions, he loses any rights to take part in the Monthly Auctions.

When the Registered Participant is excluded from the Daily Allocation, he loses any rights over paid yearly and monthly Capacity Rights and also loses the right to nominate any cross-border schedules.

In case of delayed payment ESO is entitled to charge a default interest on a due amount for each commenced day of delay. The default interest rate is calculated based on the yearly amount of the Basic Interest Rate of National Bank of Bulgaria (BNB) + 10 percentage points. The interest rate in force from 1 January is applicable to the first semester of the year, and the rate in force from July 1 is applicable to the second semester of the year. The value of the Basic Interest Rate of the Bulgarian National Bank has published on its website: www.bnb.bg. The interest shall be paid to ESO within 4 (four) Working days after the date on which the document was sent.

I) Curtailment

Before COT for the daily matching process, the curtailment of Capacity may be applied for system security reasons, in Emergency Situations when TSOs must act in an expeditious manner and Redispatching or Countertrading is not possible or in situation of Force Majeure.

Daily Allocation Rules

The reduction of schedules may be applied after COT for the daily schedules matching process only in Emergency Situations when TSOs must act in an expeditious manner and Redispatching or Countertrading is not possible or in situation of Force Majeure.

TSO which requests the curtailment shall issue a description of reasons and effects of curtailment for solving network or system problems and that will be published by both TSOs.

Capacity curtailments or reduction of submitted schedules shall have as reference a Capacity multiple of 1 MW and time-period multiple of an hour.

In case of Curtailment of Allocated Capacities or schedules reduction, following priority order is used:

- a) Capacity allocated in daily Auction.
- b) Capacity allocated in monthly and yearly Auction.

Within each of the above listed groups of Capacities, proportional curtailment will be used, in a non-discriminatory manner.

If there were monthly and yearly Allocated Capacities curtailed, the daily Auctions will be suspended on the respective border direction.

In case of curtailment, the Registered Participant will be reimbursed according to the rules given as follows:

1. Curtailment before the Cut-Off Time (COT) for the short time matching process

Before the cut-off time for the matching process the Allocated Capacity shall be reduced by Allocation Office based on the request of ESO and/or MEPSO according to these Auction Rules.

Allocation Office (based on request of ESO and/or MEPSO) informs by e-mail the Registered Participants of the curtailment of Allocated Capacities and will submit the values of the reduced Capacities. The Registered Participants have to submit their schedules to ESO and/or MEPSO taking into consideration the reduced Capacities.

In case of curtailment of Allocated Capacity from a yearly and/or monthly Auction before the cut-off time for the matching process, the Registered Participants whose Allocated Capacity have been curtailed shall be reimbursed by the Allocation Office for the curtailment. The amount for re-imbusement is calculated as curtailed MWs multiplied by hours of the curtailment multiplied by Auction Price.

In case of Curtailment of Allocated Capacity (Daily) before the COT for the matching process for daily schedules, the Registered Participant whose allocated Capacity has been curtailed will pay only the Capacity which was not been curtailed.

2. Curtailment after the Cut-Off Time (COT) for the short time matching process

After the cut-off time for the matching process, the reduction of schedules shall be implemented pursuant to the proceedings set forth in the relevant laws, and shall only be used in case of Force Majeure or Emergency Situations where the relevant TSO must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner.

The principle “use it or lose it” is applied. That means that Registered Participants who submit schedules less than their Capacity rights, shall lose any right over the remaining Capacity. In this case, curtailment is applied to Capacity corresponding to the submitted schedules, proportionally and using the same rules regarding the priority order as in case of curtailment performed before the cut-off time for the matching process.

In case of Curtailment of Allocated Capacity (Daily) after the COT for the matching process for daily schedules, the Registered Participant whose allocated Capacity has been curtailed will pay only the Capacity which was not been curtailed.

Contact list

ELEKTROENERGIEN SISTEMEN OPERATOR EAD

**201, Tsar Boris III Blvd.,
1618, Sofia,
Bulgaria
fax: +359 2 96 96 189**

Registration issues and Auction procedures:

Cross Border Exchanges Department

Telephone: +359 2 92 13 652

Fax : +359 2 98 10 102

e-mail: eso.auction@ndc.bg

Financial issues

Accounting Department

Telephone: + 359 2 96 96 751

Fax : + 359 2 96 96 899

e-mail: fso@eso.bg

IT issues

IT Department

5 Vesletz street, Sofia

Telephone: +359 2 9213 636

Fax : + 359 2 9810 102

e-mail: itsupport@ndc.bg

Legal issues

Legal Department

Telephone: +359 2 96 96 784

Fax : +359 2 96 26 189

Daily Allocation Rules

....., we are in good standing and we validly operate under the laws of the (State where the Participant has its registered offices). Furthermore, we hereby guarantee that:

- 1. we are not wound up,
- we are without any outstanding debts to ESO and/or MEPSO (for MEPSO only for invoices related to allocated cross border capacities).
- 2. ,
- 3. our affairs are not being administered by the Court,
- 4. we have not entered into an arrangement with creditors,
- 5. we have not suspended business activities and we are not in any similar situation arising from a relevant procedure under the laws of (the State where the Participant has its registered offices),
- 6. we are not the subject of proceedings for a) bankruptcy, or b) an order for compulsory winding up or c) administration by the Court or d) an arrangement with creditors or e) any other similar proceedings under the laws of(the State where the Participant has its registered offices).
- 7. we are registered market participants in the Bulgarian/Macedonian power market on

We also hereby declare that there is no condition under the laws of Bulgaria/North Macedonia, which prevents us from participating in the Daily Auctions and meeting our obligations in respect thereof.

We expressly authorize you to publish the name of our company in case of allocation/assignment of Capacity Rights and the related quantity and price of Capacity Rights assigned.

We undertake to directly inform you in case of any change occurred in the company’s status as declared herein.

Date

Name and Position (said document should be signed by the legal representative of the Participant)

Signature

ANNEX 2 - Contact Data

	Initial information	Updated information
Company name		
EIC code		
Postal address		
Zip code		
Place		
Country		
Telephone number		
FAX number		
E-mail address		
Contact person General		
Telephone number		
Mobile phone number		
FAX number		
E-mail address		
Operational contact		
Telephone number		
FAX number		
E-mail address		
Contact person Financial		
Telephone number		
Mobile phone number		
FAX number		
E-mail address		
VAT-number		
Invoice address		
Postal address		
Zip code		
Place		
Country		
Legal representative(s)		

We confirm to ESO that the above information is true.

.....

.....

.....

Legal representative

Signature

Date

ANNEX 3 - Public Bulgarian Holidays

Date:	Description:
01.01.2020	New Year's Day
03.03.2020	Bulgarian National Holiday
17.04.2020	Good Friday
18.04.2020	Holy Saturday
19.04.2020	Easter
20.04.2020	Easter second day
01.05.2020	Labour Day
06.05.2020	Day of the Bulgarian Army
24.05.2020	Day of the Bulgarian Education and Culture
06.09.2020	Day of the Alliance
22.09.2020	Day of the Independence of Bulgaria
24.12.2020	Christmas eve
25.12.2020	Christmas
26.12.2020	Christmas second day