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

12 October 2017

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All TSOs of the bidding zone border(s) Italy NORD - Austria taking into account the following,

### Whereas

- (1) This document is the common proposal developed by the Transmission System Operators of the bidding zone border(s) Italy NORD-Austria (hereafter referred to as “TSOs”) for Nomination Rules for Physical Transmission Rights (hereafter referred to as the “Proposal”) in accordance with Article 36 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “FCA Regulation”).
- (2) Article 31 of the FCA Regulation foresees that long-term cross-zonal capacity shall be allocated to market participants in the form of Physical Transmission Rights pursuant to the UIOSI principle or in the form of Financial Transmission Rights (FTRs) — options or FTRs — obligations. This Proposal only applies to the physical transmission rights acquired in forward capacity allocation. It lays down the rules for nomination of physical transmission rights for the bidding zone border(s) NORD Italy NORD -Austria
- (3) In accordance with Article 36(2) of the FCA Regulation, this Proposal is subject to consultation. Article 6 of the FCA Regulation requires that proposals submitted at bilateral or at multilateral level shall consult at least the Member States concerned and that the consultation shall last for a period not less than one month. Accordingly, this Proposal was consulted from 27 June 2017 until 18 August 2017.
- (4) This Proposal is submitted for the approval of all National Regulatory Authorities (hereafter referred to as the “NRAs”) of the bidding zone border(s) Italy NORD-Austria
- (5) TSOs on the bidding zone border(s) Italy NORD-Austria consider that the FCA Regulation allows the submission of this Proposal on bidding zone border level, since proposals for nomination rules for Scheduled Exchanges between bidding zones are not listed in Article 4 of the FCA Regulation. They acknowledge that Article 36(3) of the FCA Regulation requires all TSOs to progressively harmonise the nomination rules on all bidding zone borders on which physical transmission rights are applied. The TSOs therefore undertake to progressively examine the potential and the need for harmonisation of these rules, taking into account their technical nature.
- (6) This Proposal generally contributes to the achievement of the objectives of Article 3 of the FCA Regulation. In particular, this Proposal serves the objective of promoting effective long-term cross-zonal trade with long-term hedging opportunities for market participants by promoting a transparent framework for the nomination rules for Physical Transmission Rights.
- (7) This Proposal contributes to the provision of non-discriminatory access to long-term cross-zonal capacity by detailing the process of nominating the Physical Transmission Rights already allocated in the long-term auctions (or the process of transferring those right in accordance with Article 44 of the FCA Regulation).
- (8) Furthermore, this Proposal ensures fair and non-discriminatory treatment of all affected parties, as it sets rules to be applied by all parties.
- (9) Regarding the objective of transparency and reliability of information on forward capacity allocation, this nomination rules Proposal includes provisions on the necessary exchange of information between the holder of the transmission rights and the nomination platform for executing the nomination.
- (10) In conclusion, this Proposal contributes to the general objectives of the FCA Regulation to the benefit of all market participants and electricity end consumers.

SUBMIT THE FOLLOWING PROPOSAL TO ALL REGULATORY AUTHORITIES OF THE BIDDING ZONE BORDER(S) Italy NORD-Austria:

## **TITLE 1**

### **General provisions**

#### **Article 1**

##### **Subject matter and scope**

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

#### **Article 2**

##### **Definitions and interpretation**

1. Capitalised terms used in this Proposal shall have the meaning given to them in Article 2 of Regulation (EC) 714/2009, Article 2 of Regulation (EC) 2013/543, Article 2 of Regulation (EC) 2015/1222, Article 2 of Directive 2009/72/EC, Regulation (EU) 2016/1719 and in the applicable harmonised allocation rules for long-term transmission rights.
2. In addition, the following definitions shall apply:
  - (a) 'APG' means Austrian Power Grid AG, the Austrian system operator;
  - (b) 'ESS' means the ENTSO-E standard protocol for Scheduling System;
  - (c) 'GCT' means Gate Closure Time;
  - (d) 'HTTPS' means HyperText Transfer Protocol over Secure Socket Layer;
  - (e) 'ICMR' means the congestion management rules on the Italian interconnection, pursuant to art. 7 of annex A of the deliberation by the Italian Authority for Electricity and Gas arg/elt 162/1 published on the web site of TERNA;
  - (f) 'PTRs' means physical transmission rights as defined in the Allocation Rules;
  - (g) 'TERNA' means TERNA S.p.A. Rete Elettrica Nazionale, the Italian system operator;
  - (h) 'XML' means the Extensible Markup Language.

#### **Article 3**

##### **Effective date and application**

This nomination rules Proposal shall enter into force in accordance with the applicable national regulatory regimes. The rules described in this Proposal shall apply on the earliest possible date following the approval of the respective NRAs in Accordance with Article 4 of the FCA Regulation. This date will be published by the TSOs of the bidding zone border Italy NORD - Austria on their website.

## **TITLE 2**

### **Nomination rules**

#### **Article 4**

#### **Entitlement of a physical transmission rights holder to nominate Scheduled Exchanges**

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

#### **Article 5**

#### **Minimum technical requirements to nominate**

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

#### **Article 6**

#### **Description of the nomination process**

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

7. If the Nomination submitted exceeds the volume of its allocated rights, it will be modified/curtailed at latest during the last matching cycle. The result is that the maximum values of the confirmed nominations are equal to the allocated capacities.
8. When the Nomination gate is cancelled, Nominations submitted will not be considered and all Physical Transmission Rights will be treated as non nominated Physical Transmission Rights. The holders of Physical Transmission Rights will be compensated in accordance with applicable allocation rules as defined in Article 51 of FCA regulation.

### **Article 7 Nomination timings**

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

### **Article 8 Format of nomination and communication**

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

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

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

### **TITLE 3 Miscellaneous**

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

### **Article 9** **Amendment of the nomination rules**

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

### **Article 10** **Language**

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