Transmission System
and
Market Operator
of Kosovo
(KOSTT)

The Market Rules

October 2018
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These Market Rules (including as subsequently amended) are the wholesale Market Rules prepared in accordance with Article 23, paragraph 7 of the Law on Electricity (Law No.05/L-085).

THE ELECTRICITY MARKET RULES

PART I: PRELIMINARY CLAUSES

1 Objectives and Scope of Application

1.1 Objectives

1.1.1 The Market Rules Objectives are those objectives specified for the Market Operator (MO) in its Licence and any conflict between the Market Rules Objectives and the Licence will be interpreted in favour of the Licence.

1.1.2 The Market Rules Objectives are:

(a) the efficient discharge of the obligations imposed upon the MO by its Licence;

(b) the facilitation of efficient operation of the Transmission Network by the Transmission System Operator;

(c) the promotion of effective competition in the generation, trade and supply of electricity;

(d) the efficient implementation and management of Balancing and Settlement provided by the Market Rules;

(e) the promotion of the use of renewable sources of energy in the generation of electricity.

1.2 The Scope

1.2.1 In order for a market to operate, Trading Parties must be able to trade electricity in an environment where the physical energy can be managed safely and securely by the Transmission System Operator (TSO). The Market Rules set out how Parties can trade with each other but just as importantly, they set out how these Parties will interact with the TSO in order that physical balance is managed.
1.2.2 The primary terms under which the TSO will run the system are set out in the Grid Code. The Market Rules must remain consistent with the Grid Code and the relevant Metering Code.

1.2.3 The Market Rules are specified as a responsibility of the MO as set out under Article 23.7 of the Law on Electricity.

1.2.4 These Market Rules set out the responsibilities of Parties for the following processes:

(a) maintaining records of all contractually agreed transactions in the market;

(b) performing the Settlement process and notifying participants;

(c) providing information from the TSO regarding the Settlement changes required based on technical capacity and any exceptional situations in the transmission or Distribution Network;

(d) establishing the platforms for market operation and Settlement;

(e) publishing relevant market data and information.

(f) managing the process of Customers transferring to a different or new Supplier and facilitating the entry into the market of new Licensed Suppliers;

(g) auctioning, allocating and trading of Physical Transfer Rights to those Parties wishing to trade across Kosovo’s borders;

(h) operating the Balancing Mechanism to allow the TSO to balance the system ahead of and during real time;

(i) calculating Account imbalances and prices, and issuing invoices accordingly;

(j) nominating generation and demand physical parameters, and Bids and Offers to take or deliver energy, to allow the TSO to manage the system in real time; and

(k) procuring, contracting for, and settling, Ancillary Services Contracts.
1.3 General Structure of the Market Rules

1.3.1 The Market Rules are described in four main parts; each part is sub-divided into sections, which are, in turn, subdivided into paragraphs. Paragraphs can have subsidiary paragraphs. The heading or title of any part or section are provided for information, and shall not affect the meaning thereof. References to a part, section or paragraph will be to all subsidiary sections or paragraphs.

1.3.2 Terms used in the Market Rules shall have the same meanings as the terms used in the prevailing legislation or Licences, as appropriate.

1.3.3 In reference to paragraph 1.3.2, any modification or re-enactment of the legislation after the date when the Market Rules comes into force, shall apply.

1.3.4 In the Market Rules, unless the context otherwise requires:

(a) words in the singular may be interpreted as including the plural;

(b) the word “including” is to be construed without limitation;

(c) a derivative term of any defined or interpreted term shall be construed in accordance with the relevant definition or interpretation;

(d) the term “Energy” will be interpreted as “electrical energy”;

(e) [only used in Albanian version of rules]; and

(f) [only used in Albanian version of rules].

1.3.5 The Conventions used in the Market Rules cover issues such as the treatment of timing and Direction of Flow. These are given at section 1.4.

1.3.6 All Definitions, Abbreviations and Notations used in the Market Rules are set out for reference in sections 1.5, 1.6 and 1.7. Any defined term will be printed in bold and will be capitalised and will have the meaning assigned to it in section 1.5.

1.4 Conventions

1.4.1 Generation and Interconnector import quantities have positive sign, demand and Interconnector export quantities have negative sign. When explicitly specified by name, the sign is no longer applicable.

1.4.2 Contractual Nomination volumes and Settlement quantities are in MWh.
1.4.3 Generation and demand levels, Physical Nominations, Bids and Offers are in MW (interpreted as total MWh per hour).

1.4.4 Timing convention is noted at end-time (unless otherwise specified) – e.g. 12:00 is the Settlement Period starting at 11:00:01 and ending at 12:00:00.

1.4.5 Minutes = start of whole minute.

1.4.6 A day is a period of 24 hours (or exceptionally of 23 or 25 hours as appropriate on the days when clocks are advanced/retarded for summer/winter time) beginning at midnight (00:00). A Business Day is any day between Monday and Friday inclusive except for an official public holiday.

1.4.7 A week is the period beginning 00:00 Monday to 24:00 Sunday.

1.4.8 A month is a calendar month.

1.4.9 Times are given at Central European Time (CET), which is UTC+1 as adjusted for summer/winter time.
### 1.5 Definitions

1.5.1 Terms used in the **Market Rules** shall have the following meaning:

<table>
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<tr>
<td>Acceptance</td>
<td>is the <strong>Acceptance</strong> of a Bid or an Offer by the TSO and is the instruction to a <strong>Balancing Unit</strong> to operate at above or below the prevailing <strong>Physical Nomination</strong> (measured in MWh/hour).</td>
</tr>
<tr>
<td>Accession</td>
<td>is the process described in section 3.2 by which a new Party signs up (Accedes) to be bound by the <strong>Market Rules</strong>.</td>
</tr>
<tr>
<td>AccountF</td>
<td>is an <strong>Account</strong> maintained on behalf of a Party or a BRP which is used to record Settlement values specific to that Party or BRP including cash amounts due to or from that Party or BRP;</td>
</tr>
<tr>
<td>Affiliate</td>
<td>means in direct or indirect relation to the <strong>Licensee</strong> or any subsidiary of a holding company of the <strong>Licensee</strong>, means any holding company of the <strong>Licensee</strong> or any subsidiary of the <strong>Licensee</strong>, in each case within the meaning of the legislation applicable in Kosovo and should be determined in line with the Law of Electricity as either a controlling or controlled entity;</td>
</tr>
<tr>
<td>Ancillary Service Contract</td>
<td>for the purposes of the <strong>Market Rules</strong>, is a bilateral contract made in accordance with provisions of the <strong>Grid Code</strong> between the TSO and a <strong>Trading Party</strong> for the provision of ancillary services for: (a) Transmission Losses; (b) Compensation Program; (c) Frequency Containment Reserve; or (d) Replacement Reserve;</td>
</tr>
<tr>
<td>Ancillary Service Contract Negative Reservation Price</td>
<td>is the price (in €/MW/hour) specified in an <strong>Ancillary Service Contract</strong> for Reserve payable for Reserve Margin Negative Capacity;</td>
</tr>
<tr>
<td>Ancillary Service Contract Reservation Cashflow</td>
<td>is the total payable (in €) in <strong>Settlement</strong> to a <strong>Trading Party</strong> under an <strong>Ancillary Service Contract</strong> for being available to provide the service under the contract;</td>
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<tr>
<td>Defined term</td>
<td>Interpretation</td>
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<tr>
<td>Ancillary Service Contract Reservation Price</td>
<td>is the price (in €/MW/hour) specified in an Ancillary Service Contract for Reserve payable for Reserve Margin Capacity;</td>
</tr>
<tr>
<td>Ancillary Service Contract Utilisation Cashflow</td>
<td>is the cashflow (in €) for a Settlement Period arising from utilisation of an Ancillary Service Contract, calculated by multiplying the energy utilised under the contract by the Ancillary Service Contract Utilisation Price;</td>
</tr>
<tr>
<td>Ancillary Service Contract Utilisation Price</td>
<td>is the price (in €/MWh) specified in an Ancillary Service Contract payable for each MWh instructed for delivery (or offtake) under the contract;</td>
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<tr>
<td>Annual Quantity</td>
<td>(AQ) is the estimated consumption (in MWh/year) of a Metering System in one year.</td>
</tr>
<tr>
<td>Available Transfer Capacity</td>
<td>(ATC) is the Interconnector transfer capacity (in MW) at a border, determined by the TSO as being available to the MO to allocate;</td>
</tr>
<tr>
<td>Balance Responsible Party</td>
<td>(BRP) is a Trading Party acting for a Balancing Group that maintains either an Injection Account or an Offtake Account for the purposes of aggregating imbalances and imbalance payments on behalf of the Balancing Group</td>
</tr>
<tr>
<td>Balancing</td>
<td>is the process initiated by the TSO to ensure that the difference between the sum of generation inputs and imports is as close to the sum of exports and demand from the system at transmission connected sites and distribution zones; the rules for which are the responsibility of the TSO in accordance with the Article 19 of the Law on Electricity but are incorporated into these Market Rules;</td>
</tr>
<tr>
<td>Balancing Group</td>
<td>is a group of one or more Trading Parties with either injection activities or offtake activities formed for the purpose of aggregating their imbalances and imbalance payments into a single Injection Account or Offtake Account operated by their nominated BRP</td>
</tr>
<tr>
<td>Balancing Mechanism</td>
<td>is the process in which Trading Parties submit Bids and Offers to buy energy from or sell energy to the TSO in order for the TSO to carry out the real time Balancing of the Transmission System</td>
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<tr>
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<td>Balancing Service Provider</td>
<td>(BSP) is a Trading Party with reserve-providing Balancing Units or reserve-providing groups able to provide balancing services to the TSO who has pre-qualified in accordance with the relevant Market Rules Procedure;</td>
</tr>
<tr>
<td>Balancing Unit</td>
<td>is as defined at paragraph 11.1.2;</td>
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<td>Bid</td>
<td>is a bid to buy energy in the Balancing Mechanism from the TSO at a specified price (in €/MWh) that is submitted by a BSP with respect to a specific Balancing Unit.</td>
</tr>
<tr>
<td>Bid Delivery Cashflow</td>
<td>is the cashflow (in €) resulting from a Bid Acceptance;</td>
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<tr>
<td>Business Day</td>
<td>in accordance with paragraph 1.4.6, is any day between Monday and Friday inclusive except for an official public holiday;</td>
</tr>
<tr>
<td>Commercial Boundary</td>
<td>is the boundary between Trading Parties and the TSO in accordance with the Metering Code;</td>
</tr>
<tr>
<td>Compensation Program</td>
<td>is the program of imports or exports required under the ENTSO-E procedures to compensate for unintentional deviations.</td>
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<td>Confidential Information</td>
<td>(as defined in the Law on the Energy Regulator) is the data, documents or other information, whether commercial or technical, relating to the design, rehabilitation, insurance, operation, maintenance, and financing of energy related operations or activities which is not already in the public domain and may endanger the commercial interest of applicants and Licensees if disclosed;</td>
</tr>
<tr>
<td>Contractual Nomination</td>
<td>Is the notification of the volume of energy (in MWh) to be credited to one Account and debited from another Account in a Settlement Period</td>
</tr>
<tr>
<td>Customer</td>
<td>is an end consumer registered by one or more Suppliers;</td>
</tr>
<tr>
<td>Deemed Acceptance</td>
<td>is an Offer Acceptance priced (in €/MWh) at the Load Disconnection Compensation Price, that is made in favour of Suppliers (on behalf of their Customers) where the TSO or the DSO has curtailed the supply to their Customers;</td>
</tr>
<tr>
<td>De-energise</td>
<td>is the rendering of plant or apparatus such that it ceases to take electrical current or such other further definition as is set out in the Grid Code;</td>
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<tr>
<td>Defined term</td>
<td>Interpretation</td>
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<tr>
<td>Default</td>
<td>is a material breach of a material provision of the Market Rules that has not been remedied including a failure to pay money owed;</td>
</tr>
<tr>
<td>Default Imbalance Price</td>
<td>Is the Imbalance Price (in €/MWh) that shall be used in Settlement when no other Imbalance Price can be calculated;</td>
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<tr>
<td>Defaulting Party</td>
<td>is a Party in Default;</td>
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<td>Direction of Flow</td>
<td>is the indicator on orientation of Meter flows such that an importing Meter will record flows as a progressive increase in the dial readings with any export being recorded as a decrease in reading, with the reverse being the case where a Meter is set up as an exporting Meter;</td>
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<tr>
<td>Discontinuance Date</td>
<td>is the effective date from which a Party ceases to be bound by the Market Rules;</td>
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<tr>
<td>Discontinuance Notice</td>
<td>is a written notice submitted by a Party to both the ERO and the MO notifying of the Party’s intent to cease to be bound by the Market Rules;</td>
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<tr>
<td>Discontinuing Party</td>
<td>is a Party terminating its Accession to the Market Rules;</td>
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<tr>
<td>Dispute</td>
<td>is any disagreement or difference arising between the MO and any Party or Parties under or in connection with the Market Rules or the Market Rules Framework Agreement;</td>
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<tr>
<td>Distribution Generator Market Operator Charge</td>
<td>is a monthly charge (in €) derived for each distribution-connected Generator by multiplying the Market Operator Charge by the sum of Injection Account Metered Energy for each Settlement Period in the month;</td>
</tr>
<tr>
<td>Distribution Generator Market Operator Tariff</td>
<td>is a rate (in €/MWh) notified by ERO at which distribution-connected Generators contribute to the cost of operating the MO;</td>
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<tr>
<td>Distribution Generator System Operator Charge</td>
<td>is a monthly charge (in €) derived for each distribution-connected Generator by multiplying the System Operator Charge by the sum of Injection Account Metered Energy for each Settlement Period in the month;</td>
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<tr>
<td>Distribution Generator System Operator Tariff</td>
<td>is the tariff (in €/MWh) paid on all energy produced by Generating Sites connected to the Distribution System;</td>
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<td>Defined term</td>
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</tr>
<tr>
<td>Distribution Losses</td>
<td>is the volume of energy as delivered to the Distribution Network but not delivered to consumers in the Distribution Network, which must therefore be procured by the DSO in any Settlement Period approved by ERO;</td>
</tr>
<tr>
<td>Distribution Network or Distribution System</td>
<td>is, as defined in Article 27 of the Law on Electricity, a combination of electricity power lines and electricity equipment of medium, and low voltage to serve the distribution of electricity;</td>
</tr>
<tr>
<td>Distribution System Operator</td>
<td>(DSO) is, as defined in Article 27 of the Law on Electricity, an electricity enterprise responsible for operating, ensuring the maintenance of and development of the Distribution System in a given area and, where applicable, its interconnections with other systems and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity</td>
</tr>
<tr>
<td>Dynamic Dispatch Parameter</td>
<td>are operating parameters related to a Balancing Unit as defined by the Grid Code.</td>
</tr>
<tr>
<td>Effective Date of Accession</td>
<td>is date of a Party Applicant’s Accession to the Market Rules;</td>
</tr>
<tr>
<td>Energy Imbalance</td>
<td>is the difference (in MWh) between the Metered Energy and the contracted energy for an Account;</td>
</tr>
<tr>
<td>Energy Regulatory Office</td>
<td>(ERO) is the independent regulatory body established under the Law on the Energy Regulator (Law No 03/L-185) or as amended by subsequent Laws;</td>
</tr>
<tr>
<td>ENTSO-E</td>
<td>is the European Network of Transmission System Operators for Electricity, which is an official European organisation to whose rules Kosovo has agreed to be bound;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
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</tr>
<tr>
<td>Force Majeure</td>
<td>is, in relation to any <strong>Party</strong>, any act or natural or social event beyond the reasonable control of such <strong>Party</strong>, which the <strong>Party</strong> has been unable to avoid through the exercise of will, effort, skill and reasonable care, and which results in or causes the failure of that <strong>Party</strong> to perform any of its obligations under the <strong>Market Rules</strong> including, but not solely limited to, any one or more of the following acts: earthquakes, lightning, cyclones, floods, volcanic eruptions, fires or wars, armed conflicts, rebellion, terrorist or military acts, Acts or restraints of governments or public authorities; riot or civil commotion; strikes, lock-outs or other industrial action; blockade or embargo; failure of supplies of power, fuel, transport, equipment or other goods or services; damage to the premises or storage facilities by explosion, corrosion, ionising radiation, radioactive contamination, natural disaster, or negligent act or accident; and breakdown or failure of equipment whether of the <strong>Party's</strong> or others;</td>
</tr>
<tr>
<td>Day Ahead Gate Closure</td>
<td>is the latest time on the day ahead by which <strong>Trading Parties</strong> must submit <strong>Firm Physical Nominations</strong>, <strong>Firm Contractual Nominations</strong>, <strong>Bids</strong> and <strong>Offers</strong>;</td>
</tr>
<tr>
<td>Gate Closure</td>
<td>is the latest time by which <strong>Trading Parties</strong> may submit <strong>Physical Nominations</strong> and <strong>Contractual Nominations</strong> with respect to a specific <strong>Settlement Period</strong> and shall be one hour before the start of that <strong>Settlement Period</strong>;</td>
</tr>
<tr>
<td>Generating Unit</td>
<td>is a physical unit located within Kosovo for the production of electricity operated by a <strong>Generator</strong>;</td>
</tr>
<tr>
<td>Generator</td>
<td>is a person <strong>Licensed</strong> to generate electricity, or (ii) a person acting as a <strong>Generator</strong> but specifically exempted from holding a <strong>Licence</strong> as determined by the Law on Electricity;</td>
</tr>
<tr>
<td>Generator Market Operator Charge</td>
<td>is a monthly charge (in €) derived for each transmission-connected <strong>Generator</strong> by multiplying the <strong>Market Operator Charge</strong> by the sum of <strong>Injection Account Metered Energy</strong> for each <strong>Settlement Period</strong> in the month;</td>
</tr>
<tr>
<td>Generator Market Operator Tariff</td>
<td>is a rate (in €/MWh) notified by <strong>ERO</strong> at which transmission-connected <strong>Generators</strong> contribute to the cost of operating the <strong>MO</strong>;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
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</tr>
<tr>
<td>Generator Network Capacities</td>
<td>is the power transfer capacity (in MW) as specified in the Connection Agreement for each of the Generator’s sites;</td>
</tr>
<tr>
<td>Generator Network Tariff</td>
<td>is the tariff (in €/MW) notified by ERO for Generator Transmission Network Charges;</td>
</tr>
<tr>
<td>Generator System Operator Charge</td>
<td>is a monthly charge (in €) resulting from applying the Generator System Operator Charge to an Injection Account Metered Energy volume;</td>
</tr>
<tr>
<td>Generator System Operator Tariff</td>
<td>is the tariff (in €/MWh) paid on all energy entering the Transmission Network produced by Generating Sites connected to the Transmission Network;</td>
</tr>
<tr>
<td>Grid Code</td>
<td>is the technical code relating to the Transmission System that is the Transmission Grid Code specified in Article 17 of the Law on Electricity;</td>
</tr>
<tr>
<td>Imbalance Price</td>
<td>is the price (in €/MWh) calculated at section 15 used to settle Energy Imbalance</td>
</tr>
<tr>
<td>Incumbent Supplier</td>
<td>is the Supplier currently registered to supply a Customer at a specific Metering System;</td>
</tr>
<tr>
<td>Injection Account</td>
<td>is an Account used for Settlement registered to a BRP or to a Generator and/or an Interconnector Trader;</td>
</tr>
<tr>
<td>Instructed Level</td>
<td>is the MW level that a Balancing Unit must achieve following a Bid Acceptance instruction or an Offer Acceptance instruction;</td>
</tr>
<tr>
<td>Instructed Level Duration</td>
<td>is the duration in minutes of a Bid Acceptance instruction or an Offer Acceptance instruction;</td>
</tr>
<tr>
<td>Instructed Level Start Time</td>
<td>is the minute when a Bid Acceptance instruction or an Offer Acceptance instruction starts;</td>
</tr>
<tr>
<td>Instructed Position</td>
<td>is the average MW per hour for a Balancing Unit for a Settlement Period following Bid Acceptances and/or Offer Acceptances;</td>
</tr>
<tr>
<td>Interconnector</td>
<td>is a transmission line which crosses or spans a border between Kosovo and Contracting Parties and which connects the national transmission of the Contracting Parties as defined in the Electricity Law;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
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</tr>
<tr>
<td>Intraday Market</td>
<td>is a period between Day Ahead Gate Closure and the Gate Closure for each Settlement Period during which new Contractual Nominations and Physical Nominations may be submitted to the MO and may include an Organised Electricity Market;</td>
</tr>
<tr>
<td>Interconnector Capacity Auction</td>
<td>is an auction of Physical Transfer Rights that is held by the MO on behalf of the TSO under procedures set out on section 7.3;</td>
</tr>
<tr>
<td>Interconnector Capacity Register</td>
<td>is a register of Interconnector Traders and is defined in section 7.2;</td>
</tr>
<tr>
<td>Interconnector Nomination</td>
<td>is a nomination of the use of Physical Transfer Rights made in accordance with section 10.2;</td>
</tr>
<tr>
<td>Interconnector Trader</td>
<td>is a Wholesale Customer when participating under the Market Rules in the activities associated with import and export energy across Interconnectors or of holding, acquiring or trading in Physical Transfer Rights as further defined at section 2.1;</td>
</tr>
<tr>
<td>Interval Metering System</td>
<td>is a Metering System in which all the Meters are Interval Read Meters;</td>
</tr>
<tr>
<td>Interval Read Meter</td>
<td>is a Meter where the Metering Equipment is capable of registering the throughput of the Meter up to any point in time such that Metered Energy that has flowed through that Meter during a Settlement Period can be determined and the information made available to the MO in the period specified in the Market Rules;</td>
</tr>
<tr>
<td>Invoice Charge Type</td>
<td>is a specific type of charge specified in an Invoice Line Item;</td>
</tr>
<tr>
<td>Invoice Document</td>
<td>is a collection of Invoice Line Items relating to a specific billing month and submitted by the MO to a Party or BRP for payment;</td>
</tr>
<tr>
<td>Invoice Line Item</td>
<td>is a single item in an Invoice Document relating to a specific month and Invoice Charge Type;</td>
</tr>
<tr>
<td>Invoice Query</td>
<td>is a Dispute raised by a Trading Party or a BRP concerning the validity of one or more Invoice Line Items;</td>
</tr>
<tr>
<td>Licence</td>
<td>is as defined by the Law on Energy</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
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</tr>
<tr>
<td>Load Disconnection Compensation Price</td>
<td>is a price (in €/MWh) approved by ERO to be applied to the estimated volume of load disconnection where such disconnection has been instructed by the TSO.</td>
</tr>
<tr>
<td>Market Operator</td>
<td>is a natural or legal person, licensed by the Energy Regulatory Office, responsible for operation and organization of the electricity market in Kosovo</td>
</tr>
<tr>
<td>Market Operator Charge</td>
<td>is the charge (in €) levied for the MO to perform its licensed activities;</td>
</tr>
<tr>
<td>Market Rules</td>
<td>means the rules governing trade in energy between Trading Parties and the interaction between these Parties, the MO and the TSO for the purposes of maintaining the physical balance of the market;</td>
</tr>
<tr>
<td>Market Rules Accession Agreement</td>
<td>means the document signed by new Parties by which they Accede to the Market Rules;</td>
</tr>
<tr>
<td>Market Rules Framework Agreement</td>
<td>means the document (that the MO has posted on its website) signed by Original Parties by which they Acceded to the Market Rules;</td>
</tr>
<tr>
<td>Market Rules Procedure</td>
<td>is a procedure under the Market Rules that is in the public domain and is approved by the ERO covering technical details of a process or procedure required to prepare data for use in Settlement;</td>
</tr>
<tr>
<td>Market Timetable</td>
<td>Is the timetable of market activities published by the MO as set out in section 12.6 or as subsequently amended;</td>
</tr>
<tr>
<td>Meter</td>
<td>is a measuring device (including any relevant devices for storage or transmission of information) for measuring the flow of electricity between two points in time, as further described in the Metering Code;</td>
</tr>
<tr>
<td>Meter Adjustment Cashflow</td>
<td>is the financial consequence (in €) of correcting Metered Energy previously used in Settlement with data contained in the Meter Adjustment Information;</td>
</tr>
<tr>
<td>Meter Adjustment Information</td>
<td>is information provided to the MO, including, as set out in paragraph 16.9.3, for the calculation of the financial consequences of correcting the Metering Data used in Settlement;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
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</tr>
<tr>
<td><strong>Meter Allocation Agreement</strong></td>
<td>is an Agreement signed by a Customer providing instructions to the MO concerning the rules for allocation of Metered Energy at a Metering System where the Customer wishes to be supplied by more than one Supplier; the MO shall be entitled to charge each Supplier registered under the Meter Allocation Agreement a fee covering the MO's reasonable costs for operating the Meter Allocation Agreement;</td>
</tr>
<tr>
<td><strong>Meter Register</strong></td>
<td>is a database maintained by the MAA recording details of each Meter connected to the Distribution System or Transmission System including the Supplier or Generator with whom the Meter is registered and all information necessary to determine import or export at that Meter;</td>
</tr>
<tr>
<td><strong>Metered Energy</strong></td>
<td>is the energy (in MWh) deemed to have been produced or consumed by a Balancing Unit at the transmission boundary for the purposes of Settlement</td>
</tr>
<tr>
<td><strong>Metering Administration Agent</strong></td>
<td>(MAA) is established by the MO with responsibilities as set out in paragraph 5.1.2</td>
</tr>
<tr>
<td><strong>Metering Code</strong></td>
<td>is the code prepared by the TSO pursuant to Article 18 of the Law on Electricity;</td>
</tr>
<tr>
<td><strong>Metering Data</strong></td>
<td>are data provided to the MO or MAA from a Metering System by the relevant Party who will be either the TSO or a DSO that may be used to determine Metered Energy;</td>
</tr>
<tr>
<td><strong>Metering Equipment</strong></td>
<td>is the equipment and installations in a Metering System as specified in the relevant Metering Code that is sufficient to provide the Metering Data required under the Market Rules;</td>
</tr>
<tr>
<td><strong>Metering System</strong></td>
<td>is a registered aggregation of Meters treated as a single installation providing a single reading or related group of readings for Settlement;</td>
</tr>
<tr>
<td><strong>Modification</strong></td>
<td>is a change to the text of the Market Rules;</td>
</tr>
<tr>
<td><strong>Monthly Forecast</strong></td>
<td>is a forecast in MWh of expected offtake by a Supplier’s Customers in a calendar month;</td>
</tr>
<tr>
<td><strong>Monthly Meter Adjustment Cashflow</strong></td>
<td>is the summation of Meter Adjustment Cashflows (in €) calculated on a monthly basis.</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Negative Reserve Utilisation Index Factor</td>
<td>is defined in section 13.1 as an index of the probability of an Ancillary Service Contract for Reserve being utilised during a certain class of Settlement Period, where the class of Settlement Period is determined by the TSO in relation to demand levels relative to expected available generation and imports or exports or electricity;</td>
</tr>
<tr>
<td>Net Tagged Volume</td>
<td>is the sum (in MWh) of all Offer Acceptance volumes and Bid Acceptance volumes of Tagged Offer Acceptances and Tagged Bid Acceptances;</td>
</tr>
<tr>
<td>Network Operator</td>
<td>is the TSO or DSO as the case may be;</td>
</tr>
<tr>
<td>Non-delivery Adjustment Cashflow</td>
<td>is the sum (in €) paid by a Trading Party to the TSO Balancing Account following a non-delivery on a Bid Acceptance or an Offer Acceptance;</td>
</tr>
<tr>
<td>Non-delivery Adjustment Price</td>
<td>is the price (in €/MWh) at which a Trading Party will settle a Non-delivery Adjustment Volume;</td>
</tr>
<tr>
<td>Non-delivery Adjustment volume</td>
<td>is the calculated volume of energy (in MWh) that was not delivered following a Bid Acceptance or Offer Acceptance;</td>
</tr>
<tr>
<td>Non-Interval Metering System</td>
<td>is a Metering System in which one or more Meters are Non-interval Read Meters;</td>
</tr>
<tr>
<td>Non-interval Read Meter</td>
<td>is any Meter that is not an Interval Read Meter;</td>
</tr>
<tr>
<td>Non-Performing Party</td>
<td>is a Party that is unable to carry out its obligations under the Market Rules due to a circumstance of Force Majeure;</td>
</tr>
<tr>
<td>Objection to Transfer Notice</td>
<td>is a notice submitted by an Incumbent Supplier objecting to the transfer of a Metering System to a Proposing Supplier;</td>
</tr>
<tr>
<td>Offer</td>
<td>is an offer to sell energy in the Balancing Mechanism to the TSO at a specified price (in €/MWh) that is submitted by a BSP with respect to a specific Balancing Unit;</td>
</tr>
<tr>
<td>Offer Delivery Cashflow</td>
<td>is the cashflow (in €) resulting from an Offer Acceptance;</td>
</tr>
<tr>
<td>Offtake Account</td>
<td>is an Account used for Settlement registered to a BRP or to a Supplier and/or an Interconnector Trader;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Offtake Account Metered Energy</td>
<td>is the total of the Suppliers’ or relevant BRP’s demand (in MWh) over a Settlement Period, metered at the Commercial Boundary between Suppliers and the Network Operator(s) to whose network the Supplier’s Customer(s) is(are) connected</td>
</tr>
<tr>
<td>Organised Electricity Market</td>
<td>is a market designated in accordance with the Law for day ahead and intraday operation that may couple with other markets of Energy Community Contracting Parties and which is the joint responsibility of the MO and the TSO;</td>
</tr>
<tr>
<td>Original Party</td>
<td>is a Party who is a signatory to the Market Rules Framework Agreement;</td>
</tr>
<tr>
<td>Participation Function</td>
<td>is a function that a Party holds that determines which rights and obligations under the Market Rules apply to that Party when performing that function but which does not preclude that same Party from performing activities under any other Participation Function that they are entitled (or Licensed) to undertake;</td>
</tr>
<tr>
<td>Party</td>
<td>is a signatory to the Market Rules Framework Agreement or a Market Rules Accession Agreement;</td>
</tr>
<tr>
<td>Party Applicant</td>
<td>is a potential Party wishing to sign a Market Rules Accession Agreement;</td>
</tr>
<tr>
<td>Party Details</td>
<td>are the details concerning a Party or Party Applicant submitted to the MO by an Original Party or a Party Applicant as from time to time updated;</td>
</tr>
<tr>
<td>Peak Demand</td>
<td>is the calculated or forecasted maximum of Transmission Network Offtake (in MWh/hour) in a Settlement Period in the charging year;</td>
</tr>
<tr>
<td>Physical Nomination</td>
<td>is the notification of the average energy level (in MW or MWh per hour) of a Balancing Unit;</td>
</tr>
<tr>
<td>Physical Transfer Right</td>
<td>gives the rights holder a right to nominate a power transfer across an Interconnector.</td>
</tr>
<tr>
<td>Proposing Supplier</td>
<td>is a Supplier submitting a notice that it wishes to supply a Customer at a specified Metering System;</td>
</tr>
<tr>
<td>Public Supplier</td>
<td>is a Supplier Licensed by the ERO with a public service obligation to supply electricity to Customers eligible for Universal Service as set out in the Law on Electricity;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Reference Price</td>
<td>is the price that is equivalent to the average market price as determined annually by ERO;</td>
</tr>
<tr>
<td>Registrant</td>
<td>is the Trading Party registered to a Metering System in the Meter Register;</td>
</tr>
<tr>
<td>Relevant Regulated Price</td>
<td>is a price (in €/MWh) that may be determined by ERO that the MO will apply in substitution for any applicable price used in Settlement where ERO determines that through lack of competition such price will apply;</td>
</tr>
<tr>
<td>Renewable Energy Balancing Adjustment</td>
<td>is calculated by the MO in order to calculate the share of balancing cost attributable to a RES Support Scheme Generating Unit;</td>
</tr>
<tr>
<td>Renewable Energy Fund Account</td>
<td>is an Account, which shall be an Injection Account, held by the MO from which RES Generating Units (Regulated and Support Scheme) are paid and into which Suppliers pay for renewable energy, each in accordance with relevant Power Purchase Agreements;</td>
</tr>
<tr>
<td>Renewable Energy Levy</td>
<td>is the levy (in €/MWh) notified annually to the MO by ERO for the support of electricity from Renewable Energy Sources;</td>
</tr>
<tr>
<td>RES Generating Unit</td>
<td>Is a RES Regulated Generating Unit or a RES Support Scheme Generating Unit (but, for avoidance of doubt, excludes a Generating Unit using renewable energy that is not either of these types, which shall be considered the same as any non-RES Generating Unit for the purpose of these Market Rules);</td>
</tr>
<tr>
<td>RES Regulated Generating Unit</td>
<td>is a Generating Unit recognized by ERO as a Renewable Energy Source Generator not eligible for the support scheme that is notified to the MO and has signed a Power Purchase Agreement with the MO to that effect;</td>
</tr>
<tr>
<td>RES Support Scheme Generating Unit</td>
<td>is a Generating Unit recognized by ERO as a Renewable Energy Source Generator that is eligible for the support scheme that is notified to the MO and has signed a Power Purchase Agreement with the MO to that effect;</td>
</tr>
<tr>
<td>RES Price</td>
<td>is the agreed price, pursuant to a Power Purchase Agreement payable for output from a RES Support Scheme Generating Unit;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Reserve</strong></td>
<td>is an ancillary service for capacity procured by the <strong>TSO</strong> to cover contingencies in accordance with the <strong>Grid Code</strong> and may include both <strong>Frequency Containment Reserve</strong> and <strong>Replacement Reserve</strong> as appropriate;</td>
</tr>
<tr>
<td><strong>Reserve Margin Capacity</strong></td>
<td>is capacity (in MW) for generation (or offtake) specified in an <strong>Ancillary Service Contract</strong> for <strong>Reserve</strong> for a <strong>Balancing Unit</strong> that is available to provide additional energy if the contract is utilised;</td>
</tr>
<tr>
<td><strong>Reserve Negative Margin Capacity</strong></td>
<td>is capacity (in MW) for generation (or offtake) specified in an <strong>Ancillary Service Contract</strong> for <strong>Reserve</strong> for a <strong>Balancing Unit</strong> that must actively deliver energy into the network (in the case of a <strong>Generating Unit</strong>) and so is available to reduce energy delivered into the network if the contract is utilised, or (in the case of <strong>Supplier Balancing Unit</strong>) is not taking energy from the network and so is available to increase offtake if the contract is utilised;</td>
</tr>
<tr>
<td><strong>Positive Reserve Utilisation Index Factor</strong></td>
<td>is defined in section 13.1 as an index of the probability of an <strong>Ancillary Service Contract</strong> for <strong>Reserve</strong> being utilised during a certain class of <strong>Settlement Period</strong>, where the class of <strong>Settlement Period</strong> is determined by the <strong>TSO</strong> in relation to demand levels relative to expected available generation and imports or exports or electricity;</td>
</tr>
<tr>
<td><strong>Frequency Containment Reserve</strong></td>
<td>is an ancillary service for the provision of Frequency Containment Reserve, which is an ancillary service defined in the <strong>Grid Code</strong>;</td>
</tr>
<tr>
<td><strong>Security Cover</strong></td>
<td>is a financial instrument or set of financial instruments of a form specified in section 8.2, that can be drawn on by the <strong>MO</strong> in the event of failure of a <strong>BRP</strong> or a <strong>Trading Party</strong> to pay what is owed in <strong>Settlement</strong>;</td>
</tr>
<tr>
<td><strong>SEE CAO</strong></td>
<td>is the Co-ordinated Auction Office of South East Europe for <strong>Physical Transfer Rights</strong> which may undertake the activities of auctioning and organisation and registration of trading in <strong>Physical Transfer Rights</strong> under Auction Rules for Capacity Allocation;</td>
</tr>
<tr>
<td><strong>Settlement</strong></td>
<td>is the collective name for processes used to determine usage of the system by each <strong>Party</strong> and the financial liabilities and subsequent payments derived from this;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
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</tr>
<tr>
<td>Settlement Period</td>
<td>is a period of [one hour] starting at HH:00:01 where HH is any hour over which energy delivery and contract delivery are measured;</td>
</tr>
<tr>
<td>Settlement Run</td>
<td>is a partial Settlement Run, a provisional Settlement Run or a final Settlement Run as defined in section 18.1.</td>
</tr>
<tr>
<td>Settlement Timetable</td>
<td>is a timetable established by the MO under paragraph 18.3.1 defining the timings of Settlement transactions.</td>
</tr>
<tr>
<td>Significant Party</td>
<td>is a Trading Party for whom certain restrictions apply, whose status as Significant Party is notified to the MO by ERO;</td>
</tr>
<tr>
<td>Stakeholder Review Panel</td>
<td>is the panel convened by the MO for review of and recommendations on Modification proposals;</td>
</tr>
<tr>
<td>Supplier</td>
<td>means a person Licensed to supply electricity under Article 33 of the Law on Electricity;</td>
</tr>
<tr>
<td>Supplier Market Operator Charge</td>
<td>is a monthly charge (in €) derived for each Supplier by multiplying the Market Operator Charge by the total of Offtake Account Metered Energy for each Settlement Period in the month;</td>
</tr>
<tr>
<td>Supplier Market Operator Tariff</td>
<td>is a rate (in €/MWh) notified by ERO at which Suppliers contribute to the cost of operating the MO;</td>
</tr>
<tr>
<td>Supplier Metering System Share</td>
<td>is the total energy (in MWh) estimated to be offtaken by the Distribution Systems that had not been offtaken by Interval Read Metering Systems;</td>
</tr>
<tr>
<td>Supplier Network Tariff</td>
<td>is the charge (in €/MWh) applied to Supply Unit Metered Energy of each Supply Meter designed to recover Supplier Network Share;</td>
</tr>
<tr>
<td>Supplier of Last Resort</td>
<td>is the Supplier appointed by the Regulator to supply Customers for a fixed period of time whose original supplier ceases to be available or else the Customer is unable to find an alternative supplier;</td>
</tr>
<tr>
<td>Supplier RES Cashflow</td>
<td>is the amount payable by a Supplier in a month on the Renewable Energy Levy;</td>
</tr>
<tr>
<td>Supplier RES Purchase Cashflow</td>
<td>is the amount payable by a Supplier in a month for nominated renewable energy;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Supplier RES Share</td>
<td>is the share in total supply to Kosovo Customers, calculated by the MO before each calendar month;</td>
</tr>
<tr>
<td>Supplier System Operator Charge</td>
<td>is a monthly charge (in €) resulting from applying the System Operator Charge to an Offtake Account Metered Energy</td>
</tr>
<tr>
<td>Supplier System Operator Tariff</td>
<td>is a rate (in €/MWh) notified by ERO at which Suppliers contribute to the cost of operating the Transmission System;</td>
</tr>
<tr>
<td>Supply Meter</td>
<td>is a Meter measuring the offtake of energy from either the Transmission System or a Distribution System whose details are recorded in the Meter Register</td>
</tr>
<tr>
<td>Supply Transfer Date</td>
<td>is the date on which the Proposing Supplier becomes responsible for supply to the Customer in the change of supplier process.</td>
</tr>
<tr>
<td>Supply Unit Metered Energy</td>
<td>is the energy (in MWh) metered or estimated as being offtaken at a relevant Supply Metering System or (as the case may be) Balancing Unit in a Settlement Period;</td>
</tr>
<tr>
<td>System Imbalance</td>
<td>is a positive number (in MWh) when the system is short (ie Trading Parties have not delivered enough energy into the system) and a negative number (in MWh) when the system is long, but can also be zero;</td>
</tr>
<tr>
<td>System Peak Day Forecast</td>
<td>Is the annually forecasted peak offtake from the System as agreed by ERO;</td>
</tr>
<tr>
<td>Tagged Bid Acceptance</td>
<td>is a Bid Acceptance made to relieve a system constraint;</td>
</tr>
<tr>
<td>Tagged Offer Acceptance</td>
<td>is an Offer Acceptance made to relieve a system constraint;</td>
</tr>
<tr>
<td>Termination Notice</td>
<td>is a notice submitted by the MO to a Party notifying that the Party will cease to be bound by the Market Rules from a specified date;</td>
</tr>
<tr>
<td>Replacement Reserve</td>
<td>is an Ancillary Services Contract for the provision of Replacement Reserve, which is an ancillary service defined in the Grid Code;</td>
</tr>
<tr>
<td>Third Party Charges</td>
<td>are charges (in €) where the MO is not one of the Parties to the invoice;</td>
</tr>
<tr>
<td>Defined term</td>
<td>Interpretation</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Trading Party</td>
<td>is a <strong>Generator</strong>, <strong>Supplier</strong>, <strong>Interconnector Trader</strong>, <strong>Wholesale Customer</strong> or other <strong>Party</strong> that has <strong>Acceded</strong> to the <strong>Market Rules</strong> in order to trade electricity;</td>
</tr>
<tr>
<td>Transmission Losses</td>
<td>are the difference measured in MWh between the flows onto and off the <strong>Transmission System</strong> over a <strong>Settlement Period</strong>;</td>
</tr>
<tr>
<td>Transmission Network</td>
<td>is a combination of electricity power lines and electricity units of high [and extra-high] voltage serving the transmission of electricity;</td>
</tr>
<tr>
<td>Transmission Network Charge</td>
<td>is the charge (in €) levied for operation of the <strong>Transmission Network</strong>;</td>
</tr>
<tr>
<td>Transmission Network Offtake</td>
<td>is the total energy (in MWh) delivered to <strong>Distribution Networks</strong> and to transmission-connected <strong>Customers</strong>;</td>
</tr>
<tr>
<td>Transmission System Operator</td>
<td>(TSO) is a legal person holding the licence for operating, ensuring the maintenance of and, if necessary, developing the <strong>Transmission Network</strong> in a given area and, where applicable, its interconnections with other networks, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity;</td>
</tr>
<tr>
<td>Transmission System Operator Charge</td>
<td>is the charge (in €) levied for <strong>Transmission System Operator</strong> management of the system;</td>
</tr>
<tr>
<td>TSO Balancing Account</td>
<td>is the <strong>Account</strong> for the <strong>TSO</strong> for which the <strong>TSO</strong> is not subject to <strong>Energy Imbalance Settlement</strong>;</td>
</tr>
<tr>
<td>TSO Balancing Account Balance</td>
<td>is the financial balance (in €) in the <strong>TSO Balancing Account</strong> at the end of each month</td>
</tr>
<tr>
<td>TSO Balancing Account Cashflow</td>
<td>is the charge or credit (in €) paid by or to a <strong>BRP</strong> each month in order to clear the <strong>TSO Balancing Account</strong>;</td>
</tr>
<tr>
<td>TSO Balancing Charge</td>
<td>is the monthly charge (in €/MWh) paid to or from the <strong>TSO Balancing Account</strong> in order to clear it at the end of each month;</td>
</tr>
<tr>
<td>TSO Balancing Charge Base</td>
<td>is the MWh used to calculate the <strong>TSO Balancing Charge</strong></td>
</tr>
<tr>
<td>TSO Trade Account</td>
<td>is the <strong>Account</strong> for the <strong>TSO</strong> for which the <strong>TSO</strong> is subject to <strong>Energy Imbalance Settlement</strong>;</td>
</tr>
</tbody>
</table>
### Defined term | Interpretation
--- | ---
**Unintentional Deviation** | is the discrepancy between the net scheduled cross-border exchange and the agreed metered net cross-border exchange converted by the TSO into MWh per Settlement Period;

**Universal Service** | is an entitlement of certain Customers to be supplied by a Public Supplier under terms specified by the Regulator;

**Vulnerable Customer** | is a Customer in need as defined in the Law on Electricity;

**Wholesale Customer** | is natural or legal person purchasing electricity for the purpose of resale inside or outside the system where he is established;

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#### 1.6 Notation

1.6.1 In the Market Rules, the following subscript notations apply in equations:

(a) “A” is a Trading Party Account;

(b) “AS” is an Ancillary Service Contract;

(c) “B” is a BRP Account;

(d) “b” is a Balancing Unit;

(e) “D” is the Day;

(f) “j” is the Settlement Period ending at j:00:00 or the hour as the context dictates;

(g) “m” is a calendar month or a minute as the context requires;

(h) “o” is a Distribution Network Metering System;

(i) “T” denotes the tagged (T=1) or untagged (T=0) status of a Bid Acceptance or an Offer Acceptance;

(j) “Z” is a voltage connection level to which a specific Generator Network Tariff or Supplier Network Tariff applies.
1.6.2 In order to indicate the timing of an activity in relation to the Settlement Day “D” where:

(a) the activity is carried out “n” days before the Settlement Day, the day will be designated “D-n”; 

(b) the activity is carried out “n” days after the Settlement Day, the day will be designated “D+n”; and

(c) the activity is carried out “n” days into the month following the Settlement Day, the day will be designated “M+n”.

1.7 Equation Variables

1.7.1 In the Market Rules, the following variables apply in equations:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASCR$_{ASm}$</td>
<td>is the Ancillary Service Contract Reservation Cashflow (in €) for month “m” under the terms of Ancillary services Contract “AS”</td>
</tr>
<tr>
<td>CB$_{bj}$</td>
<td>is a Bid Delivery Cashflow for Balancing Unit “b” in Settlement Period “j”;</td>
</tr>
<tr>
<td>CBC$_{Am}$</td>
<td>is the TSO Balancing Charge Cashflow for Account “A” in month “m”;</td>
</tr>
<tr>
<td>CGNC$_A$</td>
<td>is Generator Network Charge for Injection Account “A”</td>
</tr>
<tr>
<td>CMODG$_A$</td>
<td>is the Distribution Generator Market Operator Charge for Injection Account “A”;</td>
</tr>
<tr>
<td>CMOS$_A$</td>
<td>is the Supplier Market Operator Charge for Offtake Account “A”;</td>
</tr>
<tr>
<td>CMOTG$_A$</td>
<td>is the Generator Market Operator Charge for Injection Account “A”;</td>
</tr>
</tbody>
</table>
| CNDA$_{Abj}$ | is the Non-delivery Adjustment Cashflow for Balancing Unit “b”, in Trading Party Account “A”, in Settlement Period “j”;
<p>| CO$<em>{bj}$ | is a Offer Delivery Cashflow for Balancing Unit “b” in Settlement Period “j”; |
| CREF$</em>{bm}$ | is the Renewable Energy Balance Adjustment for Balancing Unit “b” in month “m” |
| CREG$<em>{bm}$ | is the monthly payment to Renewable Generating Unit “b” in month “m” (whether Support Scheme or Regulated); |
| CSC$</em>{Am}$ | is the Supplier RES Purchase Cashflow for Supplier “A” in month “m”; |
| CSNC$_A$ | is the Supplier Transmission Network Charge for Supplier “A” |</p>
<table>
<thead>
<tr>
<th>Variable</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSODG_A</td>
<td>is the <strong>Distribution Generator System Operator Charge</strong> for Injection Account “A”;</td>
</tr>
<tr>
<td>CSOG_A</td>
<td>is the <strong>Generator System Operator Charge</strong> for Injection Account “A”</td>
</tr>
<tr>
<td>CSOS_A</td>
<td>is the <strong>Supplier System Operator Charge</strong> for Offtake Account “A”</td>
</tr>
<tr>
<td>CSRES_Am</td>
<td>is the <strong>Supplier RES Cashflow</strong> for Supplier “A” in month “m”;</td>
</tr>
<tr>
<td>CTBCB_m</td>
<td>is the <strong>TSO Balancing Account Balance</strong> for month “m”</td>
</tr>
<tr>
<td>CUC_Aj</td>
<td>is the <strong>Ancillary Service Contract Utilisation Cashflow</strong> payable by the TSO to a Trading Party for Settlement Period “j” under the terms of Ancillary services Contract “AS”</td>
</tr>
<tr>
<td>H</td>
<td>is the length of a <strong>Settlement Period</strong> in hours;</td>
</tr>
<tr>
<td>N</td>
<td>with respect to an <strong>Ancillary Service Contract</strong> for Reserve is the number of <strong>Settlement Periods</strong> in a month for which the contract is active</td>
</tr>
<tr>
<td>NRUIF_j</td>
<td>is the <strong>Negative Reserve Utilisation Index Factor</strong> notified by the TSO for the applicable to the class of Settlement Period “j” set in accordance with paragraph 13.1.2</td>
</tr>
<tr>
<td>PB_bj</td>
<td>is the <strong>Bid</strong> price submitted for Balancing Unit “b” for Settlement Period “j”</td>
</tr>
<tr>
<td>PGNC_Z</td>
<td>is the <strong>Generator Network Tariff</strong> for voltage level “Z”;</td>
</tr>
<tr>
<td>PI_j</td>
<td>is the <strong>Imbalance Price</strong> for Settlement Period “j”</td>
</tr>
<tr>
<td>PMODG</td>
<td>is the Distribution <strong>Generator Market Operator Tariff</strong> in €/MWh;</td>
</tr>
<tr>
<td>PMOS</td>
<td>is the <strong>Supplier Market Operator Tariff</strong> in €/MWh;</td>
</tr>
<tr>
<td>PMOTG</td>
<td>is the <strong>Generator Market Operator Tariff</strong> in €/MWh;</td>
</tr>
<tr>
<td>PNDAbj</td>
<td>is the <strong>Non-delivery Adjustment Price</strong> for Balancing Unit “b”, in Trading Party Account “A”, in Settlement Period “j”,</td>
</tr>
<tr>
<td>PO_bj</td>
<td>is the <strong>Offer</strong> price submitted for Balancing Unit “b” for Settlement Period “j”</td>
</tr>
<tr>
<td>PR_b</td>
<td>is the <strong>RES Price</strong> for RES Generating Unit “b”</td>
</tr>
<tr>
<td>PRC_A</td>
<td>is the <strong>Ancillary Service Contract Reservation Price</strong> in €/MW/hour for capacity reserved under the contract;</td>
</tr>
<tr>
<td>PRCN_A</td>
<td>is the <strong>Ancillary Service Contract Negative Reservation Price</strong> in €/MW/hour for capacity reserved under the contract;</td>
</tr>
<tr>
<td>PREL</td>
<td>is the <strong>Renewable Energy Levy</strong>;</td>
</tr>
<tr>
<td>PREF</td>
<td>is the <strong>Reference Price</strong>;</td>
</tr>
<tr>
<td>Variable</td>
<td>Interpretation</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>PSNC&lt;sub&gt;Z&lt;/sub&gt;</td>
<td>is the <strong>Supplier Network Tariff</strong> for voltage level “Z”;</td>
</tr>
<tr>
<td>PSODG</td>
<td>is the <strong>Distribution Generator System Operation Tariff</strong>;</td>
</tr>
<tr>
<td>PSOS&lt;sub&gt;Z&lt;/sub&gt;</td>
<td>is the <strong>Supplier System Operation Tariff</strong> applicable at connection voltage level “Z”;</td>
</tr>
<tr>
<td>PSOTG&lt;sub&gt;Z&lt;/sub&gt;</td>
<td>is the <strong>Generator System Operation Tariff</strong> applicable at connection voltage level “Z”;</td>
</tr>
<tr>
<td>PTB&lt;sub&gt;C&lt;/sub&gt;&lt;sub&gt;m&lt;/sub&gt;</td>
<td>is the <strong>TSO Balancing Charge</strong> for month “m”</td>
</tr>
<tr>
<td>PUC&lt;sub&gt;AS&lt;/sub&gt;</td>
<td>is the <strong>Ancillary Service Contract Utilisation Price</strong> in €/MWh for energy used under the contract;</td>
</tr>
<tr>
<td>QB&lt;sub&gt;bj&lt;/sub&gt;</td>
<td>is the volume of energy delivered in a <strong>Bid Acceptance</strong> from <strong>Balancing Unit</strong> “b” for <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QC&lt;sub&gt;Anj&lt;/sub&gt;</td>
<td>is the volume of energy (in MWh) in a <strong>Contractual Nomination</strong> “n” for an <strong>Account</strong> “A” for <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QDL&lt;sub&gt;oj&lt;/sub&gt;</td>
<td>is the volume of energy (in MWh) that DSO “o” must procure to cover Distribution Losses in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QEG&lt;sub&gt;Bj&lt;/sub&gt;</td>
<td>is the <strong>Injection Account Metered Energy</strong> for <strong>Injection Account</strong> “B” in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QEI&lt;sub&gt;Bj&lt;/sub&gt;</td>
<td>is <strong>Energy Imbalance</strong> for <strong>Account</strong> “B” in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QES&lt;sub&gt;Bj&lt;/sub&gt;</td>
<td>is the <strong>Offtake Account Metered Energy</strong> for <strong>Offtake Account</strong> “B” for <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QF&lt;sub&gt;am&lt;/sub&gt;</td>
<td>is the <strong>Monthly Forecast</strong> of <strong>Customer</strong> offftake of <strong>Supplier</strong> “A” in month “m”;</td>
</tr>
<tr>
<td>QG&lt;sub&gt;Abj&lt;/sub&gt;</td>
<td>is <strong>Generating Unit Metered Energy</strong> for <strong>Settlement Period</strong> “j” for <strong>Generating Unit</strong> “b” registered in <strong>Injection Account</strong> “A”;</td>
</tr>
<tr>
<td>QML&lt;sub&gt;j&lt;/sub&gt;</td>
<td>is metered <strong>Transmission Losses</strong> for <strong>Settlement Period</strong> “j”</td>
</tr>
<tr>
<td>QND&lt;sub&gt;AAbj&lt;/sub&gt;</td>
<td>is the <strong>Non-delivery Adjustment Volume</strong> for <strong>Balancing Unit</strong> “b”, in <strong>Trading Party Account</strong> “A”, in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QO&lt;sub&gt;bj&lt;/sub&gt;</td>
<td>is the volume of energy delivered in an <strong>Offer Acceptance</strong> from <strong>Balancing Unit</strong> “b” for <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QS&lt;sub&gt;Abj&lt;/sub&gt;</td>
<td>is <strong>Supply Unit Metered Energy</strong> for <strong>Settlement Period</strong> “j” for <strong>Supply Meter</strong> “b” registered in <strong>Offtake Account</strong> “A”;</td>
</tr>
<tr>
<td>QTAG&lt;sub&gt;j&lt;/sub&gt;</td>
<td>is the <strong>Net Tagged Volume</strong> in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QTBCB&lt;sub&gt;m&lt;/sub&gt;</td>
<td>is the <strong>TSO Balancing Charge Base</strong> for month “m”</td>
</tr>
<tr>
<td>QTNO&lt;sub&gt;j&lt;/sub&gt;</td>
<td>is <strong>Transmission Network Offtake</strong> in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>QUD&lt;sub&gt;j&lt;/sub&gt;</td>
<td>is <strong>Unintentional Deviation</strong> in <strong>Settlement Period</strong> “j”;</td>
</tr>
<tr>
<td>Variable</td>
<td>Interpretation</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>QZ\textsubscript{oj}</td>
<td>is Distribution Network Metered Energy for Metering System “o” offtaking energy from the Transmission System into a Distribution System;</td>
</tr>
<tr>
<td>RUIF\textsubscript{j}</td>
<td>is the Positive Reserve Utilisation Index Factor notified by the TSO for the applicable to the class of Settlement Period “j” set in accordance with paragraph 13.1.2</td>
</tr>
<tr>
<td>S\textsubscript{j}</td>
<td>is System Imbalance in Settlement Period “j”</td>
</tr>
<tr>
<td>SMS\textsubscript{Ab}</td>
<td>is Supplier Metering System Share for Non-interval Metering System “b” registered to Supplier “A”</td>
</tr>
<tr>
<td>SRS\textsubscript{Am}</td>
<td>is Supplier RES Share for Supplier “A” in month “m”;</td>
</tr>
<tr>
<td>T_{bn}</td>
<td>with respect to a Bid Acceptance instruction or an Offer Acceptance instruction “n” on Balancing Unit “b” is the number of minutes for which the Instructed Level is maintained within the time span of Settlement Period “j”</td>
</tr>
<tr>
<td>TDXIL\textsubscript{bn}</td>
<td>is Instructed Level Duration (in minutes) of a Bid Acceptance instruction or Offer Acceptance instruction “n” on Balancing Unit “b”</td>
</tr>
<tr>
<td>TS\textsubscript{j}</td>
<td>Is the start time of Settlement Period “j” in hour and minute format</td>
</tr>
<tr>
<td>TSXIL\textsubscript{bn}</td>
<td>is Instructed Level Start Time (expressed as Settlement Period and start minute) of a Bid Acceptance instruction or Offer Acceptance instruction “n” on Balancing Unit “b”</td>
</tr>
<tr>
<td>XGN\textsubscript{A}</td>
<td>is Generator Network Capacities for Injection Account “A”</td>
</tr>
<tr>
<td>XI\textsubscript{bj}</td>
<td>is the Instructed Position in average MW per hour for Balancing Unit “b” for Settlement Period “j” following Bid Acceptances and/or Offer Acceptances:</td>
</tr>
<tr>
<td>XIL\textsubscript{bn}</td>
<td>is Instructed Level in MW of a Bid Acceptance instruction or Offer Acceptance instruction “n” on Balancing Unit “b”</td>
</tr>
<tr>
<td>XN\textsubscript{bj}</td>
<td>is the Physical Nomination or confirmed Interconnector Nominations in average MW per hour for Balancing Unit “b” for Settlement Period “j”</td>
</tr>
<tr>
<td>XRM\textsubscript{b}</td>
<td>is the capacity (in MW) reserved in an Ancillary Service Contract for Reserve for Reserve Margin Capacity at Balancing Unit “b”;</td>
</tr>
<tr>
<td>XRMN\textsubscript{b}</td>
<td>is the capacity (in MW) reserved in an Ancillary Service Contract for Reserve for Reserve Margin Negative Capacity at Balancing Unit “b”;</td>
</tr>
<tr>
<td>XTPDF\textsubscript{A}</td>
<td>is System Peak Day Forecast during period of Peak Demand at voltage level “Z”.</td>
</tr>
</tbody>
</table>
1.8 Relevant Regulated Prices

1.8.1 Notwithstanding the procedures set out in these Market Rules, it is acknowledged that the development of competition in Kosovo may be insufficient for reliable market prices to be set and that, therefore, ERO may notify the MO that any of the following prices used in either system operation or in Settlement may be substituted by a Relevant Regulated Price for all Settlement Periods “j”:

(a) Bid price \( (PB_b) \) in respect of a Balancing Unit “b” of either a Significant Party or of all Trading Parties;

(b) Imbalance Price \( (PI) \);

(c) Offer price \( (PO_b) \) in respect of a Balancing Unit of either a Significant Party or of all Trading Parties;

(d) Ancillary Service Contract Reservation Price \( (PRC_{AS}) \) in respect of an Ancillary Service Contract “AS” made with either a Significant Party or with any Trading Party;

(e) Ancillary Service Contract Negative Reservation Price \( (PRCN_{AS}) \) in respect of an Ancillary Service Contract “AS” made with either a Significant Party or with any Trading Party;

(f) Ancillary Service Contract Utilisation Price \( (PUC_{AS}) \) in respect of an Ancillary Service Contract “AS” made with either a Significant Party or with any Trading Party.

1.8.2 Where any Relevant Regulated Price applies, the MO will publicise such price and will use it in substitution of any price used in system operation or Settlement but, for the avoidance of doubt, the MO will not otherwise modify the application of any calculation specified in these Market Rules.
2 Parties and Accounts

2.1 Parties to the Market Rules

2.1.1 A Party is any legal person for the time being bound by the Market Rules by virtue of being a party to the Market Rules Framework Agreement or a Market Rules Accession Agreement as the case may be.

2.1.2 A Party may Accede in one or more of the following Participation Functions (which, for the avoidance of doubt, will apply to that Party when performing that function but which does not preclude that same Party from performing activities under any other Participation Function that they are entitled to undertake) and will have acquired such Licences as may be required under the Law prior to participation under the Market Rules:

(a) MO, being responsible for the organisation and administration of trades in electricity with ex-ante mechanisms and ex-post Settlement processes among all the Parties to the Market Rules. In particular, the MO will not trade in or be registered as owning energy or generating capacity but shall:

(i) maintain a process for all Parties to Accede to the Market Rules;

(ii) maintain energy and cashflow Accounts on behalf of Trading Parties, BRPs, DSO(s) and the TSO;

(iii) manage the Settlement process, including the calculation of Energy Imbalance quantities and prices (including, where applicable, Relevant Regulated Prices);

(iv) issue invoices and collect money owed to or by BRPs and Trading Parties under the terms of the Market Rules;

(v) manage the process of Modification of the Market Rules;

(vi) provide market information in accordance with the provisions of the Market Rules;

(vii) establish the MAA to process the large volume of Metering Data arising from Metering Systems connected to the Transmission System or Distribution System prior to its use in Settlement calculations;

(viii) establish the Renewable Energy Fund for registering RES Generating Units, acting as their BRP, and for allocating forecast energy
through **Contractual Nominations** with **Suppliers** in accordance with the Law on Electricity;

(ix) make **Power Purchase Agreements** with generators using RES and with **Suppliers** for the purpose of paying for support for renewable generators in accordance with the Rule on Support Scheme for RES Generating Facilities;

(x) establishing or appointing, jointly with the **TSO** an operator for an **Organised Electricity Market** for trading of energy on a day ahead and intraday basis; and

(xi) perform all other functions assigned to it under the **Market Rules**;

(b) **TSO**, with the responsibility for physically **Balancing** the **Transmission System**. In particular, the **TSO** shall:

(i) manage the **Transmission System** in accordance with the terms of the **Grid Code**;

(ii) procure or sell energy and ancillary services (**Transmission Losses**, **Balancing** energy, including for fulfilment of the **Compensation Program**, and **Reserve**);

(iii) account for unintended **Interconnector** deviations and their return;

(iv) forecast and notify system demand to all other market **Parties**;

(v) submit all the required data to **MO** for **Settlement** purposes;

(vi) perform all other functions assigned to it under the **Market Rules**;

(vii) except as stated in paragraph (b)(ii), the **TSO** will not trade in or be registered as owning energy or generating capacity;

(viii) establishing or appointing, jointly with the **MO** an operator for an **Organised Electricity Market** for trading of energy on a day ahead and intraday basis; and

(ix) use the **MO** as its agent for financial **Settlement** of the **TSO**'s service contracts and for levying its charges;

(c) **DSO(s)**, who will be responsible for managing the **Distribution System** and providing information on registration of **Metering Systems** and **Meter Readings** and in particular shall:
(i) manage the **Distribution System** in accordance with the terms of the Distribution Code;

(ii) procure energy for the purposes of settling **Distribution Losses** and (if requested by generators connected to the **Distribution System**) **Ancillary Services** but will not otherwise trade in energy and will not be registered as owning generating capacity;

(iii) maintain a register of **Vulnerable Customers**; and

(iv) submit all the required data to **MO** for **Settlement** purposes;

(d) **Generators** (other than those who only operate **RES Generating Units** as **RES Regulated Generating Units** or **RES Support Scheme Generating Units** but including those operating other **RES Generating Units**), who shall be **Trading Parties** and members of **Balancing Groups**, and will maintain **Injection Accounts** for recording **Contractual Nomination** and **Metered Energy** volumes and cashflows for financial **Settlement**. In particular, **Generators** shall:

(i) operate in accordance with the relevant technical codes (the **Grid Code**, the Distribution Code, and the relevant **Metering Codes**);

(ii) notify generation output levels in accordance with the **Grid Code** (Scheduling Code) and section 11.1;

(iii) notify to the **MO**, to the relevant **BRP** and to the **TSO**, the quantity of energy that is to be traded with other **Trading Parties** in accordance with section 11.2;

(iv) submit **Bids** and **Offers** into the **Balancing Mechanism** as a **BSP** (and having qualified as such in accordance with the relevant **Market Rules Procedure** for which **Accession** to these **Market Rules** represents an agreement to apply for qualification and provide such services in accordance with the Law on Electricity;

(v) submit meter reading information for all energy delivered into the **Transmission System** or the **Distribution System** from their premises and not deliver any energy into the **Transmission System** or the **Distribution System** outside the terms of the **Market Rules**. (The meter reading will be submitted by the relevant **Network Operator** but acting as an agent of the **Party**); and

(vi) undertake all other obligations as set out in the **Market Rules**;
(e) RES Generating Unit owners, who shall not be Trading Parties, and whose RES Generating Units will be registered by the MO in its Renewable Energy Fund and who shall:

(i) submit forecasts of hourly production to the MO as Physical Nominations;

(ii) submit Contractual Nominations to the MO for the purposes of calculating imbalance;

(iii) undertake all other obligations as set out in the Market Rules;

(f) Suppliers, who shall be Trading Parties and members of Balancing Groups, and will maintain an Offtake Account for recording Contractual Nomination and Metered Energy volumes and cashflows for financial Settlement. In particular, Suppliers shall:

(i) contract with Customers and take responsibility for offtake at all Supply Meters registered in their Offtake Accounts and connected either to the Transmission System or the Distribution System;

(ii) operate in accordance with the relevant technical codes (the Grid Code, the Distribution Code, and the relevant Metering Code);

(iii) notify to the MO, to the relevant BRP and to the TSO expected Customer offtake levels in accordance with section 11.1;

(iv) notify to the MO, to the relevant BRP and to the TSO the quantity of energy that is to be traded with other Trading Parties in accordance with section 11.2;

(v) submit meter reading information (via the relevant Network Operator acting as the Supplier’s agent of) for all energy offtaken at those Meters and not to take delivery of electrical energy by any other means. In the case of a Public Supplier, electricity consumed by Customers entitled to Universal Service shall be separately presented from the consumption of other Customers;

(vi) submit Bids and Offers into the Balancing Mechanism as a BSP (and having qualified as such in accordance with the relevant Market Rules Procedure); and

(vii) undertake all other obligations as set out in the Market Rules;
(g) **Wholesale Customer** who, for the purposes of the *Market Rules* may have the **Participation Function** of:

(i) **Wholesale Customers** (which may also incorporate the **Participation Function** of **Interconnector Trader**), who shall be **Trading Parties** and members of **Balancing Groups**, and will maintain either an **Injection Account** or an **Offtake Account** for recording **Contractual Nomination** volumes and cashflows for financial **Settlement**. In particular, **Wholesale Customers** shall:

1. notify to the **MO**, to the relevant **BRP** and to the **TSO** the quantity of energy that is to be traded on a day-ahead basis with other **Trading Parties** in accordance section 11.2; and

2. undertake all other obligations as set out in the *Market Rules*; and/or

(ii) **Interconnector Traders** who shall be **Trading Parties** and members of **Balancing Groups**, and will maintain an **Injection Account** for recording **Contractual Nomination** and **Physical Nomination** volumes and cashflows for financial **Settlement** with respect to **Interconnector Balancing Units** predominantly used for importing energy or an **Offtake Account** for recording **Contractual Nomination** and **Physical Nomination** volumes and cashflows for financial **Settlement** with respect to **Interconnector Balancing Units** predominantly used for exporting energy. In particular, **Interconnector Traders** shall:

1. nominate to the **MO**, to the relevant **BRP** and to the **TSO** the quantity of energy that is to be physically imported or exported across the interconnections and traded with other **Trading Parties** in Kosovo on a day-ahead basis in accordance with section 10; and

2. undertake all other obligations as set out in the *Market Rules*; but shall not be the registrant at any physical **Meter**.

2.1.3 **Accession** to the *Market Rules* is mandatory for all licensees and legal persons subject to a licence exemption unless such licence exempt person’s plant is connected to a **Distribution Network** and wishes to have its physical **Meter** registered to a **Supplier’s Account** by the **MAA**.

2.1.4 A reference to a **Trading Party** will be a reference to that **Party** engaged in any one of the specified functions identified in paragraph 2.1.1 regardless of any
other capacities in which that Party may also have Acceded to the Market Rules.

2.1.5 Any Trading Party may be designated a Significant Party by the ERO. Significant Parties will be treated under the Market Rules no differently from other Trading Parties except where specific conditions are set out in these Market Rules.

2.1.6 All Parties to the Market Rules shall ensure that they have a valid licence or are validly exempted from holding a licence and shall inform the MO in a timely fashion if that is no longer the case and shall initiate the processes described in section 3.3.

2.2 Accounts

2.2.1 The MO will maintain Accounts for itself, the TSO, a DSO, BRPs and Trading Parties.

2.2.2 The TSO Trade Account is the Account for the TSO subject to Energy Imbalance Settlement.

2.2.3 The Account maintained for the DSO will be subject to Energy Imbalance Settlement.

2.2.4 The TSO Balancing Account will be the Account for the TSO not subject to Energy Imbalance Settlement.

2.2.5 The MO will maintain Accounts for Trading Parties in which will be recorded, amongst other items:

(a) Bid Delivery Cashflow;

(b) Offer Delivery Cashflow;

(c) Ancillary Service Contract Utilisation Cashflow;

(d) Contractual Nomination volumes; and

(e) Metered Energy;

as separate items for each Settlement Period; for each item the MO shall record the opposite cashflow in the relevant TSO or MO Account.

2.2.6 The MO will maintain Accounts for BRPs in which will be recorded in aggregate for members of the relevant Balancing Groups, amongst other items:
(a) **Bid Delivery Cashflow**;

(b) **Offer Delivery Cashflow**;

(c) **Ancillary Service Contract Utilisation Cashflow**;

(d) **Imbalance** cashflow;

(e) **Contractual Nomination** volumes; and

(f) **Metered Energy**;

as separate items for each **Settlement Period**; for **Imbalance** cashflow, the MO shall record the opposite cashflow in the relevant **TSO** or **MO Account**.

2.2.7 The MO will maintain the **Renewable Energy Fund Account** as an **Injection Account** for registering **RES Regulated Generating Units** and **RES Support Scheme Generating Units** and recording the following information for them:

(a) **Contractual Nomination** volumes;

(b) **Metered Energy**; and

(c) **Imbalance** cashflow;

and for conducting transaction with **Suppliers**.
3 Accession to the Market Rules, BRP establishment and Discontinuance

3.1 General Provisions

3.1.1 To participate in the market, all Parties must Accede to the Market Rules. The joining procedure is known as Accession and requires the Party to agree to be bound by the Market Rules. This Accession will be performed through either the Market Rules Framework Agreement or the Market Rules Accession Agreement.

3.1.2 Original Parties have signed the Market Rules Framework Agreement and new Parties will sign a Market Rules Accession Agreement. By signing a Market Rules Accession Agreement, a new Party accepts to be bound by the Market Rules and becomes entitled to the same rights and accepts the same obligations as if it had signed the Market Rules Framework Agreement.

3.1.3 The form of the Market Rules Accession Agreement is set out in Annex 1 of the Market Rules.

3.2 Acceding to the Market Rules

3.2.1 Any legal entity may Accede to the Market Rules using the procedures set out in the provisions of this Article.

3.2.2 A Party Applicant shall submit to the MO:

(a) a duly completed application in such form as the MO may from time to time prescribe giving its Party Details as at the time of its application; and

(b) an undertaking from the Party Applicant (in the form prescribed in the application form) that the Party Details of such Party Applicant are complete and accurate.

3.2.3 Party Details shall include:

(a) its full name and contact details;

(b) the name, address and facsimile number of the person for whose attention official written notices should be marked;

(c) the Participation Functions (if any) which the Party Applicant has, or at the time at which such details are notified to the MO intends or expects to have, and the date from which it has or intends or expects to have,
such capacity including any public service obligation that the Regulator has placed or is expected to place on the Party Applicant including the nature of such obligation;

(d) for each Trading Party Participation Function, the nominated Trading Party who will act as BRP in its behalf (for the avoidance of doubt, the Party Applicant may nominate itself);

(e) where the Trading Party will act as a BRP, an agreement substantially in the form set out in Annex 2;

(f) such supporting documentation as the MO may reasonably require in order to validate that the Party Applicant has or will have such Participation Functions;

(g) the identity of any other Party which is an Affiliate of the Party Applicant; and

(h) any other details that the MO may reasonably require to allow the MO to fulfil its activities under the Licence and the Market Rules.

3.2.4 Upon receipt of the items referred to in paragraph 3.2.3, the MO shall:

(a) check that the application form has been duly completed by the Party Applicant and the relevant supporting documentation has been provided;

(b) check that the nominated BRP (if not the Party Applicant) has, or will have a BRP Injection Account or BRP Offtake Account appropriate to the Party Applicant’s proposed Participation Capacity and that the nominated BRP is willing to act as BRP for the Party Applicant;

(c) notify:

(i) each Party; and

(ii) the ERO;

of the name of the Party Applicant, and the Participation Function (if any) notified by the Party Applicant in its Party Details, and

(d) where it considers it appropriate to do so, as soon as reasonably practicable, prepare a Market Rules Accession Agreement for the Party Applicant and send it to such Party Applicant for signature.
3.2.5 Each Party hereby irrevocably and unconditionally authorises the MO to execute and deliver on behalf of such Party a Market Rules Accession Agreement duly executed by a Party Applicant.

3.2.6 Upon receipt by the MO of a Market Rules Accession Agreement duly executed by a Party Applicant, the MO shall promptly:

(a) execute and deliver such Accession Agreement on behalf of all Parties;

(b) send a certified copy of such Market Rules Accession Agreement, duly executed by the Party Applicant and the MO, to the Party Applicant;

(c) give notice of the Accession of such Party Applicant to:

   (i) each Party; and

   (ii) the ERO.

3.2.7 If the process in paragraph 3.2.6 is halted by any Dispute as to whether a Party Applicant is entitled to Accede to the Market Rules and the ERO rules in favour of the Party Applicant, such Party Applicant shall be entitled to Accede to the Market Rules and the MO shall forthwith execute and deliver a Market Rules Accession Agreement, duly executed by the Party Applicant, in order to effect such Accession.

3.2.8 The Accession of a Party Applicant to the Market Rules shall be effective on and from the later of the date specified in the Market Rules Accession Agreement and the date when the MO executes and delivers such Market Rules Accession Agreement on behalf of all Parties.

3.2.9 Once the Party has Acceded it will be required to register an Account and provide the information necessary to facilitate trading in accordance with the relevant market procedures.

3.2.10 A Party may not commence trading under the Market Rules until it has provided to the MO evidence of Security Cover as specified in paragraph 8.3.1.

3.2.11 It is the responsibility of each Party to inform the MO of any changes in Party Details as soon as reasonably possible and the MO undertakes to update its records accordingly.

3.3 Balance Responsible Parties (BRP)

3.3.1 Any Trading Party may apply to be a BRP on behalf of a Balancing Group consisting of itself and any other Trading Parties that wish to participate (but,
for avoidance of doubt, a Balancing Group may consist of a single Trading Party).

3.3.2 A BRP is obliged to:

(a) Make an agreement with the MO, substantially in the form set out in Annex 2, setting out its obligations as a BRP;

(b) notify the MO of the allocation of imbalance energy amongst Balancing Group members for the purposes of the MO calculating Balancing Group members’ minimum Security Cover requirements;

(c) pay all Invoices submitted by the MO within the allotted timeframe regardless of whether any Balancing Group member owes any money to the BRP.

(d) strive to be balanced or help the power system to be balanced. A BRP shall use for this all means at its disposal on a best effort basis.

3.3.3 For each BRP the MO will set up a separate Injection Account and/or an Offtake Account within 5 Business Days of the application made in paragraph 3.3.1 and will notify the BRP of the date on which the relevant Account(s) will be operational.

3.3.4 If an applicant elects to be the BRP of a Balancing Group without any other Trading Parties, it may notify the MO that it wishes to offset payments made under Settlement to be netted off for Security Cover purposes and for discharge of payment obligations.

3.3.5 At any one time, a Trading Party Participant may be the member of only one Balancing Group for the purposes of injecting energy into the Transmission System and only one (separate) Balancing Group for the purposes of offtaking energy from the Transmission System.

3.3.6 A Trading Party may apply to be a member of a Balancing Group operated by a BRP which is another Trading Party under the following conditions:

(a) the relevant BRP has agreed to act on behalf of the applying Trading Party and has an appropriate BRP Account for recording the applicants imbalances;

(b) the Trading Party agrees to accept any notification made by the BRP as to the imbalance position of the Trading Party for the purposes of calculating minimum Security Cover requirements;
(c) the **Trading Party** applicant agrees to amend all its **Security Cover** instruments to allow the **MO** to recover costs of any unpaid **BRP Invoices**; and

(d) the **Trading Party** agrees to allow the **MO** to make available to the **BRP** aggregated information relating to **Contractual Nominations** of the **Trading Party** and aggregated information of the **Trading Party’s Metering Information** for the purpose of verifying **Settlement**.

3.3.7 It is acknowledged that the **MO** is not a party to the agreement between the **BRP** and other members of a **Balancing Group** as to the allocation and payment for imbalance energy within the **Balancing Group** and therefore that any dispute between the **BRP** and any other member of a **Balancing Group** will not be settled under the terms of the **Market Rules** and such dispute may not be used by the **BRP** as a valid reason for an **Invoice Query** under the terms of the **Market Rules**.

3.3.8 A **Trading Party** may cease to be a member of a **Balancing Group** provided that it has nominated itself or another **BRP** (who has agreed to such nomination) by giving 5 **Business Days** as written notice to the **MO** and to the current **BRP** and the current **BRP** may not prevent such cessation.

3.3.9 Prior to the intraday cross-zonal gate closure time, each **BRP** may change the schedules required to calculate its position, strive to be balanced or help the power system to be balanced. A **BRP** shall use for this all means at its disposal on a reasonable endeavours basis.

3.3.10 After the intraday cross-zonal gate closure time, each **BRP** may change the internal commercial schedules required to calculate its position.

3.4 **Discontinuing Parties**

3.4.1 A **Party** may cease to be bound by the **Market Rules** in accordance with the provisions of this section3.4. The **MO** will as soon as reasonably practicable after the receipt of a **Discontinuance Notice** notify all other **Parties** of a **Party’s** intention to cease to be bound by the **Market Rules**.

3.4.2 A **Party** may at any time by giving a **Discontinuance Notice** to both the **ERO** and the **MO** apply to cease to be bound by the **Market Rules**. A **Party** shall not cease to be bound by the **Market Rules** pursuant to this paragraph (and any **Discontinuance Notice** shall be of no effect) until 1700 hours on the **Discontinuance Date**, which shall be not before the fifth **Business Day** after the day on which the last of the following requirements is met.
(a) any sums owing under the Market Rules by such Party (whether or not the subject of a Dispute) are paid by such Party;

(b) the final timetabled Settlement has been carried out (and all payments have been made) in relation to the most recent month;

(c) the Party is not a Registrant with respect to any Meter in the Meter Register;

(d) the Party has no Generating Unit registered in its Injection Account;

(e) there is no outstanding breach by such Party of the provisions of the Market Rules which is capable of remedy; and

(f) such Party is not subject to any Licence condition by virtue of which it is required to continue to comply with the Market Rules or which would otherwise be infringed if such Party ceased to comply with the Market Rules.

3.4.3 The Discontinuing Party shall as soon as reasonably possible give written notice to both the ERO and the MO when the requirements set out in paragraph 3.4.2 have been met and in such notice shall certify the date on which the last of such requirements was met.

3.4.4 Following receipt of a notice from a Party under paragraph 3.4.3, the MO will as soon as reasonably practicable inform the Party of the Discontinuance Date, which is the effective date from which the Party ceases to be bound by the Market Rules.

3.4.5 Notwithstanding paragraph 3.4.4, both the MO and the Discontinuing Party shall remain liable for any unfulfilled obligations owed to each other or to other Parties after the Discontinuance Date:

(a) for any amount which was or becomes payable under the Market Rules in respect of any Settlement Period before the Discontinuance Date; and

(b) in respect of any outstanding breach of any provision of the Market Rules where such breach was not (for the purposes of paragraph 3.4.2(e)) capable of remedy or (notwithstanding that paragraph) was capable of remedy but was not remedied.
3.5 Default

3.5.1 For the purposes of this Article there shall have occurred a Default in relation to a Party (the Defaulting Party) in any of the following events or circumstances:

(a) where, in respect of the Defaulting Party’s liability for any sums under the Market Rules other than Third Party Charges, which have become due for payment by the Defaulting Party under the Market Rules in respect thereof:

(i) the Defaulting Party has not paid the amount in full (following draw down of Security Cover in accordance with the Market Rules Procedure on Security Cover) [fourteen (14)] Business Days after the due date for payment; and

(ii) on or after the [fourteenth] Business Day after the due date for payment the MO has given written notice to the Defaulting Party requiring payment of such amount; and

(iii) the Defaulting Party has not paid such amount in full [seven (7)] Business Days after the date of the MO’s notice under paragraph 3.5.1(a)(ii); or

(b) where:

(i) the Defaulting Party is in material breach of any material provision (other than a payment obligation) of the Market Rules; and

(ii) the breach is capable of remedy by the Defaulting Party; and

(iii) the MO has given written notice (making reference to this paragraph 3.5.1(b)) of such breach to the Defaulting Party; and

(iv) within [fourteen (14)] Business Days after the MO’s notice under paragraph 3.5.1(b)(iii), the Defaulting Party does not remedy the breach in all material respects, where the breach is capable of remedy within such period of [fourteen (14)] Business Days; or

(v) where the breach is not capable of remedy within [fourteen (14)] Business Days the Defaulting Party shall within [seven (7)] Business Days after the MO’s notice provide the MO with a programme (setting out the steps to be taken by the Defaulting Party and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable; and
(vi) in the case in paragraph 3.5.1(b)(v):

(1) the Defaulting Party does not remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under paragraph 3.5.1(b)(v) or under a revised programme pursuant to paragraph 3.5.1(b)(vi)(2); or

(2) where, notwithstanding the reasonable diligence of the Party, it is not reasonably practicable for the Party to remedy the breach in accordance with that programme, and the Defaulting Party does not provide to the MO a revised such programme; and

(vii) the breach remains unremedied in any material respect after the expiry of [seven (7)] Business Days after a further written notice by the MO to the Defaulting Party to the effect that the Defaulting Party has not complied with paragraph 3.5.1(b)(iv) or paragraph 3.5.1(b)(v); or

(c) where:

(i) the Defaulting Party is in material breach of any relevant provision (other than a payment obligation) of the Market Rules; and

(ii) the breach is not capable of remedy; and

(iii) the MO has given notice of the breach to the Defaulting Party; and

(iv) at any time within the period of [twelve (12)] months following the MO’s notice under paragraph 3.5.1(c)(iii), there has occurred a further material breach by the Defaulting Party of the same provision of the Market Rules; and

(v) the MO has given a notice of such further breach to the Defaulting Party and a period of [seven (7)] Business Days has expired following such notice; or

(d) where:

(i) the Defaulting Party suspends payment of its debts or admits its inability to pay its debts as they fall due; or

(ii) the Defaulting Party is unable to pay its debts or any voluntary arrangement is proposed in relation to such debts or it enters into
any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or

(iii) the Defaulting Party has a receiver appointed of the whole or any material part of its assets or undertaking; or

(iv) the Defaulting Party has an administration order made in relation to it; or

(v) the Defaulting Party passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or

(e) where the Licence (if any) granted to a Defaulting Party is determined or revoked or otherwise ceases to be in force for any reason whatsoever.

3.5.2 For the purposes of paragraph 3.5.1(b)(i) and paragraph 3.5.1(c)(i) a breach other than a wilful breach of a provision of the Market Rules is excluded where the Market Rules specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances.

3.5.3 For the purposes of paragraph 3.5.1(b)(i) and paragraph 3.5.1(c)(i) a breach is a material breach of a relevant provision where, and only where in the case of a material provision, the breach is wilful or reckless, or where, in the case of any other provision, as a result of the breach any other Party is in material breach of any material provision of the Market Rules or any legal requirement or incurs any material liability or expense exceeding [€1000].

3.6 Consequences of Default

3.6.1 Upon the occurrence of a Default, and at any time after such occurrence at which the Default is continuing, the MO may, having obtained the written approval of the ERO, take one or more of the following steps while such Default persists and for the duration of such Default (in each case at such time as it sees fit and having regard to all the circumstances of the Default):

(a) give a Termination Notice to the Defaulting Party to the effect that the Party shall cease to be bound by the Market Rules with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice;

(b) publish a Termination Notice (making a reference to this section 3.6);
(c) place other restrictions on the Defaulting Party’s trading activities designed to not allow an increase in debt;

(d) suspend one or more of the rights listed in paragraph 3.6.2 (subject to any prior consultation or approval as specified in paragraph 3.6.1) in respect of the Defaulting Party, either generally or progressively and either wholly or partially and for such period as the MO considers appropriate;

(e) request the TSO or DSO (as the case may be) to De-energise the Defaulting Party’s plant or apparatus (and each Party hereby irrevocably and unconditionally consents to such De-energisation).

3.6.2 The rights referred to in paragraph 3.6.1(c) are:

(a) the right to submit Contractual Nominations and Physical Nominations,

(b) the right to submit Bids and Offers, and

(c) the right to receive market reports and data.

3.6.3 The taking of any steps by the MO under this paragraph 3.6.1 in relation to a Defaulting Party shall not affect or alter the liabilities of such Defaulting Party under the Market Rules (accrued or accruing in respect of the period prior to, on or after the date when such step is taken) and, without prejudice to the generality of the foregoing, a Defaulting Party shall be liable for all sums (including taxes) which it is required under the Market Rules to pay in respect of trading charges and other sums prior to the De-energisation of the Defaulting Party’s plant or apparatus and/or the Defaulting Party ceasing to be a Party pursuant to 3.6.1(a).

3.6.4 Each of the TSO and the DSO(s) shall ensure that it has the necessary rights to effect or procure the De-energisation of plant or apparatus, following a request from the MO pursuant to paragraph 3.6.1(e).

3.6.5 In relation to any instruction to De-energise plant or apparatus issued pursuant to paragraph 3.6.1(e)

(a) the TSO and/or the DSO(s) (as the case may be) shall use all reasonable endeavours to comply (or procure compliance) as quickly as practicable with any such instruction; and

(b) the Defaulting Party (failing which each Party) at the time of receipt of the request for indemnification, the TSO and/or the DSO(s) shall indemnify and keep indemnified the MO on demand against any and all
liability, loss or damage which the MO may suffer by reason of such De-energisation not taking place.

3.6.6 The provisions of this section 3.6 are without prejudice to any other rights or remedies or consequences which are expressly provided under the Market Rules to arise in the event of any failure by a Party to comply with the requirements of the Market Rules.

3.6.7 Where the MO gives a Termination Notice to a Defaulting Party, with effect from the date specified in the notice the Defaulting Party will cease to be bound by the Market Rules and the remainder of paragraph 3.6.1 shall apply.

3.6.8 The giving of a Termination Notice and the application of paragraph 3.6.3 shall not affect the rights and obligations of the MO and the Defaulting Party under the Market Rules (including rights and obligations in respect of the Default, and in respect of amounts including interest payable by a Defaulting Party, and rights and obligations arising pursuant to any provision of the Market Rules in respect of the Defaulting Party’s ceasing to be bound by the Market Rules) accrued up to the date referred to in paragraph 3.6.1(a), which shall continue to be enforceable notwithstanding that paragraph.
4  Operational Communications

4.1  General Provision

4.1.1  In addition to Parties' obligation to comply with the provisions of the Grid Code for the communication of operational data with the TSO, Parties must put in place equipment for reliable and secure communication with the MO of a type and to a minimum requirement as set out in this section.

4.1.2  The MO will establish and publish interface protocols for Parties to communicate with the Settlement software using appropriate international standards.

4.1.3  Any reference to the requirement on the MO to publish information, data or results of procedures shall include the publication of the relevant information through appropriate media. This shall include the use of print media, the public internet or public areas of the Settlement systems as appropriate.

4.2  Contingency Arrangements

4.2.1  Parties and the MO will use all reasonable endeavours to ensure that at all times, all information transfer contemplated under the Market Rules will be in the form and by the means specified in the interface protocols.

4.2.2  Where the MO or any other Party is unable to use the means of communication prescribed, then each agrees to cooperate in ensuring that information is transferred by the deadlines specified under the Market Rules.

4.2.3  Failure to provide information by the specified time will not be Force Majeure unless the inability to provide the information is due to a Force Majeure event that was in force for the entire period during which the Party had the opportunity to provide the data.

4.3  Communication Appliances

4.3.1  Each Party shall be responsible for the provision and maintenance (at the cost of the Party) of their telephone, electronic and facsimile communication appliances.

4.3.2  Each Party shall provide and maintain (at the cost of the Party) computer and data networking equipment to allow data exchange such as electronic mail, Metering Data etc. between the MO and the Party. Where a dedicated facility is supplied, that equipment shall only be used by the Party for communications with the Settlement software.
5 Metering Requirements

5.1 Metering Administration Agent

5.1.1 An Agency, the Metering Administration Agent (MAA), will be established by the MO on behalf of the TSO and the DSO tasked with processing the large volume of Metering Data arising from Metering Systems connected to the Transmission System or Distribution System prior to its use in Settlement calculations.

5.1.2 The MAA will be responsible for the following roles:

(a) establishing the Meter Register referred to in section 5.2;

(b) on behalf of the MO, establishing a Market Rules Procedure on Meter Reading, Validation and Estimation;

(c) establishing a procedure to allocate the total volume of energy consumed in the Distribution System between the separate classes of Interval and Non-interval metered Metering Systems;

(d) establishing a procedure to determine the Metered Energy for each Balancing Unit connected to the Distribution System and registered to a Supplier which may include the aggregation of data for Interval Metering Systems and Non-Interval Metering Systems;

(e) establishing a procedure to determine the Meter Adjustment Information volumes arising from the periodic reading of Non-interval metered Metering Systems; and

(f) establishing a timetable whereby calculated data can be transferred to the MO on a timely basis in order to allow the MO to carry out Settlement in accordance with the Settlement Timetable.

(g) Publishing and consulting on the procedures developed and submitting them to ERO for approval and keeping them compliant.

5.1.3 In accordance with the timetable established in paragraph 5.1.2(f) deliver hourly Metered Energy values and reconciliation volumes for each Balancing Unit to the MO for use in Settlement.
5.2 Meter Register

5.2.1 The MAA is responsible for maintaining a register of information on Metering Systems and Meters connected to the Distribution System or the Transmission System. It is the responsibility of each Party to ensure that the Meter Register is complete and up to date at all times.

5.2.2 For each Metering System in the Meter Register, the following information will be maintained:

(a) the unique Metering System reference number allocated by the MAA;

(b) the identity of the Trading Party(ies) (the Registrant(s)) who has/have contracted to import or export energy through the Metering System;

(c) whether the Customer registered at the Metering System is a Vulnerable Customer and details of the registration number for this maintained by the DSO;

(d) whether the Customer is entitled to Universal Service;

(e) the identity of each Meter (if any) required to register energy flow;

(f) whether the Meter records the flow of energy from a Renewable Energy Source supported under “Rule on the Support Scheme for which a Certificate of Origin has been issued and Procedures for Admission to the Support Scheme”;

(g) whether the Metering System is an Interval Metering System or Non-interval Metering System;

(h) whether a valid Meter Allocation Agreement is in place;

(i) the estimated Annual Quantity of that Metering System.

5.2.3 For each Meter in the Meter Register, the following information will be maintained:

(a) the unique Meter Reference Number (MRN) allocated by the relevant Network Operator;

(b) the Metering System Reference Number of the Metering System to which the Meter is allocated;

(c) the Direction of Flow;
(d) the status of the Meter as Interval Read Meter or Non-interval Read Meter; and

(e) such information about the physical characteristics of the Meter and associated mechanisms for transmitting the information as may be required by the Metering Code.

5.2.4 For the avoidance of doubt, Renewable Generators connected to the Distribution System and not subject to a Licence may choose whether they act as the Registrant for the Meters registered in the Meter Register or whether a Licensed Supplier takes on this responsibility, subject to the agreement of that Licensed Supplier.

5.3 Meter Registration

5.3.1 All Metering Equipment in every Metering System that is required for the purposes of the Market Rules shall be registered in accordance with the requirements of the relevant Metering Code and shall, where relevant, be recorded in the register established by the MAA.

5.3.2 Parties are required to register relationships and configurations between Meter data so that appropriate and correct aggregation can be performed to facilitate trading and Settlement in accordance with the relevant procedures.

5.3.3 Only Metering Systems which are properly registered in accordance with paragraph 5.3.1 will be used as an input for Settlement.

5.4 Metering Equipment

5.4.1 The technical, design and operational minimum standard for Metering Systems used for Settlement is that determined in the relevant Metering Code.

5.4.2 Where the Metering System is required to be an Interval Metering System then the Metering Equipment in all the Meters in the Metering System must be capable of registering the throughput of the relevant Meters up to any point in time such that Metered Energy that has flowed through that Metering System during a Settlement Period can be determined and this information must be made available to the MO in the period specified in the Market Rules.

5.4.3 The provision, installation and maintenance of Metering Equipment, and associated recording and transmittal equipment with the capability required pursuant to paragraph 5.4.2 shall be the responsibility of the relevant Network Operator as detailed in the relevant Metering Code.
5.4.4 Where a Customer requires the Metering System to be an Interval Metering System, then the relevant Network Operator (the TSO or the DSO, as the case may be), by the request of the Customer, will immediately take steps to ensure that all necessary equipment is installed as soon as reasonably possible but the absence of such equipment shall not preclude the Customer from being supplied by a Supplier other than the Public Supplier. If the Metering System had been compliant with the relevant Metering Code prior to the Customer’s request for installation of the Interval Metering System then the relevant Network Operator may delay such installation until the Customer has paid the reasonable costs of such installation.

5.4.5 Nothing precludes the installation of Metering Equipment of a higher standard to that required pursuant to the Market Rules.

5.4.6 Trading Parties shall allow and facilitate access by the TSO or DSO to substations in order to take Meter readings in accordance with the Metering Code or Distribution Metering Code.

5.4.7 Trading Parties will, in accordance with the relevant procedure, provide the TSO or DSO with details of metering arrangements including the Meter’s physical position, responsible Parties and substation access process, in a timely manner.

5.4.8 On the [fifth (5th)] Business Day following the flow of electricity the MAA will submit to each Party a statement of Metered Energy for Interval Metering Systems registered to their Accounts.

5.5 Generator Metering Data

5.5.1 A Metering System is required at each Commercial Boundary of each Generating Unit with the relevant Network Operator, TSO or DSO as the case may be, as defined in the relevant Metering Code.

5.5.2 The relevant Network Operator shall ensure that the necessary Metering Data from all Metering Systems in paragraph 5.5.1 are submitted to the MO in due time, for the purpose of Settlement.

5.5.3 If the data are not confirmed and provided in due time, as per paragraph 5.5.2, the relevant Network Operator shall provide its best estimate for the required Metering Data that will be deemed for Settlement. If and when the missing Metering Data are subsequently confirmed, Settlement adjustments will be made where necessary in accordance with section 16.8.
5.6  Interconnector Metering Data

5.6.1  A Balancing Unit will be registered for each Interconnector Trader at each Interconnector.

5.6.2  The TSO shall ensure that the necessary confirmed Interconnector Nominations (which the MO will treat as Metering Data) for all Balancing Units in paragraph 5.6.1 are submitted to MO in due time, for the purpose of Settlement.

5.6.3  If the Metering Data are not confirmed and provided in due time, as per paragraph 5.6.2, the TSO shall provide its best estimate for the required Metering Data that will be deemed for Settlement. If and when the missing Metering Data are confirmed, Settlement adjustments will be made where necessary in accordance with section 16.8.

5.7  Distribution Metering Data

5.7.1  A Metering System is required at each TSO/DSO Commercial Boundary.

5.7.2  The TSO shall ensure that the necessary Metering Data from all Metering Systems specified in paragraph 5.7.1 are submitted to MO in due time, for the purpose of Settlement.

5.7.3  If the data are not confirmed and provided in due time, as per paragraph 5.7.2, the TSO shall provide its best estimate for the required Metering Data that will be deemed for Settlement. If and when the missing Metering Data are confirmed, Settlement adjustments will be made where necessary in accordance with section 16.6.

5.8  Customer Metering Data

5.8.1  A Metering System is required at each Customer’s point of connection with the relevant transmission or Distribution Network.

5.8.2  Except as expressly allowed under the Market Rules, a Metering System can only include Meters where the premises which generate electricity or which are supplied with electricity are:

(a) owned or occupied by a single legal person;

(b) in close geographical proximity to each other;

(c) comprised within a common curtilage; and
(d) serving each other in some necessary or reasonably useful way.

5.8.3 Except with respect to Non-interval Metering Systems that are still in the process of registration into the Meter Register, the relevant Network Operator shall ensure that the necessary Metering Data from all Metering Systems in paragraph 5.8.1 are submitted to the MAA in due time, for the purpose of Settlement.

5.8.4 Distribution Network Operators will ensure that all data necessary for the attribution of energy to Non-interval Metering Systems is made available to the MAA for the purposes of Settlement.

5.8.5 If the Metering Data are not confirmed and provided in due time, in accordance with paragraph 5.8.3, the relevant Network Operator shall provide its best estimate for the required Metering Data that will be deemed for Settlement. If and when the missing Metering Data are confirmed, Settlement adjustments will be made where necessary in accordance with section 16.9.
6 Change of Supplier

6.1 Customer Switching Process

6.1.1 Whenever a Supplier (a Proposing Supplier) seeks to become the Registrant of an existing Metering System then the Proposing Supplier must:

(a) notify the MAA of:

(i) the identity of the Metering System proposed for transfer;

(ii) the proposed Supply Transfer Date, which must be not less than [twenty-one (21)] Days after the date of the notice; and

(b) warrant to the MO that it has (or will have at the Supply Transfer Date) a contract to supply the Customer as either the sole Supplier or as a joint Supplier in accordance with a Meter Allocation Agreement submitted in accordance paragraph 6.4.

6.1.2 Within [three (3)] Business Days of receipt of the notice submitted pursuant to paragraph 6.1.1(a) the MAA will notify the Incumbent Supplier(s) of the proposed transfer including identification of the Proposing Supplier and will provide the Proposing Supplier with details relating to the Customer held on the Meter Register including (but not limited to) the status of the Customer regarding Vulnerable Customer and Universal Service.

6.1.3 If an Incumbent Supplier reasonably believes that, on the proposed Supply Transfer Date, the Customer will still be under binding contract to the Incumbent Supplier, then it may, within [five (5)] Business Days from receipt of the notification referred to in paragraph 6.1.2 submit an Objection to Transfer Notice to the MAA giving one of the reasons specified in this paragraph for the objection.

6.1.4 If the MAA receives a validly submitted objection to transfer within the specified time it will notify the Proposing Supplier and the Regulator of the Objection to Transfer Notice within [three (3)] Business Days of receipt of same and will provide to the Proposing Supplier:

(a) the reason given for the objection in the notice; and

(b) the identity of Incumbent Supplier.

6.1.5 At any time an Incumbent Supplier who has submitted an Objection to Transfer Notice may notify the MAA that they wish to withdraw the Objection to
Transfer Notice referred to in paragraph 6.1.3 and the MAA will then notify the Proposing Supplier that the Objection to Transfer Notice is no longer in force.

6.1.6 On the proposed Supply Transfer Date, the Meter Register will be changed by the MAA to reflect that the Proposing Supplier will be either the only Registrant from the start of that day or will be a joint Registrant in accordance with paragraph 6.4 and will submit notices to the Market Operator, the Incumbent Supplier(s) and the Proposing Supplier accordingly.

6.1.7 From the Supply Transfer Date, the Market Operator will ensure that Metering Data from the relevant Metering System is used in the Settlement calculations for the Account for the Proposing Supplier from the start of the day referred to in that notice and will record, as soon as possible, the Meter Reading for the transferred meter as at the date of the transfer, when such reading has been requested by the Proposing Supplier as an opening read for its business with the Customer.

6.1.8 If the ERO considers (due to an appeal from the previous Incumbent Supplier or for any other reason) that the previous Incumbent Supplier has the right to be the Registrant at a specific Metering System and issues a notice requiring the transfer to be reversed then the MAA will ensure that the directed registration is duly made on the date stipulated by the ERO and will notify all Parties accordingly as if a proposed transfer back had been effected and the proposed Supply Transfer Date will be the date stipulated by the ERO. For the avoidance of doubt, any compensation for any erroneous transfer will be settled between the Parties under direction of the Regulator and will not be the responsibility of the MO or the MAA.

6.1.9 All new Metering Systems at Customer premises must be established by the relevant operator of the network to which the Customer is connected in compliance with the relevant Metering Code.

6.2 Bulk Change of Supplier

6.2.1 Where it is agreed between Suppliers that responsibility for a portfolio of Customers should transfer between Suppliers then the transfer of the portfolio shall be notified to the MAA who will notify the MO that each Metering System in the portfolio will have the new Supplier registered as the Meter Registrant.

6.2.2 Where the Incumbent Supplier can no longer supply its Customers as notified by the Regulator then its portfolio will be re-registered to an Account registered with the Supplier of Last Resort including the date on which the transfer has taken place and the MAA will notify the affected Customers of this event.
6.2.3 It is acknowledged that no specific opening meter reading will be available for Customers under a bulk transfer and that the estimation of the due opening read will be the responsibility of the new Supplier.

6.3 Customer without Supplier

6.3.1 Where the MAA determines that a Customer is not registered to any Supplier then it will notify the Supplier of Last Resort and will immediately register that Customer to the Account of the Supplier of Last Resort and will note the date of the transfer and will request that an opening meter reading be taken at the Customer’s Metering System as soon as possible after the transfer.

6.4 Multiple Supplier at Meter

6.4.1 It is acknowledged that, in accordance with the Law on Electricity, a Customer is entitled to contract with more than one Supplier. Where a Proposing Supplier proposes that it will be a second (or subsequent) Supplier at the Customer’s Metering System then the Proposing Supplier must submit a Meter Allocation Agreement signed by the Customer to the MAA.

6.4.2 On receipt of a Meter Allocation Agreement the MAA will provide the MO with a copy of said agreement within [three (3)] Business Days of receipt and the MO will advise the MAA within a further [three (3)] Business Days as to whether the Meter Allocation Agreement can be implemented by the MO, advising as to any reasons why the agreement cannot be implemented.

6.4.3 The MAA will advise the Proposing Supplier of the MO’s decision regarding the proposed Meter Allocation Agreement and the Proposing Supplier can provide an adjusted Meter Allocation Agreement for the MO to review.

6.4.4 No Meter Allocation Agreement will be implemented by the MO until a date which is at least of [fourteen (14)] days after the MO has been provided with a valid Meter Allocation Agreement.

6.4.5 Where no valid Meter Allocation Agreement is in place then the full allocation of Metered Energy will remain allocated to the Incumbent Supplier. Where a proposed Meter Allocation Agreement is intended to replace an existing Meter Allocation Agreement then the MO will continue to utilise the existing Meter Allocation Agreement until [fourteen (14)] days after the MO has been provided with a valid replacement Meter Allocation Agreement.
6.5 Supplier withdrawal from existing Meter Allocation Agreement

6.5.1 At any time, a Supplier can notify the MAA that it wishes to withdraw from a Meter Allocation Agreement giving at least (twenty-one, 21) days’ notice. From the date notified by the withdrawing Supplier, said Supply will cease to be allocated Metered Energy, the withdrawing Supplier will cease to be a Registered Supplier at the Metering System and the Meter Allocation Agreement will cease to be valid.

6.5.2 Where no valid Meter Allocation Agreement is in place then, until a new Meter Allocation Agreement is in place, the MO will allocate Metered Energy to remaining Suppliers registered at the Metering System equal shares of Metered Energy.
7 Interconnector Capacity Allocation and Trading

7.1 General Provision

7.1.1 The TSO and MO shall ensure that procedures are in place for the allocation and nomination for use of Interconnector capacity on Interconnectors for which the TSO has responsibility. These procedures may be set out in one or more Market Rules Procedures or covered by regional procedures subject to the prior approval of the ERO. It is acknowledged that the TSO is a shareholder in SEE CAO and is committed thereby to use the SEE CAO as its agent in discharging its obligations with regard to auctioning, allocation and transfer of Physical Trading Rights.

7.1.2 In particular these procedures will ensure that Available Transfer Capacities (ATC) on relevant Interconnectors can be determined for each allocation period, and such Available Transfer Capacities (ATC) on relevant Interconnectors will be notified to the SEE CAO.

7.2 Interconnector Capacity Register

7.2.1 Trading Parties, acting in the Participation Function of Interconnector Trader who wishes to acquire, trade in or make use of capacity rights on relevant Interconnectors must first apply to be registered on the Interconnector Capacity Register maintained by the MO. For the avoidance of doubt, only Interconnector Traders may be registered on the Interconnector Capacity Register.

7.2.2 Any Interconnector Trader desiring to withdraw from the Interconnector Capacity Register may do so by following the relevant procedure.

7.2.3 Under certain exceptional circumstances specified in the relevant procedure, the MO may terminate the Interconnector Trader’s right to participate in Interconnector Capacity Auctions, in which event the MO will immediately inform the Party in writing.

7.2.4 The SEE CAO is the acknowledged body for allocation of Physical Transfer Rights and the TSO will keep the SEE CAO informed of the Parties registered in the Interconnector Capacity Register for the purpose of allowing those Parties to participate in SEE CAO auction processes, but Parties acknowledge that they must also register in accordance with SEE CAO Auction Rules in order to participate in the SEE CAO Auction processes.
7.3 Interconnector Capacity Auctions

7.3.1 All Interconnector Capacity Auctions will be conducted by the SEE CAO in accordance with its rules and the resulting allocation of Physical Transfer Rights will be those notified to the TSO (who will then notify the MO) by the SEE CAO.

7.4 Trading of Physical Transfer Rights

7.4.1 All trading and transfer of Physical Transfer Rights will be conducted by the SEE CAO in accordance with its rules and the resulting allocation of Physical Transfer Rights will be those notified to the TSO (who will then notify the MO) by the SEE CAO.

7.5 Conduct of Auction Participants

7.5.1 If the TSO is informed by the SEE CAO that any Interconnector Trader has indulged in actions or behaviour that adversely affects or threatens to adversely affect competition in the Auction Process or threatens to disrupt the Auction Process, or the transparency, cost-effectiveness or fairness thereof then the TSO will inform the ERO of such activity and will follow any consequent instructions from the ERO concerning that Interconnector Trader’s future participation in the holding of Physical Transfer Rights.
8 Security Cover

8.1 Security Cover Procedure

8.1.1 Before a Trading Party can submit Contractual Nominations, Physical Nominations, Bids or Offers under the Market Rules, it must ensure that it has in force adequate Security Cover made out in favour of the MO.

8.1.2 The MO will publish and keep up to date a Market Rules Procedure on Security Cover, which will detail procedures for:

(a) calculation of the level of Security Cover that a Trading Party must maintain;

(b) posting of Security Cover in favour of the MO;

(c) monitoring of Security Cover adequacy;

(d) requests for increases or decreases in the level of Security Cover held by a Trading Party; and

(e) curtailment of Trading Party activities where Security Cover is inadequate.

8.1.3 The MO will maintain a register of the minimum Security Cover required and the actual level of Security Cover maintained by each Trading Party. Nothing prevents a Trading Party from maintaining Security Cover at a level higher than the minimum.

8.2 Calculating level of Security Cover

8.2.1 The Market Rules Procedure on Security Cover will set out the methodology for calculation of the minimum level of Security Cover that each Trading Party must maintain; the methodology will apply the following principles:

(a) The minimum level of Security Cover that a Supplier must maintain will take into account:

(i) the reasonable expectations of future Imbalance Price levels;

(ii) the aggregated AQ of the Metering Systems registered to the Supplier; and

(iii) the historic probability of all Suppliers being under-contracted;
(b) the minimum level of Security Cover that a Generator (which, for the purposes of this Section 8, will include RES Generating Unit owners) must maintain will take into account:

(i) the reasonable expectations of future Imbalance Price levels; and

(ii) the historic probability that the specific Generating Units registered to it have been subject to outages not planned before Gate Closure;

(c) the minimum level of Security Cover that a Wholesale Customer must maintain will take into account:

(i) the reasonable expectations of future Imbalance Price levels; and

(ii) the historic magnitude of energy purchased by that Wholesale Customer; and

(d) the minimum level of Security Cover that an Interconnector Trader must maintain will be zero regardless of any other security cover that may be required by the TSO related to the holding of Physical Transfer Rights.

8.2.2 The MO will notify each Trading Party of the minimum level of Security Cover required and that minimum level will remain applicable until it is recalculated by the MO or else the MO is notified by the ERO that, following an appeal lodged by Trading Party, a lower minimum level of Security Cover is applicable.

8.3 Posting Security Cover

8.3.1 The Market Rules Procedure on Security Cover will set out the standard forms to be used for irrevocable guarantees and will specify the acceptable forms of Security Cover instruments, which shall be:

(a) cash; and

(b) irrevocable bank guarantees.

8.3.2 All financial instruments will be recorded in the register of Security Cover maintained by the MO including such information as expiry date.

8.4 Monitoring Security cover

8.4.1 No more than once per month, the MO will review:

(a) the Security Cover posted by each Trading Party; and
(b) the minimum Security Cover required of each Trading Party compared with the level of charges for which the Trading Party’s BRP had been invoiced that the BRP will have attributed to that Trading Party in the latest (and previous) Settlement Runs.

8.4.2 If, at any time the level of Security Cover is found to be inadequate through expiry of any financial instrument posted by a Trading Party, the MO will immediately notify the Trading Party who will have [three (3)] Business Days to remedy the situation.

8.4.3 If the MO believes that the level of Security Cover held by a Trading Party is no longer adequate, it will notify the Trading Party that it has recalculated the minimum level of Security Cover.

8.4.4 Where a Trading Party reasonably believes that the minimum level of Security Cover recorded to it by the MO is too high, then it can request a recalculation of the minimum level of Security Cover and, if sufficient Security Cover is maintained, the MO agrees to allow the release or replacement of such financial instruments as are surplus to requirements.

8.5 Consequences of inadequate Security Cover

8.5.1 If after a period of [three (3)] Business Days from being notified by the MO that inadequate Security Cover is being maintained by a Trading Party, then the MO will submit a notice to the Trading Party that it is in material breach of the Market Rules in accordance with paragraph 3.5.1(b)(iii).
PART II: SYSTEM OPERATION

9 Day-Ahead Forecasting

9.1 National Demand Forecasts

9.1.1 On (D-1), the TSO will notify the MO of its forecast of total system hourly demand for the day ahead, by [09:00] (or as subsequently revised under the Market Timetable) in accordance with the Market Timetable, including, at a minimum:

(a) the hourly expected demand (in MW) from the sum of all Transmission System offtake points plus the forecast output of Generators connected to the Distribution System; and

(b) the system’s hourly required margins (in MW) for Frequency Containment Reserve and Replacement Reserve.

9.1.2 Where necessary, the TSO will update its forecast on the day and advise the MO of the new value, whereupon the MO will publish the updated value.

9.2 Publication

9.2.1 Information supplied under this section as soon as possible after [09:30] on (D-1) (or as subsequently revised under the Market Timetable) will be published by the SO as soon as it is available, and in any case by [12:30] on (D-1).
10 Interconnector Nominations

10.1 Available Interconnector Capacity

10.1.1 Interconnector capacity awarded in Interconnector Capacity Auctions is guaranteed under normal system operation conditions.

10.1.2 The TSO has the right to restrict or cancel the right to use Interconnector capacity only in the case of system disturbance and for system safety purposes declared by the TSO. In such circumstances, the TSO will inform the MO, who will advise Interconnector Traders that their right to use Interconnector capacity may be curtailed, stating the reason for and duration of the curtailment.

10.1.3 Physical Transfer Rights holders are not entitled to claim damages if their right to use the capacity has been denied or restricted for reasons stated in paragraph 10.1.2.

10.1.4 On the resumption of normal system operation conditions, the TSO will advise the MO, who will publish the information for the benefit of all Interconnector Traders.

10.2 Interconnector Nominations

10.2.1 Trading Parties, acting in the Participation Function of Interconnector Traders (if licensed as such) shall provide to the MO their initial Interconnector Nomination of flow (import and export) for each hour of the day D for each Interconnector by 08:30 on D-1 (or as subsequently revised under the Market Timetable):

(a) the Interconnector Nomination must be submitted by a Trading Party currently registered on the Interconnector Capacity Register;

(b) the Trading Party holds valid Physical Transfer Rights for the relevant Interconnector and import/export direction (as the case may be).

10.2.2 An Interconnector Nomination that complies with paragraph 10.2.1 shall become an accepted Interconnector Nomination; if it is not accepted, the MO will advise the Trading Party, via the communication channel(s) set up under section 4.1, that its Interconnector Nomination has been rejected, and the MO will give the reasons for non-acceptance.

10.2.3 In accordance with the relevant procedure Interconnector Traders will be notified that:
(a) **Interconnector Nominations** match the available **Interconnector** capacity, or that:

(b) there is surplus **Interconnector** capacity (in MW) in a specified direction at any particular border section for any specified **Settlement Periods** in the day ahead; or

(c) there is deficit **Interconnector** capacity (in MW) in a specified direction at any particular border section for any specified **Settlement Periods** in the day ahead.

10.2.4 In the event of deficit **Interconnector** capacity, the **MO** will curtail the **Interconnector Nominations** in accordance with the relevant procedure.

10.2.5 Once the **Interconnector Nominations** (revised if necessary) are finalised, they will be published by the **MO** by 09:30 on D-1 (or as subsequently revised under the **Market Timetable**). The **MO** will send the aggregated **Interconnector** transfer nominated in each direction for each relevant **Interconnector** to the **TSO**.

10.2.6 Once the **TSO** has informed the **MO** that **Interconnector Nominations** have been confirmed as part of the **TSO’s** regional activities, the **MO** will inform **Interconnector Traders** that their **Interconnector Nominations** are now confirmed **Interconnector Nominations**.

10.2.7 In the event of surplus **Interconnector** capacity or new **Interconnector Capacity** becoming available in a subsequent allocation procedure, the **MO** will accept valid new or amended **Interconnector Nominations** submitted by **BRPs**.

10.2.8 The **MO** will use reasonable endeavours to validate and accept subsequent **Interconnector Nominations** provided that they can be incorporated into the Control Area schedule of the **TSO**.

10.3 Use it or Sell it provisions

10.3.1 In line with the procedures set out by the **SEE CAO**, the **TSO** shall inform the **SEE CAO** of all unutilised **Physical Transfer Rights** and the **SEE CAO** provisions regarding unutilised rights will apply. The **TSO** will accept **Interconnector Nominations** from any **Interconnector Trader** who can demonstrate (or for whom the **SEE CAO** has notified) an allocation of on-the-day **Physical Transfer Rights** up to **Day Ahead Gate Closure**.
11 Physical Nominations, Contractual Nominations, Bids and Offers

11.1 Physical Nomination submission

11.1.1 Physical Nominations will be submitted to the MO and TSO by each Trading Party in whose Injection Account or Offtake Account the relevant Metering System is registered in respect of each Balancing Unit in accordance with the Market Rules Procedure on Physical Nomination published by the MO.

11.1.2 A Balancing Unit will be:

(a) a Generating Unit;

(b) a Wind powered generating station with installed capacity not less than [ten (10)] MW;

(c) a Customer’s Metering System connected to the Transmission System;

(d) an individual Customer, or group of Customers connected to the Distribution System that has contracted with its (or their) Supplier for them to participate in the Balancing Mechanism;

(e) An Interconnector Trader’s registration at an Interconnector through the holding of Physical Transfer Rights; and

(f) For each Supplier, their remaining Customers’ Metering Systems which are not covered under paragraph (d).

11.1.3 Each Trading Party will submit a Physical Nomination \((XN_{bj})\) in average MW per hour for each Settlement Period “\(j\)” of day D by [11:00] on D-1 or as otherwise specified in the Market Timetable, for every Balancing Unit “\(b\)” (except for an Interconnector Trader’s Balancing Unit) registered to that Trading Party.

11.1.4 The TSO will submit the confirmed Interconnector Nominations \((XN_{bj})\) in average MW per hour determined in accordance with paragraph 10.2.6 on behalf of each Interconnector Trader’s Balancing Units “\(b\)” as Physical Nominations for the relevant Balancing Units “\(b\)” for each Settlement Period “\(j\)” of day D by [11:00] on D-1 or as otherwise specified in the Market Timetable.

11.1.5 For the avoidance of doubt, a Physical Nomination made on behalf of a Generating Unit or an Interconnector Trader’s Balancing Unit that is importing energy will be recorded as positive MW, and a Physical Nomination made on behalf of a Supplier Balancing Unit or an Interconnector Trader’s Balancing Unit that is exporting energy will be recorded as negative MW.
11.1.6 Each **Physical Nomination** will be submitted by the means stipulated by the **TSO** as a MW figure for a specified **Settlement Period** and will be interpreted as the averaged delivery or offtake across the specified **Settlement Period** at the **Transmission System** boundary.

11.1.7 The **TSO** will check each **Physical Nomination** and where relevant, it will notify the **Trading Party** where the prevailing **Physical Nomination** is inconsistent with the **Dynamic Dispatch Parameters** for the relevant **Balancing Unit** and will instruct the **MO** to reject the **Physical Nomination** with respect to any **Settlement Period** where the **Physical Nomination** is inconsistent with the **Dynamic Dispatch Parameters** and the **MO** will invite the **Trading Party** to resubmit.

11.1.8 A **Physical Nomination** remains valid for any **Settlement Period** until it is replaced by a valid **Physical Nomination** submitted at a later time.

11.1.9 **Trading Parties** are required to support the **TSO** in its **ENTSO-E** obligation to minimise the Unintentional Deviation. To this end, **Trading Parties** are responsible to ensure that their instantaneous delivery or offtake follows as closely as reasonably possible the level that is notified to the **MO** in each **Physical Nomination**.

11.2 **Contractual Nomination Submission**

11.2.1 **Contractual Nominations** will be submitted by each **Trading Party** to the **MO** in accordance with the **Market Rules Procedure** on **Contractual Nomination**.

11.2.2 **Contractual Nominations** will be required from the **TSO** in respect of its **TSO Trade Account** for purchases of losses under an **Ancillary Services Contract** for **Transmission Losses** and from the **DSO(s)** in respect of its **Offtake Account** for the purchase of energy to cover **Distribution Losses**.

11.2.3 **Contractual Nominations** will be required from the **TSO** in respect of its **TSO Balancing Account** for purchases or sales of energy to deliver its **Compensation Program** under an **Ancillary Services Contract** for **Compensation Program**.

11.2.4 **Trading Parties** must submit all initial **Contractual Nominations** for a day by **Day Ahead Gate Closure** on the preceding day, (D-1).

11.2.5 **Contractual Nominations** must be submitted by each **Trading Party** for each **Settlement Period** as specified in the **Market Timetable**.

11.2.6 At any time after **Day Ahead Gate Closure**, intraday **Contractual Nominations** may be submitted by a **Trading Party** (including a **RES Regulated Generating Unit**
or a RES Support Scheme Generating Unit) in accordance with the Market Rules Procedure on Contractual Nomination and intraday Market Timetable.

11.2.7 Each Contractual Nomination must specify for day D:

(a) The identity of the Account “A” of the submitting Trading Party;

(b) the identity of the Injection Account, the Offtake Account or the relevant TSO account of the counter-party to the contract being notified;

(c) the MWh \((QC_{Aj})\) for each Settlement Period “j”; and

(d) whether the Trading Party or the TSO (as the case may be) is importing or exporting the energy in each Settlement Period.

11.2.8 A Contractual Nomination will not be validated by the MO until the identified counter-party from paragraph 11.2.7(b) to the contract has submitted a matching Contractual Nomination at which time the MO will notify each Party that the Contractual Nomination has been matched.

11.3 Matched Nominations

11.3.1 Following submission of Physical Nominations and Contractual Nominations and following Day Ahead Gate Closure, the MO will perform a validation check and will submit a report to each Trading Party identifying the Physical Nominations and Contractual Nominations that have been received and the Physical Nominations and Contractual Nominations that have been validated.

11.3.2 The MO will not validate Physical Nominations and Contractual Nominations for a Settlement Period if any of the following conditions apply:

(a) with respect to a Balancing Unit (other than an Interconnector Trader Balancing Unit), the Physical Nomination is inconsistent with any of the Dynamic Dispatch Parameters;

(b) with respect to an Injection Account or an Offtake Account, the sum of the energy flows recorded in all Contractual Nominations, when expressed as MWh per hour, does not match the sum of the energy that would be delivered or oftaken as a result of the sum of the MW in Physical Nominations of all Balancing Units registered to that Account;

(c) with respect to a Contractual Nomination, there is no valid matching Contractual Nomination submitted by the identified counter-party.
11.3.3 The **MO** will inform the **Trading Party** if there is no valid matching **Contractual Nomination** submitted by the identified counter-party and will require the **Trading Parties** to correct nominations before **Day Ahead Gate Closure** and again before **Gate Closure** with respect to submissions of new **Contractual Nominations** in the **Intraday Market**.

11.3.4 If there is a mismatch at **Day Ahead Gate Closure** or at **Gate Closure** the **MO** will apply the following rules in order to get matched nomination:

(a) When the values in any **Settlement Period** is different, the lower value will be applied;

(b) When the values in any **Settlement Period** have different signs, zero values will be applied.

11.3.5 **BRPs** may submit further **Physical Nominations** and **Contractual Nominations** without limitation until **Day Ahead Gate Closure** and then may submit new **Physical Nominations** and **Contractual Nominations** without limitation in the **Intraday Market** until **Gate Closure**.

11.3.6 Where, following participation in **ENTSO-E** processes related to confirming **Interconnector Nominations**, the **TSO** agrees with **BRPs** changes to said **Interconnector Nominations**, the **TSO** will agree consequential changes to **Contractual Nominations** and to **Physical Nominations** at specific **Balancing Units**, which will be accepted by the **MO** as valid nominations despite **Day Ahead Gate Closure** having passed.

11.3.7 **BRPs** may submit their **Physical Nominations** and **Contractual Nominations** for a **non-Business Day** on the immediately preceding **Business Day**.

11.3.8 The **MO** will, at its discretion, monitor the actual position of any **BRP** against its **Physical Nomination**, and to take such action as it deems appropriate in the event of instances of extreme or persistent discrepancies, including (but not limited to):

(a) publishing details of the instance(s); and

(b) referring the matter to **ERO** for its determination.

11.4 **Intraday Nomination**

11.4.1 At any time after **Day Ahead Gate Closure** and up to the **Gate Closure** for each applicable **Settlement Period**, a **Trading Party** (including a **RES Regulated Generating Unit** or a **RES Support Scheme Generating Unit**) may submit to the **MO** new **Physical Nominations** and **Contractual Nominations**.
11.4.2 At **Gate Closure** for each **Settlement Period** the MO will perform the same validation check as is referred to in paragraph 11.3.1 and the terms of paragraph 11.3.2 will apply.

11.5 **Day Ahead Market**

11.5.1 It is acknowledged that the **Market Operator** is responsible for an **Organised Energy Market**. Where such a market is designated by the MO, then the operator of the **Organised Energy Market** may be entitled to submit **Contractual Nominations** on behalf of **Trading Parties** utilising the designated market and that the **Contractual Nominations** will be held valid regardless of whether they are matched against **Physical Nominations**.

11.5.2 It is further acknowledged that, should the **MO** designate the Albanian Power Exchange as an **Organised Energy Market** for the purposes of day ahead trading and/or intraday trading then the Albanian Power Exchange will perform all functions necessary for the acceptance of bids and offers in those markets and **Kosovo Trading Parties** agree to be bound by the rules stipulated by the Albanian Power Exchange with respect to these trades and to further accept all **Contractual Nominations** submitted to the **MO** on their behalf by the Albanian Power Exchange. Additionally:

(a) The territory of Kosovo will form a single bidding zone separate from the Albanian bidding zone and will produce a separate market clearing price under the rules of the Albanian Power Exchange;

(b) The Albanian Power Exchange will perform a market coupling calculation governing the allocation of **ATC and Interconnector Nominations** to optimise cross border flows between Albania and Kosovo and to minimise price differences between the markets; and

(c) The **TSO** and the **MO** will provide all necessary cooperation with the Albanian Power Exchange to ensure that trades performed on the Albanian Power Exchange involving Kosovo **Trading Parties** can be properly executed whether they involve to contractual import or export of electricity between Kosovo and Albania.

11.5.3 Where a **Contractual Nomination** submitted on behalf of a **Trading Party** is not matched by **Day Ahead Gate Closure** or (as the case may be) by **Gate Closure** by **Physical Nominations** submitted by that **Trading Party** then the **MO** will notify the **TSO** and the **Regulator** of the occurrence and will advise the **Trading Party** of this event and that the **Trading Party** may be considered in material breach of the **Market Rules** should repeated failures to match **Physical** and **Contractual Nominations** be identified.
11.6 Bid and Offer submission

11.6.1 Bids and Offers consist of the submission of Bid prices ($PBbj$) and Offer prices ($PObj$), which must be submitted to the MO and copied to the TSO, for each Settlement Period “$j$” in each Day by the Trading Party in whose Injection Account or Offtake Account the relevant Balancing Units “$b$” are registered where these are capable of independent instruction without affecting the Settlement position of other Trading Parties.

11.6.2 Where Interconnector Traders submit Offers or Bids to the Balancing Mechanism in accordance with procedures established between the relevant TSO’s, these can only be accepted if the necessary Physical Transfer Rights, as described in section 7, are held for the transfer of these Offers or Bids.

11.6.3 Generators submit Bids to buy energy from the TSO at the Bid price and to reduce their output. Suppliers submit Bids to buy energy from the TSO at the Bid price and to increase energy offtake at the Bid price. Interconnector Traders submit Bids to buy energy from the TSO at the Bid price and to reduce their imports or increase their exports. A Bid Acceptance by the TSO will involve the Generator reducing its output (or the Supplier increasing its offtake) by the specified average MW below its prevailing Physical Nomination level.

11.6.4 Generators submit Offers to sell energy to the TSO at the Offer price and to increase their output. Suppliers submit Offers to sell energy to the TSO at the Offer price and to reduce energy offtake at the Offer price. Interconnector Traders submit Offers to sell energy to the TSO at the Offer price and to increase their imports or reduce their exports. An Offer Acceptance by the TSO will involve the Generator increasing its output (the Supplier reducing its offtake) by the specified average MW above its prevailing Physical Nomination level.

11.6.5 A Trading Party may submit a Bid and an Offer for a specific Balancing Unit and each such Bid or Offer will consist of the submission of a single Bid or Offer price for each Settlement Period, which is the price at which the Balancing Unit will reduce or increase its output or increase or reduce its offtake, as the case may be, relative to the level stipulated in its Physical Nomination.

11.6.6 All Bid and Offer prices must be submitted by Day Ahead Gate Closure on the day preceding the day for which the Bid and Offer prices apply and may not be altered subsequently.
11.6.7 For a Balancing Unit of the type defined at 11.1.2(f), an Offer price will be recorded within Settlement representing the Load Disconnection Compensation Price. The Load Disconnection Compensation Price shall be proposed by the Stakeholder Review Panel and approved by ERO prior to use in Settlement calculations. The Stakeholder Review Panel shall take into account:

(a) the economic conditions in Kosovo;

(b) the prevailing regional market for power; and

(c) appropriate incentives to minimise the volume of load disconnection in Kosovo.

11.6.8 Significant Parties are obliged to submit Bids and Offers for all Balancing Units capable of independent control.

11.6.9 Trading Parties should note that the MO reserves the right to monitor the level of prices offered to the Balancing Mechanism, and refer to ERO instances that it reasonably believes constitute unfair pricing. To this end the MO may maintain a model for estimating the Bid and Offer prices to be expected from players in a fully competitive market.

11.7 Supplier monthly forecast

11.7.1 By the [twenty-fifth (25th)] day of each calendar month (m-1), each Supplier will provide a Monthly Forecast (QFAm) to the MO of expected customer offtake for the month ahead.

11.7.2 The MO will review the forecast delivered by each Supplier and will make adjustments to that Supplier’s forecast or will substitute its own forecast where the Supplier fails to submit a Monthly Forecast by the due date where it reasonably believes the relevant Monthly Forecast to be inaccurate, informing the Supplier of its decision and the reasons for its decision.

11.7.3 The MO will sum the Monthly Forecasts of all Suppliers and will calculate the Supplier RES Share (SRSAm) for Supplier “A” for month “m” by dividing the Monthly Forecast of Supplier “A” by the sum of Monthly Forecasts.

11.8 RES Generation

11.8.1 Each RES Generating Unit “b” will submit a Contractual Nomination (QCbj) and a matching Physical Nomination (XNb) for each Settlement Period “j” of the day ahead to the MO in accordance with the Power Purchase Agreement made
between the RES Generating Unit and the MO, which the MO will record to its Renewable Energy Fund Account.

11.8.2 The MO will total the energy nominated and will declare appropriate Physical Nominations for the Renewable Energy Fund Account and will submit Contractual Nominations \((QC_{bj})\) for each Supplier Account “A” where the volume used for each Settlement Period “\(j\)” will be calculated using the formula:

\[
QC_{A_j} = \left( \sum_b QC_{bj} \right) \times SRS_{Am}
\]

where:

- \(QC_{bj}\) is the Contractual Nomination for RES Generating Unit “\(b\)” for Settlement Period “\(j\)” calculated pursuant to paragraph 11.8.1; and
- \(SRS_{Am}\) is Supplier RES Share for Supplier “A” for month “\(m\)” calculated pursuant to paragraph 11.7.3.

11.8.3 The MO will immediately notify each Supplier of the Contractual Nominations made on its behalf pursuant to paragraph 11.8.2.

11.8.4 RES Generating Units, up to 3 hours prior to each applicable Settlement Period, may submit revised Contractual Nominations and Physical Nominations. The MO will repeat the procedures specified in paragraphs 11.8.1 to 11.8.3 to create new Contractual Nominations with Suppliers.
12 Balancing Mechanism

12.1 Dynamic Dispatch Parameters

12.1.1 Dynamic Dispatch Parameters must be provided to the TSO for each Balancing Unit by the Trading Party in whose Injection Account or Offtake Account it is registered.

12.1.2 Dynamic Dispatch Parameters will be communicated to the TSO in accordance with the provisions of the Grid Code using the communications equipment provided, or as otherwise instructed by the TSO.

12.1.3 The TSO shall ensure that any Acceptance of Bid or an Offer is feasible for the Balancing Unit in terms of its Dynamic Dispatch Parameters.

12.1.4 Trading Parties must ensure that at all times Dynamic Dispatch Parameters reasonably reflect the operation that the TSO can expect from any Balancing Unit and, to this end, any Dynamic Dispatch Parameter may be changed at any time.

12.2 Balancing Mechanism Instructions

12.2.1 At its discretion but consistent with its objectives of economic and efficient operation of the Transmission System, the TSO will issue Bid Acceptances and Offer Acceptances in respect of a Settlement Period “j” to the operators of Balancing Units “b” to alter that Balancing Unit’s level of output to deliver at a new output level.

12.2.2 A Bid Acceptance instruction or an Offer Acceptance instruction “n” on Balancing Unit “b” will specify:

(a) The Instructed Level \( (XIL_{bn}) \) which will be expressed in MW;

(b) The Instructed Level Start Time \( (TSXIL_{bn}) \) which will specify the minute “m” in the Settlement Period “j” from which the Instructed Level starts, and

(c) The Instructed Level Duration \( (TDXIL_{bn}) \) in minutes.

12.2.3 Any Bid or Offer Acceptance instruction will be replaced by a Bid Acceptance instruction or Offer Acceptance instruction made by the TSO at a later time that covers the same time period.
12.2.4 In issuing Bid and Offer Acceptances in respect of any Balancing Unit “b” in Settlement Period “j”, the TSO will ensure that the Bid Acceptance or Offer Acceptance is feasible in terms of the Dynamic Dispatch Parameters submitted for that Balancing Unit.

12.2.5 Where an Ancillary Service Contract for Reserve is in operation at a Balancing Unit then the TSO will:

(a) treat the maximum export level of a Generating Unit as the maximum export limit specified in the Dynamic Dispatch Parameters minus the Reserve Margin Capacity (in MW);

(b) treat the minimum stable generation level of a Generating Unit as the minimum stable generation level specified in the Dynamic Dispatch Parameters plus the Reserve Negative Margin Capacity (in MW);

(c) treat the minimum import level of a Supplier Balancing Unit (of the type referred to in paragraphs 11.1.2(c) and 11.1.2(d)) as the minimum import level specified in the Dynamic Dispatch Parameters minus the Reserve Margin Capacity (in MW); and

(d) treat the maximum import level of a Supplier Balancing Unit (of the type referred to in paragraphs 11.1.2(c) and 11.1.2(d)) as the maximum import level specified in the Dynamic Dispatch Parameters plus the Reserve Negative Margin Capacity (in MW).

12.2.6 If the operator of the Balancing Unit is aware that the affected Generating Unit cannot reach an instructed level, whether consistent with the Dynamic Dispatch Parameters or otherwise, it will immediately notify the TSO but, unless instructed otherwise by the TSO, will use reasonable endeavours to attain the instructed level or as close to it as is possible in the circumstances.

12.2.7 The TSO may issue Bid Acceptance instructions and Offer Acceptance instructions in respect of any day at any time after Day Ahead Gate Closure on the day before with respect to day D, and up to the end of the day D.

12.3 Effect of Bid and Offer Acceptance

12.3.1 A Bid Acceptance or an Offer Acceptance forms a bilateral contract for delivery of energy (QB_{bj} or QO_{bj} as the case may be) between the TSO Balancing Account and the Trading Party in whose Injection Account or Offtake Account the Balancing Unit “b” is registered for Settlement Period “j”.
12.3.2 The effect of a Bid Acceptance is for payment to the TSO Balancing Account by the relevant Trading Party at the prevailing Bid price for the difference between the energy delivered through operation of the Balancing Unit at the average instructed level in any Settlement Period and the energy delivered through operation of the Balancing Unit at the level specified in the Physical Nomination where the instructed level is lower than the level specified in the Physical Nomination.

12.3.3 The effect of an Offer Acceptance is for payment by the TSO Balancing Account to the relevant Trading Party at the prevailing Offer price for the difference between the energy delivered through operation of the Balancing Unit at the average instructed level in any Settlement Period and the energy delivered through operation of the Balancing Unit at the level specified in the Physical Nomination where the instructed level is higher than the level specified in the Physical Nomination.

12.3.4 For the avoidance of doubt, where the Balancing Unit is registered in an Offtake Account then the effect described in paragraphs 12.3.2 and 12.3.3 applies, noting that offtake energy flows will have a negative sign.

12.4 Tagged Acceptances

12.4.1 Where the TSO issues a Bid Acceptance instruction or an Offer Acceptance instruction to correct imbalances caused by system constraints or constraints on Interconnectors that arise after confirmed Interconnector Nominations have been submitted then such Bid Acceptance instructions will be Tagged Bid Acceptance instructions and such Offer Acceptance instructions will be Tagged Offer Acceptance instructions and the TSO will notify the MO of this such that the energy volumes and prices delivered pursuant to such acceptances will not be used in the calculation of Imbalance Prices.

12.4.2 A Bid Acceptance instruction will be a Tagged Bid Acceptance instruction and an Offer Acceptance instruction will be a Tagged Offer Acceptance instruction at the sole discretion of the TSO acting as a reasonable and prudent operator consistent with the terms of its Licence.

12.5 Deemed Acceptances

12.5.1 Where the TSO must curtail delivery to Customers connected to the Transmission System or the Distribution System under certain circumstances then the TSO will issue a Deemed Acceptance (a Balancing Mechanism Offer Acceptance) to each of the affected Trading Parties in respect of the TSO's
reasonable estimate \((Q_{O_i})\) of the resulting unserved load of Balancing Unit \("L"\) in Settlement Period \("j"\).

12.5.2 The circumstances that would result in paragraph 12.5.1 applying are as follows:

(a) a constraint affecting the ability of the Transmission System to deliver the required level of energy that cannot be mitigated by Offer Acceptances downstream of the constraint; or

(b) where remaining Offers available for Acceptance in the Balancing Mechanism are priced in excess of the price specified in paragraph 12.5.3 or else that no such Offers are available to the TSO in the Balancing Mechanism.

12.5.3 The Offer price applying to the Deemed Acceptance will be the Load Disconnection Compensation Price referred to in paragraph 11.6.7.

12.5.4 If the conditions described in paragraph 12.4.1 apply then a Deemed Acceptance may be a Tagged Acceptance at the Deemed Acceptance price.

12.6 Market Timetable

12.6.1 The MO in compliance with ENTSO-E market time table will publish a Market Timetable for market operations.

12.6.2 The MO will review and, where necessary, revise the timetable from time to time, and not less than annually, following a period of consultation with the industry.

12.6.3 The timetable for market operations in respect of any day \((D)\), will apply to:

(a) Day-ahead forecast of demand for each Settlement Period of the Day, specifying the level of aggregate demand in MW (defined as load wishing to be supplied, which, for the avoidance of doubt, assumes that there will be no load disconnection) and the required Reserve Margin in average MW for each Settlement Period;

(b) The available Interconnector capacity for import and export on each border section;

(c) Generators’ summation of Physical Nominations for each Generating Unit and Suppliers (including the Public Supplier) submission of their Physical Nominations for the demand of each Supplier Balancing Unit for each Settlement Period to the TSO and MO;
(d) **Trading Parties** summation of **Contractual Nominations** to the **MO**;

(e) Validation of **Physical Nominations** and **Contractual Nominations**

(f) Nominations **Gate Closure**;

(g) Summation of **Balancing Mechanism Bids** and **Offers**.
13 Ancillary Service Contracting and Pricing

13.1 Assessment of the Reserve Requirement

13.1.1 Each year by [dd/mmm], in line with the Grid Code, the TSO will assess the level of reserve margin required with respect to classes of Settlement Period established by reference to expected demand levels and anticipated availability and flexibility of generation in accordance with an operating procedure published by the TSO. For the purposes of the Market, reserve margin can refer to both the extra generation capacity that the TSO would like to have available to cover Settlement Periods when demand might otherwise exceed supply as well as Settlement Periods when demand might be less than the minimum generation that available generators must collectively maintain if they are to remain stable when in operation.

13.1.2 The TSO will also estimate the utilisation factors for contracted Reserve, the Positive Reserve Utilisation Index Factors and Negative Reserve Utilisation Index Factors with respect to the classes of Settlement Period from Paragraph 13.1.1. The Reserve Utilisation Index Factors (RUIFj and NRUIFj, respectively) shall be determined as the ratio of the probability of the contracted Reserve being utilised in the Settlement Period compared to the average probability of such contracted Reserve being utilised in any Settlement Period during the year.

13.2 Ancillary Service Contracts

13.2.1 The TSO will publish standard forms of Ancillary Service Contract for periodically procuring ancillary services from BSPs and will undertake such procurement exercises as it may deem prudent to ensure that sufficient Ancillary Service Contracts are in place and available to be utilised for each type of ancillary service ahead of each Settlement Period including contracts that may be made up to more than a year ahead of the Settlement Period.

13.2.2 A similar standard form of Ancillary Service Contract will be published for the procurement of each of:

(a) Transmission Losses;
(b) Compensation Program;
(c) Frequency Containment Reserve; and
(d) Replacement Reserve.
13.2.3 Any **Significant Party** shall be obliged to negotiate in good faith, such **Ancillary Service Contracts** as the **TSO** may request.

13.2.4 The **TSO** will procure energy to cover **Transmission Losses** utilising its standard **Ancillary Service Contract**.

13.2.5 The **TSO** will procure energy from or sell energy to **Trading Parties** for the purposes of delivering the **Compensation Program** utilising its standard **Ancillary Service Contract**.

13.2.6 The **TSO** will procure **Frequency Containment Reserve** and may procure **Replacement Reserve** from **Trading Parties** utilising its standard **Ancillary Service Contract**.

13.2.7 The **Ancillary Service Contract** “AS” for **Transmission Losses** will include terms specifying:

(a) that the **TSO** will instruct the **BSP** with whom the contract has been made to submit a **Contractual Nomination** for its relevant **Injection Account** or **Offtake Account** “A” to deliver the volume of energy \( (QC_A) \) notified to it by the **TSO** to the **TSO Trade Account** for each **Settlement Period** “\( j \)” of the day ahead before any other Contractual Nominations (other than in respect of the **Compensation Program**) are made with respect to that **Settlement Period** and the **TSO** will undertake to submit the matching Contractual Nomination;

(b) the **Ancillary Service Contract Reservation Cashflow** \( (CASCR_{ASm}) \) payment (in €) for any month “\( m \)”;

(c) a single **Ancillary Service Contract Utilisation Price** \( (PUC_{AS}) \) in €/MWh.

No other terms of the **Ancillary Service Contract** for **Transmission Losses** are relevant for **Settlement**.

13.2.8 The **Ancillary Service Contract** “AS” for the **Compensation Program** will include terms specifying:

(a) that the **TSO** will instruct the **Trading Party** with whom the contract has been made to submit a **Contractual Nomination** for its relevant **Injection Account** or **Offtake Account** “A” to deliver the volume of energy \( (QC_A) \) notified to it by the **TSO** to the **TSO Balancing Account** for each **Settlement Period** “\( j \)” of the day ahead before any other Contractual Nominations (other than in respect of **Transmission Losses**) are made with respect to that **Settlement Period** and the **TSO** will undertake to submit the matching Contractual Nomination;
(b) the **Ancillary Service Contract Reservation Cashflow** \((CASC_{ASm})\) payment (in €) for any month “m”

(c) a single **Ancillary Service Contract Utilisation Price** \((PUC_{AS})\) in €/MWh.

No other terms of the **Ancillary Service Contract** for the Compensation Program are relevant for Settlement.

13.2.9 The **Ancillary Service Contract** for Reserve “AS” will include terms specifying:

(a) The **Balancing Unit** “b” for which the contract applies;

(b) the **Reserve Margin Capacity** \((XRM_b)\) in MW;

(c) the **Reserve Margin Negative Capacity** \((XRMN_b)\) in MW;

(d) the **Ancillary Service Contract Reservation Price** \((PRC_{AS})\) in €/MW/hour) for capacity reserved under the contract;

(e) the **Ancillary Service Contract Negative Reservation Price** \((PRC_{N_{AS}})\) in €/MW/hour) for capacity reserved under the contract; and

(f) a single **Ancillary Service Contract Utilisation Price** \((PUC_{AS})\) in €/MWh.

No other terms of the **Ancillary Service Contract** for Reserve are relevant for Settlement.

13.3 **Operation of Ancillary Service Contracts**

13.3.1 The **TSO** will utilise **Ancillary Service Contracts** at its discretion in accordance with the terms of it licence and its **Grid Code**.

13.3.2 The **TSO** will utilise **Ancillary Service Contracts**:

(a) where, before the day the TSO has forecast the MWh of **Transmission Losses** for a **Settlement Period** of day D, it will utilise its **Ancillary Service Contracts** for **Losses** to purchase the required MWh from its forecast;

(b) when the TSO has agreed the **Compensation Program** required under the **ENTSO-E** rules, it will utilise its **Ancillary Service Contracts** for **Compensation Program** to purchase or sell the required MWh before the day D in respect of each **Settlement Period** of day D;

(c) under the terms of the **Grid Code**, the TSO will instruct **Balancing Units** under the terms of its **Ancillary Service Contracts** for **Reserve**.
13.3.3 Where an Ancillary Service Contract for Losses “AS” is in operation the MO will credit the Account “A” of the Trading Party specified in the relevant Contractual Nomination and will debit the TSO Trading Account with:

(a) the Ancillary Service Contract Reservation Cashflow \((\text{CASCR}_{ASm})\) payment (in €) for the relevant month “m”; and

(b) the Ancillary Service Contract Utilisation Cashflow \((\text{CUC}_{ASj})\) for each Settlement Period “j” calculated as:

\[
\text{CUC}_{ASj} = \text{QC}_{Anj} \times \text{PUC}_{AS}
\]

where:

\[
\text{QC}_{Anj} \quad \text{is the volume of energy (in MWh) in the Contractual Nomination “n”;}
\]

\[
\text{PUC}_{AS} \quad \text{is the Ancillary Service Contract Utilisation Price in €/MWh.}
\]

13.3.4 Where an Ancillary Service Contract for the Compensation Program “AS” is in operation the MO will credit the Account “A” of the Trading Party specified in the relevant Contractual Nomination and will debit the TSO Balancing Account with:

(a) the Ancillary Service Contract Reservation Cashflow \((\text{CASCR}_{ASm})\) payment (in €) for the relevant month “m”; and

(b) the Ancillary Service Contract Utilisation Cashflow \((\text{CUC}_{ASj})\) for each Settlement Period “j” calculated as:

\[
\text{CUC}_{ASj} = \text{QC}_{Anj} \times \text{PUC}_{AS}
\]

where:

\[
\text{QC}_{Anj} \quad \text{is the volume of energy (in MWh) in the Contractual Nomination “n”;}
\]

\[
\text{PUC}_{AS} \quad \text{is the Ancillary Service Contract Utilisation Price in €/MWh;}
\]

and noting that where \(\text{QC}_{Aj}\) is negative sum (denoting that the Compensation Program requires a net import of energy for the Settlement Period), the Ancillary Service Contract Utilisation Cashflow will result in money being debited from the Trading Party Account and credited to the TSO Balancing Account.
13.3.5 Where an Ancillary Service Contract “AS” for Frequency Containment Reserve or Replacement Reserve is in operation the TSO will notify the MO of:

(a) the volume of energy “QC\textsubscript{Aj}” delivered to or taken by the Account “A” of the Trading Party in each Settlement Period “j”, which the MO will treat as a Bid Acceptance or (as the case may be) an Offer Acceptance in accordance with paragraph 12.3;

and the MO will credit or (as the case may be) debit the Account “A” of the Trading Party specified in the notification by the TSO and will:

(b) debit the TSO Trading Account the Ancillary Service Contract Reservation Cashflow (\text{CASCR}\textsubscript{ASm}) payment (in €) for the relevant month “m” calculated as:

\[
\text{CASCR}\textsubscript{ASm} = (XRM\textsubscript{b} \times PRC\textsubscript{AS} + XRMN\textsubscript{b} \times PRCN\textsubscript{AS}) \times H \times N
\]

where:

- \(XRM\textsubscript{b}\) is the Reserve Margin Capacity in MW;
- \(XRMN\textsubscript{b}\) is the Reserve Negative Margin Capacity in MW;
- \(PRC\textsubscript{AS}\) is the Ancillary Service Contract Reservation Price in €/MW/hour) for capacity reserved under the contract;
- \(PRCN\textsubscript{AS}\) is the Ancillary Service Contract Negative Reservation Price in €/MW/hour) for capacity reserved under the contract;
- \(H\) is the length of a Settlement Period in hours
- \(N\) is the number of Settlement periods for which the contract is active; and

(c) the MO will debit or (as the case may be) credit the TSO Balancing with the Ancillary Service Contract Utilisation Cashflow (\text{CUC}\textsubscript{ASj}) for each Settlement Period “j” calculated as:

\[
\text{CUC}\textsubscript{ASj} = QC\textsubscript{Aj} \times PUC\textsubscript{AS}
\]

where:

- \(QC\textsubscript{Aj}\) is the volume of energy (in MWh) notified to the MO by the TSO;
- \(PUC\textsubscript{AS}\) is the Ancillary Service Contract Utilisation Price in €/MWh;
and noting that where $QC_A$ is negative sum (denoting that the Reserve Margin Negative Capacity had been utilised under the contract), the Ancillary Service Contract Utilisation Cashflow will result in money being debited from the Trading Party Account and credited to the TSO Balancing Account.

13.4 Reserve contracts in the Imbalance Price

13.4.1 For the purposes of inclusion of Frequency Containment Reserve and Replacement Reserve in the Imbalance Price (and for no other purpose) the utilisation of a reserve contract to increase the energy delivered will be treated as an Offer Acceptance and the use of the contract to reduce the energy delivered will be treated as a Bid Acceptance in accordance with this section 13.4.

13.4.2 For each Ancillary Service Contract for Reserve “AS” where the notified utilisation volume $QC_{AS}$ is greater than zero for Settlement Period “$j$” then the MO will record an Offer Acceptance with the following parameters:

(a) the Offer price ($PO_{ASj}$) will be calculated as follows:

$$PO_{ASj} = PUC_{AS} + (PRC_{AS} \times RUIF_j)$$

where:

$PUC_{AS}$ is the Ancillary Service Contract Utilisation Price in €/MWh;

$PRC_{AS}$ is the Ancillary Service Contract Reservation Price in €/MW/hour for capacity reserved under the contract;

$RUIF_j$ is the Positive Reserve Utilisation Index Factor notified by the TSO for Settlement Period “$j$”; and

(b) the Offer volume ($QO_{ASj}$) will be the volume notified by the TSO ($QC_{ASj}$).

13.4.3 For each Ancillary Service Contract for Reserve “AS” where the notified utilisation volume $QC_{AS}$ is less than zero for Settlement Period “$j$” then the MO will record a Bid Acceptance with the following parameters:

(a) the Bid price ($PB_{ASj}$) will be calculated as follows:

$$PB_{ASj} = PUC_{AS} - (PRCN_{AS} \times NRUIF_j)$$

where:
$PUC_{AS}$ is the Ancillary Service Contract Utilisation Price in €/MWh;

$PRCN_{AS}$ is the Ancillary Service Contract Negative Reservation Price in €/MW/hour for capacity reserved under the contract;

$NRUIF_j$ is the Negative Reserve Utilisation Index Factor notified by the TSO for Settlement Period “$j$”; and

(b) the Bid volume ($QB_{AS}$) will be the volume notified by the TSO ($QC_{AS}$).

13.4.4 The TSO may tag a Bid Acceptance or an Offer Acceptance made against an Ancillary Service Contract in accordance with section 12.4;
PART III: SETTLEMENT

14 Bid and Offer Acceptance Settlement

14.1 Bid and Offer Acceptance Volume and Cashflow

14.1.1 At the end of each Settlement Period “j” for each Balancing Unit “b”, the TSO will inform the MO of each Bid Acceptance instruction and Offer Acceptance instruction “n” and the MO will determine the Instructed Position ($X_{b,j}$) which shall be an average MW per hour above or below the level in Balancing Unit’s Physical Nomination calculated as follows:

(a) the duration (in minutes) $T_{bn}$ of the Instructed Level ($X_{b,j}$) will be:

(i) where $TSXIL_{bn}$ is before $TS_j$:

$$T_{bn} = \text{minimum} \ (TSXIL_{bn} + TDXIL_{bn} - TS_j, \ H \times 60)$$

(ii) where $TSXIL_{bn}$ is on or after $TS_j$ and $TDXIL_{bn} + TSXIL_{bn}$ is after $TS_{j+1}$:

$$T_{bn} = TS_{j+1} - TSXIL_{bn}$$

(iii) otherwise $T_{bn} = TDXIL_{bn}$

where:

$TSXIL_{bn}$ is the Instructed Level Start Time;
$TDXIL_{bn}$ is the Instructed Level Duration;
$TS_j$ is the start time of the Settlement Period;
$TS_{j+1}$ is the end time of the Settlement Period;
$H$ is the duration in hours of a Settlement Period;

(b) the duration of time ($T_{b0}$) when no Bid Acceptance instruction or Offer Acceptance instruction applies is calculated as:

$$T_{b0} = H \times 60 - \sum_{n} T_{bn}$$

(c) the Instructed Position ($X_{b,j}$) is calculated as:
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\[ XI_{ib} = \frac{((XN_{ab} \ast T_{so}) + \sum (XIL_{mn} \ast T_{in}))}{H \ast 60} \]

where:

- \( XN_{ab} \) is the position in the Physical Nomination submitted in accordance with section 11.1.

14.1.2 For Balancing Unit “\( b \)” in Settlement Period “\( j \)”, if the Instructed Position \( (XI_{ib}) \) is greater than or equal to the position \( (XN_{ab}) \) in the Physical Nomination submitted in accordance with section 11.1 or section 11.4 then an Offer Acceptance has been made, otherwise a Bid Acceptance has been made, where:

(a) Offer Acceptance volume \( (QO_{bj}) \) is calculated from the formula:

\[ QO_{bj} = (XI_{bj} - XN_{bj}) \ast H \]

and

(b) Bid Acceptance volume \( (QB_{bj}) \) is calculated from the formula:

\[ QB_{bj} = (XI_{bj} - XN_{bj}) \ast H \]

where:

- \( H \) is the length of a Settlement Period in hours.

14.1.3 The Offer Delivery Cashflow \( (CO_{bj}) \) in respect of an Offer Acceptance volume \( (QO_{bj}) \) for Balancing Unit “\( b \)” in Settlement Period “\( j \)” is calculated from the formula:

\[ CO_{bj} = QO_{bj} \ast PO_{bj} \]

where:

- \( PO_{bj} \) is the Offer price submitted for Balancing Unit “\( b \)” for Settlement Period “\( j \)”.

14.1.4 The Bid Delivery Cashflow \( (CB_{bj}) \) in respect of a Bid Acceptance volume \( (QB_{bj}) \) for Balancing Unit “\( b \)” in Settlement Period “\( j \)” is calculated from the formula:

\[ CB_{bj} = QB_{bj} \ast PB_{bj} \]

where:
PB_{bj} is the Bid price submitted for Balancing Unit "b" for Settlement Period "j".

14.1.5 Each Offer Delivery Cashflow will be credited to the Trading Party’s relevant Account and debited from the TSO Balancing Account.

14.1.6 Each Bid Delivery Cashflow will be credited to the TSO Balancing Account and debited from Trading Party’s relevant Account.

14.1.7 If any acceptance instruction received by the MO pursuant to paragraph 14.1.1 is a Tagged Bid Acceptance instruction or a Tagged Offer Acceptance instruction then the resulting Bid Acceptance or Offer Acceptance will be treated as a Tagged Bid Acceptance or Tagged Offer Acceptance regardless of whether any other instruction affecting the Balancing Unit for that Settlement Period has been tagged.
15 Imbalance Price Calculation

15.1 System Imbalance

15.1.1 As soon as it is available after day D, the TSO will inform the MO of the Unintentional Deviation \((QUD_j)\) in MWh for each Settlement Period \(”j”\) of day D.

15.1.2 For each Settlement Period \(”j”\), the MO will determine System Imbalance \((SI_j)\) using the formula:

\[
SI_j = \sum_n QO_{nj} + \sum_{nn} QB_{nnj} + QUD_j
\]

where:

- \(QO_{nj}\) is the volume of energy delivered in an Offer Acceptance \(”n”\) for Settlement Period \(”j”\) determined in accordance with paragraph 12.3.1, paragraph 12.5.1 or paragraph 0;
- \(QB_{nnj}\) is the volume of energy delivered in a Bid Acceptance \(”nn”\) for Settlement Period \(”j”\) determined in accordance with paragraph 12.3.1 or paragraph 0;
- \(QUD_j\) is Unintentional Deviation in Settlement Period \(”j”\).

15.2 Exclusion of Tagged Acceptances

15.2.1 For each Settlement Period \(”j”\), the MO will determine (or re-determine, as the case may be) the Net Tagged Volume \((QTAG_j)\) using the formula:

\[
QTAG_j = \sum_n QO_{Tnj} + \sum_{nn} QB_{Tnnj}
\]

where:

- \(QO_{Tnj}\) is the volume of energy delivered in an Offer Acceptance \(”n”\) for Settlement Period \(”j”\) determined in accordance with paragraph 12.3.1, paragraph 12.5.1 or paragraph 0 where tagged status \(”T”\) is set to \(”1”\);
- \(QB_{Tnnj}\) is the volume of energy delivered in a Bid Acceptance \(”nn”\) for Settlement Period \(”j”\) determined in accordance with paragraph 12.3.1 or paragraph 0 where tagged status \(”T”\) is set to \(”1”\).
15.2.2 After the MO has determined (or, as the case may be re-determined) the Net Tagged Volume \((QTAG)\) calculated in accordance with paragraph 15.2.1 then:

(a) If the System Imbalance \((SI)\) in Settlement Period “\(j\)” calculated in accordance with paragraph 15.1.2 is greater than zero then, if the Net Tagged Volume \((QTAG)\) calculated in accordance with paragraph 15.2.1 is less than zero, the MO will:

(i) Sort all Offer Acceptances “\(n\)” where the tagged status “\(T\)” is set to zero (if any) into a stack in descending order of Offer price \((PO_{jnj})\); and then will

(ii) If “\(n\)” is greater than zero, review the first Offer Acceptance in the stack created in paragraph 15.2.2(a)(i) and:

(1) If the magnitude (in positive MWh) of Offer Acceptance volume \((QO_{j1})\) is less than or equal to the magnitude (in positive MWh) of the Net Tagged Volume \((QTAG)\) calculated in accordance with paragraph 15.2.1 then the MO will make the Offer Acceptance a Tagged Offer Acceptance by setting the tagged status to “1” and will re-determine the Net Tagged Volume \((QTAG)\) in accordance with paragraph 15.2.1; or

(2) If the magnitude (in positive MWh) of the Offer Acceptance volume \((QO_{j1})\) is greater than the magnitude (in positive MWh) of the Net Tagged Volume \((QTAG)\) calculated in accordance with paragraph 15.2.1 then the MO will, for the purpose of calculating the Imbalance Price (and for no other purposes), add the Net Tagged Volume to the Offer Acceptance volume \((QO_{j1})\);

(iii) But if “\(n\)” is equal to zero then the Imbalance Price will be the Default Imbalance Price and no further calculation will take place; or

(b) If the System Imbalance \((SI)\) in Settlement Period “\(j\)” calculated in accordance with paragraph 15.1.2 is less than zero then, if the Net Tagged Volume \((QTAG)\) calculated in accordance with paragraph 15.2.1 is greater than zero, the MO will:

(i) Sort all Bid Acceptances “\(n\)” where the tagged status “\(T\)” is set to zero (if any) into a stack in ascending order of Bid price \((PB_{jnj})\); and then will
(ii) If “n” is greater than zero, review the first Bid Acceptance in the stack created in paragraph 15.2.2(b)(i) and:

(1) If the magnitude (in positive MWh) of Bid Acceptance volume \(QB_{T1j}\) is less than or equal to the magnitude (in positive MWh) of the Net Tagged Volume \(QTAG_j\) calculated in accordance with paragraph 15.2.1 then the MO will make the Bid Acceptance a Tagged Bid Acceptance by setting the tagged status to “1” and will re-determine the Net Tagged Volume \(QTAG_j\) in accordance with paragraph 15.2.1; or

(2) If the magnitude (in positive MWh) of the Bid Acceptance volume \(QB_{T1j}\) is less than the magnitude (in positive MWh) of the Net Tagged Volume \(QTAG_j\) calculated in accordance with paragraph 15.2.1 then the MO will, for the purpose of calculating the Imbalance Price (and for no other purposes), add the Net Tagged Volume to the Bid Acceptance volume \(QB_{T1j}\);

(iii) But if “n” is equal to zero then the Imbalance Price will be the Default Imbalance Price and no further calculation will take place.

15.3 Imbalance Price Calculation

15.3.1 If the System Imbalance \(SI_j\) in Settlement Period “j” calculated in accordance with paragraph 15.1.2 is greater than zero then: the MO will sum all the Offer Acceptance volumes \(QO_{Tnj}\) for all untagged Offer Acceptances “n” (including as adjusted in accordance with section 15.2) where tagged status is set to zero, and

(a) if the resulting sum of Offer Acceptance volumes is greater than zero then the MO will calculate the Imbalance Price \(PI_j\) as:

\[
PI_j = \frac{\sum_n (QO_{Tnj} \times PO_{Tnj})}{\sum_n QO_{Tnj}}
\]

where:

\(QO_{Tnj}\) is the volume of energy delivered in an Offer Acceptance “n” for Settlement Period “j” where tagged status “T” is set to “0”;

\(PO_{Tnj}\) is the Offer price in an Offer Acceptance “n” for Settlement Period “j” where tagged status “T” is set to “0”;
(b) if the resulting sum of Offer Acceptance volumes is zero then the MO will set the Imbalance Price \((P_I)\) as the Default Imbalance Price calculated in accordance with section 15.4.1.

15.3.2 If the System Imbalance \((S_I)\) in Settlement Period “\(j\)” calculated in accordance with paragraph 15.1.2 is less than zero then: the MO will sum all the Bid Acceptance volumes \((Q_{I_{n(j)}})\) for all untagged Bid Acceptances “\(n\)” (including as adjusted in accordance with section 15.2) where tagged status is set to zero, and

(a) if the resulting sum of Bid Acceptance volumes is less than zero then the MO will calculate the Imbalance Price \((P_I)\) as:

\[
P_I = \frac{\sum (Q_{B_{T_{nj}}} \cdot P_{B_{T_{nj}}})}{\sum Q_{B_{T_{nj}}}}
\]

where:

- \(Q_{B_{T_{nj}}}\) is the volume of energy delivered in a Bid Acceptance “\(n\)” for Settlement Period “\(j\)” where tagged status “\(T\)” is set to “0”;
- \(P_{B_{T_{nj}}}\) is the Bid price in a Bid Acceptance “\(n\)” for Settlement Period “\(j\)” where tagged status “\(T\)” is set to “0”;

(b) if the resulting sum of Bid Acceptance volumes is zero then the MO will set the Imbalance Price \((P_I)\) to the Default Imbalance Price calculated in accordance with section 15.4.1.

15.3.3 If the System Imbalance \((S_I)\) in Settlement Period “\(j\)” calculated in accordance with paragraph 15.1.2 is zero then: the MO will set the Imbalance Price \((P_I)\) to the Default Imbalance Price calculated in accordance with paragraph 15.4.1.

15.4 Default Imbalance Price

15.4.1 The Default Imbalance Price for a Settlement Period is the simple average of the Imbalance Prices in the Settlement Periods covering the preceding 720 hours.

15.4.2 The Default Imbalance Price will apply in accordance with the circumstances set out in section 15.3 or when the TSO has declared a system emergency.
15.5 Publishing the Imbalance Price

15.5.1 The MO will publish the Imbalance Price for each Settlement Period by [12:00] on the Business Day following the Settlement Period.

15.5.2 It is acknowledged that the MO cannot calculate and publish Imbalance Prices until it has received the TSO’s calculation of the relevant Unintentional Deviations.
16 Settlement Calculations

16.1 Maintenance of Settlement Data

16.1.1 Settlement data is all data required to be supplied by either the MO or Parties under the Market Rules. Settlement data to be supplied by the Party must be submitted to the department or address as the MO may from time to time advise.

16.1.2 The MO shall maintain a complete and accurate record of all Settlement data supplied to it or maintained by it. The format for the retention of records shall be as the MO may reasonably determine.

16.1.3 All Settlement data shall be maintained for a period of not less than [six (6)] years commencing from the date the Settlement data was first supplied (or first created, if earlier).

16.1.4 The MO shall afford Parties access to its records of Settlement data (and copies thereof) and/or data required to be maintained, on reasonable notice.

16.2 Regulated Prices and Settlement Data

16.2.1 The ERO will provide the MO with all and any regulated prices and associated data to be used in Settlement and third party billing.

16.2.2 The TSO and DSO will submit to the MAA the Metering Data from all Metering Systems needed for Settlement in a timely manner. If such data are not available, the TSO or the DSO (as the case may be) shall provide their best estimate of the missing data, as per sections 5.5, 5.6, 5.7 and 5.8.

16.2.3 Trading Parties will provide the MO with all Contractual Nomination electricity volumes and associated data in a timely manner.

16.3 Data used in Settlement

16.3.1 Within [five (5)] Business Days of any Settlement Period, Trading Parties will ensure that all Metering Data (or estimates thereof) to be used in Settlement is provided to the MO and the MAA.

16.3.2 The Metering Data required with respect to each Settlement Period “j” is:

(a) Generating Unit Metered Energy \( (Q_{GAB}) \) for each Generating Unit “b” registered to Trading Party “A” and each confirmed Interconnector Nomination “b” at an Interconnector Balancing Unit registered to Trading
Party “A”, where Trading Party “A” is registered with BRP Injection Account “B”;

(b) Supply Unit Metered Energy \((QS_{BABj})\) for each Supply Metering System “b” registered to Trading Party “A”, including adjusted Metered Energy calculated on behalf of the Trading Party pursuant to a Meter Allocation Agreement, and each confirmed Interconnector Nomination “b” at an Interconnector Balancing Unit registered to Trading Party “A”, where Trading Party “A” is registered with BRP Offtake Account “B”; and

(c) Distribution Network Metered Energy \((QZ_{oj})\) for each Metering System “o” offtaking energy from the Transmission System into a Distribution System.

(d) cross border metered energy \((QCBj)\) for each Metering System of interconnector transmission line.

16.3.3 Contractual Nomination data required with respect to each Settlement Period “j” is:

(a) the volume of energy \((QC_{BAnj}\) in MWh) in each Contractual Nomination “n” made for Trading Party “A” who is registered with BRP Account “B”;

(b) the confirmed Interconnector Nomination \((QC_{BAoj}\) in MWh) at each Interconnector “n” made for Trading Party “A” who is registered with BRP Account “B”.

16.4 Metered Energy of Customers

16.4.1 For a Customer whose Metering System “b” is an Interval Metering System, Supply Unit Metered Energy \((QS_{BABj})\) will be supplied by the MAA to the MO based on actual (or as the case may be) estimated Metering Data for each Trading Party “A” who is registered with BRP Offtake Account “B” for Settlement Period “j”.

16.4.2 The MO will publish a Market Rules Procedure on Metered Energy Allocation in which it will set out how Distribution Network Metered Energy is allocated between Suppliers with Customers in the Distribution Systems, which will apply the following principles:

(a) the volume of energy to be allocated to Non-Interval Read Meters is the sum of Distribution Network Metered Energy for the Settlement Period minus the sum of Interval Metering System Supply Unit Metered Energy minus Distribution Losses.
(b) the **Annual Quantity** of energy estimated for each **Supplier “A’s” Non-Interval Metering Systems** (other than the **Metering Systems** of the **Public Supplier**) will be calculated as a **Supplier Metering System Share** \((SMS_{Ab})\) for **Metering System “b”** of the total energy estimated to be offtaken by the **Distribution Systems** (less the annual sum of **Distribution Losses**) that had not been offtaken by **Interval Read Metering Systems**;

(c) the **Supplier Metering System Share** will be applied to the allocation of **Distribution Network Metered Energy** to the **Supplier’s relevant Non-Interval Metering System** for the purposes of calculation of **Energy Imbalance**.

16.4.3 With respect to **Trading Party “A”** registered to **BRP Offtake Account “B”**, all the **Non-interval Metering Systems** registered to the **Trading Party** will be treated as a single **Metering System “b”** and **Supply Unit Metered Energy** \((QS_{BA})\), will be calculated for **Settlement Period “j”** as:

\[
QS_{BA} = SMS_{Ab} \times \left( \sum_{o} QZ_{oj} - \sum_{o} QDL_{oj} - \sum_{n} QS_{nj} \right)
\]

where:

- \(SMS_{Ab}\) is the **Supplier Metering System Share** calculated in accordance with the **Market Rules Procedure on Metered Energy Allocation** for the **Non-interval Metering Systems** registered to the **Offtake Account**;
- \(QZ_{oj}\) is the volume of energy metered as delivered into the **Distribution Networks** at **Metering System “o”**;
- \(QDL_{oj}\) is the volume of energy allocated as **Distribution Losses** at **Metering System “o”**;
- \(QS_{nj}\) is the **Supply Unit Metered Energy** of **distribution-connected Interval Metering System “n”**.

16.4.4 Until such time as objective offtake profiles by meter class can be calculated for the **Public Supplier “A”** registered in **BRP Offtake Account “B”**, all the **distribution-connected Metering Systems** registered to the **Public Supplier** will be treated as a single **Balancing Unit “b”** and **Supply Unit Metered Energy** \((QS_{BA})\), will be calculated for **Settlement Period “j”** as:

\[
QS_{BA} = \sum_{o} QZ_{oj} - \sum_{o} QDL_{oj} - \sum_{n} QS_{nj}
\]

where:
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\[ QZ_{oj} \] is the volume of energy metered as delivered into the Distribution Networks at Metering System “a”;

\[ QDL_{oj} \] is the volume of energy allocated as Distribution Losses at Metering System “a”;

\[ QS_{nj} \] is the Supply Unit Metered Energy of distribution-connected Metering System “n” recorded to a Supplier other than the Public Supplier.

16.5 Energy Imbalance Calculation

16.5.1 In respect of each Settlement Period, the Settlement day will be the [seventh (7th)] Business Day after the day on which the Settlement Period occurred.

16.5.2 On each Settlement day, the MO will ensure that all the operations described in this article are completed in respect of each Settlement Period referred to in paragraph 16.5.1.

16.5.3 For Injection Account “B” in Settlement Period “j”, Injection Account Metered Energy \( (QEG_{Bj}) \) and Injection Account Energy Imbalance \( (QEI_{Bj}) \) and Injection Account Imbalance Cashflow \( (CEI_{Bj}) \) are derived as follows:

\[
QEG_{Bj} = \sum A \sum b QG_{Abj} \\
QEI_{Bj} = QEG_{Bj} - \sum A \sum n QC_{BAnj} - \sum A \sum b QB_{Abj} - \sum A \sum QC_{BAbj} \\
CEI_{Bj} = QEI_{Bj} \times PI_{Bj}
\]

where:

\[ QG_{BAbj} \] is the volume of energy delivered by transmission-connected Generating Unit “b” registered to Trading Party “A” who is registered with BRP “B” and confirmed Interconnector Nomination “b” at an importing Interconnector Balancing Unit registered to Trading Party “A” who is registered with BRP “B”;

\[ QC_{BAnj} \] is the volume of energy in Contractual Nomination “n” and confirmed Interconnector Nomination at Interconnector “n” made by Trading Party “A” who is registered with Account “B”;
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16.5.4 For Offtake Account “B” in Settlement Period “j”, Offtake Account Metered Energy ($QES_{Bj}$) and Offtake Account Energy Imbalance ($QEI_{Bj}$) and Offtake Account Imbalance Cashflow ($CEI_{Bj}$) are derived as follows:

\[
QES_{Bj} = \sum_{A} \sum_{b} QS_{BAbj}
\]

\[
QEI_{Bj} = QES_{Bj} - \sum_{A} \sum_{n} QC_{BAnj} - \sum_{A} \sum_{b} QO_{BAbj} - \sum_{A} \sum_{b} QB_{BAbj} - \sum_{A} \sum_{AS} QC_{BSj}
\]

\[
CEI_{Bj} = QEI_{Bj} \times PI_{j}
\]

where:

$QS_{BAbj}$ is the Supply Unit Metered Energy offtaken or allocated as offtaken by Metering System “b” registered to Trading Party “A” who is registered with BRP “B” and confirmed Interconnector Nomination “b” at an exporting Interconnector Balancing Unit registered to Trading Party “A” who is registered with BRP “B”;

$QC_{BAnj}$ is the volume of energy in Contractual Nomination “n” and confirmed Interconnector Nomination at Interconnector “n” made by Trading Party “A” who is registered with Account “B”;

$QO_{BAbj}$ is the volume of energy delivered in an Offer Acceptance from Balancing Unit “b” registered by Trading Party “A” who is registered with Account “B”;
\[ QB_{Babj} \] is the volume of energy delivered in a Bid Acceptance from Balancing Unit “b” registered by Trading Party “A” who is registered with Account “B”;

\[ QC_{BASj} \] is the volume of energy delivered under Ancillary Service Contract for Reserve “AS” where the relevant Balancing Unit is registered to Trading Party “A” who is registered with Account “B”

\[ PI_j \] is the Imbalance Price derived in accordance with section 15.

16.5.5 The relevant BRP’s Account “B” will be credited or (as the case may be) debited with the Imbalance Cashflow \((CEI_{bj})\) for Settlement Period “j” and the corresponding amount will be debited or (as the case may be) credited to the TSO Balancing Account.

16.6 RES Generator Payment and Imbalance

16.6.1 For each RES Support Scheme Generating Unit “b” registered to Renewable Energy Fund Account “A”, the MO will calculate the monthly payment for energy delivered from RES Support Scheme Generating Unit “b” \((CREG_{bm})\) and Renewable Energy Balance Adjustment \((CREF_{bm})\) for each Settlement Period “j” in month “m” using the formula:

\[
CREG_{bm} = PR_b \times \sum_j QG_{bj}
\]

\[
CREF_{bm} = \sum_j \left( PI_j \times \left( \left( QG_{bj} - XN_{bj} \times H \right) \times 0.25 \right) \right)
\]

and for each RES Regulated Generating Unit “B” the MO will calculate the monthly payment for energy contracted from RES Generating Unit “B” \((CREG_{bm})\) and Renewable Energy Balance Adjustment \((CREF_{bm})\) for Settlement Period “j” in month “m” using the formula:

\[
CREG_{bm} = PREF \times \sum_n \sum_j QC_{bnj}
\]

\[
CREF_{bm} = \sum_j \left( PI_j \times \left( QG_{bn} - \sum_n QC_{bnj} \right) \right)
\]

with all payments \((CREG_{bm})\) to Renewable Energy Generators debited from to the Renewable Energy Fund Account and all charges to Renewable Energy Generators \((CREF_{bm})\) credited to the Renewable Energy Fund Account and for
each Supplier “A” the MO will calculate the monthly Supplier RES Purchase Cashflow \((CSC_{Am})\) nominated using the formula:

\[
CSC_{Am} = \sum_n \sum_j (QC_{Anj}) \times PREF
\]

and for payment of the Renewable Energy Levy, the Renewable Energy Fund Account will be credited and each Supplier “A” debited by the Supplier RES Cashflow \((CSRES_{Am})\) calculated as:

\[
CSRES_{Am} = \left( \sum_n \sum_j QES_{Bj} \right) \times PREL
\]

where:

- \(PR_b\) is the RES Price for RES Support Scheme Generating Unit “b”;
- \(PREF\) is the Reference Price;
- \(PREL\) is the Renewable Energy Levy;
- \(QG_{Bj}\) is the volume of energy metered as delivered by a RES Support Scheme Generating Unit “b”;
- \(QG_{Bj}\) is the volume of energy metered as delivered by a RES Regulated Generating Unit Injection Account “B”;
- \(XN_{bj}\) is the Physical Nomination in average MW per hour of RES Support Scheme Generating Unit “b”;
- \(PI_j\) is the Imbalance Price;
- \(QC_{Bnj}\) is the volume of energy in a Contractual Nomination “n” for RES Regulated Generating Unit “B” in Settlement Period “j”;
- \(QC_{Anj}\) is the volume of energy in a Contractual Nomination “n” for Supplier Account “A”;
- \(XN_{Bj}\) is the Physical Nomination in average MW per hour of RES Regulated Generating Unit “B”;
- \(H\) is the length of a Settlement Period in hours;
QES_{bj} \quad \text{is the Supplier’s Offtake Account Metered Energy for Offtake Account “B” for Settlement Period “j”}

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16.6.2 The **MO** will pay the RES Support Scheme Generating Unit “b” from the Renewable Energy Fund Account the monthly payment for energy delivered from RES Generating Unit “b” \((CREG_{bm})\) minus the sum of each Renewable Energy Balance Adjustment \((CREF_{bm})\) calculated pursuant to paragraph 16.6.1.

16.6.3 The **MO** will pay the RES Regulated Generating Unit “B” from the Renewable Energy Fund Account the monthly payment for energy delivered from RES Generating Unit “B” \((CREG_{Bm})\) plus the sum of Renewable Energy Balance Adjustment \((CREF_{Bm})\) calculated pursuant to paragraph 16.6.1.

16.6.4 For each Supplier “A” in month “m” the **MO** will charge the Supplier RES Cashflow \((CSRES_{Am})\) attributable to that Supplier and credit the Renewable Energy Fund Account.

16.7 Calculation of Transmission Losses

16.7.1 The **MO** will calculate the Transmission Losses \((QML)\) in each Settlement Period “j” and TSO Trading Account “TSO” Energy Imbalance \((QEI_{TSO})\) and Imbalance Cashflow \((CEI_{TSO})\) using the formulae:

\[
QML_{j} = \sum_{b} QG_{bj} + \sum_{b} QS_{bj} + \sum_{o} QZ_{oj} + \sum_{b} QCB_{bj}
\]

\[
QEI_{TSOj} = -QML_{j} - \sum_{A} QC_{Aj}
\]

\[
CEI_{TSOj} = QEI_{TSOj} \times PI_{j}
\]

where:

- \(QG_{bj}\) is the volume of energy metered as delivered by transmission-connected Generating Unit “b”;
- \(QS_{bj}\) is the volume of energy metered as delivered to transmission-connected Customer “b”;
- \(QZ_{oj}\) is the volume of energy metered as delivered into the Distribution Networks at Metering System “o”;

\[\sum\]

\[
\sum
\]

\[\sum\]

\[
\sum
\]

\[\sum\]

\[
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\]

\[\sum\]

\[
\sum
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\[\sum\]

\[
\sum
\]

\[\sum\]
QC\(A_j\) is the volume of energy received under the Contractual Nomination for Ancillary Service Contract for Losses made with Trading Party “A” in accordance with paragraph 13.3.3;

QCB\(j\) is the cross border metered energy in Settlement Period “\(j\)”

\(P_I_j\) is the Imbalance Price derived in accordance with section 15.

16.7.2 The TSO Trading Party Account will be credited or (as the case may be) debited with the Imbalance Cashflow \((CEI_{TSO})\) for Settlement Period “\(j\)” and the corresponding amount will be debited or (as the case may be) credited to the TSO Balancing Account.

16.7.3 The MO will publish the Transmission Losses for each Settlement Period.

16.8 Calculation of Distribution Losses

16.8.1 Each year (or as otherwise determined by the ERO) the ERO will notify the MO and the DSO(s) “\(o\)” of the volume of energy in MWh \((QDL_{o})\) that must be procured by the DSO as Distribution Losses in each Settlement Period “\(j\)” of the year ahead and, for the purpose of the Market Rules, the MO will record the applicable MWh as Metered Energy in the DSO’s Offtake Account.

16.8.2 For the purposes of Imbalance calculation, the DSO will be treated as a Trading Party who must offset the Metered Energy recorded in its Offtake Account by Contractual Nominations for energy procured to meet its obligations regarding distribution losses, and will be liable for Imbalance where any discrepancy occurs between the recorded Distribution Losses and the sum of Contractual Nominations.

16.9 Meter Adjustment Payments

16.9.1 The TSO, DSO or MAA will submit on a monthly basis Meter Adjustment Information in respect of any transmission-connected or distribution-connected Meter for which readings other than those already used in Settlement are available.

16.9.2 Reasons for providing this information may include:

(a) Generating Unit Metering Data correction;
16.9.3 **Meter Adjustment Information** may include:

(a) Identity of **Metering System** (whether generation, “boundary” or supply);

(b) The start date and **Settlement Period** for which the adjustment is to apply;

(c) The end date and **Settlement Period** for which the adjustment is to apply;

(d) The energy previously allocated to the **Metering System** by the **Settlement** system between the start date/**Settlement Period** and the end date/**Settlement Period**;

(e) The energy metered (or estimated) as delivered or offtaken by the **Metering System** between the start date/**Settlement Period** and the end date/**Settlement Period**; and

(f) If applicable, the amount of energy estimated to have been delivered through the **Metering System** between the start date/**Settlement Period** and the end date/**Settlement Period**.

16.9.4 Where a **Meter Allocation Agreement** is in place then the rules on allocation will be applied to the **Meter Adjustment Information** by the MO.

16.9.5 The MO will publish a **Market Rules Procedure** on Meter Adjustments in which it will set out how **Meter Adjustment Cashflow** payments will be calculated applying the following principles:

(a) **Meter Adjustment Cashflow** payments will be made as a financial transfer in each affected **Settlement Period** between the **Trading Party** (or the TSO) registered at the relevant **Metering System** and all other **Trading Parties** (or the TSO) but no adjustments will be made to the **Metered Energy** recorded in **Settlement**;

(b) All estimates of energy discrepancy in a **Settlement Period** will be settled at the prevailing **Imbalance Price**;
(c) Generating Unit Metering Data correction will be settled as a Meter Adjustment Cashflow payment between the relevant Trading Party and the TSO Trading Account;

(d) Distribution Network Metering Data correction will be settled as Meter Adjustment Cashflow payment between the TSO Trading Account and the Offtake Accounts of Suppliers registering Non-interval Metering Systems;

(e) Interval Metering System Data correction for transmission-connected Metering Systems will be settled as a Meter Adjustment Cashflow payment between the relevant Trading Party and the TSO Trading Account;

(f) Interval Metering System Data correction for distribution-connected Metering Systems will be settled as a Meter Adjustment Cashflow payment between the relevant Trading Party and the Offtake Accounts of Suppliers registering Non-interval Metering Systems;

(g) Non-interval Metering System Data correction will be settled as a Meter Adjustment Cashflow payment between the relevant Trading Party and the Offtake Accounts of all Suppliers registering Non-interval Metering Systems;

(h) For a Non-interval Metering System:

(i) a methodology using the Annual Quantity of the relevant Metering System will determine the total energy attributed by Settlement to the individual Metering System and the profile of energy attributed to all Non-Interval Metering Systems (plus the Public Supplier’s distribution-connected Metering System) as used for Settlement between the start-date and the end-date of the meter adjustment period will be used to allocate the estimated energy consumed in each Settlement Period;

(ii) The same profile of offtake will be applied pro rata to the actual energy metered as offtaken between the start-date and the end-date to determine a profile of energy offtaken in each Settlement Period.

16.9.6 The MO will use this information together with historic hourly Imbalance Prices to determine a Meter Adjustment Cashflow for each Settlement Period covered by the Meter Adjustment Information for each Trading Party and the TSO Trading Account in accordance with the Market Rules Procedure on Meter Adjustments.
16.9.7 The MO shall aggregate the Meter Adjustment Cashflow values to derive a single monthly Meter Adjustment Cashflow for each Trading Party.

16.9.8 It is acknowledged that in each Settlement Period where there is a Meter Adjustment Cashflow to or from any Trading Party there will be one or more Meter Adjustment Cashflows in the opposite direction affecting other Trading Parties or (in some circumstances), affecting the TSO.

16.10 Non-delivery Rule

16.10.1 For a Balancing Unit “b”, registered in a Trading Party Account “A”, in Settlement Period “j”, at which one or more Bid Acceptances or Offer Acceptances have been made, the MO will review:

(a) Generating Unit Metered Energy \( (Q_{G,Abj}) \) or (as the case may be) the Supply Unit Metered Energy \( (Q_{S,Abj}) \),

(b) the Instructed Position \( (XI_{bj}) \),

(c) the Offer price \( (PO_{bj}) \) or (as the case may be) the Bid price \( (PO_{bj}) \), and

(d) the Imbalance Price \( (PI_j) \).

16.10.2 Following review of the variables given in paragraph 16.10.1, the MO will calculate for Balancing Unit “b”, registered in Trading Party Account “A”, in Settlement Period “j”, the MO will calculate a Non-delivery Adjustment Price \( (PN_{D,Abj}) \) and a Non-delivery Adjustment Volume \( (QN_{D,Abj}) \) if either of the following sets of conditions applies:

(a) an Offer Acceptance has been made and:

(i) the Non-delivery Adjustment Price \( (PN_{D,Abj}) \) is greater than zero where:
\[
PN_{D,Abj} = PO_{bj} - PI_j
\]

(ii) and the Non-delivery Adjustment Volume \( (QN_{D,Abj}) \) is greater than zero where:
\[
QN_{D,Abj} = \text{Maximum}((XI_{bj} \times H) - Q_{G,Abj}, 0)
\]

or (as the case may be)
\[
QN_{D,Abj} = \text{Maximum}((XI_{bj} \times H) - Q_{S,Abj}, 0)
\]
where $H$ is the length of a Settlement Period in hours; or

(b) a Bid Acceptance has been made and:

(i) the Non-delivery Adjustment Price ($PNDA_{Abj}$) is greater than zero where:

$$PNDA_{Abj} = PJ_{bj} - PB_{j}$$

(ii) and the Non-delivery Adjustment Volume ($QNDA_{Abj}$) is greater than zero where:

$$QNDA_{Abj} = \text{Maximum}(QG_{Abj} - (XI_{bj} \times H), 0)$$

or (as the case may be)

$$QNDA_{Abj} = \text{Maximum}(QS_{Abj} - (XI_{bj} \times H), 0)$$

where $H$ is the length of a Settlement Period in hours.

16.10.3 Where, for Balancing Unit “b”, registered in Trading Party Account “A”, in Settlement Period “j”, the MO has performed a calculation pursuant to paragraph 16.10.2, the MO will calculate a Non-delivery Adjustment Cashflow ($CNDA_{Abj}$) calculated as:

$$CNDA_{Abj} = PNDA_{Abj} \times QNDA_{Abj}$$

where:

$PNDA_{Abj}$ Non-delivery Adjustment Price calculated in accordance with paragraph 16.10.2(a)(i) or paragraph 16.10.2(b)(i);

$QNDA_{Abj}$ Non-delivery Adjustment Volume calculated in accordance with paragraph 16.10.2(a)(ii) or paragraph 16.10.2(b)(ii);

and will credit the Non-delivery Adjustment Cashflow to the TSO Balancing Account and will debit the same amount from the Trading Party’s relevant Injection Account or (as the case may be) Offtake Account.
17 Charges

17.1 Tariff Application

17.1.1 The TSO, the MO and all Trading Parties will submit to the ERO all necessary data to facilitate tariff calculation and approval. This will include, at a minimum, the tariffs that will apply to Generators and Suppliers for Transmission Network Charges, Transmission System Operator Charges, Market Operator Charges and for the operation of the Renewable Energy Support Scheme. The ERO will give Parties written notification of new applicable tariffs and the year for which these tariffs will apply.

17.1.2 The MO shall publish an annual report of total charges levied in order to facilitate the next round of charges.

17.2 Peak Demand

17.2.1 For Transmission Network Charge charging purposes it is necessary to determine the Peak Demand in a charging year, which is the year referred to in paragraph 17.1.1.

17.2.2 In each Settlement Period “j”, the MO will calculate the total Transmission Network Offtake using the formula:

\[ QTNO_j = \sum_j QS_{bj} + \sum_j QZ_{oj} \]

where:

- \( QS_{bj} \) is the volume of energy metered as delivered to transmission-connected Customer “b”;
- \( QZ_{oj} \) is the volume of energy metered as delivered into the Distribution Networks at Metering System “o”.

17.2.3 In each week (from 00:00 Monday to 24:00 Sunday), the MO selects a potential Settlement Period as having the maximum value for the Transmission Network Offtake from the Transmission Network in the week.

17.2.4 Unless otherwise advised by ERO, the Peak Demand will be the highest value of Transmission Network Offtake \( QTNO_j \) calculated by the MO pursuant to paragraph 17.2.2 during the charging year.

17.2.5 The MO will publish the Peak Demand and the Settlement Period to which it relates.
17.3 Transmission Network Charges

17.3.1 **ERO** will notify the **MO** of the rates of the Transmission Network tariff (in €/kW) to apply for the applicable year.

17.3.2 The **ERO** will notify the **MO** when the new tariffs are approved, and the **MO** will publish the new Transmission Network tariffs.

17.3.3 The rates referred to in paragraph 17.3.1 include the Generator Network Tariff (PGNC$_Z$) and the Supplier Network Tariff (PSNC$_Z$) applicable to connections at voltage level “Z” of the Transmission Network.

17.3.4 At the beginning of the new charging year, the **TSO** will notify the **MO** of the Generator Network Capacity (XGN$_A$) for Generator “A” being the expected registered connection capacity for each Generator in kW during the expected period of Peak Demand during the forthcoming charging year.

17.3.5 At the beginning of the new charging year, the **TSO** will notify the **MO** of the Supplier Peak Day Forecast (XSPDF$_ZA$) for Supplier “A” being the expected demand in kW for each Supplier “A” applicable to voltage level “Z” of the Transmission Network during the expected period of Peak Demand during the forthcoming charging year.

17.3.6 The **MO** will calculate the monthly Generator Network Charge using the formula:

\[
CGNC_A = \frac{\sum_z (PGNC_z \times XGN_A)}{12}
\]

where:

- **PGNC$_Z$** is the Generator Network Tariff applicable to connection voltage level “Z” of the Transmission Network;
- **XGN$_A$** is the Generator Network Capacities for Generator “A”.

17.3.7 In each calendar month, the **MO** will calculate a Supplier Transmission Network Charge (CSNC$_{ZA}$) for each voltage level “Z” of the Transmission Network to be invoiced to each Supplier “A”, using the formula:

\[
CSNC_{ZA} = \frac{\sum_{b} QS_{ubj} \times XTPDF_{Z} \times PSNC_{Z}}{12}
\]

where:
17.3.8 90 days following the end of the charging year the MO will produce reconciliation invoices covering the difference between the charges levied based on the expected energy flows and network capacities during the expected period of Peak Demand and the charges calculated on the basis of energy flows and network capacities during the actual period of Peak Demand.

17.4 System Operator Charge

17.4.1 ERO will notify the MO of the annual rates for the system operator tariffs in €/MWh to apply for the applicable year.

17.4.2 The ERO will notify the MO when the new tariffs are approved, and the MO will publish the new system operator tariffs.

17.4.3 The rates referred to in paragraph 17.4.1, are the Generator System Operator Tariff (PSOTGZ) applicable to all energy entering the Transmission Network produced by Generating Sites connected to the Transmission Network, Distribution Generator System Operator Tariff (PSODG) produced by Generating Sites connected to the Distribution System and the Supplier System Operator Tariff (PSOSZ) applicable to all energy leaving the Transmission Network at the appropriate voltage level “Z” for use by Customers in Kosovo.

17.4.4 For each calendar month, the MO will calculate:

(a) for Trading Party Injection Account “A”, the Transmission Generator System Operator Charge (CSOTGA), calculated as:

\[ CSOTG_A = PSOTG_z \times \sum QEG_{A_j} \]
where:

\[ PSOTG_Z \]

is the Generator System Operation Tariff for the applicable voltage connection level of the Transmission Network;

\[ QEG_{Aj} \]

is Injection Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month and based on the volume of energy metered as delivered by all transmission-connected Generating Units and confirmed Interconnector Nominations at importing Interconnector Balancing Units that are registered to Account “A”;

(b) for Trading Party Injection Account “A”, the Distribution Generator System Operator Charge \( CSODG_A \), calculated as:

\[
CSODG_A = PSODG \times \sum_j QEG_{Aj}
\]

where:

\[ PSODG \]

is the Distribution Generator System Operation Tariff;

\[ QEG_{Aj} \]

is Trading Party Injection Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month and based on the volume of energy metered as delivered to the distribution system by all distribution-connected Generating Units that are registered to Account “A”;

(c) for Supplier Account “A”, the Supplier System Operator Charge \( CSOS_A \), calculated as:

\[
CSOS_A = -PSOS \times \sum_j QES_{Aj}
\]

where:

\[ PSOS \]

is the Supplier System Operator Tariff applicable to voltage connection level “Z” of the Transmission Network;

\[ QES_{Aj} \]

is Offtake Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month.
and based on the volume of energy metered as offtaken by all Metering Systems and confirmed Interconnector Nominations at exporting Interconnector Balancing Units that are registered to Account “A”.

17.4.5 Each month, the MO will invoice each Trading Party “A” in respect of its Generator System Operator Charge (CSOTGA), Distribution Generator System Operator Charge (CSODGA) or its Supplier System Operator Charge (CSOSA).

17.5 Market Operator Charges

17.5.1 ERO will notify the MO of the annual rates of Market Operation Tariff in €/MWh to apply for the applicable year.

17.5.2 The ERO will notify the MO when the new tariffs are approved, and the MO will publish the new Market Operation tariffs.

17.5.3 The tariffs referred to in paragraph 17.5.1 include Generator Market Operator Tariff (PMOTG), Distribution Generator Market Operator Tariff (PMODG) and a Supplier Market Operator Tariff (PMOS).

17.5.4 For each calendar month, the MO will calculate:

(a) for Trading Party Injection Account “A”, the Generator Market Operator Charge (CMOTGA), calculated as:

\[ CMOG_A = PMOTG \times \sum QEG_{Aj} \]

where:

- \( PMOTG \) is the Generator Market Operator Tariff;
- \( QEG_{Aj} \) is Trading Party Injection Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month and based on the volume of energy metered as delivered by all transmission-connected Generating Units and confirmed Interconnector Nominations at importing Interconnector Balancing Units that are registered to Account “A”;

(b) for Trading Party Injection Account “A”, the Distribution Generator Market Operator Charge (CMODGA), calculated as:
\[ CMODG_A = PMODG \times \sum QEG_{Aj} \]

where:

- \( PMODG \) is the Supplier Market Operator Tariff;
- \( QEG_{Aj} \) is Injection Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month and based on the volume of energy metered as delivered to the distribution system by all distribution-connected Generating Units that are registered to Account “A”;

(c) for Supplier Account “A”, the Supplier Market Operator Charge \( (CMOS_A) \), calculated as:

\[ CMOS_A = -PMOS \times \sum QES_{Aj} \]

where:

- \( PMOS \) is the Supplier Market Operator Tariff;
- \( QES_{Aj} \) is Trading Party Offtake Account Metered Energy (expressed in MWh) for each Settlement Period “j” in the month and based on the volume of energy metered as offtaken by all Metering Systems and confirmed Interconnector Nominations at exporting Interconnector Balancing Units that are registered to Account “A”.

17.5.5 Each month, the MO will invoice each Trading Party “A” in respect of its Generator Market Operator Charge \( (CMOTG_A) \), Distribution Generator Market Operator Charge \( (CMODG_A) \) or its Supplier Market Operator Charge \( (CMOS_A) \).

17.6 Cashflow Reallocation

17.6.1 In order to ensure cash neutrality with respect to energy Balancing, the MO will return any net income from the Acceptance of Bids and Offers, imbalance payments, Compensation Program and Reserve energy purchasing to BRPs or alternatively will charge BRPs for any net deficit ensuring that at the end of each billing month the TSO Balancing Account is reset to zero.
17.6.2 Each month “m”, the Market Operator will calculate the TSO Balancing Charge Base \((QTBCB_m)\), the TSO Balancing Account Balance \((CTBCB_m)\) and the TSO Balancing Charge \((PTBC_m)\) using the formula:

\[
QTBCB_m = \sum_j \left( \sum_B QEG_{BJ} - \sum_B QES_{BJ} \right)
\]

\[
CTBCB_m = \sum_{AS} CASCR_{ASm} - \sum_j \left( \sum_{AS} CUC_{ASj} + \sum_B CO_{Bj} + \sum_B CB_{Bj} - \sum_B CNDA_{Bj} + \sum_B CEI_{Bj} \right)
\]

\[
PTBC_m = CTBCB_m / QTBCB_m
\]

where:

- \(j\) is a Settlement Period in month “m”;
- \(B\) is a BRP Account or the TSO Trading Account;
- \(AS\) is an Ancillary Services Contract for Reserve or for Compensation Program;
- \(b\) is a Balancing Unit for which an Offer Acceptance or a Bid Acceptance has been made;
- \(QEG_{BJ}\) is Injection Account Metered Energy for BRP Account “B” in Settlement Period “j” determined in accordance with paragraph 16.5.3;
- \(QES_{BJ}\) is Offtake Account Metered Energy for BRP Account “B” in Settlement Period “j” determined in accordance with paragraph 16.5.4;
- \(CASCR_{ASm}\) is Ancillary Service Contract Reservation Cashflow for Ancillary Services Contract for Compensation Program “AS” determined in accordance with paragraph 13.3.4(a);
- \(CUC_{ASj}\) is Ancillary Service Contract Utilisation Cashflow for Settlement Period “j” for Ancillary Services Contract for Reserve “AS” determined in accordance with paragraph 13.3.5(c) or Ancillary Services Contract for Compensation Program “AS” determined in accordance with paragraph 13.3.4(b);
17.6.3 The TSO Balancing Charge Cashflow ($CBC_{Bm}$) for Injection Account “$B$” in month “$m$” will be calculated using the formula:

$$CBC_{Bm} = PTBC_m \times \sum_j QEG_{ Bj}$$

where:

- $j$ is a Settlement Period in month “$m$”;
- $QEG_{ Bj}$ is Injection Account Metered Energy for Account “$B$” in Settlement Period “$j$” determined in accordance with paragraph 16.5.3.

17.6.4 The TSO Balancing Charge Cashflow ($CBC_{Bm}$) for Offtake Account “$B$” in month “$m$” will be calculated using the formula:

$$CBC_{Bm} = -PTBC_m \times \sum_j QES_{ Bj}$$

where:

- $j$ is a Settlement Period in month “$m$”;
- $QES_{ Bj}$ is Offtake Account Metered Energy for BRP “$B$” in Settlement Period “$j$” determined in accordance with paragraph 16.5.4;
17.6.5 The Market Operator will invoice (or credit) each BRP in respect of the TSO Balancing Charge Cashflow on a monthly basis.
18 Invoicing and Payments

18.1 General Provision

18.1.1 The Settlement process will consist of a partial Settlement Run; based on the provisions of paragraph 16.5; a provisional full Settlement Run; based on the full set of calculations in sections 16 and 17; and a final full Settlement Run.

18.1.2 The partial Settlement Run will be performed at D+5, the provisional full Settlement Run at M+5 the final full Settlement Run at M+10. The partial Settlement Run and the provisional full Settlement Run are intended to provide information to BRPs and Trading Parties so that they can verify the information provided and potentially agree changes where errors are found.

18.1.3 Invoices will be despatched once a month following the final Settlement Run by the MO to Parties. Parties are required to clear all monies accrued for the preceding calendar month in accordance with the Settlement Timetable.

18.1.4 Invoices will be despatched to Parties on behalf of the following Parties:

(a) MO; and

(b) TSO.

18.1.5 Invoices will be inclusive of all applicable taxes.

18.1.6 For the avoidance of doubt, the MO will establish procedures for issue of Invoices and may issue different types of charges on separate Invoice Documents.

18.2 Pre-invoice process

18.2.1 On the [fifth (5th)] Business Day of the following month the MO will submit a provisional invoice.

18.2.2 All Trading Parties will be required to validate the Metered Energy data and the provisional invoice in accordance with the Market Rules Procedures established in accordance with Paragraph 5.1.2(b). If Trading Parties fail to confirm the Metered Energy data or the provisional invoice the values will be assumed to be correct and the MO will continue with the billing process.
18.3 Invoice Cycle and Settlement Timetable

18.3.1 The MO will submit an Invoice Document and all supporting data on the [tenth (10th)] Business Day of the following month.

18.3.2 If the MO does not submit an Invoice Document on the date specified in paragraph 18.3.1, it will use all reasonable endeavours to submit such document as soon as possible thereafter.

18.3.3 BRPs and Trading Parties will pay all monies due in respect of an invoice (and the MO will pay any monies due to BRPs and Trading Parties) on the [fifth (5th)] Business Day following the issue of the invoice.

18.3.4 Any overdue amounts will accrue interest at an annual rate of [4.5]% above the base rate set by Kosovo Central Bank unless the amount withheld is the subject of a bona fide Invoice Query.

18.4 Invoice Documents

18.4.1 A separate Invoice Line Item will apply in respect of each Invoice Charge Type and in respect of each month.

18.4.2 An Invoice Line Item will include the following data:

(a) Month identifier;

(b) Invoice Charge Type;

(c) Trading Party cashflow Account identifier or BRP cashflow Account identifier;

(d) Monthly energy;

(e) Charge rate per MWh or per MW (which may also be a rebate rate); and

(f) Invoice Payment (which may also be a rebate).

18.4.3 The Invoice Charge Type (which will relate to an Invoice to a Trading Party unless otherwise specified) may be one of the following:

(a) Transmission Network Charge to Supplier;

(b) Transmission Network Charge to Generator;

(c) [Generator System Operator Charge];
18.4.4 In the event that data has been estimated or substituted this will be done in accordance with the relevant Market Rules Procedure and will be explicitly identified on the Invoice.

18.4.5 The MO shall provide net figures for all items (except for the Renewable Energy Levy) and it shall be the net figure that remains payable.

18.5 Invoice Queries

18.5.1 Invoice Queries may be raised by a BRP or a Trading Party, where all or part of the sum invoiced is challenged as to its correctness, accuracy, or applicability.

18.5.2 Where a BRP or a Trading Party raises a bona fide Invoice Query, the invoice remains payable in all cases on the due date. A bona fide query is one which is supported by confirmatory evidence, where confirmatory evidence is defined as original data which tends to support the contention that Settlement was incorrect. In the case of sums owed by or to the relevant BRP or Trading Party Account, payment of the total amount must be made as invoiced.
18.5.3 Where the outcome of the Invoice Query is that it was bona fide, or that the MO had not acted reasonably in either managing the Invoice Query or in calculating the payment in Dispute, then the amount for repayment will accrue interest at an annual rate of [4.5]% above the base rate set by Kosovo Central Bank.
PART IV: GOVERNANCE

19 Market Rules Procedures

19.1 Adoption of Market Rules Procedures

19.1.1 The MO will draft such Market Rules Procedures as it believes are necessary in order to facilitate the efficient and orderly operation of the market, and shall submit these to the Parties for comment and to the ERO for approval.

19.1.2 In accordance with good management practice, the MO will review Market Rules Procedures from time to time and may propose amendments. Where the amendment is minor in nature and the MO considers that it will not have a material commercial or financial impact on Trading Parties then the MO will notify the ERO and Trading Parties of the change and the date of its implementation (which must not be less than [six (6)] weeks after the date when the change was proposed) and will implement the change on the proposed date unless an objection is made by a Trading Party or by the ERO. All other changes (including changes against which an objection has been made) will be submitted to the ERO for decision.

19.1.3 In the event that a Party disputes the proposed content of a Market Rules Procedure or disputes the need for a Market Rules Procedure, the MO will consult with all Parties and will submit a report to the ERO in which any proposed changes will be recommended but no changes to the Market Rules Procedure will come into effect until ERO so approves.

19.1.4 Approved Market Rules Procedure as drafted will be published by the MO and will be put into effect.
20 Modification of the Market Rules

20.1 Modification of the Market Rules

20.1.1 Modification of the Market Rules will take place upon instruction from the ERO.

20.2 Stakeholder Review Panel

20.2.1 For the purposes of managing changes to the Market Rules, the MO will establish a Stakeholder Review Panel in consultation with ERO, with members of the Stakeholder Review Panel selected on the basis of knowledge of the industry or else representation of a materially affected commercial interest. All members of the Stakeholder Review Panel will participate as independent experts and not as representatives of a particular interest.

20.2.2 The duties of the Stakeholder Review Panel are:

(a) the review of proposals for changes to the Market Rules;

(b) determination of the process for review and development of each change proposal;

(c) supervision of the development process for change proposals;

(d) determination of the content of a report on the change proposal and submission of the report to the ERO;

(e) publication of rules on the procedures of the Stakeholder Review Panel; and

(f) provision of advice to the MO on all aspects of the implementation of the Market Rules.

20.2.3 The rules and procedures referred to in paragraph 20.2.2(e) will include:

(a) frequency of meetings of the Stakeholder Review Panel;

(b) procedures of meetings including invitations to Parties, interested parties and/or members of the public to attend meetings;

(c) procedures for convening of review groups and for conduct of review groups;

(d) the methodology for voting on all activities and on recommendations made to the ERO on change proposals.
20.2.4 The ERO will be invited to all meetings of the Stakeholder Review Panel as a non-voting member.

20.3 Modification Process

20.3.1 Any Party acceding to the Market Rules, as well as any person or body whom ERO considers as having a legitimate and material interest in the matters dealt with under the Market Rules may raise issues concerning the Market Rules to the Stakeholder Review Panel.

20.3.2 The Stakeholder Review Panel will deal with a Modification proposal in accordance with its published procedures including, if it believes that the issue warrants further investigation, the appropriate process for investigating the issue e.g. by convening an industry discussion group, asking the MO to prepare a report etc, and where necessary making a proposal for a specific change(s) to the Market Rules, a Modification Proposal.

20.3.3 A Modification proposal must specify the issue or defect for correction, the proposed changes to the Market Rules and an assessment of how the proposal better meets the objectives of the Market Rules set out in paragraph 1.1.2.

20.3.4 Where the investigation results in a Modification proposal, the MO will consult with Parties on the Modification proposal.

20.3.5 Notwithstanding the foregoing, a Party may raise a Modification proposal directly and the MO and Stakeholder Panel shall manage the process of consulting with Parties

20.3.6 Following the consultation process set out at paragraph 20.3.4 or paragraph 20.3.5, the MO shall submit a report to the ERO detailing the results of the consultation process including costs of implementation, potential timetable for implementation and recommendation on implementation. The ERO will decide whether to approve the Modification and where appropriate, the date of its implementation.

20.3.7 The MO will then modify the Market Rules according to the ERO instruction on that date.

20.3.8 The new Market Rules will be published by the MO.

20.3.9 Where the issue or defect may result in a significant impact to a Trading Party in an imminent Settlement Run or places Parties in breach of the laws of Kosovo, then the MO and the Stakeholder Review Panel shall consult with ERO
with the intention of undertaking an expedited consultation process in order that the Market Rules can be modified rapidly.
21 General Provisions

21.1 Access to the Market Rules

21.1.1 The MO shall provide a copy of the Market Rules to any Party or person on request, subject to payment by such Party or person of an amount (as approved by the MO from time to time) not exceeding the reasonable costs of the MO in making and providing such a copy.

21.1.2 The MO will publish downloadable copies of the Market Rules.

21.2 Notices

21.2.1 Any notice or other communication to be given by one Party to another under or in connection with the matters contemplated by the Market Rules, shall be addressed to the recipient and sent to the address or facsimile number of such other Party provided pursuant to paragraph 3.2.3.

21.2.2 Such notice or other communication shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (air mail if overseas) or facsimile, and shall be deemed to have been received:

(a) in the case of delivery by hand when delivered; or

(b) in the case of first class prepaid post, on the second day following the day of posting or (if sent air mail overseas or from overseas) on the fifth day following the day of posting; or

(c) in the case of facsimile, on the acknowledgement of the addressee’s facsimile receiving equipment, where such acknowledgement occurs before 17:00 hours on the day of the acknowledgement (and in any other case on the day following the day of acknowledgement).

21.2.3 By mutual agreement between Parties, a notice may be served by electronic communication and shall be treated as served from the time the notice was sent.

21.3 Commencement Date

21.3.1 This Market Rules amends the Transitional Market Rules approved in 2013.

21.3.2 This Market Rules shall enter into force after approval by ERO.
21.4 Force Majeure

21.4.1 If any Party (the “Non-Performing Party”) shall be unable to carry out any of its obligations under the Market Rules due to a circumstance of Force Majeure the Market Rules shall remain in effect but:

(a) the Non-Performing Party’s relevant obligations; and

(b) the obligations of each of the other Parties owed to the Non-Performing Party under the Market Rules; and

(c) any other obligations of such other Parties under the Market Rules between themselves which the relevant Party is unable to carry out directly as a result of the suspension of the Non-Performing Party’s obligations;

21.4.2 shall be suspended for a period equal to the circumstances of Force Majeure provided that:

(a) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(b) no obligations of any Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;

(c) the Non-Performing Party gives the other Parties prompt notice describing the circumstances of Force Majeure, including the nature of the occurrence and its expected duration, and continues to furnish regular reports with respect thereto during the period of Force Majeure;

(d) the Non-Performing Party uses all reasonable efforts to remedy its inability to perform; and

(e) as soon as practicable after the event which constitutes Force Majeure the Parties shall discuss how best to continue their operations so far as possible in accordance with the Market Rules and the Grid Code.

21.5 Emergency conditions

21.5.1 It is acknowledged that the System Operator may declare an emergency under the terms of the Grid Code. If such emergency is declared the MO will:
21.5.2 **Trading Parties** who are financially affected by the emergency may apply to the **ER0** for a decision as to restitution and, should the **ER0** so direct, a schedule of special payments may be applied, which the **MO** will treat in the same way as **Meter Adjustment Cashflows** and for this purpose, such payment arrangements will be detailed in the **Market Rules Procedure** on Meter Adjustments but it is acknowledged that this is for convenience of information and payment processing and is not otherwise related to Meter Adjustment.

21.6 **Assignment**

21.6.1 A **Party** shall not assign and/or transfer and shall not purport to assign or transfer any of its rights or obligations under the **Market Rules**, provided that a **Party** may assign by way of security only all or any of its rights over receivables under the **Market Rules**.

21.7 **Audit**

21.7.1 Not less frequently than every [two (2)] years, the **MO** will commission an independent audit of the processes used in Settlement. The scope of the audit will cover at a minimum:

(a) the registration procedures and the data held by the MAA;

(b) the processes for managing Settlement;

(c) the **TSO Balancing Account**;

(d) the procedures for assessing the costs of **Modifications** to the **Market Rules**.

21.7.2 The **MO** will publish the results of the audit and will consult with **ER0** on implementation of any recommendations made by the auditor.
21.8 Confidentiality Provisions

21.8.1 Each Party who receives Confidential Information:

(a) shall not disclose such Confidential Information to any Party except as permitted by the provisions contained in the Market Rules;

(b) shall only use or reproduce the Confidential Information for the purpose for which it was disclosed or another purpose contemplated by the provisions of the Market Rules; and

(c) shall not permit any person who is not bound by the Market Rules to have access to the Confidential Information unless that person is:

(i) a prospective bona-fide purchaser of such disclosing Party upon obtaining a strict undertaking of confidentiality from such bona-fide prospective purchaser; or

(ii) an outside professional consultant or adviser upon obtaining an undertaking of confidentiality from such consultants; or

(iii) any bank or financial institution from whom such disclosing Party is seeking or obtaining finance upon obtaining an undertaking of confidentiality from such bank or financial institution; or

(iv) the ERO or any government department or any governmental or regulatory agency having jurisdiction over the disclosing Party or required by laws of any relevant jurisdiction, or the terms of any relevant Licence or the regulations of any recognised stock exchange.

21.8.2 The provisions of this Article shall not apply to any information which at the time of disclosure is in the public domain otherwise than as a consequence of a breach by the disclosing Party of its obligations under this Article.

21.8.3 The provisions of this Article shall continue to bind a Party not withstanding that such Party has ceased to be bound by the Market Rules.

21.9 Liability

21.9.1 Under the Market Rules the MO and all other Parties shall be permitted, pursuant to this Article, to exclude any liability arising under or in respect of the Market Rules to the fullest extent permitted under Kosovo law.
21.10 Currency

21.10.1 All invoices issued pursuant to the provisions of the Market Rules shall be denominated in euro (€).

21.11 Jurisdiction

21.11.1 The Market Rules are governed exclusively by the laws of and courts of Kosovo.

21.12 Dispute Resolution

21.12.1 Parties to the Market Rules can use the dispute resolution mechanisms as set out in the Rule in force on the Resolution of Complaints and Disputes in the Energy Sector;

21.12.2 In case the procedure under paragraph 21.12.1 does not resolve the Dispute which may arise out of or in connection with the Market Rules and accordingly any suit, action or proceeding (collectively proceedings) arising out of or in connection with the Market Rules may be brought in a court of the relevant jurisdiction.

21.12.3 For the avoidance of doubt nothing contained in the foregoing provision of this paragraph 21.11 shall be taken as permitting a Party to commence proceedings in the courts where the Market Rules otherwise provides for the proceedings to be referred to arbitration or otherwise determined.

21.12.4 Any Party that is not a company incorporated under Kosovo law shall provide to the MO an address of the contact person in Kosovo for service of process on its behalf.
ANNEX 1

Market Rules Accession Agreement

Pursuant to Article 24.6 of the Law on Electricity, and the Market Operator’s Licence (number _______________) and the Framework Agreement, Parties to this Market Rules Accession Agreement agree as in the following:

This MARKET RULES ACCESSION AGREEMENT is made on [               ] between:

(1) The Market Operator on its own behalf and on behalf of all the other Parties to the Market Rules Framework Agreement (hereinafter MRFA), the "Authorised Party"; and

(2) [Insert name of Party wishing to be admitted to the Market Rules] (the "Party Applicant") whose principal office is at [                                                         ]

WHEREAS:

(A) by the MRFA dated [______________] made between the Original Parties named therein and as now in force between the Parties by virtue of any Market Rules Accession Agreement (hereinafter AA) entered into by any New Party before the date of this AA (the "Framework Agreement"), the Parties agreed to give effect to and be bound by the Market Rules;

(B) the Party Applicant has complied with the requirements of the Market Rules as to Accession and wishes to be admitted as a Party.

IT IS HEREBY AGREED as follows:

1. In this AA, words and expression defined in or for the purposes of the Framework Agreement and not otherwise defined herein shall have the meanings ascribed thereto under the Framework Agreement.

2. The Authorised Party (acting on its own behalf and on behalf of each of the other Parties) hereby admits the Party Applicant as an additional Party under the Framework Agreement with effect from the date of this AA] on the terms and conditions hereof.

3. The Party Applicant hereby accepts its admission as a Party and undertakes with the Authorised Party (acting on its own behalf and on behalf of each of the other Parties) to perform and to be bound by the Framework Agreement as a Party as from the date hereof.

4. For all purposes in connection with the Framework Agreement the Party Applicant shall be treated as if it has been a signatory of the Framework Agreement [from the date hereof], and as if this AA were part of the Framework Agreement, and the rights and obligations of the Parties shall be construed accordingly.
5. This **AA** and the Framework Agreement shall be read and construed as one document and references (in or pursuant to the Framework Agreement) to the Framework Agreement (howsoever expressed) should be read and construed as reference to the Framework Agreement and this **AA**.

6. If any provision of this **AA** is or becomes invalid, unenforceable or illegal or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction or by any other Competent Authority such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this **AA**, which shall continue in full force and effect notwithstanding the same.

7. This **AA** shall be governed by and construed in accordance with the applicable law in Kosovo.

This **AA** is compiled in [6] original exemplars, each Party receipt of two exemplars and the two others will be submitted at the **Energy Regulatory Office**. The **Market Operator**, according to the requirements of the **Market Rules**, will deliver a certified copy of such **AA** to all Parties.

**AS WITNESS** the hands of the duly authorised representatives of the **Parties** hereto the day and year first above written.

SIGNED for and on behalf of

**MARKET OPERATOR**

by its legal representative

SIGNED for and on behalf of

[**Party Applicant**]

by its legal representative
ANNEX 2

Balance Responsible Party Agreement

This BALANCE RESPONSIBLE PARTY AGREEMENT is made on [               ] between:

(1) The Market Operator; and

(2) [Insert name of Party wishing to become a Balance Responsible Party] (the "BRP") whose principal office is at [               ], and who is a Trading Party identified to the MO as [.................................].

WHEREAS:
The MO and the BRP are Parties to the Market Rules and are bound by the terms set out in the Market Rules;

IT IS HEREBY AGREED as follows:

Introductory clauses and role of BRP

1. In this Balance Responsible Party Agreement, to the extent that terms used in this agreement are defined in the Market Rules, they will take the meaning ascribed to them therein.

2. If there is any conflict between this agreement and the Market Rules then the provisions set out in the Market Rules will take precedence.

3. The BRP is responsible for aggregating imbalances and imbalance payments on behalf of members of the Balancing Group for whom the BRP has taken responsibility.

4. The BRP is responsible for ensuring that all data and information requested by the connecting TSO to calculate the imbalances are delivered in a timely manner and are as accurate as reasonably possible.

Balancing Group Membership

5. The BRP will notify to the MO regarding the identity of the Trading Parties who are members of its Balancing Group and warrants that those Trading Parties are willing to accept the BRP in that role.

6. Whenever the BRP enrols a new Trading Party into its Balancing Group, it will notify the MO of the enrolment and of the identity of the Trading Party at least five (5) Business Days prior to the enrolment becoming effective and warrants
that the newly enrolled Trading Party is willing to be a member of the Balancing Group.

7. Whenever, for whatever reason, a Trading Party is removed from the Balancing Group, the BRP will notify the MO at least five (5) Business Days prior to such removal becoming effective and will, where appropriate in the circumstances attendant on the removal, warrant that the Trading Party is willing to be removed from the Balancing Group. For the avoidance of doubt, such warranty will only be relevant where the Trading Party will continue to be an active Trading Party under the Market Rules.

Term and Termination

8. This agreement becomes effective on the later of five (5) Business Days following its execution and five (5) Business Days following the relevant Trading Party’s Accession to the Market Rules.

9. This agreement will continue in force until either:

   (a) The Trading Party who is the BRP ceases to be a Party to the Market Rules whether by loss of Licence, insolvency or any other reason; or

   (b) The Trading Party who is the BRP has notified the MO that, at the notified date, which is at least five (5) Business Days after such notification has been submitted, the Trading Party has become a member of a different Balancing Group.

10. The termination of this agreement shall not remove any outstanding obligations incurred by the BRP prior to termination.

11. For the avoidance of doubt, no moves will be made by the MO to terminate this agreement save as a consequence of moves made under the Market Rules for Termination of the rights of the Trading Party who is the BRP.

Rights and obligations of the MO and the BRP

12. The MO is entitled to and responsible for:

   (a) Creating and maintaining either an Injection Account or an Offtake Account on behalf of the BRP;

   (b) Receiving and relying on all information relating to each member of the Balancing Group relevant to calculation of the imbalance of the Balancing Group;
13. The BRP is entitled to and responsible for:

(c) Using the relevant **Imbalance Prices** and calculating the payments owed to or by the BRP;

(d) Accepting **Security Cover** instruments posted by members of the **Balancing Group** and using them as it sees fit in the event that the BRP fails to make due payments;

(e) Submit **Invoice Documents** and invoices to the BRP relating to imbalance payments; and

(f) Applying any other provisions of the **Market Rules** relevant to this agreement.

14. The BRP will ensure that all **Contractual Nominations** are made in accordance with the **Market Rules** on behalf of all **Trading Parties** which are part of its **Balancing Group**.

15. It is acknowledged that the MO is entitled to rely on the **Security Cover** provided by members of the **Balancing Group** and to draw down on such instruments in the event that the BRP fails to pay any monies owed for imbalance payments by the BRP and the BRP will not raise any impediments to this but will use all reasonable endeavours to ensure that the MO has effective access to such **Security Cover** instruments.

16. If, due to imbalance payment requirements, the **Security Cover** instruments available to the MO are proved inadequate then the BRP will take immediate steps to procure that one or more members of the **Balancing Group** will provide the required additional **Security Cover** instruments and that the BRP will remain liable to ensure such instruments are made available to the MO.
Imbalance calculation and payment

17. In accordance with the Market Rules, the MO will calculate the Imbalance Price and the Energy Imbalance of the BRP account.

18. In accordance with the Market Rules, the MO will submit an Invoice Document to the BRP detailing all the information on which the MO has relied in calculating the amount of money owed to or by the BRP with respect to the Energy Imbalance of the Balancing Group.

19. Notwithstanding any queries the BRP may have with regard to the amount duly invoiced to it by the MO, the BRP will pay any amounts due within the timeframe specified within the Market Rules.

20. Where the BRP disputes the amount owed or paid with respect to imbalance, it may raise a query in accordance with the Market Rules and, adjustments will be paid by or to the MO if the query is proved valid.

21. Where the BRP fails to make due payments then the MO will draw down on Security Cover instruments provided by members of the Balancing Group in any way it sees fit and the BRP agrees to indemnify the MO against any Dispute raised by any member of the Balancing Group arising from the MO taking this action.

22. The maximum period for the finalisation of the settlement of imbalances with balance responsible parties for any given imbalance settlement period is set at 12 Months.

Dispute settlement

23. In addition to disputes relating to money owed, the BRP is entitled to raise any other Dispute relating to the subject of this agreement using the processes set out in the Market Rules.

Final terms

24. Parties to this agreement agree to keep all information received as part of this agreement confidential in accordance with the Confidential Information provisions of the Market Rules.

25. This agreement is covered by the Laws and courts of Kosovo.

26. If the BRP wishes to transfer this agreement to another party then it must notify the MO whose agreement to such transfer will not be unreasonably withheld provided that the party to whom the agreement is transferred is a Trading Party under the Market Rules.
27. Where any part of this agreement ceases to be legally applicable under Kosovo law or ceases to be in accordance with the Market Rules, then the Parties to the agreement will meet to reasonably agree appropriate amendments but all other parts of the agreement will remain in force.