

	The Market Rules	PO-MO-001
	<i>Ver. 3.0</i>	<i>Page 1 from 138</i>
<i>Department: Market Operator</i>		

Transmission System and Market Operator of Kosovo (KOSTT)

The Market Rules

October 2018

	The Market Rules	PO-MO-001
	ver. 3.0	Page 2 from 138

Departament: Market Operator

TABLE OF CONTENTS

PART I: PRELIMINARY CLAUSES.....	5
1 OBJECTIVES AND SCOPE OF APPLICATION.....	5
1.1 Objectives.....	5
1.2 The Scope.....	5
1.3 General Structure of the Market Rules.....	7
1.4 Conventions.....	7
1.5 Definitions.....	9
1.6 Notation.....	26
1.7 Equation Variables.....	27
1.8 Relevant Regulated Prices.....	31
2 PARTIES AND ACCOUNTS.....	32
2.1 Parties to the Market Rules.....	32
2.2 Accounts.....	37
3 ACCESSION TO THE MARKET RULES, BRP ESTABLISHMENT AND DISCONTINUANCE.....	39
3.1 General Provisions.....	39
3.2 Acceding to the Market Rules.....	39
3.3 Balance Responsible Parties (BRP).....	41
3.4 Discontinuing Parties.....	43
3.5 Default.....	45
3.6 Consequences of Default.....	47
4 OPERATIONAL COMMUNICATIONS.....	50
4.1 General Provision.....	50
4.2 Contingency Arrangements.....	50
4.3 Communication Appliances.....	50
5 METERING REQUIREMENTS.....	51
5.1 Metering Administration Agent.....	51
5.2 Meter Register.....	52
5.3 Meter Registration.....	53
5.4 Metering Equipment.....	53
5.5 Generator Metering Data.....	54
5.6 Interconnector Metering Data.....	55
5.7 Distribution Metering Data.....	55
5.8 Customer Metering Data.....	55
6 CHANGE OF SUPPLIER.....	57
6.1 Customer Switching Process.....	57
6.2 Bulk Change of Supplier.....	58
6.3 Customer without Supplier.....	59
6.4 Multiple Supplier at Meter.....	59
6.5 Supplier withdrawal from existing Meter Allocation Agreement.....	60
7 INTERCONNECTOR CAPACITY ALLOCATION AND TRADING.....	61
7.1 General Provision.....	61
7.2 Interconnector Capacity Register.....	61
7.3 Interconnector Capacity Auctions.....	62
7.4 Trading of Physical Transfer Rights.....	62
7.5 Conduct of Auction Participants.....	62
8 SECURITY COVER.....	63
8.1 Security Cover Procedure.....	63
8.2 Calculating level of Security Cover.....	63
8.3 Posting Security Cover.....	64

	The Market Rules	PO-MO-001
	ver. 3.0	Page 3 from 138
Departament: Market Operator		

8.4	Monitoring Security cover	64
8.5	Consequences of inadequate Security Cover	65

PART II: SYSTEM OPERATION.....66

9	DAY-AHEAD FORECASTING	66
9.1	National Demand Forecasts	66
9.2	Publication	66
10	INTERCONNECTOR NOMINATIONS	67
10.1	Available Interconnector Capacity.....	67
10.2	Interconnector Nominations	67
10.3	Use it or Sell it provisions.....	68
11	PHYSICAL NOMINATIONS, CONTRACTUAL NOMINATIONS, BIDS AND OFFERS.....	69
11.1	Physical Nomination submission	69
11.2	Contractual Nomination Submission	70
11.3	Matched Nominations.....	71
11.4	Intraday Nomination	72
11.5	Day Ahead Market	73
11.6	Bid and Offer submission.....	74
11.7	Supplier monthly forecast	75
11.8	RES Generation	75
12	BALANCING MECHANISM	77
12.1	Dynamic Dispatch Parameters	77
12.2	Balancing Mechanism Instructions.....	77
12.3	Effect of Bid and Offer Acceptance.....	78
12.4	Tagged Acceptances	79
12.5	Deemed Acceptances	79
12.6	Market Timetable.....	80
13	ANCILLARY SERVICE CONTRACTING AND PRICING.....	82
13.1	Assessment of the Reserve Requirement.....	82
13.2	Ancillary Service Contracts	82
13.3	Operation of Ancillary Service Contracts	84
13.4	Reserve contracts in the Imbalance Price	87

PART III: SETTLEMENT.....89

14	BID AND OFFER ACCEPTANCE SETTLEMENT	89
14.1	Bid and Offer Acceptance Volume and Cashflow.....	89
15	IMBALANCE PRICE CALCULATION	92
15.1	System Imbalance	92
15.2	Exclusion of Tagged Acceptances.....	92
15.3	Imbalance Price Calculation	94
15.4	Default Imbalance Price	95
15.5	Publishing the Imbalance Price.....	96
16	SETTLEMENT CALCULATIONS	97
16.1	Maintenance of Settlement Data	97
16.2	Regulated Prices and Settlement Data	97
16.3	Data used in Settlement	97
16.4	Metered Energy of Customers.....	98
16.5	Energy Imbalance Calculation	100
16.6	RES Generator Payment and Imbalance.....	102
16.7	Calculation of Transmission Losses	104
16.8	Calculation of Distribution Losses.....	105
16.9	Meter Adjustment Payments.....	105

	The Market Rules	PO-MO-001
	ver. 3.0	Page 4 from 138
Departament: Market Operator		

16.10	Non-delivery Rule.....	108
17	CHARGES	110
17.1	Tariff Application.....	110
17.2	Peak Demand	110
17.3	Transmission Network Charges	111
17.4	System Operator Charge	112
17.5	Market Operator Charges	114
17.6	Cashflow Reallocation	115
18	INVOICING AND PAYMENTS	119
18.1	General Provision	119
18.2	Pre-invoice process.....	119
18.3	Invoice Cycle and Settlement Timetable	120
18.4	Invoice Documents	120
18.5	Invoice Queries.....	121
PART IV: GOVERNANCE.....		123
19	MARKET RULES PROCEDURES.....	123
19.1	Adoption of Market Rules Procedures	123
20	MODIFICATION OF THE MARKET RULES	124
20.1	Modification of the Market Rules.....	124
20.2	Stakeholder Review Panel	124
20.3	Modification Process.....	125
21	GENERAL PROVISIONS	127
21.1	Access to the Market Rules	127
21.2	Notices	127
21.3	Commencement Date	127
21.4	Force Majeure	128
21.5	Emergency conditions	128
21.6	Assignment	129
21.7	Audit.....	129
21.8	Confidentiality Provisions	130
21.9	Liability.....	130
21.10	Currency.....	131
21.11	Jurisdiction.....	131
21.12	Dispute Resolution	131
ANNEX 1.....		132
	Market Rules Accession Agreement	132
ANNEX 2.....		134
	Balance Responsible Party Agreement	134

	The Market Rules	PO-MO-001
	ver. 3.0	Page 5 from 138
Department: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 6 from 138
Departament: Market Operator		

- 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 7 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 8 from 138
Departament: Market Operator		

- 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:

Defined term	Interpretation
Acceptance	is the Acceptance of a Bid or an Offer by the TSO and is the instruction to a Balancing Unit to operate at above or below the prevailing Physical Nomination (measured in MWh/hour).
Accession	is the process described in section 3.2 by which a new Party signs up (Accedes) to be bound by the Market Rules
AccountF	is an Account 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 ;
Affiliate	means in direct or indirect relation to the Licensee or any subsidiary of a holding company of the Licensee , means any holding company of the Licensee or any subsidiary of the Licensee , 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;
Ancillary Service Contract	for the purposes of the Market Rules , is a bilateral contract made in accordance with provisions of the Grid Code between the TSO and a Trading Party for the provision of ancillary services for: <ul style="list-style-type: none"> (a) Transmission Losses; (b) Compensation Program; (c) Frequency Containment Reserve; or (d) Replacement Reserve;
Ancillary Service Contract Negative Reservation Price	is the price (in €/MW/hour) specified in an Ancillary Service Contract for Reserve payable for Reserve Margin Negative Capacity ;
Ancillary Service Contract Reservation Cashflow	is the total payable (in €) in Settlement to a Trading Party under an Ancillary Service Contract for being available to provide the service under the contract;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 10 from 138

Departament: Market Operator

Defined term	Interpretation
Ancillary Service Contract Reservation Price	is the price (in €/MW/hour) specified in an Ancillary Service Contract for Reserve payable for Reserve Margin Capacity ;
Ancillary Service Contract Utilisation Cashflow	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 ;
Ancillary Service Contract Utilisation Price	is the price (in €/MWh) specified in an Ancillary Service Contract payable for each MWh instructed for delivery (or offtake) under the contract;
Annual Quantity	(AQ) is the estimated consumption (in MWh/year) of a Metering System in one year.
Available Transfer Capacity	(ATC) is the Interconnector transfer capacity (in MW) at a border, determined by the TSO as being available to the MO to allocate;
Balance Responsible Party	(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
Balancing	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 ;
Balancing Group	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
Balancing Mechanism	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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 11 from 138

Departament: Market Operator

Defined term	Interpretation
Balancing Service Provider	(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 ;
Balancing Unit	is as defined at paragraph 11.1.2;
Bid	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 .
Bid Delivery Cashflow	is the cashflow (in €) resulting from a Bid Acceptance ;
Business Day	in accordance with paragraph 1.4.6, is any day between Monday and Friday inclusive except for an official public holiday;
Commercial Boundary	is the boundary between Trading Parties and the TSO in accordance with the Metering Code ;
Compensation Program	is the program of imports or exports required under the ENTSO-E procedures to compensate for unintentional deviations.
Confidential Information	(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;
Contractual Nomination	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
Customer	is an end consumer registered by one or more Suppliers ;
Deemed Acceptance	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 ;
De-energise	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 ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 12 from 138

Departament: Market Operator

Defined term	Interpretation
Default	is a material breach of a material provision of the Market Rules that has not been remedied including a failure to pay money owed;
Default Imbalance Price	Is the Imbalance Price (in €/MWh) that shall be used in Settlement when no other Imbalance Price can be calculated;
Defaulting Party	is a Party in Default ;
Direction of Flow	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 ;
Discontinuance Date	is the effective date from which a Party ceases to be bound by the Market Rules ;
Discontinuance Notice	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 ;
Discontinuing Party	is a Party terminating its Accession to the Market Rules ;
Dispute	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 ;
Distribution Generator Market Operator Charge	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;
Distribution Generator Market Operator Tariff	is a rate (in €/MWh) notified by ERO at which distribution-connected Generators contribute to the cost of operating the MO ;
Distribution Generator System Operator Charge	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;
Distribution Generator System Operator Tariff	is the tariff (in €/MWh) paid on all energy produced by Generating Sites connected to the Distribution System ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 13 from 138

Departament: Market Operator

Defined term	Interpretation
Distribution Losses	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 ;
Distribution Network or Distribution System	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;
Distribution System Operator	(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
Dynamic Dispatch Parameter	are operating parameters related to a Balancing Unit as defined by the Grid Code .
Effective Date of Accession	is date of a Party Applicant's Accession to the Market Rules ;
Energy Imbalance	is the difference (in MWh) between the Metered Energy and the contracted energy for an Account ;
Energy Regulatory Office	(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;
ENTSO-E	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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 14 from 138

Departament: Market Operator

Defined term	Interpretation
Force Majeure	is, in relation to any Party , any act or natural or social event beyond the reasonable control of such Party , which the Party 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 Party to perform any of its obligations under the Market Rules 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 Party's or others;
Day Ahead Gate Closure	is the latest time on the day ahead by which Trading Parties must submit Firm Physical Nominations , Firm Contractual Nominations , Bids and Offers ;
Gate Closure	is the latest time by which Trading Parties may submit Physical Nominations and Contractual Nominations with respect to a specific Settlement Period and shall be one hour before the start of that Settlement Period ;
Generating Unit	is a physical unit located within Kosovo for the production of electricity operated by a Generator ;
Generator	is a person Licensed to generate electricity, or (ii) a person acting as a Generator but specifically exempted from holding a Licence as determined by the Law on Electricity;
Generator Market Operator Charge	is a monthly charge (in €) derived for each transmission-connected Generator by multiplying the Market Operator Charge by the sum of Injection Account Metered Energy for each Settlement Period in the month;
Generator Market Operator Tariff	is a rate (in €/MWh) notified by ERO at which transmission-connected Generators contribute to the cost of operating the MO ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 15 from 138

Departament: Market Operator

Defined term	Interpretation
Generator Network Capacities	is the power transfer capacity (in MW) as specified in the Connection Agreement for each of the Generator's sites;
Generator Network Tariff	is the tariff (in €/MW) notified by ERO for Generator Transmission Network Charges ;
Generator System Operator Charge	is a monthly charge (in €) resulting from applying the Generator System Operator Charge to an Injection Account Metered Energy volume;
Generator System Operator Tariff	is the tariff (in €/MWh) paid on all energy entering the Transmission Network produced by Generating Sites connected to the Transmission Network ;
Grid Code	is the technical code relating to the Transmission System that is the Transmission Grid Code specified in Article 17 of the Law on Electricity;
Imbalance Price	is the price (in €/MWh) calculated at section 15 used to settle Energy Imbalance
Incumbent Supplier	is the Supplier currently registered to supply a Customer at a specific Metering System ;
Injection Account	is an Account used for Settlement registered to a BRP or to a Generator and/or an Interconnector Trader ;
Instructed Level	is the MW level that a Balancing Unit must achieve following a Bid Acceptance instruction or an Offer Acceptance instruction;
Instructed Level Duration	is the duration in minutes of a Bid Acceptance instruction or an Offer Acceptance instruction;
Instructed Level Start Time	is the minute when a Bid Acceptance instruction or an Offer Acceptance instruction starts;
Instructed Position	is the average MW per hour for a Balancing Unit for a Settlement Period following Bid Acceptances and/or Offer Acceptances ;
Interconnector	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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 16 from 138

Departament: Market Operator

Defined term	Interpretation
Intraday Market	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 ;
Interconnector Capacity Auction	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;
Interconnector Capacity Register	is a register of Interconnector Traders and is defined in section 7.2;
Interconnector Nomination	is a nomination of the use of Physical Transfer Rights made in accordance with section 10.2;
Interconnector Trader	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;
Interval Metering System	is a Metering System in which all the Meters are Interval Read Meters
Interval Read Meter	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 ;
Invoice Charge Type	is a specific type of charge specified in an Invoice Line Item ;
Invoice Document	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;
Invoice Line Item	is a single item in an Invoice Document relating to a specific month and Invoice Charge Type ;
Invoice Query	is a Dispute raised by a Trading Party or a BRP concerning the validity of one or more Invoice Line Items ;
Licence	is as defined by the Law on Energy

	The Market Rules	PO-MO-001
	ver. 3.0	Page 17 from 138

Departament: Market Operator

Defined term	Interpretation
Load Disconnection Compensation Price	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 .
Market Operator	, is a natural or legal person, licensed by the Energy Regulatory Office, responsible for operation and organization of the electricity market in Kosovo
Market Operator Charge	is the charge (in €) levied for the MO to perform its licensed activities;
Market Rules	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;
Market Rules Accession Agreement	means the document signed by new Parties by which they Accede to the Market Rules ;
Market Rules Framework Agreement	means the document (that the MO has posted on its website) signed by Original Parties by which they Acceded to the Market Rules ;
Market Rules Procedure	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 ;
Market Timetable	Is the timetable of market activities published by the MO as set out in section 12.6 or as subsequently amended;
Meter	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 ;
Meter Adjustment Cashflow	is the financial consequence (in €) of correcting Metered Energy previously used in Settlement with data contained in the Meter Adjustment Information ;
Meter Adjustment Information	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 ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 18 from 138

Departament: Market Operator

Defined term	Interpretation
Meter Allocation Agreement	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 ;
Meter Register	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 ;
Metered Energy	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
Metering Administration Agent	(MAA) is established by the MO with responsibilities as set out in paragraph 5.1.2
Metering Code	is the code prepared by the TSO pursuant to Article 18 of the Law on Electricity;
Metering Data	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 ;
Metering Equipment	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 ;
Metering System	is a registered aggregation of Meters treated as a single installation providing a single reading or related group of readings for Settlement ;
Modification	is a change to the text of the Market Rules ;
Monthly Forecast	is a forecast in MWh of expected offtake by a Supplier's Customers in a calendar month;
Monthly Meter Adjustment Cashflow	is the summation of Meter Adjustment Cashflows (in €) calculated on a monthly basis.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 19 from 138

Departament: Market Operator

Defined term	Interpretation
Negative Reserve Utilisation Index Factor	is defined in section 13.1 as a 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;
Net Tagged Volume	is the sum (in MWh) of all Offer Acceptance volumes and Bid Acceptance volumes of Tagged Offer Acceptances and Tagged Bid Acceptances ;
Network Operator	is the TSO or DSO as the case may be;
Non-delivery Adjustment Cashflow	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 ;
Non-delivery Adjustment Price	is the price (in €/MWh) at which a Trading Party will settle a Non-delivery Adjustment Volume ;
Non-delivery Adjustment volume	is the calculated volume of energy(in MWh) that was not delivered following a Bid Acceptance or Offer Acceptance ;
Non-Interval Metering System	is a Metering System in which one or more Meters are Non-interval Read Meters
Non-interval Read Meter	is any Meter that is not an Interval Read Meter ;
Non-Performing Party	is a Party that is unable to carry out its obligations under the Market Rules due to a circumstance of Force Majeure ;
Objection to Transfer Notice	is a notice submitted by an Incumbent Supplier objecting to the transfer of a Metering System to a Proposing Supplier ;
Offer	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 ;
Offer Delivery Cashflow	is the cashflow (in €) resulting from an Offer Acceptance ;
Offtake Account	is an Account used for Settlement registered to a BRP or to a Supplier and/or an Interconnector Trader ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 20 from 138

Departament: Market Operator

Defined term	Interpretation
Offtake Account Metered Energy	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
Organised Electricity Market	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 ;
Original Party	is a Party who is a signatory to the Market Rules Framework Agreement ;
Participation Function	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;
Party	is a signatory to the Market Rules Framework Agreement or a Market Rules Accession Agreement ;
Party Applicant	is a potential Party wishing to sign a Market Rules Accession Agreement ;
Party Details	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;
Peak Demand	is the calculated or forecasted maximum of Transmission Network Offtake (in MWh/hour) in a Settlement Period in the charging year;
Physical Nomination	is the notification of the average energy level (in MW or MWh per hour) of a Balancing Unit ;
Physical Transfer Right	gives the rights holder a right to nominate a power transfer across an Interconnector .
Proposing Supplier	is a Supplier submitting a notice that it wishes to supply a Customer at a specified Metering System ;
Public Supplier	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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 21 from 138

Departament: Market Operator

Defined term	Interpretation
Reference Price	is the price that is equivalent to the average market price as determined annually by ERO;
Registrant	is the Trading Party registered to a Metering System in the Meter Register ;
Relevant Regulated Price	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;
Renewable Energy Balancing Adjustment	is calculated by the MO in order to calculate the share of balancing cost attributable to a RES Support Scheme Generating Unit;
Renewable Energy Fund Account	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;
Renewable Energy Levy	is the levy (in €/MWh) notified annually to the MO by ERO for the support of electricity from Renewable Energy Sources;
RES Generating Unit	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 a either of these types, which shall be considered the same as any non-RES Generating Unit for the purpose of these Market Rules);
RES Regulated Generating Unit	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;
RES Support Scheme Generating Unit	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;
RES Price	Is the agreed price, pursuant to a Power Purchase Agreement payable for output from a RES Support Scheme Generating Unit ;

Defined term	Interpretation
Reserve	is an ancillary service for capacity procured by the TSO to cover contingencies in accordance with the Grid Code and may include both Frequency Containment Reserve and Replacement Reserve as appropriate;
Reserve Margin Capacity	is capacity (in MW) for generation (or offtake) specified in an Ancillary Service Contract for Reserve for a Balancing Unit that is available to provide additional energy if the contract is utilised;
Reserve Negative Margin Capacity	is capacity (in MW) for generation (or offtake) specified in an Ancillary Service Contract for Reserve for a Balancing Unit that must actively deliver energy into the network (in the case of a Generating Unit) and so is available to reduce energy delivered into the network if the contract is utilised, or (in the case of Supplier Balancing Unit) is not taking energy from the network and so is available to increase offtake if the contract is utilised;
Positive Reserve Utilisation Index Factor	is defined in section 13.1 as a 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;
Frequency Containment Reserve	is an ancillary service for the provision of Frequency Containment Reserve, which is an ancillary service defined in the Grid Code ;
Security Cover	is a financial instrument or set of financial instruments of a form specified in section 8.2, that can be drawn on by the MO in the event of failure of a BRP or a Trading Party to pay what is owed in Settlement ;
SEE CAO	is the Co-ordinated Auction Office of South East Europe for Physical Transfer Rights which may undertake the activities of auctioning and organisation and registration of trading in Physical Transfer Rights under Auction Rules for Capacity Allocation;
Settlement	is the collective name for processes used to determine usage of the system by each Party and the financial liabilities and subsequent payments derived from this;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 23 from 138

Departament: Market Operator

Defined term	Interpretation
Settlement Period	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;
Settlement Run	is a partial Settlement Run , a provisional Settlement Run or a final Settlement Run as defined in section 18.1.
Settlement Timetable	is a timetable established by the MO under paragraph 18.3.1 defining the timings of Settlement transactions.
Significant Party	is a Trading Party for whom certain restrictions apply, whose status as Significant Party is notified to the MO by ERO ;
Stakeholder Review Panel	is the panel convened by the MO for review of and recommendations on Modification proposals;
Supplier	means a person Licensed to supply electricity under Article 33 of the Law on Electricity;
Supplier Market Operator Charge	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;
Supplier Market Operator Tariff	is a rate (in €/MWh) notified by ERO at which Suppliers contribute to the cost of operating the MO ;
Supplier Metering System Share	is the total energy (in MWh) estimated to be offtaken by the Distribution Systems that had not been offtaken by Interval Read Metering Systems ;
Supplier Network Tariff	is the charge (in €/MWh) applied to Supply Unit Metered Energy of each Supply Meter designed to recover Supplier Network Share ;
Supplier of Last Resort	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;
Supplier RES Cashflow	is the amount payable by a Supplier in a month on the Renewable Energy Levy ;
Supplier RES Purchase Cashflow	is the amount payable by a Supplier in a month for nominated renewable energy;

Defined term	Interpretation
Supplier RES Share	is the share in total supply to Kosovo Customers , calculated by the MO before each calendar month;
Supplier System Operator Charge	is a monthly charge (in €) resulting from applying the System Operator Charge to an Offtake Account Metered Energy
Supplier System Operator Tariff	is a rate (in €/MWh) notified by ERO at which Suppliers contribute to the cost of operating the Transmission System ;
Supply Meter	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
Supply Transfer Date	is the date on which the Proposing Supplier becomes responsible for supply to the Customer in the change of supplier process.
Supply Unit Metered Energy	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 ;
System Imbalance	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;
System Peak Day Forecast	Is the annually forecasted peak offtake from the System as agreed by ERO ;
Tagged Bid Acceptance	is a Bid Acceptance made to relieve a system constraint;
Tagged Offer Acceptance	is an Offer Acceptance made to relieve a system constraint;
Termination Notice	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;
Replacement Reserve	is an Ancillary Services Contract for the provision of Replacement Reserve, which is an ancillary service defined in the Grid Code ;
Third Party Charges	are charges (in €) where the MO is not one of the Parties to the invoice;

Defined term	Interpretation
Trading Party	is a Generator, Supplier, Interconnector Trader, Wholesale Customer or other Party that has Acceded to the Market Rules in order to trade electricity;
Transmission Losses	are the difference measured in MWh between the flows onto and off the Transmission System over a Settlement Period ;
Transmission Network	is a combination of electricity power lines and electricity units of high [and extra-high] voltage serving the transmission of electricity;
Transmission Network Charge	is the charge (in €) levied for operation of the Transmission Network ;
Transmission Network Offtake	is the total energy (in MWh) delivered to Distribution Networks and to transmission-connected Customers ;
Transmission System Operator	(TSO) is a legal person holding the licence for operating, ensuring the maintenance of and, if necessary, developing the Transmission Network 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;
Transmission System Operator Charge	is the charge (in €) levied for Transmission System Operator management of the system;
TSO Balancing Account	is the Account for the TSO for which the TSO is not subject to Energy Imbalance Settlement ;
TSO Balancing Account Balance	is the financial balance (in €) in the TSO Balancing Account at the end of each month
TSO Balancing Account Cashflow	is the charge or credit (in €) paid by or to a BRP each month in order to clear the TSO Balancing Account ;
TSO Balancing Charge	is the monthly charge (in €/MWh) paid to or from the TSO Balancing Account in order to clear it at the end of each month;
TSO Balancing Charge Base	is the MWh used to calculate the TSO Balancing Charge
TSO Trade Account	is the Account for the TSO for which the TSO is subject to Energy Imbalance Settlement ;

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;

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 27 from 138
Departament: Market Operator		

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:

Variable	Interpretation
CASCR _{ASm}	is the Ancillary Service Contract Reservation Cashflow (in €) for month “m” under the terms of Ancillary services Contract “AS”
CB _{bj}	is a Bid Delivery Cashflow for Balancing Unit “b” in Settlement Period “j” ;
CBC _{Am}	is the TSO Balancing Charge Cashflow for Account “A” in month “m”;
CGNC _A	is Generator Network Charge for Injection Account “A”
CMODG _A	is the Distribution Generator Market Operator Charge for Injection Account “A” ;
CMOS _A	is the Supplier Market Operator Charge for Offtake Account “A” ;
CMOTG _A	is the Generator Market Operator Charge for Injection Account “A” ;
CNDA _{Abj}	is the Non-delivery Adjustment Cashflow for Balancing Unit “b” , in Trading Party Account “A” , in Settlement Period “j” ;
CO _{bj}	is a Offer Delivery Cashflow for Balancing Unit “b” in Settlement Period “j” ;
CREF _{bm}	is the Renewable Energy Balance Adjustment for Balancing Unit “b” in month “m”
CREG _{bm}	is the monthly payment to Renewable Generating Unit “b” in month “m” (whether Support Scheme or Regulated);
CSC _{Am}	is the Supplier RES Purchase Cashflow for Supplier “A” in month “m”;
CSNC _A	is the Supplier Transmission Network Charge for Supplier “A”

	The Market Rules	PO-MO-001
	ver. 3.0	Page 28 from 138

Departament: Market Operator

Variable	Interpretation
$CSODG_A$	is the Distribution Generator System Operator Charge for Injection Account “A” ;
$CSOG_A$	is the Generator System Operator Charge for Injection Account “A”
$CSOS_A$	is the Supplier System Operator Charge for Offtake Account “A”
$CSRES_{Am}$	is the Supplier RES Cashflow for Supplier “A” in month “m”;
$CTBCB_m$	is the TSO Balancing Account Balance for month “m”
CUC_{ASj}	is the Ancillary Service Contract Utilisation Cashflow payable by the TSO to a Trading Party for Settlement Period “j” under the terms of Ancillary services Contract “AS”
H	is the length of a Settlement Period in hours;
N	with respect to an Ancillary Service Contract for Reserve is the number of Settlement Periods in a month for which the contract is active
$NRUIF_j$	is the Negative 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
PB_{bj}	is the Bid price submitted for Balancing Unit “b” for Settlement Period “j”
$PGNC_Z$	is the Generator Network Tariff for voltage level “Z”;
PI_j	is the Imbalance Price for Settlement Period “j”
$PMODG$	is the Distribution Generator Market Operator Tariff in €/MWh;
$PMOS$	is the Supplier Market Operator Tariff in €/MWh;
$PMOTG$	is the Generator Market Operator Tariff in €/MWh;
$PNDA_{Abj}$	is the Non-delivery Adjustment Price for Balancing Unit “b” , in Trading Party Account “A” , in Settlement Period “j” ,
PO_{bj}	is the Offer price submitted for Balancing Unit “b” for Settlement Period “j”
PR_b	is the RES Price for RES Generating Unit “b”
PRC_{AS}	is the Ancillary Service Contract Reservation Price in €/MW/hour for capacity reserved under the contract;
$PRCN_{AS}$	is the Ancillary Service Contract Negative Reservation Price in €/MW/hour for capacity reserved under the contract;
PREL	is the Renewable Energy Levy ;
PREF	is the Reference Price ;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 29 from 138

Departament: Market Operator

Variable	Interpretation
PSNC _Z	is the Supplier Network Tariff for voltage level “Z”;;
PSODG	is the Distribution Generator System Operation Tariff ;
PSOS _Z	is the Supplier System Operation Tariff applicable at connection voltage level “Z”;
PSOTG _Z	is the Generator System Operation Tariff applicable at connection voltage level “Z”;
PTBC _m	is the TSO Balancing Charge for month “m”
PUC _{AS}	is the Ancillary Service Contract Utilisation Price in €/MWh for energy used under the contract;
QB _{bj}	is the volume of energy delivered in a Bid Acceptance from Balancing Unit “b” for Settlement Period “j”
QC _{Anj}	is the volume of energy (in MWh) in a Contractual Nomination “n” for an Account “A” for Settlement Period “j” ;
QDL _{oj}	is the volume of energy (in MWh) that DSO “o” must procure to cover Distribution Losses in Settlement Period “j” ;
QEG _{Bj}	is the Injection Account Metered Energy for Injection Account “B” in Settlement Period “j” ;
QEI _{Bj}	is Energy Imbalance for Account “B” in Settlement Period “j” ;
QES _{Bj}	is the Offtake Account Metered Energy for Offtake Account “B” for Settlement Period “j” ;
QF _{am}	is the Monthly Forecast of Customer offtake of Supplier “A” in month “m”;
QG _{Abj}	is Generating Unit Metered Energy for Settlement Period “j” for Generating Unit “b” registered in Injection Account “A” ;
QML _j	is metered Transmission Losses for Settlement Period “j”
QNDA _{Abj}	is the Non-delivery Adjustment Volume for Balancing Unit “b” , in Trading Party Account “A” , in Settlement Period “j” ,
QO _{bj}	is the volume of energy delivered in an Offer Acceptance from Balancing Unit “b” for Settlement Period “j”
QS _{Abj}	is Supply Unit Metered Energy for Settlement Period “j” for Supply Meter “b” registered in Offtake Account “A” ;
QTAG _j	is the Net Tagged Volume in Settlement Period “j”
QTBCB _m	is the TSO Balancing Charge Base for month “m”
QTNO _j	is Transmission Network Offtake in Settlement Period “j”
QUD _j	is Unintentional Deviation in Settlement Period “j”

	The Market Rules	PO-MO-001
	ver. 3.0	Page 30 from 138

Departament: Market Operator

Variable	Interpretation
QZ_{oj}	is Distribution Network Metered Energy for Metering System “o” offtaking energy from the Transmission System into a Distribution System ;
$RUIF_j$	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
SI_j	is System Imbalance in Settlement Period “j”
SMS_{Ab}	is Supplier Metering System Share for Non-interval Metering System “b” registered to Supplier “A”
SRS_{Am}	Is Supplier RES Share for Supplier “A” in month “m”;
T_{bn}	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”
$TDXIL_{bn}$	is Instructed Level Duration (in minutes) of a Bid Acceptance instruction or Offer Acceptance instruction “n” on Balancing Unit “b”
TS_j	Is the start time of Settlement Period “j” in hour and minute format
$TSXIL_{bn}$	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”
XGN_A	is Generator Network Capacities for Injection Account “A”
XI_{bj}	is the Instructed Position in average MW per hour for Balancing Unit “b” for Settlement Period “j” following Bid Acceptances and/or Offer Acceptances ;
XIL_{bn}	is Instructed Level in MW of a Bid Acceptance instruction or Offer Acceptance instruction “n” on Balancing Unit “b”
XN_{bj}	is the Physical Nomination or confirmed Interconnector Nominations in average MW per hour for Balancing Unit “b” for Settlement Period “j”
XRM_b	is the capacity (in MW) reserved in an Ancillary Service Contract for Reserve for Reserve Margin Capacity at Balancing Unit “b” ;
$XRMN_b$	is the capacity (in MW) reserved in an Ancillary Service Contract for Reserve for Reserve Margin Negative Capacity at Balancing Unit “b” ;
$XTPDF_A$	is System Peak Day Forecast during period of Peak Demand at voltage level “Z”.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 31 from 138
Departament: Market Operator		

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_{bj}) in respect of a **Balancing Unit "b"** of either a **Significant Party** or of all **Trading Parties**;
- (b) **Imbalance Price** (PI_j);
- (c) **Offer price** (PO_{bj}) 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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 32 from 138
Departament: Market Operator		

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 33 from 138
Departament: Market Operator		

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:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 34 from 138
Departament: Market Operator		

- (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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 35 from 138
Departament: Market Operator		

- (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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 36 from 138
Departament: Market Operator		

(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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 37 from 138
Department: Market Operator		

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:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 38 from 138
Departament: Market Operator		

- (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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 39 from 138
Departament: Market Operator		

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,

	The Market Rules	PO-MO-001
	ver. 3.0	Page 40 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 41 from 138
Departament: Market Operator		

- 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,

	The Market Rules	PO-MO-001
	ver. 3.0	Page 42 from 138
Department: Market Operator		

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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 43 from 138
Departament: Market Operator		

- (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 section 3.4. 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 44 from 138
Departament: Market Operator		

- (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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 45 from 138
Departament: Market Operator		

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 46 from 138
Departament: Market Operator		

- (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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 47 from 138
Departament: Market Operator		

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);

	The Market Rules	PO-MO-001
	ver. 3.0	Page 48 from 138
Department: Market Operator		

- (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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 49 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 50 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 51 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 52 from 138
Department: Market Operator		

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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 53 from 138
Departament: Market Operator		

- (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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 54 from 138
Departament: Market Operator		

- 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 55 from 138
Departament: Market Operator		

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 56 from 138
Departament: Market Operator		

(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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 57 from 138
Departament: Market Operator		

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**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 58 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 59 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 60 from 138
Departament: Market Operator		

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) daysdays' 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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 61 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 62 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 63 from 138
Departament: Market Operator		

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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 64 from 138
Departament: Market Operator		

- (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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 65 from 138
Departament: Market Operator		

(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).

	The Market Rules	PO-MO-001
	ver. 3.0	Page 66 from 138
Departament: Market Operator		

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).

	The Market Rules	PO-MO-001
	ver. 3.0	Page 67 from 138
Departament: Market Operator		

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:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 68 from 138
Departament: Market Operator		

- (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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 69 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 70 from 138
Department: Market Operator		

- 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**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 71 from 138
Departament: Market Operator		

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 offtaken 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 72 from 138
Departament: Market Operator		

- 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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 73 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 74 from 138
Departament: Market Operator		

11.6 Bid and Offer submission

- 11.6.1 **Bids** and **Offers** consist of the submission of **Bid** prices (PB_{bj}) and **Offer** prices (PO_{bj}), 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 75 from 138
Department: Market Operator		

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** (QF_{Am}) 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** (SRS_{Am}) 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** (QC_{bj}) and a matching **Physical Nomination** (XN_{bj}) for each **Settlement Period "j"** of the day ahead to the **MO** in accordance with the Power Purchase Agreement made

	The Market Rules	PO-MO-001
	ver. 3.0	Page 76 from 138
Departament: Market Operator		

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_{Aj}) for each **Supplier Account** “A” where the volume used for each **Settlement Period** “j” will be calculated using the formula:

$$QC_{Aj} = \left(\sum_b QC_{bj} \right) * SRS_{Am}$$

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 77 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 78 from 138
Departament: Market Operator		

- 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”**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 79 from 138
Departament: Market Operator		

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**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 80 from 138
Department: Market Operator		

reasonable estimate (QO_{bj}) of the resulting unserved load of **Balancing Unit “b”** 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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 81 from 138
Departament: Market Operator		

- (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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 82 from 138
Departament: Market Operator		

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** ($RUIF_j$ and $NRUIF_j$ 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.**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 83 from 138
Departament: Market Operator		

- 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_{Aj}) 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_{Aj}) 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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 84 from 138
Departament: Market Operator		

- (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 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** ($PRCN_{AS}$) 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 its 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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 85 from 138
Departament: Market Operator		

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** ($CASCR_{ASm}$) payment (in €) for the relevant month “m”; and
- (b) the **Ancillary Service Contract Utilisation Cashflow** (CUC_{ASj}) for each **Settlement Period “j”** calculated as:

$$CUC_{ASj} = QC_{Anj} * PUC_{AS}$$

where:

QC_{Anj} is the volume of energy (in MWh) in the **Contractual Nomination “n”**;

PUC_{AS} 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** ($CASCR_{ASm}$) payment (in €) for the relevant month “m”; and
- (b) the **Ancillary Service Contract Utilisation Cashflow** (CUC_{ASj}) for each **Settlement Period “j”** calculated as:

$$CUC_{ASj} = QC_{Anj} * PUC_{AS}$$

where:

QC_{Anj} is the volume of energy (in MWh) in the **Contractual Nomination “n”**;

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

and noting that where 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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 86 from 138
Departament: Market Operator		

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_{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** ($CASCR_{ASm}$) payment (in €) for the relevant month “ m ” calculated as:

$$CASCR_{ASm} = (XRM_b * PRC_{AS} + XRMN_b * PRCN_{AS}) * H * N$$

where:

- XRM_b is the **Reserve Margin Capacity** in MW;
- $XRMN_b$ is the **Reserve Negative Margin Capacity** in MW;
- PRC_{AS} is the **Ancillary Service Contract Reservation Price** in €/MW/hour) for capacity reserved under the contract;
- $PRCN_{AS}$ 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** (CUC_{ASj}) for each **Settlement Period “j”** calculated as:

$$CUC_{ASj} = QC_{Aj} * PUC_{AS}$$

where:

- QC_{Aj} is the volume of energy (in MWh) notified to the **MO** by the **TSO**;
- PUC_{AS} is the **Ancillary Service Contract Utilisation Price** in €/MWh;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 87 from 138
Departament: Market Operator		

and noting that where QC_{Aj} 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_{ASj} 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:

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

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_{ASj} 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:

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

where:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 88 from 138
Departament: Market Operator		

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_{ASj}) will be the volume notified by the TSO (QC_{ASj}).

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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 89 from 138
Departament: Market Operator		

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** (XI_{bj}) 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** (XI_{bn}) will be:

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

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

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

$$T_{b0} = H * 60 - \sum_n T_{bn}$$

(c) the **Instructed Position** (XI_{bj}) is calculated as:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 90 from 138
Departament: Market Operator		

$$XI_{bj} = \frac{((XN_{bj} * T_{b0}) + \sum_n (XIL_{bn} * T_{bn}))}{H * 60}$$

where:

XN_{bj} 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_{bj}) is greater than or equal to the position (XN_{bj}) 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:

$$QO_{bj} = (XI_{bj} - XN_{bj}) * H$$

and

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

$$QB_{bj} = (XI_{bj} - XN_{bj}) * H$$

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:

$$CO_{bj} = QO_{bj} * PO_{bj}$$

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:

$$CB_{bj} = QB_{bj} * PB_{bj}$$

where:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 91 from 138
Departament: Market Operator		

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 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 92 from 138
Departament: Market Operator		

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”.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 93 from 138
Departament: Market Operator		

15.2.2 After the **MO** has determined (or, as the case may be re-determined) the **Net Tagged Volume** ($QTAG_j$) calculated in accordance with paragraph 15.2.1 then:

- (a) If the **System Imbalance** (SI_j) in **Settlement Period** “ j ” calculated in accordance with paragraph 15.1.2 is greater than zero then, if the **Net Tagged Volume** ($QTAG_j$) 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_{Tnj}); 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_{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 **Offer Acceptance** a **Tagged Offer 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 **Offer Acceptance** volume (QO_{T1j}) is greater 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 **Offer Acceptance** volume (QO_{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; or
- (b) If the **System Imbalance** (SI_j) in **Settlement Period** “ j ” calculated in accordance with paragraph 15.1.2 is less than zero then, if the **Net Tagged Volume** ($QTAG_j$) 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_{Tnj}); and then will

	The Market Rules	PO-MO-001
	ver. 3.0	Page 94 from 138
Department: Market Operator		

- (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:

$$PI_j = \frac{\sum_n (QO_{Tnj} * PO_{Tnj})}{\sum_n QO_{Tnj}}$$

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”;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 95 from 138
Departament: Market Operator		

- (b) if the resulting sum of **Offer Acceptance** volumes is zero then the **MO** will set the **Imbalance Price** (PI_j) as the **Default Imbalance Price** calculated in accordance with section 15.4.1.

15.3.2 If the **System Imbalance** (SI_j) 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 (QB_{Tnj}) 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** (PI_j) as:

$$PI_j = \frac{\sum_n (QB_{Tnj} * PB_{Tnj})}{\sum_n QB_{Tnj}}$$

where:

QB_{Tnj} is the volume of energy delivered in a **Bid Acceptance** “n” for **Settlement Period** “j” where tagged status “T” is set to “0”;

PB_{Tnj} 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** (PI_j) to the **Default Imbalance Price** calculated in accordance with section 15.4.1.

15.3.3 If the **System Imbalance** (SI_j) in **Settlement Period** “j” calculated in accordance with paragraph 15.1.2 is zero then: the **MO** will set the **Imbalance Price** (PI_j) 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 96 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 97 from 138
Department: Market Operator		

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** (QG_{BAbj}) for each **Generating Unit** “b” registered to **Trading Party** “A” and each confirmed **Interconnector Nomination** “b” at an **Interconnector Balancing Unit** registered to **Trading**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 98 from 138
Department: Market Operator		

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 ($QC_{BA nj}$ in MWh) in each **Contractual Nomination** “n” made for **Trading Party** “A” who is registered with **BRP Account** “B”;
- (b) the confirmed **Interconnector Nomination** ($QC_{BA nj}$ 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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 99 from 138
Departament: Market Operator		

- (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_{BAbj}), will be calculated for **Settlement Period “j”** as:

$$QS_{BAbj} = SMS_{Ab} * \left(\sum_o QZ_{oj} - \sum_o QDL_{oj} - \sum_n QS_{nj} \right)$$

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_{BAbj}), will be calculated for **Settlement Period “j”** as:

$$QS_{BAbj} = \sum_o QZ_{oj} - \sum_o QDL_{oj} - \sum_n QS_{nj}$$

where:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 100 from 138
Departament: Market Operator		

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 **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:

$$QEG_{Bj} = \sum_A \sum_b QG_{BAbj}$$

$$QEI_{Bj} = QEG_{Bj} - \sum_A \sum_n QC_{BA nj} - \sum_A \sum_b QO_{BA bj} - \sum_A \sum_b QB_{BA bj} - \sum_A \sum_{AS} QC_{BASj}$$

$$CEI_{Bj} = QEI_{Bj} * PI_j$$

where:

QG_{BAbj} is the volume of energy metered as 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”**;

$QC_{BA nj}$ 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”**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 101 from 138
Departament: Market Operator		

QO_{BAbj} is the volume of energy delivered in an **Offer Acceptance** from **Balancing Unit “b”** registered to **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 in **Account “A”**;

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.

16.5.4 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:

$$QES_{Bj} = \sum_A \sum_b QS_{BAbj}$$

$$QEI_{Bj} = QES_{Bj} - \sum_A \sum_n QC_{BA nj} - \sum_A \sum_b QO_{BAbj} - \sum_A \sum_b QB_{BAbj} - \sum_A \sum_{AS} QC_{BASj}$$

$$CEI_{Bj} = QEI_{Bj} * PI_j$$

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”**;

$QC_{BA nj}$ 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”**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 102 from 138
Departament: Market Operator		

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:

$$CREG_{bm} = PR_b * \sum_j QG_{bj}$$

$$CREF_{bm} = \sum_j \left(PI_j * \left(\left(QG_{bj} - XN_{bj} * H \right) \right) * 0.25 \right)$$

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:

$$CREG_{Bm} = PREF * \sum_j \sum_n QC_{Bnj}$$

$$CREF_{Bm} = \sum_j PI_j * \left(QG_{Bj} - \sum_n QC_{Bnj} \right)$$

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 103 from 138
Departament: Market Operator		

each **Supplier “A”** the **MO** will calculate the monthly **Supplier RES Purchase Cashflow** (CSC_{Am}) nominated using the formula:

$$CSC_{Am} = \sum_j \sum_n (QC_{Anj}) * PREF$$

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:

$$CSRES_{Am} = \left(\sum_B \sum_j QES_{Bj} \right) * PREL$$

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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 104 from 138
Departament: Market Operator		

QES_{Bj} is the **Supplier's Offtake Account Metered Energy** for **Offtake Account "B"** for **Settlement Period "j"**

$| |$ is the absolute value of the formula between the bars.

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_j) in each **Settlement Period "j"** and **TSO Trading Account "TSO" Energy Imbalance** (QEI_{TSOj}) and **Imbalance Cashflow** (CEI_{TSOj}) using the formulae:

$$QML_j = \sum_b QG_{bj} + \sum_b QS_{bj} + \sum_o QZ_{oj} + \sum_L QCB_j$$

$$QEI_{TSOj} = -QML_j - \sum_A QC_{Aj}$$

$$CEI_{TSOj} = QEI_{TSOj} * PI_j$$

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"**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 105 from 138
Departament: Market Operator		

QC_{Aj} 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”**

PI_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_{TSOj}) 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_{oj}) 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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 106 from 138
Department: Market Operator		

- (b) **Distribution Network Metering Data** correction;
- (c) **Interval Metering System Metering Data**;
- (d) Submission of **Metering Data** for a **Non-interval Metering System**.

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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 107 from 138
Departament: Market Operator		

- (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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 108 from 138
Departament: Market Operator		

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** (QG_{Abj}) or (as the case may be) the **Supply Unit Metered Energy** (QS_{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** ($PNDA_{Abj}$) and a **Non-delivery Adjustment Volume** ($QNDA_{Abj}$) if either of the following sets of conditions applies:

- (a) an **Offer Acceptance** has been made and:
 - (i) the **Non-delivery Adjustment Price** ($PNDA_{Abj}$) is greater than zero where:

$$PNDA_{Abj} = PO_{bj} - PI_j$$

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

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

or (as the case may be)

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 109 from 138
Departament: Market Operator		

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:

$$PNDA_{Abj} = PI_{bj} - PB_j$$

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

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

or (as the case may be)

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

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:

$$CNDA_{Abj} = PNDA_{Abj} * QNDA_{Abj}$$

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 110 from 138
Departament: Market Operator		

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:

$$QTNO_j = \sum_b QS_{bj} + \sum_o QZ_{oj}$$

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 111 from 138
Departament: Market Operator		

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:

$$CGNC_A = \sum_Z (PGNC_Z * XGN_A) / 12$$

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:

$$CSNC_{ZA} = \frac{\sum_b QS_{Abj}}{\sum_n \sum_b QS_{nbj}} * XTPDF_Z * PSNC_Z / 12$$

where:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 112 from 138
Departament: Market Operator		

n	is each Supplier;
j	is the Settlement Period identified as having maximum offtake in the month;
QS_{Abj}	is Supply Unit Metered Energy for Settlement Period “j” for Supply Meter “b” registered in Offtake Account “A” ;
$PSNC_Z$	is the Supplier Network Tariff applicable to voltage level “Z” of the Transmission Network ;
$XTPDF_Z$	is System Peak Day Forecast as agreed by ERO and applicable to voltage level “Z” of the Transmission Network during period of Peak Demand .

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** ($PSOTG_Z$) 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** ($PSOS_Z$) 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** ($CSOTG_A$), calculated as:

$$CSOTG_A = PSOTG_Z * \sum_j QEG_{Aj}$$

	The Market Rules	PO-MO-001
	ver. 3.0	Page 113 from 138
Departament: Market Operator		

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:

$$CSODG_A = PSODG * \sum_j QEG_{Aj}$$

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:

$$CSOS_A = -PSOS_z * \sum_j QES_{Aj}$$

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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 114 from 138
Departament: Market Operator		

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** ($CSOTG_A$), **Distribution Generator System Operator Charge** ($CSODG_A$) or its **Supplier System Operator Charge** ($CSOS_A$).

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** ($CMOTG_A$), calculated as:

$$CMOG_A = PMOTG * \sum_j QEG_{Aj}$$

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** ($CMODG_A$), calculated as:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 115 from 138
Departament: Market Operator		

$$CMODG_A = PMODG * \sum_j QEG_{Aj}$$

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:

$$CMOS_A = -PMOS * \sum_j QES_{Aj}$$

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 116 from 138
Departament: Market Operator		

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);

	The Market Rules	PO-MO-001
	ver. 3.0	Page 117 from 138
Departament: Market Operator		

CO_{bj} is **Offer Delivery Cashflow** for **Settlement Period “j”** for **Balancing Unit “b”** determined in accordance with paragraph 14.1.3;

CB_{bj} is **Bid Delivery Cashflow** for **Settlement Period “j”** for **Balancing Unit “b”** determined in accordance with paragraph 14.1.4;

$CNDA_{bj}$ is **Non-Delivery Adjustment Cashflow** for **Settlement Period “j”** for **Balancing Unit “b”** determined in accordance with paragraph 16.10.3;

CEI_{Bj} is **Imbalance Cashflow** for **Settlement Period “j”** for **BRP Account “B”** determined in accordance with paragraph 16.5.5 or **TSO Trading Account “B”** determined in accordance with paragraph 16.7.2;

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

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

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:

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

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;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 118 from 138
Departament: Market Operator		

17.6.5 The **Market Operator** will invoice (or credit) each **BRP** in respect of the **TSO Balancing Charge Cashflow** on a monthly basis.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 119 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 120 from 138
Departament: Market Operator		

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]**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 121 from 138
Departament: Market Operator		

- (d) **Supplier System Operator Charge;**
- (e) **Generator Market Operator Charge;** and
- (f) **Supplier Market Operator Charge;**
- (g) The monthly total of **Bid or Offer Delivery Cashflows;**
- (h) The monthly total of **Non-Delivery Cashflows;**
- (i) The monthly total of Imbalance Cashflows (payable to or by **BRPs**);
- (j) The monthly total of **Ancillary Service Contract** payments covering **Losses, Compensation Program** and **Reserve**;
- (k) The monthly total of **TSO Balancing Account Cashflows** (payable to or by **BRPs**); and
- (l) The **Monthly Meter Adjustment Cashflow**;
- (m) The **Supplier RES Cashflow**.
- (n) Supplier RES Purchase Cashflow.
- (o) The MO RES Purchase Cashflow.
- (p) The monthly total of RES Imbalance Cashflows

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 122 from 138
Departament: Market Operator		

- 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 123 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 124 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 125 from 138
Department: Market Operator		

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**

	The Market Rules	PO-MO-001
	ver. 3.0	Page 126 from 138
Departament: Market Operator		

with the intention of undertaking an expedited consultation process in order that the **Market Rules** can be modified rapidly.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 127 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 128 from 138
Departament: Market Operator		

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:

	The Market Rules	PO-MO-001
	ver. 3.0	Page 129 from 138
Departament: Market Operator		

- (a) As soon as possible, post a notice on its website that the **System Operator** is applying emergency procedures including such information as is available on the expected duration of the emergency;
- (b) For all **Settlement Periods** affected by the emergency, the **Imbalance Price** shall be the **Default Imbalance Price**;
- (c) As soon as possible after the end of the emergency, post a notice on its website that the emergency conditions have ended and will specify the **Settlement Period** for which normal **Imbalance Price** calculations will resume.

21.5.2 **Trading Parties** who are financially affected by the emergency may apply to the **ERO** for a decision as to restitution and, should the **ERO** 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 **ERO** on implementation of any recommendations made by the auditor.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 130 from 138
Departament: Market Operator		

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** notwithstanding 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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 131 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 132 from 138
Departament: Market Operator		

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.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 133 from 138
Departament: Market Operator		

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)

	The Market Rules	PO-MO-001
	ver. 3.0	Page 134 from 138
Departament: Market Operator		

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** enrolls 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

	The Market Rules	PO-MO-001
	ver. 3.0	Page 135 from 138
Departament: Market Operator		

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**;

	The Market Rules	PO-MO-001
	ver. 3.0	Page 136 from 138
Departament: Market Operator		

- (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.

13. The **BRP** is entitled to and responsible for:

- (g) Ensuring that a balanced portfolio is submitted on behalf of its **Balancing Group** at **Day Ahead Gate Closure** and **Gate Closure**.
- (a) Receiving information from the **MO** relating to each member of the **Balancing Group** relevant to calculation of the imbalance of the **Balancing Group**; and
- (b) Receiving **Invoice Documents** and invoices from the **MO** relating to imbalance payments and paying or being paid for such imbalances within the timetable set out in the **Market Rules**;

Nomination

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**

Security Guarantees

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 137 from 138
Departament: Market Operator		

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**.

	The Market Rules	PO-MO-001
	ver. 3.0	Page 138 from 138
Departament: Market Operator		

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.