

Operational Rules of the Regional Booking Platform

Version 1.3.1.

Applicable from 23.10.2014

Preamble

This Operational Rules of the Regional Booking Platform (Operational Rules) contains all the relevant issues and rules regulating the operation of RBP Application, including the legal and business consequences of all the steps that TSO Members, Network User Members and RBP Operator might choose and take while using RBP and its services.

The provisions set forth in the Operational Rules are binding for the RBP Operator, TSO Members and Network User Members of the Regional Booking Platform.

The provisions of the Operational Rules might go under revision and changes from time to time. TSO Members and Network User Members are informed about such modifications 30 days in advance of effective day of the new version of the Operational Rules via RBP Portal.

1. General Provisions

1.1. Contractual Relationship and Binding Nature

Contractual relationship shall be established between the Regional Booking Platform Operator (RBP Operator) and the TSO Applicant or the Network User Applicant upon the signature of the TSO Membership Agreement or the Network User Membership Agreement by the RBP Operator and a TSO Applicant, or the RBP Operator and a Network User Applicant, respectively. By signing the TSO Membership Agreement or the Network User Membership Agreement, a TSO Applicant becomes TSO Member whereas a Network User Applicant becomes Network User Member, accordingly.

1.2. Definition of the Regional Booking Platform

The Regional Booking Platform (RBP) is an electronic auction and trading platform developed for the easy and cost-efficient implementation and continuous support of the Commission Regulation (EU) No 984/2013 on establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council (CAM NC). Regional Booking Platform consists of the RBP Application and the RBP Portal.

1.3. Operation of the Regional Booking Platform

FGSZ Zrt. (hereinafter FGSZ) is the company currently operating the Regional Booking Platform.

As the operator of the Regional Booking Platform, FGSZ is responsible for:

- a. signing Membership Agreements with Applicants, whereby they become TSO or Network User Members, as appropriate,
- b. assigning access rights and providing access to TSO and Network User Members as stipulated in the specific TSO or Network User Membership Agreement,
- c. the validity of all the information originating in the RBP Application and the compliance of the auction processes with this Operational Rules,
- d. receiving, processing and submitting information from/to TSO and Network User Members concerning their transactions on the Regional Booking Platform,
- e. providing, maintaining and developing the RBP Application and the RBP Portal.

1.4. Legal Framework

RBP has been set up based on and complying with Regulation 984/2013/EU. RBP Operator and TSO Members, in close cooperation with the relevant National Regulatory Authorities make their best effort to ensure that operations on the Regional Booking Platform be compliant with the relevant national legislation.

All Members shall comply with the relevant European and national laws at all times. The RBP Operator shall not be held liable for any damage arising from TSO or Network User Member's legal non-compliance.

RBP is operated under Hungarian Law.

1.5. Principles of Capacity Bundling

In case of bundled capacity products, RBP implements the concept of 'product bundling.' Bundled capacity products shall consist of same quality components, i.e. either firm capacities without any restrictions or interruptible capacities with same rules of interruption on both sides of the bundle.

In case of bundled capacity auctions, where there are two TSOs on two sides of an Interconnection Point (IP), RBP applies the "one auction – two contracts" model. Each Auction Confirmation of successful auctions shall automatically result in two separate capacity booking contracts: one between the Network User and upstream TSO and the other between the Network User and downstream TSO. These two separate capacity booking contracts are, however, legally related and interdependent: The existence of one contract is a prerequisite for the existence of the other one, and vice versa.

RBP is able to handle more complex IPs with regard to the offering and auctioning of bundled capacity products, subject to the agreement of the involved parties. In this case, one auction may result in more than two contracts:

- a. Where adjacent entry-exit zones are linked with an interconnector-type legal entity, which is entitled to market transmission capacities on its own, RBP is able to create and auction bundled capacity products involving the capacities of all the three involved parties,
- b. Where adjacent entry-exit zones are linked with more than one IP involving more than two TSOs, RBP is able to create and auction bundled capacity products according to the agreement of the involved TSOs,

- c. Where Virtual Interconnection Points have been established

1.6. Business Activities on the Regional Booking Platform

1.6.1. CAM NC-Compliant Capacity Auctions

Based on to the rules described in the CAM NC, RBP offers the possibility to adjacent TSOs or other system operators for offering their capacity jointly in auctions in the form of bundled capacity. The application also enables to run unbundled capacities by the same TSOs or other system operators. Network Users are able to obtain such capacities via auctions as defined in the CAM NC.

1.6.2. Other Business Activities

RBP Operator is developing secondary capacity markets and comfort functions in line with the CAM Network Code.

1.7. Members of the Regional Booking Platform

The Regional Booking Platform admits TSO Members and Network User Members on a transparent and non-discriminative manner. Detailed rights and obligations of Members are described in the TSO Membership Agreement (for TSOs) and the Network User Membership Agreement (for Network Users). Access to the Regional Booking Platform is possible on electronic certificate-based access rights. Membership cannot be assigned or transferred.

1.8. Transacting on the Regional Booking Platform

Access to each TSO Member's transmission network is defined by the relevant national regulation of the individual TSO Member. The Regional Booking Platform enables any TSO Member to grant effective access to execute trade transactions only to such Network User Members who comply with the eligibility criteria of the given TSO Member. Without complying with the relevant TSO Members' relevant national regulation, Network User Members may not enter capacity auctions, secondary market or CMP transactions. The fulfilment of such criteria by the Network User Member is examined and validated solely by the relevant TSO Member. TSO Members' trade documents (such as Operational and Business Code / Network Code of the TSO Members' natural gas transmission system, trade regulations, and sample capacity contracts, etc.) are to be provided by the TSO Members on the TSO Member's website. TSO Members are solely responsible for timely publication and accessibility of the relevant trade documents.

1.9. Language of Operation and Communication

The official operational language of the RBP is English.

The RBP Application and Portal have been developed intentionally to be able to handle multi-language displays. If a TSO Member decides later on to enable another language, this can be realised following the development and change request management process described in the Cooperation and TSO Membership Agreement.

1.10. Customer Service

RBP Operator provides a User Manual for the Regional Booking Platform on the RBP Portal.

The RBP Application is a technical background for business transactions. Therefore, RBP Operator can deal and answer only the technical questions and complaints with regard to RBP's operation. Other business-related issues, questions and complaint will be redirected to relevant TSO Members and shall be handled according to the relevant regulations of the TSO Members throughout the concerning communication channels. Technical complaints are to be reported via a controlled process to RBP Help Desk. The RBP Operator is obliged to answer technical complaints without undue delay.

1.11. Backup Site

RBP Operator is to operate hot back-up site, and adequate BCP and DRP supplies. Process of BCP and DRP materialize as determined in the RBP Information Technology Provisions.

TSO Members are obliged to inform each other and the RBP Operator about all technical questions and complaints without undue delay that might serve the improvement of the administration of the processes on RBP.

2. Membership of the Regional Booking Platform

2.1. General Information for Network User Applicants Registration

Network User Applicants shall register by submitting the completed and duly signed Network User Membership Registration Form to the RBP Operator. In the Form, the Applicant has to agree and accept the terms and conditions of the Network User Membership Agreement, as well as the present Operational Rules.

Applicants are notified that secured areas of RBP can be accessed using digital certificates issued by a certificate authority (trusted provider). The access is always personalized and is related to natural persons representing the Applicant's company. As neither TSO Members, nor the RBP Operator are digital certificate providers, Applicants are required to acquire digital certificate(s) from trusted certificate authorities in order to be able to submit a complete Registration Form.

The RBP Operator verifies whether the Applicant's submitted Network User Membership Registration Form was completed and signed in a formally correct way. The RBP Operator shall notify the Applicant in case of any omission or inaccuracy in its submitted Form without undue delay. The Registration shall become effective after the written confirmation of the RBP Operator. The RBP Operator is not verifying whether an Applicant Network User or a registered Network User Member is eligible to book capacities in any of the entry-exit zones accessible via the Regional Booking Platform. Such verification shall be carried out solely by the relevant TSO Members.

2.2 Network User Registration

The steps of the registration are as follows:

- i. Applicant Network Users shall submit their registration mandatorily to the RBP Operator and optionally also to the relevant TSO Members. Network User Registration Form can be found on RBP Portal (<http://rbpportal.fgsz.hu>) as well as on TSO Members' official website.
- ii. Applicant Network Users shall also submit the duly signed Network User Membership Agreement in 2 (two) copies. RBP Operator is to countersign and send back one of the copies to the Applicant Network User, upon which the Applicant Network User becomes Network User Member. The Network User Membership Agreement can be found on RBP Portal (<http://rbpportal.fgsz.hu>) as well as on TSO Members' official website.
- iii. Incomplete or incorrect filled-in form shall be automatically refused.
- iv. RBP Operator's address is:
 1. Postal address: FGSZ Zrt., Hungary 8600, Siófok, Tanácsház u. 5.
Attention: RBP Operation
 2. E-mail address: rbp@fgsz.hu
- v. The RBP Operator shall verify or refuse the applicant by close of business of the next working day. The RBP operator always confirms validated/refused applications to the Applicant in a written notice. An Applicant Network User shall become RBP Network User Member upon the confirmation of the receipt of the fully completed and duly signed Registration Form and Network User Membership Agreement by the RBP Operator.
- vi. RBP Operator shall inform the TSO Members of the relevant IP and requests the validation of the Network User Member.
- vii. RBP Operator shall publish the name of the new Network User Members on the RBP Portal.
- viii. Network User Members are hereby informed that Network User Members' participation on any auction depends solely on the respective TSO Members' verification and approval.

2.3. TSO Registration

TSO Applicants are advised to contact the RBP Operator (currently FGSZ) in order to become TSO Member. FGSZ is proposing trilateral talks among the adjacent TSOs intending to join RBP and the RBP Operator. Contractual arrangements need to cover at least the following:

- a. TSO Membership Agreement – between each of the adjacent TSOs and the RBP Operator. The TSO Membership Agreement and its Annexes detail the operational, technical and financial terms and conditions of RBP access. RBP Operator is to provide the draft TSO Membership Agreement upon written request of the interested adjacent TSOs.
- b. Cooperation Agreement – between the adjacent TSOs intending to allocate bundled or unbundled, firm or interruptible capacities via the RBP at their joint IP. RBP Operator can provide a sample Cooperation

Agreement upon request. RBP Operator may refuse the application of the adjacent TSOs in case of material deviation from the sample Cooperation Agreement that may harm the operation of the RBP in any way.

RBP Operator shall publish the name of the TSO Members on the RBP Portal.

3. Application Access

The access of the RBP Application is based on digital certificate issued by a trusted provider. All TSO Members and Network User Members are responsible for the procurement and maintenance of their electronic certificates and all TSO Members and Network User Members bear universal responsibility for the actions of the persons acting on their behalf.

3.1. Application Access Types

Types of RBP Application access are the following:

- i. RBP application administrator: allocated to the RBP Operator, with the right to create and manage (start, pause and close) auctions, (read and write rights)
- ii. TSO administrator: allocated to all TSO Members, with the right to set up and follow capacity auctions and access static content relevant to the TSO Member on RBP (read and write rights)
- iii. TSO controller: allocated to all TSO Members, with the right to follow capacity auctions and access static content relevant to the TSO Member on RBP (read only rights)
- iv. Network User bidder: allocated to registered Network Users, with the right to participate in capacity auctions and access static content relevant to the Network User Member on RBP (read and write rights)
- v. Network User controller: allocated to registered Network Users, with the right to follow capacity auctions, where another representative of the Network User is a bidder, and access static content relevant to the Network User Member on RBP (read only rights)
- vi. Access without certificate: to public information on RBP Portal

The RBP Operator grants the requested rights to the representatives of the Applicant Network Users. Applicant Network User has to complete the corresponding sheet on the Network User Membership Registration Form.

The RBP Operator grants the requested rights to the representatives of the Applicant TSOs. Applicant TSOs have to complete the TSO Membership Registration Form.

Members shall notify immediately the RBP Operator of any change to the list of their authorised representatives. Network User Members and the TSO Members carry all the responsibility of late notification of such changes of representatives.

3.2. Identification and Event Logging

All natural persons representing the RBP Operator, a TSO Member or a Network User Member are identified through personal electronic certificate. All actions carried out on RBP by any of the above mentioned parties are logged and stored.

The usage of the personal electronic certificate(s) falls under the sole responsibility of the respective TSO Member or Network User Member. TSO Members and Network User Members shall keep their certificates safe from any unauthorized access.

In case of any lose or abuse of any of its electronic certificates TSO Member or Network User member shall notify immediately the RBP Operator about such event. The RBP Operator is shutting down the access rights of the noted personal electronic certificate(s) immediately after receiving of such request of the Network User Member.

The RBP Operator is not responsible for any damages arising out of the lack of the late notification of lose or abuse of personal electronic certificate(s).

The RBP Operator is able to reconstruct the RBP Application's status at any given time from any access type holder's point of view either as a written log or as a graphic display.

3.3. TSO and Network User Access

TSO Member and Network User access to RBP is certificate-based, personalized access with the following rules:

- i. Network User bidding is subject to TSO Member validation, i.e. TSO Members shall confirm that the Network User Member is an eligible network user on their transmission systems.
- ii. TSO Members of an IP shall grant a credit line (≥ 0) to Network User Members. The credit lines are subject to national regulation and TSO credit policy.

4. Technical Conditions of Access

4.1. Certificate-based Access

The RBP can be accessed by using a certification eligible for electronic identification, issued by an authenticated digital certification provider company. The data of the certification shall be sent by the Network User Member and the TSO Member to the RBP Operator. The form's obligatory elements of content are determined by the RBP Operator, and it will be accepted only if both requirements of content and form are complied with.

4.2. IT Requirements of TSO and Network User Members

Configuration on the TSO Members' and Network User Member's part:

- disposal of an up-to-date computer operation system,
- pdf reader,
- a common and up-to-date web browser (i.e. Internet Explorer, Chrome or Firefox),
- latest available plugin of Adobe Flash Player for the web browser applied,
- Internet connection,

- 1280*1024 screen resolution recommended.

4.3. Modification of the Applied Technologies

The RBP Operator reserves the right to upgrade its applied technologies.

5. Overview of the Capacity Auction Workflow on the Regional Booking Platform

Step	What?	Who?	When?	How?
1/a	Becoming TSO Member of RBP	Applicant TSOs and RBP Operator	Anytime	Offline (paper-based contract)
1/b	Becoming Network User Member of RBP	Applicant Network Users and RBP Operator	Anytime	Offline (paper-based contract), registration online on RBP
2	Entity setup	RBP Operator	Upon the successful accession of TSO Applicants and Network User Applicants	Online on RBP
3	Setup of Auction Calendar	TSO Members	at the date of signature of the Cooperation and TSO Membership Agreement	Offline paper-based or electronic document
4	Auction scheduling	RBP Operator	Immediately after the provision of the Auction Calendar	Online on RBP
5/a	Auction setting (capacity product parameters)	TSO Members	In case of yearly capacities : 1 month before the auction starts In case of quarterly capacities : 2 weeks before the auction starts In case of monthly capacities : 1 week before the auction starts In case of daily capacities : 24 hours before the auction starts	Online on RBP
5/b	Capacity bundling	RBP Operator	Immediately upon the expiry of the above deadlines	Online on RBP
5/c	Auction setting (network user access and credit line)	TSO Members	Until 1 hour before the auction starts	Online on RBP
6/a	Auction execution	RBP Operator	Starting date: according to the auction calendar Internal timing: according to CAM NC timings	Online on RBP
6/b	Bidding	Network User Members	According to CAM NC timings	Online on RBP
7/a	Entering into contractual relationship	TSO Members and Network User Members	Upon the closure of the auction via Auction Confirmation	Online on RBP
7/b	Contract management	TSO Members and Network User Members	According to the internal rules of the TSO Members / Network User Members	

5.1. Setup of Auction Calendar

TSO Members shall agree upon the capacity products (location and duration) and the corresponding auction dates for the capacity products they want to allocate via the Regional Booking Platform. This agreement (Auction Calendar) shall be communicated to the RBP Operator in a timely manner.

Until the mandatory use of ENTSOG auction calendar (1 November 2015), TSO Members agree that they provide the RBP Operator with the schedule of the capacity auctions they want to run on the RBP as follows:

- a. for the current gas year (1 July 2014 – 1 October 2015) auctions shall be defined at the date of signature of the Cooperation and TSO Membership Agreement,

After the TSO Members submit the Auction Calendar, RBP Operator enables TSO Members to set up the capacity auctions according to Paragraph 5.2.2. and 5.2.4.

5.2. Stages of the Auction Process

The Regional Booking Platform enables TSO Members to set up capacity auctions online following the steps below. Auctions in RBP have different statuses according to the current stage of the auction (setup) process:

- Scheduled,
- Setting,
- Set,
- Active,
- Pause (PitStop),
- Closed.

5.2.1. The 'Scheduled' status shall mean an auction that was created by the RBP Operator based on the agreement of the TSO Members. Scheduling is undertaken by the RBP Operator immediately after the relevant TSO Members define the auction calendar for the given IP. RBP Operator shall create all auctions submitted by the TSO Members without undue delay. TSO Members can access 'Scheduled' auctions for editing in the RBP Application under the 'Manage auctions menu.' 'Scheduled' auctions are published on RBP Portal. A 'Scheduled' auction only contains the date of the auction and the capacity product to be auctioned but does not contain any information with regard to offered capacity, reserve price and limits related to Network User Members.

5.2.2. The 'Setting' status shall mean a Scheduled auction that was already edited by at least one TSO Member or both TSO Members, but it is incomplete or has not passed the first editing deadline yet. TSO Members shall set up auctions separately, which means they are obliged to fill in the corresponding interface on the RBP Application for each individual capacity auction:

- Available capacity for bundling at the given network point,
- Reserve price (applicable tariff),
- Large price step and the small price step.

These parameters are possible to edit until the following deadlines (first editing deadline):

- In case of yearly capacities: 1 month before the auction starts
- In case of quarterly capacities: 2 weeks before the auction starts
- In case of monthly capacities: 1 week before the auction starts

- In case of daily capacities: 24 hours before the auction starts
- In case of within-day capacities: when the results of the relevant daily capacity auction is available

The RBP Operator shall notify Network User Members on behalf of the TSO Members about the amount of capacity to be offered, reserve prices and price steps to for the upcoming capacity auctions as soon as the first editing deadline passed, via the RBP Portal.

5.2.3. An auction becomes 'Set' when the first editing deadline as described in Paragraph 5.2.2. is passed and the RBP Operator carries out the following matching procedure in case of bundled products:

- a. matching the capacity available for bundling uploaded by the TSO Members. If there is a difference between the uploaded data, the RBP Operator shall apply the lesser rule,
- b. matching the large and small price step data uploaded by the TSO Members. If there is a difference between the uploaded data, the RBP Operator shall apply the lesser rule to the large and small price step.

As a result of the above matching procedures, the parameters of the auction are 'Set.' RBP Operator shall publish the parameters of a 'Set' auction on RBP Portal and send a digitally signed confirmation to the TSO Members regarding the attributes of the auction. After an auction has become 'Set,' the following data cannot be modified by the TSO Members:

- Available bundled capacity at the given network point,
- Reserve prices (applicable tariffs for both TSO Members capacity product in the bundle),
- Large price step and the small price step.

5.2.4. TSO Members are required to enable Network User Members' participation in the relevant auction. TSO Members shall:

- a. confirm that Network Users are eligible network users in their network according to the national laws by clicking a tick mark next to the eligible Network User Members' name before every single auction. Only Network User Members who are confirmed this way are able to participate in the relevant capacity auction.
- b. grant a credit line according to the credit limit policy of the TSO within which the Network User is allowed to make bids. The credit line shall include the amount of VAT as well. In case of an ascending clock auction, a Network User's highest bid shall not surpass the limit granted by either of the TSO Members. In case of a uniform price auction, the sum of the bids of a Network User shall not surpass the limit granted by either of the TSO Members. All bids surpassing the credit limit shall be automatically refused by the RBP Operator.

TSO Members can access and edit Network User eligibility and credit line until 1 full hour before the relevant auction starts (second editing deadline). After the second editing deadline, none of the attributes of the relevant auction can be modified.

5.2.5. An auction is 'Active' when Network User Members may place bids in the relevant auction according to the following rules:

- i. Network User Members may bid under the Bids menu in RBP interface (www.rbp.fgsz.hu) by selecting the required capacity product and filling in the appropriate fields and finally saving the bid(s) when the auction status is 'Active.'
- ii. In case of uniform price auctions, the price element of a bid means the auction premium on top of the reserve price, expressed as a percentage (%) of the reserve price.
- iii. A bid may be saved only if all required fields are filled in. Incomplete or unsaved bids are technically refused by the RBP Application and such bids do not participate in the relevant capacity auction.
- iv. Network User Members have the possibility to place bids, to withdraw them and to make corrections on the bids within the time frame of the auction round via their registered Network Users bidders (users with read and write rights).
- v. A Network User Member's bid(s) become legally binding if a valid bid is saved at the time of the closure of each auction round in case of an ascending clock auction and at the time of the closure of the auction in both ascending clock and uniform price auctions. After such saving and closure of the auction rounds and auctions there is no more possibilities to make modifications or withdraw the bids (i.e. offers to book capacities).
- vi. Network User Member is allowed to bid at a certain IP within the frame of the credit lines granted by the TSO Members. Network User Member's last valid bid at the closing of any auction round is considered as an irrevocable bid to reserve the relevant capacity product. Network User Member shall acknowledge that valid bids are considered to be irrevocable offers to book capacity on the relevant capacity auction, which, without any further action by the Network User Member, shall establish valid capacity booking contracts with the relevant TSOs offering capacity products to be allocated via RBP.
- vii. Capacity booking contracts between a TSO Member and a Network User Member are subject to national regulations. By participating in a capacity auction on the Regional Booking Platform, Network User Member acknowledges the full knowledge and acceptance of the relevant national regulations of TSO Members applicable for capacity booking.
- viii. Network User Members may see the aggregated sum of all Network User Members' bids (total capacity units requested) only after the auction round (in case of ascending clock auction) or the auction (ascending clock and uniform price auction) has been closed. Large and small price steps are pre-defined by the TSO Members and may not be edited by Network User Members.
- ix. Large and small price steps are expressed in percentage (%), which means the auction premium on top of the reserve price the Network User Member is committed to pay for the given price step.
- x. In case of bundled capacity products, the payable price (PP) by the Network User shall be the sum of the reserve prices and the auction premia (if any).
 - a. If the price element of a bid by the Network User Member is X, defined by the small or large price steps in case of ascending clock auctions and by the Network User Member's bid itself in case of uniform price auctions, and
 - b. If reserve prices are A and B, then:

$$PP = A + A * X + B + B * X$$

Reserve price A and B may be expressed by TSO Members in two different currencies.

Network User Member shall pay $A+A * X$ to one TSO Member whereas $B+B * X$ to the other TSO Member operating the relevant IP.

- xi. Network Users may enter quantity bids expressed in kWh/h to each large and small price step as pre-defined by TSO Members. A bid quantity must be a non-negative integer number.
- xii. Shall the small price step phase occur in an ascending clock auction after a first time undersell, Network Users' the range of the bids for the small price step phase is limited by the quantities entered by the Network User Members for the large price steps defining the range of the small price steps.
- xiii. One Network User Member may bid with multiple representatives on multiple auctions in RBP at the same time.
- xiv. Network User Member may also bid on one specific auction with multiple representatives. Such bids shall be taken into account collectively per Network User Member according to the relevant auction algorithm.
- xv. Network User Member is not allowed to enter an Ascending clock auction as a new participant after the first round of it has been closed.

5.2.6. An auction is in 'Pause' (PitStop) phase when Network User Members may not place bids after the relevant auction has started but it has not finished yet according to CAM NC auction timings.

5.2.7. An auction is 'Closed'

- a) with a valid result when, pursuant to the allocation methodology in Article 7 or Article 8, a capacity allocation procedure was completed and capacity was allocated according to the results of the relevant capacity auction, or
- b) with an invalid and void result, when another auction starts for a part of the same service period:
 - i. the annual capacity auction for the gas year is protracted until the auction for the first quarterly capacity product within the relevant gas year would start, or
 - ii. a quarterly capacity auction for a quarter is protracted until the auction for the first monthly capacity product with a service period within the relevant quarter would start, or
 - iii. a monthly capacity auction is protracted until the auction for the first daily capacity product with a service period within the relevant month would start.
- c) with an invalid and void result, when the services of RBP are not available due to emergency situation.

In the end of the relevant capacity auction, the RBP Application displays the 'Closed' status on the screen, which is visible to both TSO Members and Network User Members participating in the auction. The exact closing time is included in the Auction Confirmation.

6. Allocation of Capacity Products

6.1. Applied Capacity Unit

The capacity offered shall be expressed in energy units per unit of time. The following units shall be used: kWh/h.

6.2. Rules of Allocation in the Pilot Phase

- i. Capacity products are allocated and contracted on the RBP Application compliant to CAM NC procedures.
- ii. TSO and Network User Members accept and acknowledge that yearly, quarterly and rolling monthly capacity products are allocated on the Regional Booking Platform by ascending clock auction process.
- iii. TSO and Network User Members accept and acknowledge that day-ahead and within-a-day capacity products are allocated on Regional Booking Platform by uniform price auction process.
- iv. Ascending clock and uniform price auctions shall be held on public holidays as well.
- v. TSO Members are responsible for the timely calculation and upload of their capacities available for capacity auctions.
- vi. The RBP Operator is obliged to refuse the participation of Network User Members in a capacity auction, which was not approved by the relevant TSO Members prior to the relevant capacity auction.
- vii. The RBP Operator is obliged to refuse bids of Network User Members that would result in an exposure greater than the credit line of the Network User Members established by the relevant TSO Members.
- viii. TSO Member acknowledges that uploading the capacity products onto RBP Application, without any further action of the TSO Member, is considered to be an irrevocable and binding offer to sell such products via RBP Application through the relevant auction process to the Network User Member(s) that submit(s) the winner bid(s), whoever the winner is. By uploading the capacity products onto RBP Application TSO Member acknowledges and approves that the contractual conditions of the future capacity booking contracts to be concluded via RBP Application through the relevant auction procedure are the followings:
 - a) the product offered by TSO Member will undergo a bundling procedure, during which the original capacity product of the TSO member loses its original stand-alone feature and will be linked to the corresponding product of the adjacent TSO Member;
 - b) the clearing price will be the contractual fee to be paid for the sold capacity product;
 - c) auction premium (if any) may be invoiced separately from the reserve price by the relevant TSO Member;
 - d) all the relevant contractual terms and conditions (other than the ones described in the Auction Confirmation) to be applied by TSO member and Network User Member are subject to the TSO Member's national regulation and are according to the TSO Member's regarding and publicly disclosed contractual rules, which can be e.g., but not limited to: TSO Member's sample capacity booking contract, general terms and conditions, code of conduct, Network Code, etc.

- ix. TSO Members shall place the relevant terms and conditions of the capacity booking contracts (other than the ones stipulated in the RBP Auction Confirmation) to be concluded via the auction procedure on their website, referring to the relevant auction procedure. It is the TSO Member's solely responsibility to inform Network User Members about the contractual terms and conditions in advance. All losses and invalidity problems resulting from the failure of the fulfilment of such obligation shall be carried by the relevant TSO Member(s). RBP is not responsible for any damage and claims arising from such non-compliance of the TSO Member(s).
- x. Network User Member shall be aware of the contractual terms and conditions of the relevant TSO Member, whose product(s) the Network User is intended to bid for, before the start of the auction procedure. By entering the auction procedures on the Regional Booking Platform, Network User Members declare to acknowledge and accept the contractual terms and conditions of the relevant TSO Members. Such contractual terms and conditions are available on the website of the TSO Member in due time before the auction procedure starts, to be applied for the capacity booking contracts concluded via auction procedures of the RBP Application. Network User Member acknowledges that by uploading bids during the auction procedures onto RBP Application according to Clause 6.2, the winning bid will result in valid capacity booking contract with the relevant TSO Member according to the result of the auction (validated by the RBP Auction Confirmation) and the available terms and conditions of the relevant TSO Member.
- xi. The allocation results of the auction shall be published via an automatic system message (Auction Confirmation) to each participant of the auction; right after the auction is closed. The result of the auction itself creates valid capacity booking contracts with the winner bidder. The RBP Auction Confirmation substantiates the capacity booking contracts between TSO Member(s) and winner Network User Member(s) in electronic way and electronic form.
- xii. The RBP Operator's system message (Auction Confirmation) contains all the relevant information of the capacity booking contracts that are essential for the contractual parties to be aware of, i.e. the contractual terms and conditions. The said system message is validated by the digital signature of the RBP Operator, which ensures that the Parties' capacity booking contracts confirmed in the system message are authentic, valid and free from any unauthorized influence.
- xiii. The Auction Confirmation message sent from the RBP Operator to the Network User Member and TSO Members shall contain the following data:
- Network User identification data, as contracting Party
 - TSO Member(s)' identification data, as contracting Party
 - Auction ID,
 - Auction start date,
 - Auction closed date,
 - Description of the network point (name, EIC, flow direction),
 - Description of the capacity product (service duration, quality, instrument)
 - Auction data (capacity offered, reserve price(s)),

- Data of the Network User's bid(s) (ID, timestamp, bid premium in percentage points of the reserve price, bid quantity),
 - Data of the capacity allocated to the Network User (allocated quantity)
 - payment obligations of the Network User Member (clearing premium in percentage points of the reserve price, clearing price, clearing fee)
 - reference to the fact that other contractual terms and conditions are applicable according to the TSO Member's relevant national regulation.
- xiv. TSO and Network User Members acknowledge, agree and accept the fact that the above system messages resulting from capacity auctions conducted on the Regional Booking Platform are authentic electronic capacity booking contracts that are valid without any further act.
- xv. Capacity products allocated as bundled capacities are interdependent on each other. TSO Members shall cooperate and communicate about contractual performance during the effect of the linked capacity booking contracts. The minimum principle is that interdependent capacity booking contracts between the upstream TSO Member and Network User Member and between the downstream TSO Member and Network User Member shall be harmonized under the relevant national regulations as follows:
- a) The interdependent capacity booking contracts enter into force simultaneously by the RBP announcement of the result of the above capacity auction;
 - b) Interdependent capacity booking contracts, as part of a bundled capacity booking shall not be separated from each other and can only be transferred to third Parties jointly, preserving the referred bundled form of the capacities, where only quantitative break-up is possible. Network User shall be obliged by TSO Members to enter into a capacity sale contract that guarantees the above;
 - c) Special data exchange shall be ensured between TSO Members with the agreement of Network User Members in order to perform the special interacting conditions of the bundled capacity booking contracts. To achieve this, Network User Member shall be obliged to accept data management and transfer on the status of the interdepending capacity booking contracts, especially on their validity, contractual performance, secondary capacity trade and termination, which shall have a direct effect on the existence and modification of each other.
 - d) The consequences of breaches of the interdepending capacity booking contracts shall be harmonized.
- xvi. Network Users are entitled to request paper-based copies of the capacity booking contracts including all relevant attachments and appendices from the relevant TSO Member(s). The issuance of the paper-based copies by TSO Member(s) does not affect the validity of the electronic capacity booking contracts. Contractual data and details thereof shall not be different from the conditions set in the RBP Auction Confirmation.
- xvii. RBP ensures the identification of the electronic contracts by using a unique identification number for each transaction.
- xviii. An archive containing a copy of all electronic contracts is stored on the RBP server. The RBP Operator guarantees the safe storage of the electronic contracts, which means protection against any unauthorised access, illegal attack or any modification of the electronically signed documents. The RBP Operator warrants that the electronic contracts are authentic, and comply with the result of the auctions and the

capacity booking contracts of the related TSO Members. RBP ensures that the electronic contracts are available for the entitled TSO and Network User Members for at least 7 years.

xix. Aggregated information on the auction results shall be published to the market on the RBP Portal.

7. Ascending Clock Auction Algorithm

- i. Ascending Clock auctions shall enable Network User Members to place volume bids against escalating prices announced in consecutive bidding rounds, starting at the Reserve Price P0.
- ii. The first bidding round, with an associated price equal to the Reserve Price P0, shall have a duration of 3 hours. Subsequent Bidding Rounds shall have a duration of 1 hour. There shall be a period of 1 hour between Bidding Rounds.
- iii. A bid shall specify:
 - (a) the identity of the network user applying;
 - (b) the concerned interconnection point and direction of the flow;
 - (c) the standard capacity product for which the capacity is applied for;
 - (d) per price-step, the amount of capacity for the respective standard capacity;
 - (e) product applied for.
- iv. A bid shall be considered valid and legally binding if it is submitted by a Network User Member and complies with all provisions of this Article.
- v. In order for Network User Members to participate in an auction, it shall be mandatory to place a volume bid in the first bidding round.
- vi. Via the RBP Application, TSO Members shall provide Network User Members with the option to enter bids automatically against any price step.
- vii. Once the relevant bidding round closes, no modification, withdrawal or variation to valid bids shall be accepted, as valid bids shall be considered irrevocable from this point on. RBP application, as a closed system, ensures all the TSO and Network User Members about the exclusion of the possibility of any alteration. All valid bids are considered to be binding commitments of a Network User Member to book capacity to the amount requested per announced price, provided the clearing price of the auction is that announced in at the closing of the relevant bidding round.
- viii. The volume bid in any bidding round per Network User Member shall be equal or smaller to the capacity offered in a specific auction. The volume bid per Network User Member at a specific price shall be equal to or less than the volume bid placed by this network user in the previous round, except where paragraph 16 applies.

- ix. Bids may be freely entered, modified and withdrawn during a Bidding Round, providing all bids comply with paragraph 8. Valid bids shall remain valid until modified or withdrawn within the Bidding Round.
- x. A large price step and a small price step shall be defined per interconnection point and per standard capacity product and published in advance of the relevant auction. The small price step shall be set such that an increase by an integer number of small price steps is equal to an increase by a large price step.
- xi. The determination of the large price step shall seek to minimise, as far as reasonably possible, the length of the auction process. The determination of the small price step shall seek to minimise, as far as reasonably possible, the level of unsold capacity where the auction closes at a price higher than the reserve price.
- xii. If the aggregate demand across all Network User Members is less than or equal to the capacity offered at the end of the first bidding round, the auction shall close.
- xiii. If the aggregate demand across all Network User Members is greater than the capacity offered at the end of the first bidding round or a subsequent bidding round, a further bidding round shall be opened with a price equal to the price in the previous bidding round, plus the large price step.
- xiv. If the aggregate demand across all Network User Members is equal to the capacity offered at the end of the second bidding round or a subsequent bidding round, the auction shall close.
- xv. If a first time undersell occurs, a price reduction shall take place and a further bidding round shall be opened. The further bidding round will have a price equal to the price applicable in the bidding round preceding the first time undersell, plus the small price step. Further bidding rounds with increments of the small price step shall then be opened until the aggregate demand across all network users is less than or equal to the capacity offered, at which point the auction shall close.
- xvi. The volume bid per Network User Member in the first bidding round where small price steps are applied shall be equal to or less than the volume bid placed by this Network User Member in the bidding round which preceded the first-time undersell. The volume bid per Network User Member in all bidding rounds where small price steps are applied shall be equal to or greater than the volume bid placed by this Network User Member during the bidding round in which the first-time undersell occurred.
- xvii. If the aggregate demand across all Network User Members is greater than the capacity offered in the bidding round with a price equal to that which led to the first time undersell, minus one small price step, the auction shall close. The clearing price shall be the price that led to the first time undersell and the successful bids shall be those submitted during the original bidding round in which the first time undersell occurred.
- xviii. After each bidding round, the demand of all Network User Members in a specific auction shall be published as soon as reasonably possible in an aggregated form.
- xix. The price announced for the last bidding round in which the auction closes shall be considered as the clearing price of the specific auction, except cases where paragraph xvii applies.
- xx. All Network User Members who have placed valid volume bids at the clearing price are allocated the capacity according to their volume bids at the clearing price. Successful Network User Members shall pay the clearing price of the specific auction, and any other possible charges applicable at the time when the capacity allocated to them can be used.

- xxi. Following every closed auction, the final auction result including the aggregation of allocated capacities and the clearing price shall be published. Successful Network User Members shall be confirmed about the amount of capacities they are allocated via automatic system message. Individual information shall be communicated only to concerned parties.
- xxii. If an ascending clock auction has not ended by the scheduled starting point (according to the auction calendar) of the next auction for capacity covering the same period, the first auction shall close and no capacity shall be allocated. The capacity shall be offered in the next relevant auction.
- xxiii. Bids placed on an auction, which was closed out of any above reason of failure do not have any legally binding effect on the Parties after closure of the auction, and nor it concludes any capacity booking contracts.
- xxiv. Automatic checks ensure that Network Users cannot place invalid bids in any ascending clock auction taking place in the Regional Booking Platform.
- xxv. All bids that are uploaded but not saved are legally non-binding and do not result in capacity booking contracts.

8. Uniform-Price auction algorithm

- i. In a uniform price auction, there is a single bidding round in which the Network User Member bids price as well as quantity.
- ii. During the bidding round of a given auction, Network User Members may submit up to 10 bids. Each bid shall be treated independently from other bids. After the closure of the bidding round, remaining bids may not be amended or withdrawn, as they are considered to be legally binding, irrevocable offers of the Network User Members to buy capacity. The RBP Application, as a closed system, ensures all Members about the exclusion of the possibility of such alteration.
- iii. A bid shall specify:
 - (a) the identity of the Network User Member applying;
 - (b) the concerned interconnection point and direction of the flow;
 - (c) the standard capacity product for which the capacity is applied for;
 - (d) the amount of capacity for the respective standard capacity product applied for;
 - (e) the minimum amount of capacity for the respective standard capacity product which the Network User Member is willing to be allocated according to the relevant algorithm in case the Network User Member is not allocated the amount requested in accordance with point (d);
 - (f) the bid prices, which shall not be less than the reserve price applicable for the relevant standard capacity product, which the Network User Member is willing to pay in respect of the capacity applied for.

- iv. The RBP shall rank all bids relating to a given standard capacity product according to their bid price, the highest price ranking first.
- v. All remaining bids at bidding round closing time shall be considered as binding on those Network User Members that are allocated at least the minimum amount of capacity requested in accordance with point (e) of paragraph iii.
- vi. Following the ranking of the bids in accordance with paragraph iv, and subject to paragraphs vii to x, capacity shall be allocated to the bids in function of their price ranking. All bids for which capacity is allocated shall be considered as successful. After the allocation of capacity, the remaining unallocated capacity shall be reduced by such quantity.
- vii. Following the application of paragraph vi and subject to paragraph ix, where the amount of capacity bid for by a Network User Member exceeds the remaining unallocated capacity (after capacity has been allocated to network users placing higher bids), this Network User Member shall be allocated capacity equal to the remaining unallocated capacity.
- viii. Following the application of paragraph vii and subject to paragraph ix, where each of two or more bids specifies the same bid price, and the amount of relevant capacity remaining applied for in aggregate under such bids exceeds the remaining unallocated amount, the remaining unallocated amount shall be allocated pro rata to the amounts applied for in each such bid.
- ix. Where the amount to be allocated in respect of a bid pursuant to paragraph vi, vii or viii is less than the minimum amount of capacity according to paragraph iii(e), the bid shall be disregarded and become null and void, and a revised allocation shall be made between remaining equal price bid(s) under paragraph viii, or (as the case may be) an allocation shall be made in respect of the next priced bid, pursuant to paragraph vi.
- x. Where the remaining amount to be allocated in respect of any bid pursuant to paragraphs vi, vii, viii or ix is equal to zero no further capacity shall be allocated to the remaining bids. Those bids shall be considered unsuccessful.
- xi. The clearing price shall be defined as the price of the lowest successful bid, if the demand exceeds the offer at the reserve price. In all other cases, the clearing price shall be equal to the reserve price. Successful Network User Members shall pay the clearing price of the specific auction, and any other possible charges applicable at the time when the capacity allocated to them can be used.
- xii. Automatic checks ensure that Network Users cannot place invalid bids in any uniform price auction taking place in the Regional Booking Platform.
- xiii. All bids that are uploaded but not saved are legally non-binding and do not result in capacity booking contracts.

9. General Rules of Nomination

- i. Nomination rules for bundled capacities allocated via the Regional Booking Platform shall be agreed between the adjacent TSO Members operating a given IP.
- ii. The nomination platform may be
 - a. one of the TSO Members IT platform at the given IP, or
 - b. the Regional Booking Platform.
- iii. Detailed rules for single-sided nominations on the Regional Booking Platform shall be published upon the availability of this service.

10. Allocation of Gas Flows

Gas flows are allocated as nominated.