



**ACCESS RULES TO GREECE – BULGARIA INTERCONNECTION  
(Capacity Allocation Auction Rules)**

**2012**

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## Section I. Introduction

### Article 1.01 General Context

1. The present Common Auction Rules set out the terms and conditions governing the allocation via Auctions of the Available Transmission Capacity (ATC) in both directions on the interconnection between Bulgaria and Greece. The set procedure aims at providing a transparent method of congestion management in accordance with the requirements of Regulation (EC) 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross border exchanges in electricity.
2. The Bulgarian ELEKTROENERGIEN SISTEMEN OPERATOR EAD (hereinafter called ESO) and the Hellenic Transmission System Operator S.A (hereinafter called HTSO) have commissioned each other as Auction Operators to allocate the ATC for the year 2012, on the aforementioned interconnection in both directions, as follows: ESO will perform Monthly Auction procedures. HTSO will perform Yearly and Daily Auctions and will operate the Secondary Market.
3. These Rules are developed and accepted by ESO and HTSO and are coordinated with the State Energy and Water Regulatory Commission of Bulgaria (SEWRC) and the Regulatory Authority of Energy of Greece (RAE). These Rules regulate all matters concerning the allocation of the Available Transfer Capacity (ATC) for the year 2012. Hereinafter ESO and HTSO are also referred to as TSOs.
4. The ATC is allocated by the respective Auction Operator in form of Commercial Transmission Rights (CTRs) on a Yearly, Monthly and as the case may be Daily basis. The auctioning of Interconnection Capacity is aimed at providing a transparent market based method of congestion management. The importance of the interconnections for the liberalization of the electricity market requires a strict policy with regard to the collection of payments and default consequences.

### Article 1.02 Auction Procedure

1. For the allocation of Available Capacity on the Greece-Bulgaria Interconnection for the year 2012:
  - a. ESO, acting as an Auction Operator, shall undertake the commitment to carry out the monthly auctions in both directions.
  - b. HTSO, acting as an Auction Operator, shall undertake the commitment to carry out the yearly and daily auctions in both directions;
2. HTSO and ESO will fully accept the results of the individual auction procedures held by the other party provided these procedures are consistent with the terms and conditions of the present Auction Rules and will carry out the transmission and system operation services according to the respective auction results in compliance with the legal requirements of the respective state concerning grid access and applicable Technical and Market Rules.
3. All relevant information is made available on the Auction Websites according to Article 2.06.

## Article 1.03 Definitions

1. In these Auction Rules (including any Annexes, Appendices, Attachments and Forms) the terms defined below (where appropriate in plural) shall, for all purposes of these Auction Rules have the meanings specified in this article (unless the context requires otherwise).

<b>Annex</b>	Document attached to these Auction Rules valid for both directions and all time frames.
<b>Allocated CTRs</b>	Capacity (MW) that the User gains by notification of the auction results in form of Commercial Transmission Rights.
<b>Allocation</b>	The process by which the Auction Operator attributes Capacity to the User in response to a Bid Notified by the User.
<b>Attachment</b>	Documents attached to these Auction Rules.
<b>Auction</b>	Yearly, Monthly and Daily Auction held under these Auction Rules. The mechanism used to allocate Capacity via explicit Yearly, Monthly and Daily Auctions.
<b>Auction Administrator</b>	Legal entity which operates the Auction Tool.
<b>Auction Operator</b>	Legal entity which operates the Auctions and the Secondary Market. In the following document, Auction Operator means the respective Auction Operator for the relevant Auction. Both HTSO and ESO are referred to as Auction Operators.
<b>Auction Rules</b>	These Auction Rules valid for the access to the Bulgaria – Greece Interconnection comprise: a. Article 1 to Article 10 b. Annexes applying to both directed borders and all time frames
<b>Auction Specification</b>	Information on a specific Auction provided on the Auction Websites.
<b>Auction Tool</b>	IT system used by the Auction Operator and operated by the Auction Administrator, if any, to receive Bids from Users, process them and return the results of the Auction.
<b>Auction Websites</b>	Websites of the Auction Operators referred to in Article 2.06 of these Auction Rules.
<b>Auctioning Day</b>	All Calendar Days, on which Auctions take place. Bids can be submitted till a specific deadline on this day.
<b>Available Transmission Capacity (ATC)</b>	Part of the NTC available, for each phase of the allocation procedure, for further commercial activity and which shall be offered in the Yearly, Monthly and Daily Auction procedures.
<b>Bank Guarantee</b>	Bail in form of an irrevocable and directly enforceable bank guarantee valid for a limited period waiving any exceptions or set-offs. Under this term it is also covered any amendment of the initial Bank Guarantee, duly signed, approved by the Auction Operator, when filed by the CTR Holder, in order to comply with the obligations arising from the results of the auctions or in order to extend the validity of the initial

	Bank Guarantee or in order to perform all obligations arising from the Auction Rules.
<b>Beneficiary</b>	A User that acquires a CTR as a result of a CTR Transfer.
<b>Bid</b>	An offer submitted by a User to purchase rights to use capacity pursuant to and in compliance with these Auction Rules; such an offer consists of two values per product: a capacity in MW and a price in Euro (€) per MWh.
<b>Bid File</b>	Set of Bids submitted to the Auction Operator by a User for a given Auction in electronic form.
<b>Block</b>	A quantity of MW made available at a Daily Auction over one hour.
<b>Calendar Day</b>	Calendar day includes the Working and non-Working Days.
<b>Capacity or Interconnection Capacity</b>	A Commercial Transmission Right of electricity, defined by a value, expressed in whole Megawatts (MW) over the Interconnection in one direction.
<b>Capacity Price</b>	Price expressed in Euro (€) payable by a CTR Holder as a result of the successful Bid in the Auction, being Clearing Price times Allocated CTR times number of hours the CTR refers to.
<b>Capacity Usage Authorization</b>	Formal sending from certain TSO in order to give to CTR holders the exact amount of periodic CTR for their periodic nomination; Capacity Usage Authorization takes into account results of periodic auctions, secondary CTR market and possibly curtailments.
<b>Clearing Price</b>	Price, expressed in Euro (€) per MWh, charged to CTR Holders for CTRs resulting from an Auction.
<b>Commercial Transmission Right (CTR)</b>	Right to use Interconnection Capacity for electricity transfers expressed in MW.
<b>Competent Authorities</b>	Any NRA and/or any local, national or supra-national agency, authority, department, inspectorate, minister, ministry, court official or public or statutory person (whether autonomous or not) of the government of Bulgaria, Greece, or the European Union.
<b>Counterparty</b>	Legal entity, which has been designated by the CTR Holder as its counterparty regarding nomination of schedules according to these Auction Rules.
<b>CTR Holder</b>	User which has obtained a CTR in the Auction or via the Secondary CTR Market.
<b>CTR Transfer</b>	Mechanism by which a CTR Holder may transfer a CTR to User.
<b>Curtailment</b>	Reduction of already Allocated CTRs as described in Article 2.05.
<b>Daily Auction</b>	CTR auctioning for each hour of the respective following day.
<b>Daily ATC</b>	Part of ATC to be allocated in the Daily Auction in form of CTRs as described in relevant Articles.

<b>Day of Execution</b>	Day on which electricity transports using the CTRs obtained in an Auction take place.
<b>Entitlement or Entitled</b>	The right to participate in Auctions and/or in the Secondary Market under the terms Section III.
<b>Exchange Schedule</b>	An exchange declaration established by a User in accordance with the Capacity Usage Authorization and that specifies the power, expressed in Megawatts (MW) per Hourly Period, exchanged over the Interconnection in one direction or the other.
<b>Exchange Program</b>	The accepted Nomination according to the provisions set in these Auction Rules and the matching process made by TSOs.
<b>EIC-Code</b>	Energy Identification Code, which univocally identifies Users in a cross-border trade.  (see <a href="https://www.entsoe.eu/index.php?id=73">https://www.entsoe.eu/index.php?id=73</a> )
<b>Equivalent Day</b>	100% Curtailment for 24 hours.
<b>ENTSO-E (“European Network of Transmission System Operators for Electricity”)</b>	International Association with membership of European Transmission System Operators with the aim to promote the reliable operation, optimal management and sound technical evolution of the European electricity transmission system in order to ensure security of supply and to meet the needs of the Internal Energy Market.
<b>ESO</b>	ELEKTROENERGIEN SISTEMEN OPERATOR EAD with registered office at 105 Gotse Delchev Blvd., 1404 Sofia, Bulgaria. ESO is the Auction Operator for allocation of capacities on a monthly basis, according to these Auction Rules.
<b>Force Majeure</b>	As defined in Article 10.06
<b>HTSO</b>	Hellenic Transmission System Operator S.A. with registered office at 72 Kastoros Street, 18545 Piraeus, Greece. HTSO is the Auction Operator for allocation of capacities on yearly and daily basis, and the operator of the Secondary Market according to these Auction Rules.
<b>Interconnection</b>	A single circuit line between the Bulgarian and Greek transmission systems which connects the control areas of both TSOs synchronously.
<b>Maintenance Period</b>	Period of time during which a Product has to be adjusted due to planned maintenance.
<b>Monthly Auction</b>	CTR auctioning for the respective following month.
<b>Monthly ATC</b>	Part of ATC to be allocated in the Monthly Auctions in the form of CTRs as described in the relevant Articles.
<b>National Regulatory Authorities (NRA)</b>	Regulatory Authority of Energy of Greece (RAE), State Energy and Water Regulatory Commission of Bulgaria (SEWRC).
<b>Net Transfer Capacity (NTC)</b>	Maximum exchange program between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future

	network conditions. The Net Transfer Capacity on the Bulgarian-Greek border is agreed between ESO and HTSO. The Net Transfer Capacity can be reduced due to security problems.
<b>Nomination</b>	Notification to the TSOs by a CTR Holder and his Counterparty of his schedules relating to the power expressed in integer value of MW which the CTR Holder wants to use within the capacity defined by the CTRs awarded to him.
<b>Product</b>	Whole or part of the Yearly, Monthly or Daily ATCs offered in an Auction with reference to a specific period of time.
<b>Resale</b>	Mechanism by which a CTR Holder may resell a CTR back to the Auction Operator.
<b>Reseller</b>	A CTR Holder that resells CTR to Monthly Auction in respect of a Resale Notification as defined in Article 6.02.
<b>Resale Notification</b>	Information about a CTR Resale submitted to the Auction Operator by a Reseller in electronic form as described in Article 6.02.
<b>Secondary CTR Market</b>	Mechanism that permits transfer and resale by a CTR Holder of the CTRs acquired in Yearly and Monthly Auctions according to these Auction Rules, or in Secondary CTR Market.
<b>Statement of Acceptance</b>	Declaration by the User to comply with all the provisions contained in these Auction Rules.
<b>Transfer</b>	Mechanism by which a CTR Holder may transfer a CTR to a Beneficiary.
<b>Transferor</b>	CTR Holder that executes a CTR Transfer to a Beneficiary in respect of a Transfer Notification.
<b>Transfer Notification</b>	Information about a CTR Transfer submitted to the Auction Operator by a Transferor in electronic form as described in Article 6.01.
<b>Transmission System Operators (TSOs)</b>	ESO - ELEKTROENERGIEN SYSTEMEN OPERATOR EAD ("ESO") and HTSO - Hellenic Transmission System Operator. S.A.. ("HTSO").
<b>User</b>	Legal entity, which participates in, intends to participate in or has participated in an Auction and/or Secondary CTR Market.
<b>Working Day</b>	Every day except for Saturdays, Sundays and any official holiday of Bulgaria and Greece as listed in Annex VI and VII
<b>Yearly Auction</b>	CTR auctioning for the following year.
<b>Yearly ATC</b>	Part of Interconnection Capacity to be allocated in the Yearly Auctions in form of CTRs.

#### **Article 1.04 General aspects of Auction Rules**

1. These Auction rules comprise of:
  - a. Article 1 to Article 10
  - b. Annexes applying to all directed borders and time frames
2. The Auction Rules may be amended only in writing upon mutual consent of the TSOs, according to Article 10.07.

#### **Article 1.05 Legal qualification of the awarding of CTRs pursuant to an Auction**

1. The auctioning and the Secondary CTR Market are in respect of Interconnection Capacity only. The auctioning, Secondary CTR Market and awarding of CTRs and the financial settlement of the Auction results do not involve electricity transports or any rights, liabilities or financial aspects pertaining to electricity transports.
2. A successful Bid for Interconnection capacity binds the TSOs involved on that Interconnection for that Auction and the User to fulfill their respective duties. TSOs are obliged to make ATC for electricity transports available to the CTR Holder while the CTR Holder is under the obligation to pay the Capacity Price to the respective Auction Operator as well as to file all necessary financial guarantees described in these Auction Rules.

#### **Article 1.06 Collection of debts**

1. ESO, as Auction Operator, collects on behalf of both TSOs all debts resulting from the Auction of CTRs performed by ESO.
2. HTSO, as Auction Operator, collects on behalf of both TSOs all debts resulting from the Auction of CTRs performed by HTSO.

## Section II. General

### Article 2.01 Yearly, Monthly and Daily Auctions

Separate Auctions are held for CTRs for each direction from Greece to Bulgaria and from Bulgaria to Greece.

1. The following Auctions take place for the Bulgarian-Greek Interconnection in each direction:
  - a. Yearly Auction in respect of CTRs valid from 1st January through 31st December 2012;
  - b. Monthly Auctions in respect of CTRs valid from the first through the last day of a calendar month in 2012;
  - c. Daily Auctions in respect of CTRs valid during each hour of a calendar day in 2012.

### Article 2.02 NTC, ATC for Yearly, Monthly and Daily Auctions

1. The NTCs which are the basis for auctioning in form of CTRs are agreed between ESO and HTSO.
2. The NTCs and ATCs for the respective Interconnection and direction are published on the Auction Websites.
3. For the Monthly Auctions, when relevant, the TSOs update the ATCs by including the explicitly Resold Capacities of the Secondary Market.
4. Users shall be timely informed of the Interconnection Capacity for each Auction by publication on the relevant Auction Websites.

### Article 2.03 Basis on which Interconnection Capacity is offered

1. CTRs are offered in units of MW.
2. For Yearly, Monthly and Daily Auctions, CTRs are offered as Products defined, by the relevant TSOs in the respective auction specification(s). The Products can be offered according to the following definitions:
  - a. Yearly Base: flat 00:00-24:00 from 1st January 2012 to 31st December 2012 with the exception of the Maintenance Period.
  - b. Monthly Base: flat 00:00-24:00 from 1st Day of the Month to the last Day of the Month.
  - c. Yearly Peak.
  - d. Yearly Off-Peak.
  - e. Monthly Peak.
  - f. Monthly Off-Peak.
  - g. Daily product: hourly Blocks.
3. The products (b), (c), (d), (e), (f) could have maintenance periods as well, communicated through the Auction Specification.

4. These Products are published in the Auction Specifications on the Auction Website of the relevant Auction Operator in accordance with these Auction Rules.

#### Article 2.04 Firmness of CTRs

1. Yearly and Monthly CTRs are offered on a firm basis except for cases where Curtailments are necessary due to circumstances that constitute Force Majeure as defined in Article 10.06 or due to network security reasons and after all other available measures according to relevant national and European legislation have been taken.
2. In case of CTR Curtailments necessity for network security reasons the decision for CTR Curtailment is taken mutually by both TSOs. The Auction Operators then shall only be obliged to compensate the CTR Holder at 100% of the Clearing Price paid corresponding to the hours of curtailed CTRs without liability for any incidental, indirect or consequential damages caused. However, CTR Curtailment for network security reasons is allowed up to 35 Equivalent Days or 840 hours. This limit is calculated for each direction. CTRs acquired through Yearly and Monthly Auctions are curtailed on a 'pro rata' basis. Beyond this limit, the CTRs are guaranteed.
3. The curtailed share for a CTR Holder is calculated separately for each product based on the amount of CTRs he has acquired of that product.
4. Daily CTRs are offered on a firm basis except for cases where Curtailments are necessary due to circumstances that constitute Force Majeure.
5. CTRs acquired through Yearly and Monthly auctions are curtailed on a "pro-rata" basis.
6. The curtailed share for a CTR Holder is calculated separately for each product based on the amount of CTRs he has acquired of this product.

$\text{Equivalent Days}_{(\text{for month M})} = \frac{\text{Energy reduced}_{(\text{during month M})}}{\text{Total Energy of Yearly and Monthly Capacities Allocated}_{(\text{for all month M})} \times \text{numbers of Days of month M}}$
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*Example:*

CTRs allocated during a month of thirty one (31) days:

Yearly Base Product 100 MW allocated for all the month (31 days);

Monthly Base Product 50 MW allocated for all the month except for one day due to maintenance period (30 days);

Monthly Peak Product 20 MW allocated for 23 days between 08:00 and 20:00 (12 hours).

Energy reduced:

Reduction of NTC for 70 MW during two (2) days.

$$\text{Equivalent days} = (70 \times 24 \times 2) / (100 \times 31 \times 24 + 50 \times 30 \times 24 + 20 \times 23 \times 12) \times 31 = 0.9 \text{ days}$$

#### Article 2.05 Firmness of Exchange Programs

1. TSOs guarantee the realization of the Exchange Schedules corresponding to firmly Allocated CTRs, except Force Majeure. The agreed LT nominations shall be considered final and binding for both the TSOs and trade parties. It is not possible for trade parties to modify their Exchange Schedules (with regards to LT nominations) after the deadline for nominations of Yearly and Monthly CTRs.
2. For the sake of clarification the following will be applied by TSOs to curtail CTRs:

- a. If the decision for the curtailments is taken before the deadline for binding nominations of Yearly and/or Monthly CTRs, then the TSO is permitted to perform these curtailments (of Yearly and/or Monthly CTRs).
- b. If the decision for the curtailments is taken in D-1 after the deadline for nominations of Yearly and/or Monthly CTRs and before the publication of the Daily ATC, then the TSO cannot curtail Yearly and/or Monthly CTRs. The TSO could additionally reduce the Daily ATC.
- c. After the allocation of the Daily ATC curtailments are not possible; CTRs are offered on a firm basis except Force majeure.

## Article 2.06 Auction Websites

ESO and HTSO operate and maintain Auction Websites as part of their existing web-sites (For ESO [www.tso.bg](http://www.tso.bg) and for HTSO [www.desmie.gr](http://www.desmie.gr) and <https://offers.desmie.gr>). On these Auction Websites the following publications are made:

- a. Auction Rules, and any alterations thereof;
- b. Announcements pursuant to these Auction Rules;
- c. Auction Specifications;
- d. Names, fax and telephone number(s), e-mail address (es) of Auction Operator or relevant TSOs' contact persons;
- e. Formats of documents related to the Auction to be downloaded and used by Users;
- f. NTC, ATC;
- g. Auction Results (Clearing Price, allocated quantity for all products per User);
- h. Total Bid Curve;
- i. Number of Users with successful Bids and overall number of Users;
- j. The name of the CTR Holder (Yearly and Monthly Auction, Transfer)
- k. Aggregated nominations results (i.e. total capacity used following nomination of Yearly and Monthly CTRs);
- l. Planned Curtailments;
- m. Maintenance Periods;
- n. Indicative calendars for Yearly and Monthly Auctions;
- o. List of Eligible Users
- p. List of Registered Users
- q. Other relevant information.

## Article 2.07 Conduct of Users

1. Prior to, during and after an Auction, Users must refrain from any action or behavior which adversely affects or threatens to adversely affect competition in the bidding proceedings or which aims at gaming or which in any other way disrupts or threatens to disrupt the Auction proceedings, or the transparency, cost-effectiveness or fairness thereof.

2. Auction Operators are entitled to report data to the Competent Authorities so they can take appropriate measures against those who act or behave or have acted or behaved in violation of the first paragraph, who misuse any right or position obtained pursuant to an Auction or who do not comply with any other provision of these Auction Rules.

### **Article 2.08 Currency**

1. Financial securities, price settlement and payments in respect of the Auctions as well as financial information are made in Euro (€).

### **Article 2.09 Timing**

All timings set in these Auction Rules make reference to the Central European Time [CET]).

### **Article 2.10 Fallback procedure in case of IT Systems disturbance**

1. Serious disturbance to the functioning of the IT System or devices used by the Auction Operator may be the reason for changing, cancelling or suspending any procedures regarding these Auction Rules. The Auction Operator shall also publish information on its Auction Websites about the implementation of downgraded mode, interruption etc, if available. Therefore, in case of IT system disturbances (as defined above) the Auction Operator performs the following fallback procedures and actions:
  - a. If the electronic mail server of the Auction Operator is in operation, then the Auction Operator informs the Users (via e-mail) that the Auction shall be performed via e-mail (the Bid Files shall be sent via e-mail by the Users).
  - b. If the electronic mail server of the Auction Operator is completely or partially out of operation, then the Auction Operator informs the Users (via phone or fax) that the Auction is cancelled.
  - c. The Auction Operator informs the Users if any other measures have to be taken.
2. In any cases of serious IT System disturbance the Auction Operator shall publish information on its Auction Websites about the implementation of postponement, down-grade mode, interruption etc, if available.

## Section III. Participation requirements

1. In order to participate in the Auctions the applicant has to fulfill the requirements specified in Articles 3.01, 3.02 and 3.03 below.
2. ESO and HTSO will maintain an Eligibility List in accordance with item 3.01.
3. ESO and HTSO will maintain a Register of Users who are admitted to the Auctions and the Secondary Market in accordance with item 3.03
  - a. For participation in the yearly and daily auctions the users are obliged to send the required Statement of Acceptance and Bank Guarantee to HTSO.
  - b. For participation in the monthly auctions the users are obliged to send the required Statement of Acceptance and Bank Guarantee to ESO.

### Article 3.01 Eligibility requirements for participation in the Auctions

1. In order to apply for Auction participation, the User must:
  - a. be registered in the eligibility list of ESO or
  - b. be registered in the eligibility list of HTSO.
2. In order to be included in the eligibility list of ESO a legal entity has to fulfill the following requirements under the Bulgarian legislation:
  - a. Be a Holder of a licence for generation, and/or trade, and/or Public supply issued by the SEWRC;
  - b. Must have submitted to ESO a valid Certificate for Good Standing, which shall confirm the last changes in the managerial body, the representation powers, shareholders, structure and the assets of the company.
  - c. Must have a registered EIC code;
  - d. To be registered at the Bulgarian power market following the Market Rules for electricity trading;
  - e. To have concluded all relevant contracts with the ELEKTROENERGIEN SYSTEMEN OPERATOR EAD and with the Transmission Company (NEK EAD), including the contracts for access to the network and for transmission, and to have effected and submitted the required guarantees under these contracts;
  - f. To be a company which is not under bankruptcy or liquidation proceedings;
  - g. To be a company without any outstanding debts in relation to the network tariffs.
3. In order to be included in the eligibility list of HTSO a legal entity has to fulfil the following requirements under the Greek legislation:
  - a. Be a Holder of a license for supplier, trader of electricity, or self-supplier, or generation issued by the Ministry of Environment, Energy and Climate Change;
  - b. Must have a registered EIC code;
  - c. To be registered at the Greek power market following the Market Rules for electricity trading;
  - d. To have concluded all relevant contracts with the HTSO, including the contracts for access to the network and for transmission, and to have effected and submitted the required guarantees under these contracts;

- e. To be a company which is not under bankruptcy or liquidation proceedings;
- f. To be a company without any outstanding debts to HTSO.

ESO publishes at its Auction website the list of Users who are eligible to apply for Auction participation according to the requirements as per Article 3.01, item 2. Any objections against the list shall be submitted in written form or electronically to ESO according to the conditions and within the deadline specified in these Auction Rules and/or Auction Specifications. ESO examines the submitted objections and publishes its decision at its Auction website.

HTSO publishes at its Auction website the list of the Users who are eligible apply for Auction participation according to the Participation requirements as per Article 3.01, item 3. Any objections against the list shall be submitted electronically to HTSO according to the conditions and within the deadline specified in these Auction Rules and/or the Auction Specifications. HTSO examines the submitted objections and publishes its decision at its Auction website.

### **Article 3.02 Qualification to apply for Auction participation:**

1. The applicant is not in any default regarding invoices arising from its participation in the Auctions performed on the same Interconnection on which it applies for the Auction participation.
2. The applicant at the time of its registration is not suspended or excluded from further Auctions and Secondary CTR market and from the nomination by any Auction Operator according to Article 3.04.

### **Article 3.03 Registration Procedure**

1. The Applicants from the eligibility lists of ESO and HTSO, intending to take part in Auctions under these Auction Rules shall submit to the relevant Auction operator the following documents:
  - a. Statement of Acceptance – ANNEX I
  - b. User's Contact Data – ANNEX III
  - c. Bank Guarantee in accordance with Art. 3.05
2. The Applicant has to submit the Statement of Acceptance to the Auction Operator responsible for the execution of the Auctions under interest. The original Statement of Acceptance, duly completed and signed by the legal representative of the User, has to be submitted via post to the relevant Auction Operator using the address reported in Annex II. However, the Statement of Acceptance could be sent also in advance to the relevant Auction Operator via fax using the facsimile number reported in Annex II.
3. By signing and submitting the Statement of Acceptance, the Applicant confirms, that he has received, read and accepted the present Auction Rules and undertakes to comply with all the provisions contained therein.
4. The Applicant must allow at least three (3) working days for the processing of the Statement of Acceptance after the Auction Operator has received such form by mail or fax, duly completed by the Applicant.
5. The Applicant shall be informed about the admission or rejection by electronic mail or fax. In case of rejection of its registration request, the Auction Operator shall inform the Applicant of the reasons for the rejection by electronic mail or fax.

6. In order to facilitate Transfers regarding the Secondary CTR Market, the User agrees, that its name is included in the list of possible Beneficiaries accessible only to CTR Holders.
7. ESO and HTSO are obliged to keep and publish a Register of Users for the Bulgarian/Greek Interconnection with the following information:
  - a. Name of the User;
  - b. EIC Code;
  - c. License No;
  - d. Date of Registration;
  - e. Status (Active, Suspended, Excluded, or Deregistrated);
  - f. Date of Status Modification
8. The registration becomes effective after the assignment of an Access code to the Electronic web-based portal operated by HTSO or/and ESO.
9. Notwithstanding the right of the Auction Operator to request a renewal of the registration and/or any document mentioned herein as needed to be submitted, the User is obliged to inform the respective Auction Operator forthwith of any changes within five (5) working days after the respective change occurs.
10. In case of missing information or non compliance with the requirements of these Auction Rules, ESO and HTSO will inform the User in written form and/or electronic mail or facsimile.

#### **Article 3.04 Update of Register, Deregistration, Suspension and Exclusion from the Registers maintained under Article 3.03**

1. In case of any change in a User's data, the User is obliged to inform the Auction Operator immediately in written form, using the User's Contact Data Template.

##### **(a) Deregistration**

1. Should the User not wish to participate in any further auctions and no longer wants to be registered as a User, it is under his obligation to submit a written request for deregistration to the respective Auction Operator. The request will be granted on condition that:
  - a. The User no longer possesses rights to use any Allocated CTRs and
  - b. The User has fulfilled all its obligations towards the respective Auction Operator.
2. Users who have been deregistrated may apply for readmission by completing the entire registration process pursuant to this Section III.

##### **(b) Temporary Suspension**

1. Should the User in any manner:
  - a. be in default of its financial obligations or,
  - b. institute or has instituted against it a proceeding seeking a judgment of insolvency or any other relief under insolvency law. This provision will apply unless it is stated otherwise by the public order national laws applicable to such situation or,
  - c. not fulfil the requirements regarding grid access for a respective control area,

then the User is temporarily suspended from the Register of ESO and/or HTSO and from further Auctions, Secondary CTR market and the nomination in both directions (import/export). The suspension shall promptly be notified by the relevant Auction Operator to the User by both facsimile transmission and mail (with acknowledgment of receipt) and shall be in effect on the date of acknowledgment of receipt or on the date specified in the Notification, if any.

2. The suspended User shall be obliged to pay the Capacity Price for the already allocated CTRs.
3. The Auction Operator will reallocate only the Yearly and Monthly CTRs acquired by the suspended User and claim under the Bank Guarantee of the suspended User or the money of the deposit account are placed for the benefit of the Auction Operator.
4. Suspension does not free the User from its payment obligations which were not covered by the Bank Guarantee, respectively the deposit account forfeiture.
5. The notice should contain: reason for suspension, suspension date, and time period within which the User must fulfill the outstanding obligations.
6. When the User is suspended, he loses any rights to take part in the Auctions and the Secondary Market. In this case the User also loses the right to nominate capacities.
7. The User will be assigned the status "Suspended".
8. In case that the User does not fulfill the outstanding obligations within the period as set in the notice under par. 5 above, he will be excluded from the Register of ESO and HTSO. In this case the User will be assigned the status "Excluded" and a new complete registration procedure should be undertaken if the Excluded User would like to apply again for participation in the Auctions for cross-border capacities.
9. The suspended user shall participate again in the Auctions and Secondary CTR market on the day after the Working Day on which the Auction Operator before 12:00:
  - a. verifies that all the conditions set out in Articles 3.01, 3.02 and 3.03 have once more been met and/or;
  - b. receives full payment of invoices which are due and which have not yet been paid by the User and/or;
  - c. the Auction operator is served by the User of a decision issued by the Competent Authority(ies) stating that the User may still participate in Auctions.

### **(c) Exclusion**

1. Should the User in any manner :
  - a. breach persistently and/or intentionally the Auction Rules following the prior notification of the breach from the Auction Operator or,
  - b. declare itself dissolved or wound up or,
  - c. be declared bankrupt, dissolved or wound up by a court ruling or,
  - d. has been temporary suspended and did not meet the timeframe (the suspension time) to fulfill its outstanding obligations,

then the User can be excluded by the relevant Auction Operator from further Auctions, the Secondary CTR market and from the nomination in both directions (import/export).

2. This provision will apply unless it is stated otherwise by the public order national laws applicable to such situation or a decision is issued by the Competent Authority(ies) and served by the User to the Auction Operator stating that the User may still participate in Auctions.
3. The exclusion shall promptly be notified by the relevant Auction Operator to the User by both facsimile transmission and mail (with acknowledgment of receipt) and shall be in effect on the date of acknowledgment of receipt or on the date specified in the Notification, if any.
4. The Excluded User shall be obliged to pay the Capacity Price for already Allocated CTRs.
5. The Auction Operator will reallocate only the Yearly and Monthly CTRs acquired by the excluded User and claim under the Bank Guarantee of the excluded User or the money of the deposit account are placed for the benefit of the Auction Operator.
6. The User has the status "Excluded".
7. Exclusion does not free the User from its payment obligations.

### **Article 3.05 Provision of Bank Guarantees**

1. As prerequisite for participation in the Allocation Mechanisms executed by ESO and HTSO, the User has to fill the request to provide a Bank Guarantee as follows:

#### **(a) Monthly Auctions performed by ESO**

1. Each Bank Guarantee submitted to ESO is subject to Bulgarian law and should be issued by a solvable Bank, legally operating in a member state of the European Union, having a subsidiary duly established in Bulgaria. This credit institution shall not be the User itself or shall not control this User or be controlled by the User under the meaning of corporate law. The wordings of the Bank Guarantees are presented in ANNEX IV. The Bank Guarantee is submitted in sealed envelopes which shall clearly bear the identification details of the User as per Registration Requirements of these Auction Rules.
2. ESO may provide in the Auction Specifications published in its website the details of a bank account in which the User may deposit the amount of the Bank Guarantee, instead of filing one, under the terms and conditions applying for the Bank Guarantee. In such case in all parts of this Article 3.05 that there is reference to the filing of a Bank Guarantee to ESO the User has the right to deposit the same amount of money to the designated by ESO bank account.
3. Users have to submit to the Auction Operator responsible for performing the monthly auctions a Bank Guarantee for the Monthly Auction in respect of participation in the Monthly Auctions during the year 2012. The minimum amount is 50,000 Euros. The expiration date cannot be earlier than the 28 February 2013.
4. The Bank Guarantee has to be presented to the relevant Auction Operator at least two (2) working days before the first Monthly Auction in which the User wants to participate. In case the Bank Guarantee is not provided up to the required deadline the Participant shall not be permitted to participate in the Auction
5. The Capacity Price from Monthly Auctions will be settled in advance on a monthly basis and not later than the date stated in the Monthly Auction Specifications, which will be two Working Days before the Auctioning Day of the first Daily Auction referred to the same month of the not-settled Monthly CTRs. The Monthly CTRs Capacity Price is

paid by the CTR Holder following a receipt of the respective settlement notification issued by ESO as stipulated in Section IX.

6. In case the advance Payment for the Monthly Auction is not executed on the due date according to the settlement notification, the Bank Guarantee is forfeited to the amount of the due payment and the Monthly Interconnection Capacity that was allocated to the User is considered by the relevant Auction Operator as capacity available for allocation in each of the subsequent Daily Auctions. In case the amount of the due payment is above the amount of the Bank Guarantee the CTRs Holder will be charged by the relevant Auction Operator with this extra amount separately, and also with any additional costs, expenses arising out of the demand for payment made under the Bank Guarantee.
7. When the Bank Guarantee is forfeited the provisions of Article 3.04(b) concerning Temporary Suspension will apply, until the Bank Guarantee with the amount requested is filed and all other pending financial obligations have been arranged.
8. In case the Bank Guarantee is not restored or other pending financial obligations are not settled as specified above, the provisions of Article 3.04(c) concerning Exclusion will apply.
9. The User is not relieved from its financial obligations to the relevant Auction Operator arising from its participation in the Auctions whereby CTRs were granted to the User. The relevant Auction Operator will continue to issue invoices for the non-settled debts of the User.
10. In order to start participating again in the Auctions or Secondary Market held by the relevant Auction Operator the User has to submit a new Bank Guarantee of at least equal amount with the Bank Guarantee in respect of which a demand for payment was made and with the same wording and expiration date as well as to settle and comply with all pending obligations arising from its participation in the Auctions.

### **(b) Yearly and Daily Auctions performed by HTSO**

1. Each Bank Guarantee submitted to HTSO is subject to Greek law and should be issued by a solvable Bank, legally operating in a member state of the European Union or in Switzerland or in Norway, having a subsidiary duly established in Greece. This credit institution shall not be the User itself or shall not control this User or be controlled by the User under the meaning of corporate law. The wording of the Bank Guarantee is presented in Annex V. Each Bank Guarantee is submitted in sealed envelopes, which shall clearly bear the identification details of the User, as per the Registration Requirements of these Auction Rules.
2. HTSO provides in ANNEX VIII the details of a bank account in which the User may deposit the amount of the Bank Guarantee, instead of filing one, under the terms and conditions applying for the Bank Guarantee. In such case in all parts of this Article 3.05 that there is reference to the filing of a Bank Guarantee to HTSO the User has the right to deposit the same amount of money to the designated by HTSO bank account.

### **(i) Yearly Auctions**

1. Users have to submit to the Auction Operator responsible for performing the yearly auction a Bank Guarantee for the Yearly Auction in respect of participation in the Yearly Auction for the year 2012. The minimum amount is 50,000 Euros. The expiration date cannot be earlier than the 28 February 2013.

2. The User who obtained the CTRs from the Yearly Auction has to increase the amount of the Bank Guarantee within five (5) Working Days after the allocation to the User of Yearly CTRs in order to cover 2/12 of the total amount corresponding to the CTRs allocated to the User. In case that the CTR Holder does not increase the amount of the Bank Guarantee within the abovementioned deadlines, the Auction Operator has the right to claim under the Bank Guarantee. In such case the provisions of Article 3.04(b) concerning Temporary Suspension of the User will apply, until the Bank Guarantee with the amount requested is filed to the relevant Auction Operator and all other pending financial obligations, if any, have been arranged.
3. The Capacity Price from Yearly Auctions will be settled in advance on a monthly basis and before the use of CTRs. The CTR Holder is expected to pay the Capacity Price in twelve equal (12) installments, following a receipt of the respective settlement notifications/ invoices issued by the relevant Auction Operator. The due date for each monthly installment will be not later than the date stated in the Yearly Auction Specifications/settlement notifications, which will be before the deadline for the submission of Resale Notifications to the Monthly Auction referred to the same month of the not-settled Yearly CTRs. Each installment is paid by the CTR Holder as stipulated in Section IX.
4. In case the advance Payment for the Yearly Auction is not executed on the due date according to the settlement notification/invoice, the Bank Guarantee is forfeited and the Yearly Interconnection Capacity that was allocated to the User is considered by the relevant Auction Operator as capacity available for allocation in each of the subsequent Monthly and/or Daily Auctions. Furthermore the CTR Holder will be charged by the relevant Auction Operator with any additional costs, expenses arising out of the demand for payment made under the Bank Guarantee.
5. When the Bank Guarantee is forfeited the provisions of Article 3.04(b) concerning Temporary Suspension will apply, until the Bank Guarantee with the amount requested is filed and all other pending financial obligations if any have been arranged.
6. In case the Bank Guarantee is not restored or other pending financial obligations are not settled as specified above, the provisions of Article 3.04(c) concerning Exclusion will apply. The Yearly Interconnection Capacity, if any, that was allocated to the User is considered by the relevant Auction Operator as capacity available for allocation in each of the subsequent Monthly and/or Daily Auctions.
7. The User is not relieved from its financial obligations to the relevant Auction Operator arising from its participation in the Auctions whereby CTRs were granted to the User. The relevant Auction Operator will continue to issue invoices for the non-settled debts of the User.
8. In order to start participating again in the Auctions or Secondary Market held by the relevant Auction Operator, the User has to submit a new Bank Guarantee of at least equal amount with the Bank Guarantee in respect of which a demand for payment was made and with the same wording and expiration date as well as to settle and comply with all pending obligations arising from its participation in the Auctions.

## **(ii) Daily Auction**

1. In order to participate in Daily Auctions, Users have to fulfill one of the following conditions:
  - a. Users who participated in the Yearly Auction and have submitted to the relevant Auction Operator a Bank Guarantee for Yearly Auction that covers their outstanding debts shall have the right to participate without additional collaterals.

- b. Users who have not participated in the Yearly Auction and have not filled a Bank Guarantee as provided in Article 3.05(b)(i) in favor of the relevant Auction Operator are obliged to submit a Bank Guarantee of minimum 50,000 Euros for their participation in Daily Auctions according to the wording of ANNEX V. The Bank Guarantee has to be sent to the relevant Auction Operator not later than 2 (two) working days before the day of their first Daily Auction participation. Once submitted, the Bank Guarantee covers the participation of the User in all forthcoming Daily Auctions. The User does not have to submit another Bank Guarantee for participating in these Auctions except if there is a demand for payment being made under the Bank Guarantee. In such case, the User has to file a Bank Guarantee according to the terms described herein.
2. Daily CTRs will be settled after usage, not later than the 25<sup>th</sup> calendar day of the month following the month that the Daily Auctions took place.
3. In case the payments are not made as specified above, the provisions of Article 3.04(b) concerning Temporary Suspension will apply, i.e (a) the User is temporarily suspended from further auctions and the Secondary Market, (b) there is a demand for payment being made under the Bank Guarantee or in case of deposit account the money of deposit account are placed for the benefit of the relevant Auction Operator, (c) the User is not relieved from its financial obligations arising from its participation in the Auctions whereby CTRs were granted to the User.
4. In order to start participating again in the Auctions or Secondary Market held by the relevant Auction Operator the User has to submit a new Bank Guarantee of at least equal amount with the Bank Guarantee in respect of which a demand for payment was made and with the same wording and expiration date as well as to settle and comply with all pending obligations arising from its participation in the Auctions.

## Section IV. Auction Proceedings

### Article 4.01 Auctions Specification

1. The Auction Specifications consist of information regarding:
  - a. Products made available for Auctions;
    - i. Annual Product: annual base load, and/or peak-load and/or off-peak load
    - ii. Monthly Product: base load, and/or peak-load and/or off-peak load;
    - iii. Daily Product: hourly Blocks.
  - b. Available Transmission Capacity (ATC);
  - c. Gate openings and closures;
  - d. Time frame for Auction results publication;
  - e. Deadline to contest results in accordance with Article 5.03;
  - f. Other information.

### Article 4.02 Yearly, Monthly and Daily Auctions

1. Yearly and Daily Auctions, for the allocation of 100% of the Yearly and Daily ATC in both directions, will be performed by HTSO.
2. Monthly Auctions, for the allocation of 100% of the Monthly ATC in both directions, will be performed by ESO.

#### (a) Yearly Auctions

1. The Auction Specification will be published by the respective Auction Operator on the Auction Website five (5) Calendar Days before the Auctioning Day of the Yearly Auctions.
2. Detailed information about the Yearly Auction is published in the Yearly Auctions Specification according to Article 4.01.
3. The Bids for awarding Yearly ATC shall be submitted via the Electronic System of the respective Auction Operator according to the User Guide, published on the relevant Website.
4. The Bids shall be binding and can be modified by sending a new Bid File, up to the deadline of Bids submission as defined in the Yearly Auction Specification.
5. Only those Bids submitted by Users, which meet the requirements of the Auction Rules, in particular those of Article 4.03 and 4.04, shall be considered in the Auction.
6. In case of failure of the respective Electronic System the Auction Operators will apply the provisions of Article 2.10 and Article 4.05.
7. Each User is informed of the outcome of its Bid(s) no later than two (2) hours after the gate closure of the Yearly Auction. The results of the Auction are announced on the Auction Website.
8. The User must be prepared to pay the Yearly Auction Capacity Price for the allocated Yearly CTRs according to the provisions of these Auction Rules and the Yearly Auc-

tion Specification and to file all the required Bank Guarantees in accordance with the provisions of the Article 3.05.

### **(b) Monthly Auctions**

1. The Auction Specifications will be published by the Auction Operator on the Auction Website two (2) Working Days before the Auctioning Day of the Monthly Auction.
2. Detailed information about the Monthly Auction is published in the Monthly Auctions Specifications according to Article 4.01.
3. The Bids for awarding Monthly ATC shall be submitted via the Electronic System of the respective Auction Operator according to the User Guide, published on the relevant Website.
4. The Bids can be modified until the gate closure as defined in the Monthly Auction Specification and the last submitted Bid shall be binding
5. Only those Bids submitted by Users, which meet the requirements of the Auction Rules in particular, those of Article 4.03 and 4.04 shall be considered in the Monthly Auction.
6. The Monthly ATC to be auctioned will consist of:
  - a. The ATC foreseen to be allocated in the Monthly Auction;
  - b. The Yearly Capacity already allocated by the relevant Auction Operator to be re-sold via the Secondary CTR Market as Monthly products;
  - c. The Yearly Capacity already allocated by the relevant Auction Operator which had to be withdrawn from the CTR Holder;
  - d. The Yearly Capacity not allocated in the Yearly Auction.
7. In case of failure of the respective Electronic System the provisions of Article 2.10 and Article 4.05 will apply.
8. Each User is informed of the outcome of its Bid(s) no later than three (3) hours after the gate closure of the Monthly Auction via the announcement of the auction results on the Auction Website.
9. The User must be prepared to pay in advance the Monthly Auction Capacity Price for the allocated Monthly CTRs according to the provisions of these Auction Rules and the Monthly Auction Specification.

### **(c) Daily Auctions**

1. For both directions, the Daily ATC takes into account:
  - a. The Yearly and Monthly capacity that has not been allocated in the Monthly Auction;
  - b. The Yearly and/or Monthly capacity already allocated by the Auction Operator, which had to be withdrawn from the CTR Holder;
  - c. Yearly and/or Monthly CTRs which have not been nominated (see UIOSI principle in Section VIII);
  - d. Netting effects based on Nominations in the respective counter direction.
2. HTSO, as Auction Operator, will perform the joint allocation of available Interconnection capacity seven (7) days a week, in D-1.

3. The following steps are performed for the daily Auction on the above mentioned Inter-connections:
  - a. Deadline for submitting the long term nominations is 06:00 of the Day preceding the Day of Execution (D-1).
  - b. The Daily ATC is published on the Auction Website of HTSO until 07:45 of D-1.
  - c. Daily Auctions are held between 07:45 and 08:35 of D-1. The exact process for the submission of Bids for the Daily Auctions is described in detail in the “Electronic Web Offer Submission System” of HTSO, which is available in the HTSO Auction Website.
  - d. Bid submission mechanism is based on the encryption of the submitted bid in two phases; submission: a) of the encrypted bid and, b) of the encryption key, as described in detail in the “Electronic Web Offer Submission System - User’s Manual” (which is available in the HTSO Auction Website), as follows:
    - e. Gate opening for the submission of the encrypted bid (file “.pgp”) 07:45 – 08:15
    - f. Silence period 08:15 – 08:20.
    - g. Gate opening for the submission of the encryption key (file “.asc”) 08:20 – 08:35
    - h. Only those Bids submitted by Users, which meet the requirements of these Auction Rules, in particular, those of Bid Limitations and Submission of bids for Daily auctions, shall be considered in the Auction.
    - i. Each User is informed of the outcome of his Bid(s) until 09:00 of D-1. The results of the Auctions are announced on the Auction Website.
4. The CTRs allocated by HTSO in the Daily Auctions are subject to the Use-It-Or-Lose-It (UIOLI) principle.

### **Article 4.03 Format of Bids and Bid limitations**

1. Each Bid File shall contain the following unambiguous and legible specification:
  - a. The name of the bidding company (User);
  - b. EIC code of the User according to its registered Statement of Acceptance;
  - c. The Code No. of the relevant Auction;
  - d. Day/period of execution;
  - e. The value of the Bid in €/MW (maximum precision: two decimals). The bid price has to be greater than zero.
  - f. The amount of the capacity to be reserved in Blocks of integer quantity MW without decimals. The minimum amount of a single bid is 1 MW;
  - g. EIC code of the counter participant for nominations relevant to the daily CTRs, valid for daily auctions to be executed by HTSO.
2. Bids must state the highest Auction Price the User is willing to pay. For each auction, a maximum of 10 bids may be submitted. Such bids submitted are valid independent of each other.
3. The total maximum value of all Bids (up to 10 by one User) has not to exceed the ATC value.

4. Each User bidding for Yearly, Monthly and Daily Auctions has the possibility to resubmit the Bid File, until the deadline for submission of Bids. In case of submission of multiple subsequent Bid Files by the same User, the most recent Bid File with respect to the corresponding deadline is considered for acceptance. The last Bid that enters the Electronic Systems of HTSO and ESO is unconditional and irrevocable.
5. In case a Bid File does not fully comply with the requirements a, b, c, d of paragraph one (1) of this Article the Bid File is considered unacceptable and it is ignored during the Auction clearing process.
6. In case a Bid contained in the Bid File does not fully comply with the requirements e, f of paragraph one (1) of this Article all Bids contained in the Bid File that refer to the same product as the aforementioned Bid are considered unacceptable and are ignored during the Auction clearing process.
7. In case the Bids contained in the Bid File that refer to a certain product do not fully comply with the requirements of paragraphs two (2) and three (3) of this Article, they are all considered unacceptable and ignored during the Auction clearing process.

#### **Article 4.04 Submission of Bids for Yearly Monthly and Daily Auctions**

##### **(a) Monthly Auctions**

1. The Bids for the Monthly Auctions shall be submitted via Electronic System “ECAMT” (Electronic Capacity Auction Management Tool), operated by ESO. The Bids shall be submitted using the ECAMT.
2. In case a Bid does not fully comply with the provisions of Article 4.03 and with the rules, stipulated in the Auction Specification and User Manual, it is considered unacceptable and it is ignored during the Auction clearing process.
3. The Users can find more information about the ECAMT and the use of the software tools in the “Capacity User Manual”, which is available at the Auction Website of ESO.

##### **(b) Yearly and Daily Auctions**

1. The Bids for the Yearly and Daily Auctions shall be submitted using the appropriate forms, which could be downloaded from the HTSO Auction Website. Such Bids shall be submitted using the “Electronic Web Offer Submission System” (EWOS), a secure website for the submission of Bids that guarantees transparency of the process. The bid submission mechanism includes the following:
  - a. Electronic sign-on.
  - b. Encryption of the Bid, using the PGP public key encryption software in order to ensure confidentiality of information.
  - c. Submission of the encrypted Bid before the corresponding deadline.
  - d. Submission of the reciprocal encryption Key before the corresponding deadline
2. In case a Bid does not fully comply with the provisions of the above rules, it is considered unacceptable and it is ignored during the Auction clearing process.
3. The Users can find more information about the EWOS and the use of the software tools in the “Electronic Web Offer Submission System – User’s Manual”, which is available at the Auction Website of HTSO.

#### **Article 4.05 Fallback procedures and Cancellation of an Auction**

1. In case of serious disturbance to the functioning of the IT System or devices used by Auction Operator Article 2.10 applies accordingly.
2. Additionally, if postponement of an Auction is not possible, according to downgraded mode, the Auction is conducted or cancelled according to the notice provided by the Auction Operator.
3. Bids submitted prior to the switch to downgraded mode are deemed invalid and must be submitted again according to the conditions stipulated in the event of downgraded mode being adopted.
4. If the conditions stipulated in the event of downgraded mode being adopted cannot be implemented in time for a given Auction, the Auction is cancelled and all Bids already submitted are automatically cancelled.

## Section V. Determination of Auction Results

### Article 5.01 Awarding of CTRs

1. The results of each Auction are determined as follows:
  - a. There is one constraint  $I_{ATC}$ , reflecting the ATC of the Interconnection. The acceptable Bids for Capacity are classified by descending order of Bid Prices. The blocks of the acceptable Bids are summed in the order defined by the above classification.
  - b. If the above sum is equal to or less than the  $I_{ATC}$ , the Auction Clearing Price is equal to zero. Each User will receive the requested capacity according to his Bid free of charge.
  - c. If the above sum exceeds the  $I_{ATC}$  for the Auction in question, then the Bid(s) with the highest price for Capacity in an amount that does not exceed the  $I_{ATC}$  is (are) accepted. The remaining Capacity is awarded to the Bidder(s) which has (have) submitted the next highest price Bid(s) for Capacity (next entrance in the classification) in an amount that does not exceed the remaining Capacity; and so on for Capacity remaining after that.
  - d. In case two or more Users have submitted Bid blocks of the same price, that qualify according to the provision of paragraph (c) and which relate to Capacity in an amount that exceeds the offered or the remaining Capacity, the offered or the remaining Capacity will be awarded **in proportion** to the Capacity requested in the equally priced blocks of the Bids of these Bidders, in units of at least one (1) MW.
  - e. In case the remaining capacity must be awarded between two or more Users, at equal other terms and in compliance with the above requirement, and the proportion method under paragraph (d) cannot be applied, the CTRs are being awarded in units of at least one (1) MW and HTSO and ESO have the right to consider the time of submission of the Bids (time stamp) as a priority for awarding of CTRs.
  - f. Capacity is provided at the price of the **last MW that is served**, due to insufficient auctioned capacity (Auction Clearing Price), which is the marginal price on the congested Interconnection. The Auction Clearing Price shall be paid by all Users that have been awarded Capacity.
2. The CTR Holder is not obliged to use the CTRs allocated at an Auction; the Capacity Price, however, must be paid at any rate once the CTRs has been allocated.

### Article 5.02 Publication of Auction results

1. The results of Monthly Auctions are published on the Website of ESO within the deadline stipulated in these Auction Rules and Auction Specification.
2. The results of Yearly and Daily Auctions are published on the Website of HTSO within the deadline stipulated in these Auction Rules and Auction Specification.
3. If the Auction Website and the Websites of ESO and HTSO are unavailable, CTR Holders are informed of the results of the Auction via email, fax or other means of communication. Date and time mentioned in the fax are deemed authentic.
4. Each User shall have access to the Auction Results information as per Article 2.06 of these Auction Rules via the Websites of ESO and HTSO.

### Article 5.03 Deadline for contesting results

1. The User is under the obligation to monitor closely the Auction results. The User may contest the Auction results according to the conditions and within the deadlines as follows:
  - a. for Yearly and Monthly Auctions: no later than one (1) Working Day after the publication of Auction results;
  - b. for Daily Auctions: no later than one (1) hour after the gate closure for the publication of the Auction results in the Auction website;

The contest notification has to be marked as “contest” and it has to be sent by fax and confirmed by letter to the contact of the respective Auction Operator.
2. The Auction Operator shall reply to the User no later than:
  - a. one (1) Working Day after the reception of the claim for Yearly and Monthly Auctions;
  - b. no later than one (1) hour after the reception of the claim for Daily Auctions.
3. If the User does not contest the Auction result within the deadline and under the condition specified above, the User loses the right to contest.
4. Contesting the Auction Results shall not be considered on behalf of ESO and HTSO as a reason for reallocation of Transmission Capacities neither will lead to delay or cessation of the CTRs allocation procedure and arrangements of the financial relations, exception may be only the cases of obvious technical mistake.

## Section VI. Secondary CTR Market

1. HTSO operates the Secondary CTR Market on behalf of both TSOs.

### Article 6.01 CTR Transfers

#### (a) Characteristics of CTR Transfers

1. CTRs allocated through Yearly and Monthly Auctions or resulting from CTR Transfer may be transferred by a Transferor to a Beneficiary provided that the Transferor has already paid the corresponding Capacity Price. The Transfer Notification is electronically sent by the Transferor involved in the transaction to the relevant Auction Operator as per paragraph (c) of this Article.
2. The beneficiary has to meet the eligibility requirements described in Section III of these Auction Rules. The requirement for submission of a Bank Guarantee is not compulsory for the Beneficiary;
3. Capacity obtained in Daily Auctions cannot be transferred.
4. The CTRs transferred must be indicated without taking account of any programmed curtailment, such as those described in Articles 2.04, 2.05.
5. HTSO/ESO reserve the possibility of applying the conditions defined in Articles 2.04, 2.05 in the event of curtailments.
6. Each CTR Holder can transfer a part of or the entire quantity of CTRs of a Product obtained in the Yearly and/or Monthly Auctions or with a previous transfer.
7. The Transfer becomes effective by delivery of the confirmation of the respective Auction Operator to the Transferor and the Beneficiary. After this confirmation only the Beneficiary shall be entitled to use the transferred capacity. The respective Auction Operator is not obliged to examine the rightful transfer between the Transferor and the Beneficiary of the capacity. In case the transfer does not comply with these Auction Rules or the Transferor announces to transfer more and/or other capacity than it has purchased in the course of a Yearly and/or Monthly Auction, the whole transfer shall not be valid. Any disputes arising from disagreements between the Transferor and the Beneficiary of the capacity do not affect the validity of the transfer after confirmation by the respective Auction Operator.

#### (b) Financial arrangements

1. The User which got awarded CTRs in the Auction remains responsible for the payment of the Capacity Price for the transferred CTRs without any additional fee, even in the case of multiple Transfers among several Users.
2. In case of curtailment, eventual indemnification according to Articles 2.04, 2.05 shall be in favor of the Beneficiary and performed by the Auction Operator, who has initially awarded the CTRs.

#### (c) Transfer Notification

1. In case a CTR Holder wishes to transfer a certain block or blocks of the entire or part of a product for more than one day he should submit only one Transfer Notification for the specified time-period.

2. A Transfer Notification of CTRs in any direction must be electronically submitted to HTSO before D-2 (two days before execution) 12:00 a.m. The transfer notification is downloadable at the HTSO website.
3. Upon receiving a Transfer Notification, HTSO shall verify that:
  - a. the Transferor and the Beneficiary comply with the eligibility and registration requirements described in Section III of these Auction Rules up to the end of the transfer period .The submission of a Bank Guarantee requirement is not compulsory for the Beneficiary;
  - b. the Transferor is the CTR Holder of the CTR to be transferred as a result of Transfer Notification;
  - c. the Transfer Notification deadline as defined above for CTRs Transfer in direction from Greece to Bulgaria and the Transfer Notification deadline as defined above, for CTRs Transfer in direction from Bulgaria to Greece is not exceeded;
  - d. the Transferor has settled all of its financial obligations to ESO/HTSO;
4. If the aforementioned verification is successful, HTSO shall send the transfer notification to the Beneficiary by email. The Beneficiary is entitled to refuse the transfer within four (4) hours from the receipt of the Transfer notification by HTSO. If the Beneficiary does not react within the aforementioned deadline, the CTR Transfer is evaluated as accepted. HTSO shall then send the confirmation of acceptance of the Transfer to the Beneficiary, the Transferor and ESO.
5. In case the verification of the Transfer is not successful or the Beneficiary has explicitly rejected the Transfer, HTSO shall explain to both interested parties and ESO by e-mail any refusal of the transfer.
6. HTSO is not obliged to examine the rightful transfer between the Transferor and the Beneficiary. In any case, after confirmation of the transfer by HTSO, any disputes arising from disagreements between the Transferor and the Beneficiary do not affect the validity of the transfer.

## **Article 6.02 CTR Resale**

### **(d) Characteristics of CTR Resale**

1. CTRs allocated through Yearly Auctions or resulting from CTR Transfers may be resold at Monthly Auctions.
2. Resale from Yearly and/or Monthly CTRs to a Daily Auction is only possible via the "Use It Or Sell It" principle as described in Section VIII of these Auction Rules.
3. The CTRs must consist of a constant value of capacity (MW) throughout the corresponding Monthly product for the month concerned by the CTR Resale (for instance Yearly base on Monthly base).
4. The CTR Resale must be indicated without taking account of any programmed Curtailment, such as those described in Articles 2.04, 2.05.
5. In the event of Curtailment the Auction Operator reserves the possibility of applying the conditions defined in Articles 2.04, 2.05. In case of Curtailments before the Monthly Auction, CTR Resale is reduced proportionally throughout the complete monthly product concerned by the CTR Resale.

6. The minimum volume for a CTR Resale through a Monthly Auction is 1 MW over the monthly product period.
7. The resale notification is downloadable from the HTSO website.

### **(e) Financial arrangements**

1. The Reseller remains responsible for the payment of the Capacity Price for the resold CTRs without any additional fee.
2. The Reseller is compensated with the relevant Clearing Price for its resold CTRs. The Clearing Price for CTR Resale shall take place according to Article 5.01.
3. If, due to network constraints, the respective ATC of the Auction, in which Capacity shall be resold, has to be curtailed in line with Article 6.02a, so that, in order to guarantee that the resold CTRs consist of a constant value of capacity (MW) throughout the corresponding Monthly product for the month concerned by the CTR Resale, the capacity that could be resold is less than the one offered for resale, this difference continues to be Yearly CTRs. For this reason the CTR Holder receives, for the hours affected by Curtailment, indemnification up to 100% of the Clearing Price of the Yearly Auction.

### **(f) Resale Notification**

1. The CTR Resale can only be initiated if the respective CTR is paid, the CTR Holder complies with these Auction Rules and the Resale deadline is not exceeded.
2. Monthly Resale deadline: five (5) Working Days before the Monthly Auction.

### **Article 6.03 Secondary CTR Market - downgraded mode**

1. When downgraded mode is adopted according to Article 2.10, Transfer Notification and Resale Notification are sent to the Auction Operator by fax.
2. In the downgraded mode it is not possible to cancel and/or replace a Resale Notification that refers to several Daily Auctions after the Resale Notification deadline for the first Daily Auction in the Resale Notification.
3. Date and time mentioned in the fax received by the Auction Operator are deemed authentic.
4. HTSO processes Transfer and Resale Notifications from 09:00 to 12:00 and 14:00 to 17:00 from Monday to Friday except on public holidays.
5. The Auction Operator answers to Transfer and Resale Notifications at the following times seven (7) days before the Auction, excluding public holidays, at 17:00, for a Resale through a Monthly Auctions
6. As a last resort, adoption of downgraded mode in response to unplanned unavailability of the information system may result in the Secondary CTR Market being suspended.
7. The suspension shall not give rise to any indemnification.

### **Article 6.04 Fallback procedure for Secondary CTR Market**

1. In case of serious disturbance to the functioning of the IT System or devices used by HTSO Article 2.10 applies accordingly.



2. If a Monthly Auction including capacity based on Resale should be cancelled, the Reseller may regain the CTR and thus cancel the CTR Resale. If however, the Monthly Auction is rescheduled for a later date then the Resale Notifications are conserved.

## Section VII. Capacity Usage Rules

### Article 7.01 Notification of the Counterparty to TSOs

1. Notification of the CTR Holders' Counterparty to the TSOs is needed for the Nomination consistency check.
2. The CTR Holder designates his Counterparty as described in the following points:
  - a. If the CTR Holder is a registered market participant in the Bulgarian power market, and at the same time is a registered market participant in the Greek power market, then the CTR Holder can designate himself as an interconnection User on both ends of the Interconnection (A to A nomination).
  - b. For the Long term (Yearly and/or Monthly) CTRs nominations, if the CTR Holder is a registered market participant in the Bulgarian power market, without being a registered market participant in the Greek power market, then the CTR Holder must designate one or more User(s), who is/are registered as a market participant in the Greek power market, as Counterparty(ies) on the Greek end of the Interconnection (A to N nomination). For the Daily CTRs nominations the CTR Holder must designate one User who is registered as a market participant in the Greek power market, as Counterparty on the Greek end of the Interconnection (A to B nomination).
  - c. For the Long term (Yearly and/or Monthly) CTRs nominations, if the CTR Holder is not a registered market participant in the Bulgarian power market, however is a registered market participant in the Greek power market, then the CTR Holder must designate one or more User(s), who is/are registered market participant in the Bulgarian power market, as Counterparty(ies) on the Bulgarian end of the Interconnection (A to N nomination). For the Daily CTRs nominations the CTR Holder must designate one User who is registered as a market participant in the Bulgarian power market, as a Counterparty on the Bulgarian end of the Interconnection (A to B nomination).
3. The CTR Holder has to communicate his Counterparty(ies) for nominations of Yearly and/or Monthly CTRs to HTSO/ESO by using a form (downloadable from HTSO/ESO Auction Website) no later than 12:00 three (3) working days before the day of execution.
4. The CTR Holder has to communicate his Counterparty for the nomination of Daily CTRs for HTSO by indicating this in the corresponding Daily Auction Bid Form. HTSO shall not be held liable to a User in the case that the indicated Counterparty for the nomination of Daily CTRs is not Entitled to perform nominations in the corresponding Control Area.
5. If no Counterparty(ies) are defined (even in case "a" above), the use of Allocated CTRs is not possible.

### Article 7.02 Usage of CTRs

1. The use of Allocated Capacities from Yearly, Monthly and Daily auctions operates via the delivery of fixed schedule nominations to ESO and HTSO for the following day in compliance with the legal requirements of grid access in each control area.
2. The fixed schedules shall be nominated by the CTR Holder and his Counterparty to the relevant TSO (HTSO or ESO), which is acting in its respective control area.

3. Each User willing to exchange electricity over the interconnection between the control areas of ESO and HTSO is responsible for further sending to ESO, respectively to HTSO, schedule nominations in compliance with the legal requirements of grid access in each control area. Specifically the User Guide of the System Scheduling Module, operated by ESO, and the Market Operation Manual of HTSO should be respected.
4. The schedule nomination shall be addressed electronically via email:
  - a. to ESO by the Bulgarian Counterparty using the email address [tsoplan@ndc.bg](mailto:tsoplan@ndc.bg)
  - b. to HTSO by the Greek Counterparty using the email address [tps@desmie.gr](mailto:tps@desmie.gr) (with a Carbon Copy to [HTSO\\_Schedule@desmie.gr](mailto:HTSO_Schedule@desmie.gr))
5. In case the deadline for sending the Counterparty(ies) Notification is not met, the schedules of the respective market participant shall be fully neglected in the matching process of both control area schedules.
6. The schedule nomination to ESO and HTSO is binding for the CTR Holder and his Counterparty. ESO and HTSO are not responsible for a schedule, which is not harmonized between the CTR Holder and his counterparty, even in case the schedule is in accordance with the CTR obtained by the CTR Holder.
7. If the schedule nominations of the CTR Holder and his counterparty are not harmonized, ESO and HTSO will reduce the scheduled transactions to the minimum value, according to the rules of the ENTSO-E Policy 2 (Scheduling and Accounting). The agreed LT nominations shall be considered final and binding for both the TSOs, the Users and their counterparties. It is not possible for the Users and their counterparties to modify their Exchange Schedules (with regards to LT nominations) after the deadline for nominations of Yearly and Monthly CTRs.
8. Modalities for the use of allocated capacities are described in the following paragraphs.

### **Article 7.03 Use of Yearly and/or Monthly CTRs**

1. In order to use CTRs allocated via Yearly and/or Monthly Auctions, the CTR Holder and his counterparty must nominate the capacity to HTSO and ESO as follows.
  - a. HTSO before 06:00 (D-1);
  - b. ESO before 06:00 (D-1)
2. Modifications of schedules after this time are not possible. Use is generally based on the principle "Use It Or Sell It" (UIOSI) (section VIII).
3. The nomination to HTSO and ESO is binding for the CTR Holder and his Counterparty.
4. If the Nomination exceeds the maximum amount of CTRs, the CTR Holder will be requested to revise his Nomination.
5. If no revised and valid Nomination is submitted in due time, the Nomination of the CTR Holder will be set to zero.

### **Article 7.04 Use of daily CTRs**

1. In order to use CTRs Allocated via Daily Auctions, the CTR Holder and his counterparty must nominate the capacity to HTSO and ESO as follows.
  - a. HTSO before 13:30 (D-1);



- b. ESO before 14:30 (D-1);
2. Modifications of schedules after the abovementioned deadlines are not possible. Use of daily CTRs is generally based on the principle "use it or lose it". CTRs awarded in daily auctions cannot be transferred to other market participants.
3. The nomination to HTSO and ESO is binding for the CTR Holder and his Counterparty.

## Section VIII. Use it or Sell It (UIOSI)

### Article 8.01 Characteristics of unused periodic CTR

1. For each day, all non-nominated long-term (Yearly and Monthly) CTRs, if paid according to Section IX, are automatically considered in the ATC for the Daily Auction (see Article 4.02c), and they are refunded to the CTR holders taking into the respective Daily Auction Clearing Prices i.e. if the CTR holder “A” doesn’t nominate, for the day “X”, 100 MW of Yearly Base product, this 100 MW will be reallocated on the Daily Auction of day “X” and the Clearing Prices of this Daily Auction will be reimbursed to the CTR Holder A.

### Article 8.02 Financial arrangements

1. The CTR Holders are compensated to the respective Daily Auction Clearing Prices for the non-nominated long-term CTRs. The Clearing Prices for Daily Auction are defined by the clearing process described in Article 5.01.
2. If due to network security reasons, the NTC has to be reduced before the Daily Auction, the Daily ATC can be lower than the non-nominated long-term CTRs. In this case the non-nominated long-term CTRs are curtailed on a pro rata basis (ATC divided by the sum of all non-nominated long-term CTRs). CTR Holders of the non-nominated long-term CTRs are compensated taking into account:
  - a. the Daily Auction Clearing Prices for the part of their non-nominated long-term CTRs that have been re-auctioned in the Daily Auction.
  - b. the provision in Article 8.03 for the curtailed non-nominated long-term CTRs.

### Article 8.03 Fallback procedure

1. In case of serious disturbance to the functioning of the IT System or devices used by the Auction Operator, Articles 2.10 and 4.05 apply accordingly.
2. In case:
  - a. the Daily Auction is cancelled, or
  - b. the NTC is reduced due to network security reasons before the Daily Auction,the curtailed non-nominated long-term CTRs are compensated to the CTR’s holder up to 100% of the Clearing Price of the Auction at which the CTRs were acquired.

## Section IX. Settlement / Payment

### Article 9.01 Interconnection Capacity Prices for CTRs

1. The User is required to pay ESO on behalf of both TSOs for CTRs allocated at Monthly Auctions, even if the Capacities are transferred by the User on the Secondary Market.
2. The User is required to pay HTSO on behalf of both TSOs for CTRs allocated at Yearly and Daily Auctions even if the Capacities are transferred by the User on the Secondary Market.
3. The Interconnection Capacity Prices for Capacities allocated at Auctions performed by ESO will be billed and invoiced by ESO on behalf of both TSOs.
4. The Interconnection Capacity Prices for Capacities allocated at Auctions performed by HTSO will be billed and invoiced by HTSO on behalf of both TSOs.
5. The payment determined in the Auction covers only the right for reservation of the capacity. All network usage fees, such as, but not limited to, access fees, transmission fees, resulting from the access to the network, including all relevant charges, will be charged independent from the payment of the Capacity Price.
6. All invoices will be sent to the CTR Holder by post and a copy by fax or/and e-mail.
7. The CTR Holder is required to pay for the CTRs allocated at the Yearly, Monthly and Daily Auctions the valuation equal to the product of:
  - a. the Clearing Price of the Auction;
  - b. the duration in hours of the corresponding Block;
  - c. the Interconnection Capacity obtained as result of the Auction.
8. The valuation is without tax and the invoice will include taxes and levies at the official rates in force.

### Article 9.02 Payment procedures

#### **(a) Payments for CTRs obtained in Yearly Auctions performed by HTSO**

1. After the results of Yearly auctions have been published, the Auction Operator shall issue Payment on Advanced Invoice to all the CTR Holders of the allocated capacity. The Payments on Advanced Invoices shall be invoiced in twelve (12) equal monthly installments.
2. Payment deadline is set as indicated in the invoice and not later than two (2) working days before the date of publication of Auction Specification for CTRs referred to the same month of the not settled Yearly CTRs

#### **(b) Payments for CTRs obtained in Monthly Auctions performed by ESO**

1. Within two (2) working days after publication of monthly auction results ESO shall issue to each User with Monthly allocated CTRs for the next month a Settlement notification stating the quantities and values of the allocated Monthly capacity to this User.

- The Settlement notification shall be sent by fax or email to the User on the issuance date.
2. The payment of the Monthly allocated CTRs shall be made within 4 (four) working days after the date of the Settlement notification receipt.
  3. Within two (2) working days after receipt of the payment, ESO shall issue and send to the User the respective invoice.
  4. In case the payment of the allocated Monthly CTRs is not settled on the due day as indicated in the Settlement notification, the monthly interconnection capacity shall be considered by the relevant Auction Operator as Capacity available for allocation in each of the subsequent Daily Auctions.
  5. In all cases when the payments for CTRs allocated in Monthly Auctions are not settled on the due date, the User is obliged to pay the due amount and ESO and HTSO shall proceed with temporary suspension of the User according to Article 3.04(b).
  6. The Auction Operator is free to forfeit the Bank Guarantee up to the amount of the outstanding payment. In case the due payment is above the amount of the Bank Guarantee the Auction Operator shall issue invoice for the difference between the amount according to Settlement notification and the amount of the forfeited Bank guarantee with a deadline for payment within 4 working days from the date of the invoice. |

### **(c) Issuance of invoices for Daily CTRs performed by HTSO**

1. No later than the 10<sup>th</sup> calendar day of each month M, HTSO sends to the CTR Holder an invoice including the amounts due for allocated Daily CTRs for use during month M-1.
2. Invoices are notified to the CTR Holder at the address indicated in the Statement of Acceptance.
3. The CTR Holder notifies HTSO of any changes in its invoicing address. Such change will take effect on the first Day of month M+1, on condition that Notification of the change has been received at least seven (7) Working Days before the end of Month M.
4. Issued invoices are sent in advance via fax or e-mail; in this case the delivery date will be the date resulting from the sending devices.
5. The payments are executed in compliance with Article 3.05(iii)

### **(d) Invoice disputes**

1. To be admissible, any claims made relative to a settlement notification/invoice must be notified by registered letter with acknowledgement of receipt to ESO/HTSO, within seven Calendar Days of the settlement notification/invoice's date of issue. Beyond this period, the settlement notification/invoice will be deemed to have been accepted by the CTR Holder. The above-mentioned registered letter must contain a precise and detailed description of the grounds for the objection to the settlement notification/invoice.
2. A claim in no way relieves the CTR Holder from the obligation to pay the due amount in accordance with the terms described hereto.

### **(e) Payment condition**

1. The CTR Holder pays to the relevant Auction Operator the sums stated in the settlement notification/invoice, by bank transfer to the account specified by the Auction Operator. Any bank charges relative to the settlement of the due amount are at the CTR Holder's expense.
2. The CTR Holder will ensure that his bank transmits the corresponding invoice number with the payment order. In the event of a SWIFT transfer, the User undertakes to ensure that the invoice number is specified on the line "Payment reason".
3. The absence of an invoice number means that ESO/HTSO must identify the transfers made to its account manually. Such manual identification may give rise to an administrative fee of 100 Euro plus any duties and taxes in force.

### **(f) Late payment**

1. Payment is deemed to have been made on the Day on which it appears on ESO/HTSO's bank statement, which is consulted every Working Day, provided that the CTR Holder has specified a correct invoice reference number.
2. The CTR Holder is responsible for anticipating bank processing and payment registration times. ESO/HTSO will make every effort to minimize these times, but may not be held responsible if a period of two (2) Working Days elapses between the point at which the CTR Holder makes payment (as defined in the paragraph above) and the point at which it is registered by ESO/HTSO.

### **(g) Payments by ESO/HTSO to CTR Holders**

1. The Resales of Yearly CTRs to Monthly Auctions shall be paid by HTSO to the Reseller till the 26<sup>th</sup> Calendar Day of the next month of the month in which the Monthly Auction has been performed.
2. The Resales of Yearly and/or Monthly CTRs to Daily Auctions shall be paid on a monthly basis by the Auction operator responsible for the original allocation of the resold CTRs to the Reseller till the 26<sup>th</sup> Calendar Day of the next month of the month in which the Daily Auctions have been performed.
3. The compensation to the User for Resales of Yearly CTRs to Daily Auctions will be performed by HTSO.
4. The compensation to the User for Resales of Monthly CTRs to Daily Auctions will be performed by ESO.
5. The curtailments of Yearly and/or Monthly CTRs shall be paid by the Auction operator to the CTR Holders till the 26<sup>th</sup> Calendar Day of the next month of the month in which the curtailments took place.
6. The compensation to the User in case of curtailments will be made by the Auction operator responsible for allocation of the curtailed CTRs.

### **Article 9.03 Exclusion of Set-off**

1. A CTR Holder is in principal not entitled to offset any debts that arise in connection with an Auction to any claim on a TSO, whether or not arising out of an Auction. Claims of the TSOs can only be set off against claims of the User which are uncontested or legally enforced.



2. Although each Auction Operator collects these payments on behalf and in the name of both TSOs Users accept by participating in the Auctions that they can only be discharged of their debts through payment to the appropriate Auction Operator and that payment of a debt to the other TSO shall not release them from this obligation. Moreover, as payment by compensation would thwart the administrative structure of the co-operation between both TSOs, Users waive the right to offset any debts that arise in connection with an Auction to claims that those CTR Holders have on a TSO, whether or not arising out of an Auction.

## Section X. Miscellaneous

### Article 10.01 Information / Notices

1. Any notice given under these Auction Rules is to be in writing and must be addressed to both TSOs at the address mentioned in ANNEX II, except where these Auction Rules provide otherwise.

### Article 10.02 Limitation of Liability

1. ESO and HTSO, either jointly or severally, shall not be liable to a User for any damages resulting from a User's participating or not being able to participate in an Auction or in a CTR Transfer or in a CTR Resale, or from the results of the Auction and/or CTR Resale and/or CTR Transfer; or from an Auction not being held or cancelled and a User shall hold harmless and indemnify the TSOs, jointly and severally, in respect of claims regarding such damages coming from third parties.
2. ESO and HTSO will provide the CTRs awarded by the Auction and/or the CTR Transfer and/or a CTR Resale within the scope of their possibilities. This provision is subject to the technical possibility of transmitting electricity, which can be affected by Force Majeure, unexpected external influences (e.g. extreme load flow changes) or other serious operational conditions (e.g. power plant outages on an unexpected scale). The impairment will only be remedied by technically/economically feasible and appropriate actions complying with the relevant national and international requirements.
3. ESO and HTSO do not guarantee completion of the Auction. The Auction may be postponed, interrupted or cancelled especially in the event of technical problems with the Auction process, without any obligation of the TSOs to compensate the Users.
4. ESO and HTSO shall only be liable for damage or loss caused to Users if it is the result of intent or gross negligence or culpable dereliction of an essential duty under these Auction Rules. In all the above cases, the respective TSOs liability shall be limited to the direct (actual) and documented damages. There is no TSOs liability whatsoever for any consequential damages.
5. In no way shall the awarding of CTRs pursuant to these Rules be considered or construed to mean or imply that the User is entitled to have electricity transports carried out, or that transport failures or restrictions are or imply a failure to supply Interconnection Capacity which has been awarded in an Auction.
6. The User shall only be liable for damage or loss caused to the respective TSO if it is the result of intent or gross negligence or culpable dereliction of an essential duty under these Rules. In all the above cases, User's liability shall be limited to direct (actual) and documented damages. There is no User's liability whatsoever for any consequential damages.
7. The respective TSOs, either jointly or severally, do not assume responsibility for the timely arrival of Bids and/or Transfer Notifications and/or Resale Notifications.
8. For the purpose of this section "limitation of liability", TSOs only means the respective Auction Operator for the relevant Interconnection. In no way shall the TSO, which does not participate in the Auctions where a claim from a User is raised, be considered or construed to be jointly or severally liable for that claim.

### **Article 10.03 Confidentiality**

1. The TSOs shall treat all information disclosed to themselves pursuant to these Rule as confidential and they will refrain from disclosing such information to any third party without the prior consent of the User concerned. Confidential information shall include all information delivered in writing and designated as “Confidential”, or commercially sensitive information disclosed other than in writing but expressly mentioned as “Confidential”.
2. Paragraph above shall not apply to disclosure of information to Competent Authorities and court having jurisdiction on the above matters insofar as such disclosure is mandatory, nor to the disclosure of information to a court-of-law or an arbitrator insofar as such disclosure is ordered by the court or the arbitrator or is necessary for supporting a claim or defending the TSOs against a claim.
3. The provisions of this article shall not apply to any information disclosed to the TSOs as contemplated by said article if:
  - a. before such disclosure it was public knowledge or, after such disclosure, becomes public knowledge through no fault of the TSOs;
  - b. it was known to the TSOs before that disclosure and was not covered by an obligation of secrecy;
  - c. after that disclosure the same information is received by the TSOs from a third party.

### **Article 10.04 Severability**

1. If any part or provision of the Auction Rules and/or its Annexes are or become invalid, illegal, void and/or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.

### **Article 10.05 Applicable Law and Disputes**

1. These Rules and the Auctions that take place hereunder shall be governed:
  - Regarding all the issues related to the Yearly and Daily Auctions and the Secondary Market, including the validity of the respective provisions of these Auction rules and all procedures executed by HTSO in general, exclusively by the Greek Law.
  - Regarding all the issues related to the Monthly Auctions, including the validity of the respective provisions of these Auction rules, and all procedures executed by ESO in general, exclusively by the Bulgarian Law.

In all other cases not covered above, the Belgian Law shall apply.

2. All Disputes arising out or related to the Rules regarding issues related to the Yearly and Daily Auctions, the Secondary Market and to the procedures executed by HTSO in general shall be referred to and finally resolved by arbitration under the Greek legislation. The place of the Arbitration will be Athens. The language to be used in the arbitral proceedings shall be English.
3. All Disputes arising out or related to the Rules regarding issues concerning the Monthly Auctions and the procedures executed by ESO in general shall be referred to

and finally resolved by the ARBITRATION COURT AT THE BULGARIAN CHAMBER OF COMMERCE AND INDUSTRY in Sofia under its procedural rules, applying bulgarian material law. The number of arbitrators shall be three, one nominated by each party and one by the chairman of the court. The language to be used in the arbitral proceedings shall be English.

4. All Disputes arising out or related to the Rules regarding issues, not covered under the provisions of par. 2 and 3 shall be referred to and finally resolved by arbitration under the ICC rules. The number of arbitrators shall be three. The place of arbitration shall be Brussels. The language to be used in the arbitral proceedings shall be English. The claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall nominate the chairman of the arbitral tribunal within three business (3) days (in Brussels) from the confirmation of the appointment of the second arbitrator by the ICC. If the nominated arbitrators by each Party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court.
5. The provisions of this Article constitute an irrevocable consent by the Parties to any proceedings in terms hereof and no Party shall be entitled to withdraw there from or claim at any such proceedings that it is not bound by such provisions.

#### **Article 10.06 Force Majeure**

1. "Force Majeure" means any unforeseeable event or situation beyond the reasonable control of a Party, and not due to a fault of such Party, which cannot reasonably be avoided or overcome, and which makes it impossible for such Party to fulfil temporarily or definitively, its obligations hereunder in accordance with the terms of the Auction Rules.
2. The Party, which invokes Force Majeure, shall send the other Party notification describing the nature of Force Majeure and its probable duration.
3. The obligations, duties and rights of a Party subject to the Force Majeure, with the exception of confidentiality obligations defined in Article 10.03, shall be suspended from the beginning of the Force Majeure. The obligations, duties and rights shall be suspended for such period as it is reasonable having regard to the effect of the impediment on performance of the obligations, rights and duties under the Auction Rules.
4. The Party can in no circumstances be held responsible or held liable to pay any compensation for damage suffered, due to the non-performance or faulty performance of all or part of its obligations, when such non-performance or faulty performance is due to a Force Majeure.
5. The Party, which invokes Force Majeure, shall make the effort to limit the consequences and duration of the Force Majeure.
6. If a Force Majeure lasts for more than thirty (30) Days and adversely affects the essential obligations of the Parties under the present Auction Rules, the Auction Operator may suspend entitlement of the User and/or the User may request the withdrawal of its entitlement by sending notification by registered mail with acknowledgement of receipt, with due explanation. The withdrawal or suspension of entitlement will take effect on the date of receipt of the said notification

### **Article 10.07 Amendment of Rules**

1. The present Auction Rules can be amended only by a joint decision of HTSO and ESO, followed by an approval of the SEWRC and RAE. Any prerequisite legal procedures for the TSOs decision and the National Regulatory Authorities approval shall be governed by the respective national law.
2. Within a period of ten (10) Working Days following the last decision of the relevant National Regulatory Authorities, HTSO and ESO:
  - a. Draw up the amended definitive version of the Auction Rules;
  - b. Publish on their respective Website the amended definitive version of the Auction Rules, its date of entry into force;
  - c. Notify each User concerned by the amendment that an amended version of the Auction Rules is available on their Website, and its date of effect.
3. Amendments of the present Auction Rules have no impact on the validity of the Statement of Acceptance signed by the User. This Statement of Acceptance continues to be in force and includes acceptance of the modifications made to the Auction Rules, without prejudice to the User's right to deregistration in accordance with Article 3.03.



## ANNEX I. Statement of Acceptance

User (User):

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(Name, Position, Address)

EIC -Code-Nr.:

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We hereby declare our intention to participate in the auction of available Interconnection capacity for electricity transfers between Greece and Bulgaria.

We fulfil all participation requirements of these Access Rules to Greece– Bulgaria Interconnection for the year 2012 (hereinafter referred as Auction Rules), Annexes and Appendices. Moreover, we have read and fully and unconditionally accept to abide and to be bound by all rules and regulations and Information Technology requirements of the Interconnection Capacity Access Rules of the Bulgarian-Greek border, which have been published on the Auctions Websites and which are in force at the time of relevant transactions.

We acknowledge that our admission to participate in the auction may be withdrawn in case regulations of the Auction Rules are breached.

We will provide all securities and guarantees required by the Auction Rules on the Bulgarian-Greek border.

We hereby declare that we have been lawfully and duly incorporated as per the laws of ..... [the State where the participant has its registered offices], we are in good standing and we validly operate under the laws of the ..... [State where the participant has its registered offices]. Furthermore, we hereby guarantee that there is no condition under the laws of .....[the State where the participant has its registered offices], which prevents us from participating in the Auctions and meeting our obligations in respect thereof and we do not fall in the cases mentioned in Directive 2004/18/EC article 45.

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

We expressly authorize the Auction Operators to publish the name of our company in case of assignment of CTRs through Yearly and Monthly and Daily auctions or Transfers on the respective Auction Website.

\_\_\_\_\_  
Date



Name and Position

Duly authorized to fulfil this function

---

Signature

## **ANNEX II. Contacts of ESO and HTSO**

### **ESO**

105 Gotse Delchev Blvd.

1404 Sofia

Bulgaria

### ***Auction Procedures***

Cross Border Exchange Department

5 Vesletz street, Sofia.

Telephone: +359 2 981 86 17

Fax : +359 2 981 01 02

e-mail: [eso.auction@ndc.bg](mailto:eso.auction@ndc.bg)

### ***Financial issues***

Accounting Department

Telephone: + 359 2 96 96 815

Fax : + 359 2 96 96 899

e-mail: [fso@eso.bg](mailto:fso@eso.bg)

### ***IT issues***

IT Department

5 Vesletz street, Sofia

Telephone: +359 2 9213 739

Fax : + 359 2 9810 102

e-mail: [v.zlatev@ndc.bg](mailto:v.zlatev@ndc.bg)

### ***Legal issues***

Legal Department

Telephone: +359 2 96 96 784

Fax : +359 2 96 26 189

### ***Registration issues***

Cross Border Exchange Department

5 Vesletz street, Sofia.

Telephone: +359 2 981 86 17

Fax : +359 2 981 01 02

e-mail: [eso.auction@ndc.bg](mailto:eso.auction@ndc.bg)

## **HTSO**

### **HTSO S.A.**

72 Kastoros Street  
18545 Piraeus  
Greece

### ***Auction Procedures***

Operation & Security Division  
Market Operation Department  
22 Asklipiou St.  
GR-14568 KRIONERI  
Telephone: +30 210 629 4235, -4243, -4266  
Fax : +30 210 629 4142  
Fax for contesting purposes only: +30 210 948 3221  
e-mail: [procedures.auctions@desmie.gr](mailto:procedures.auctions@desmie.gr)

### ***Financial issues***

Department of Finance  
72 Kastoros Street  
GR-18545 Piraeus  
Telephone: +30 210 946 6716, -6717  
Fax : +30 210 946 6841  
e-mail: [financial.auctions@desmie.gr](mailto:financial.auctions@desmie.gr)

### ***IT issues***

IT Department  
72 Kastoros Street  
GR-18545 Piraeus  
Telephone: +30 210 946 6801, -6790  
Fax : +30 210 946 6822  
e-mail: [IT.auctions@desmie.gr](mailto:IT.auctions@desmie.gr)

### ***Legal issues***

Legal Department  
72 Kastoros Street  
GR-185 45 Piraeus  
Telephone: +30 210 946 6862, -6913, -6869  
Fax : +30 210 946 6722  
e-mail: [legal.auctions@desmie.gr](mailto:legal.auctions@desmie.gr)

### ***Registration issues***

Tendering Department  
72 Kastoros Street  
GR-185 45 Piraeus  
Telephone: +30 210 946 6824, -6899  
Fax : +30 210 946 6901, -6880  
e-mail: [registration.auctions@desmie.gr](mailto:registration.auctions@desmie.gr)

### ANNEX III. User contact data

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

We confirm to the Auction Office that the above information is true.

.....

.....

.....

Authorized representative

Signature

Date

## ANNEX IV. Bulgarian Bank Guarantee

Payable on First Demand No..... of euro .....

To

To ELEKTROENERGIEN SISTEMEN OPERATOR EAD (ESO)

105 Gotse Delchev Blvd.  
1404 Sofia, Bulgaria

Sirs,

1. We hereby guarantee expressly, irrevocably, unconditionally and unreservedly, to yourselves (ELEKTROENERGIEN SISTEMEN OPERATOR EAD hereinafter called ESO), waiving all rights of objection and division and excussion (beneficium excussionis) for our part only, the full and prompt payment to you by the company with the name ....., the registered office of which are at ..... (hereinafter called the Client), with tax registration number ....., free of any set off or counterclaim of up to euro [.....at least 50.000 euros], which we undertake to pay to you (ESO) immediately on demand being made by you, in the event of a failure by our Client to perform any of its obligations under the terms described in the Access Rules to Greece-Bulgaria Interconnection (Capacity Allocation Auction Rules) for the year 2012 (hereinafter called the Auction Rules), mutually agreed by the Bulgarian and Greek Transmission System Operators and published on their respective websites, copies of which were delivered to us, and by this present we confirm receipt, independently of the validity of the legal effects of the Statement of Acceptance, signed by our Client in accordance with the Auction Rules..

2. We agree as an independent and primary obligation to indemnify and keep indemnified yourselves for all losses, liabilities, costs and expenses incurred as a result of (1) the Client's failure to perform or discharge any of its payment obligations when due and (2) the unenforceability, invalidity or illegality of any of the Client's payment obligations in respect of the Auction Rules not exceeding in total the amount of [.....at least 50.000 euros]. We agree as an independent and primary obligation to pay within 3 business days of demand by yourselves any amounts due in respect of the Auction Rules, not exceeding euro [.....at least 50.000 euros]. Any amount due under this paragraph will be recoverable from ourselves as though the obligation had been incurred by us as sole or principal debtor.

3. This guarantee and indemnity is valid until such time as our Client honors in full all its obligations arising under the Auction Rules as regards our Client's participation, as described in the Auction Rules, until the twenty eight (28) day of February 2013.

4. We hereby promise and undertake to pay immediately to you (ESO) upon receipt of your simple written demand, without contesting it or raising any objections, set off, or counter-claim, whatsoever, any amount up to the maximum of (SAY : \_\_\_\_\_), and which you have determined is owed to you (ESO), in the event of any failure by our Client to perform all or any of its obligations under the Auction Rules.

5. ESO's written demand for payment for the purpose of authentication must be presented to the Bank through the intermediary of Corporate Commercial Bank AD, Sofia, Bulgaria (Bank of ESO) or any other First Rate Bank confirming that the signatures on it are legally binding upon ESO. If in this respect, Corporate Commercial Bank AD, (Bank of ESO ), or any other First Rate Bank will make use of tested telex or swift, it will have to transmit in any case the full wording of ESO's demand for payment and to confirm at the same time that the originals of these documents have been forwarded to us by special courier service.

6. Your decision shall be obligatory for ourselves and we hereby undertake to pay immediately on your demand, any stipulated sum or sums not exceeding the aggregate amount of (SAY \_\_\_\_\_), free from interest, costs and ancillary charges, or set off or counterclaim, as per your instructions, without demanding our Client's authorization, consent or any other action, and without having the right to take into consideration any opposition, objection or exception raised by our Client.

7. This present guarantee and indemnity is valid until its expiration date, namely 28.02.2013, at which point it shall lapse but without prejudice to our obligations hereunder in respect of any liability to yourselves incurred prior to that date which shall remain in full force and effect until discharged in full.

8. Modification or termination of factual or legal relations or links that may exist between us and our Client, will not release us from the present guarantee. Our obligations arising by this present guarantee and indemnity will remain valid and we will not be released from our obligations arising from this guarantee and indemnity if our Client is declared bankrupt, or is in liquidation or is dissolved, or in case of compulsory administration or any other relevant procedure or if our Client is granted any benefits or sets off any claim against you (ESO). All the provisions of the present guarantee and indemnity will retain their full effect, irrespective of any change in the financial or legal status of our Client.

9. The present guarantee and indemnity and all matters arising from it are subject to Bulgarian law. Any dispute arising out of or in connection with this guarantee shall be submitted for judgment to the competent court of Sofia, Bulgaria

10. In case of demand for payment being made under this guarantee and indemnity, if the amount payable by us is subject to any government taxes or fees, these are to be paid by our Client and failing which by ourselves. Reasonable and duly justified costs relative to the present guarantee will be borne by our Client.

11. By this present we hereby declare that the amount of the present guarantee does not exceed the limit set by the law for our bank.

IN WITNESS WHEREOF the present guarantee was signed on ..... 20...

Issuer' s signature

## ANNEX V. Greek Bank Guarantee

Payable on First Demand No..... of euro .....

To

HELLENIC TRANSMISSION SYSTEM OPERATOR (HTSO)

72 Kastoros Street  
18545 Piraeus, Greece

Sirs,

We hereby guarantee expressly, irrevocably, unconditionally and unreservedly, to your-selves (Hellenic Transmission System Operator, hereinafter called HTSO), waiving all rights of objection and division and excussion (beneficium excussionis) for our part only, the full and prompt payment to you by the company with the name ....., the registered office of which are at ..... (hereinafter called the Client), with tax registration number ....., free of any set off or counterclaim of up to euro [.....at least 50.000 euros], which we undertake to pay to you (HTSO) immediately on demand being made by you, in the event of a failure by our Client to perform any of its obligations under the terms described in the Access Rules to Greece-Bulgaria Interconnection (Capacity Allocation Auction Rules) for the year 2012 (hereinafter called the Auction Rules), mutually agreed by the Greek, and Bulgarian Transmission System Operators and published on their respective websites, independently of the validity of the legal effects of the Statement of Acceptance, signed by our Client in accordance with the Auction Rules, copies of which were delivered to us, and by this present we confirm receipt.

We agree as an independent and primary obligation to indemnify and keep indemnified yourselves for all losses, liabilities, costs and expenses incurred as a result of (1) the Client's failure to perform or discharge any of its payment obligations when due and (2) the unenforceability, invalidity or illegality of any of the Client's payment obligations in respect of the Auction Rules not exceeding in total the amount of [.....at least 50.000 euros]. We agree as an independent and primary obligation to pay within 3 business days of demand by yourselves any amounts due in respect of the Auction Rules, not exceeding euro [.....at least 50.000 euros]. Any amount due under this paragraph will be recoverable from ourselves as though the obligation had been incurred by us as sole or principal debtor.

This guarantee and indemnity is valid until such time as our Client honors in full all its obligations arising under the Auction Rules as regards our Client's participation, as described in the Auction Rules, until the twenty eight (28) day of February 2013.

We hereby promise and undertake to pay immediately to you (HTSO) upon receipt of your simple written demand, without contesting it or raising any objections, set off, or counter-claim, whatsoever, any amount up to the maximum of (SAY : \_\_\_\_\_), and which you have determined is owed to you (HTSO), in the event of any failure by our Client to perform all or any of its obligations under the Auction Rules.

Your decision shall be obligatory for ourselves and we hereby undertake to pay immediately on your demand, any stipulated sum or sums not exceeding the aggregate amount of (SAY \_\_\_\_\_), free from interest, costs and ancillary charges, or set off or counterclaim, as per your instructions, without demanding our Client's authorization, consent or any other action, and without having the right to take into consideration any opposition, objection or exception raised by our Client, and waiving all rights of ours in general, deriving from Articles 853,855,862,863,867 and 868 of the Greek Civil Code.

This present guarantee and indemnity is valid until its expiration date, namely 28.2.2013, at which point it shall lapse but without prejudice to our obligations hereunder in respect of any liability to yourselves incurred prior to that date which shall remain in full force and effect until discharged in full.

Modification or termination of factual or legal relations or links that may exist between us and our Client, will not release us from the present guarantee. Our obligations arising by this present guarantee and indemnity will remain valid and we will not be released from our obligations arising from this guarantee and indemnity if our Client is declared bankrupt, or is in liquidation or is dissolved, or in case of compulsory administration or any other relevant procedure or if our Client is granted any benefits or sets off any claim against you (HTSO). All the provisions of the present guarantee and indemnity will retain their full effect, irrespective of any change in the financial or legal status of our Client.

The present guarantee and indemnity and all matters arising from it are subject to Greek law and our bank unconditionally and unreservedly submits to the Athens Courts' exclusive jurisdiction.

In case of demand for payment being made under this guarantee and indemnity, the amount payable by us is subject to a fixed government stamp fee, which is to be paid by our Client and failing which by ourselves. Reasonable and duly justified costs relative to the present guarantee will be borne by our Client.

By this present we hereby declare that the amount of the present guarantee does not exceed the limit set by the law for our bank.

IN WITNESS WHEREOF the present guarantee was signed on ..... 20...

Issuer' s signature

## ANNEX VI. Public Bulgarian holidays 2012

<b>Date:</b>	<b>Description:</b>
01.01.2012	New Year's Day
03.03.2012	Bulgaria National Day
15.04.2012	Easter
16.04.2012	Easter second day
01.05.2012	Labour Day
06.05.2012	Day of the Bulgarian Army
24.05.2012	Day of the Bulgarian Education and Culture
06.09.2012	Day of the Alliance
22.09.2012	Day of the Independence of Bulgaria
24.12.2012	Christmas eve
25.12.2012	Christmas
26.12.2012	Christmas

## ANNEX VII. Public Greek holidays 2012

Date	Day	Public holiday
01-01-2012	Sunday	New Year's Day
06-01-2012	Friday	Epiphany
27-02-2012	Monday	National festive day (Kathari Deftera)
25-03-2012	Sunday	Greek Independence
13-04-2012	Friday	Good Friday
14-04-2012	Saturday	Holy Saturday
15-04-2012	Sunday	Easter
16-04-2012	Monday	Easter second day
01-05-2012	Tuesday	Labour Day
04-06-2012	Monday	The Holy Spirit day
15-08-2012	Wednesday	Virgin Mary day
28-10-2012	Sunday	National festive day
06-12-2012	Thursday	Saint Nick (HTSO festive day)
25-12-2012	Tuesday	Christmas Day
26-12-2012	Wednesday	Christmas second day

## ANNEX VIII. HTSO Bank Account Details

BENEFICIARY	HTSO
BANK	NATIONAL BANK OF GREECE
IBAN	GR79 0110 1910 0000 1914 7074 868
SWIFT	ETHNGRAA