

Electricity Trading RULES

Chapter 1

GENERAL PROVISIONS

Article 1. These rules define:

1. Electricity trading rules at freely negotiated prices;
2. Transition from trade at regulated prices to trade at freely negotiated prices and vice versa;
3. Conditions for participating and working at the balancing energy market;
4. Mechanisms for balancing the participants at the balancing energy market;
5. Methods for determination of balancing energy prices.

Article 2. Administration of the transactions with electricity and organization of the balancing energy market shall be implemented by the electricity system operator (the Operator).

Chapter 2

COMMERCIAL PARTIES AND REGISTRATION

Part I

Commercial parties. Parties to transactions with balancing energy

Article 3. (1) According to these Rules, producers of electricity, eligible consumers and traders with electricity are commercial parties, who conclude transactions with electricity at freely negotiated prices, under article 100, para.1 of the Energy Law (the EL).

(2) Electricity producers with completely free disposal and eligible consumers shall conclude transactions with electricity to para.1, after receiving an electricity trading license, when the sum amount of the sold and/or bought by them quantity of electricity for one period of settlement, exceeds the sum amount of their own generation and/or demand, defined on the basis of installed capacity of their industrial sites, declared in article 6, para.2, item 1.

Article 4. (1) Transmission company through the operator shall conclude transactions for balancing energy with commercial parties and the public provider.
(2) Balancing energy is used for performing the balance between generation and demand of electricity at the electricity system.

Part II.

Registering the transactions of the public provider

Article 5. (1) Public provider is obliged to register the concluded transactions at the operator to article 97, para.1, items 1,3 and 4 of the EL and the transactions for electricity import and export.

(2) For the purposes of registration to para.1, public provider shall provide the operator with the following information:

1. Parties to transactions;
2. Negotiated quantities of electricity by periods;
3. Negotiated disposal from the producers by periods.

(3) Registration should be made within 5 (five) working days from the date of concluding the transaction.

(4) In case of change of the given data to para.1, the public provider is obliged to update the registration within 5 (five) working days from the date of change.

(5) The operator, in performance of his functions to article 112, para.2 of the EL, shall read monthly electricity quantity, negotiated with producers to article 97, para.1, item 1 of the EL.

Part III

Registration Regime

Article 6. (1) Commercial parties shall send the operator by e-mail, fax or another source, defined by the operator, a registration form for the balancing energy market.

The registration form should be completed, according to a pattern, published on the Internet by the operator and should consist of:

1. Applicant's name;
2. Head-office and administration address of the applicant, together with contact details;
3. Phone, fax, e-mail;
4. Category of party at the balancing energy market;
5. Tax registration and statistical identification number registration;
6. Number of the license, issued under the EL;
7. Bank excerpts (bank, address, bank account, bank code), including VAT account;
8. Declaring of electricity quantities in MWh, which the applicant have used/generated within the last 3 /three/ complete calendar months before the application sending date;
9. List of persons, authorized to send and confirm documents with regard to the operative work at the balancing energy market, including coordinating person to article 141, para.1;
10. List of persons, authorized to sign contracts and invoices.

(2) Applicant shall attach the following documents to the application form to para.1:

1. Technical information after a pattern, approved by the operator for his autonomous sites, equipped with electricity commercial metering devices, under the rules to article 83, para.1, item 6 of the EL, which are subject to transactions at freely negotiated prices;
2. Producers, who do not participate in transactions at freely negotiated prices and who supply with electricity only their own sites, shall declare these autonomous sites under the rules to article 83, para.1, item 6 of the EL, after a pattern, approved by the operator;
3. Copy of the license for electricity generation, if it is required by the EL, or a copy of the license for trade with electricity;
4. Document, issued by the transmission and/or distribution company, giving access to the transmission and/or distribution electricity network;

5. Document, issued by the public provider and/or the public suppliers, for lack of obligations to contracts for electricity supply at regulated prices;
6. Copy of the juridical resolution from the applicant, copy of the certificate for current status from the Court to applicant's registration, copy of the last legalized annual financial report;
7. Description of the means of communication and program insurance at applicant's disposal, under chapter 10.

Article 7. (1) Within 14 days from receiving the documents to article 6, the operator shall verify the application data and the attached appendixes, and shall:

1. Send notification for application admittance for registration at the balancing energy market or
2. Prescribe obligatory instructions and terms for editing possible errors in the application forms and the attached appendixes or
3. Give stated refusals for registration of applicants at the balancing energy market.

Article 8. (1) The application admittance notification should consist of:

1. Identification number of the commercial party ;
2. Guarantee deposit amount to article 116 and information about the bank, where the special account will be opened;
3. Additional requirements of the operator to the information circle and means of communication of the commercial party, if such exist;
4. Information about the transmission company and the operator – head-office and administration address, contact details, address, phone, fax, e-mail, tax registration and statistical identification number registration; bank excerpts (bank, address, bank account, bank code), including VAT account; list of persons, authorized to send and confirm documents with regard to the operative work at the balancing energy market, list of persons, authorized to sign contracts and invoices.

(2) The application admittance notification for registration at the balancing energy market of the producers, who do not participate in transactions at freely negotiated prices and who supply with electricity only their own sites, consists of information to article 1, items 1 and 4.

Article 9. (1) Within 15 (fifteen) days from receiving the notification to article 8, the commercial party is obliged to conclude:

1. Contract for balancing with the transmission company;
2. Contract for transmission of electricity with the transmission and/or distribution company, if it is a producer;
3. Contract for opening and servicing the special account of the commercial party;

(2) Within 15 (fifteen) days from receiving the notification to article 8, para.1, the producers, who do not participate in transactions at freely negotiated prices and supply with electricity only their own sites, shall conclude contract for transmission only.

(3) After implementation of the requirements to para. 1 and para. 2, the operator shall enter the commercial party in the commercial parties' register.

(4) The registered commercial parties, excluding the producers, who do not participate in transactions at freely negotiated prices and supply with electricity only their own sites, shall conclude contracts under condition with the public provider and/or the public suppliers.

(5) Concluded contracts at freely negotiated prices by the registered commercial party could be practically performed after concluding the contract under condition to para.4, after paying the guarantee deposit at the special account.

Article 10. The operator publishes on the Internet a list of registered commercial parties to article 9, para.3 with information about the name, identification number, date of registration and status (acquired right for concluding transactions at freely negotiated prices; producers, who supply with electricity only their own sites, date of abandonment, date of suspension).

Article 11. Each commercial party is obliged to send information to the operator about change in the information, given at the registration, within 5 (five) working days from the change occurrence. The financial reports to article 6, para.2, item 6 shall be presented yearly.

Article 12. The operator shall register the public provider at the balancing energy market officially.

Article 13. (1) The operator could refuse registration at the balancing energy market in cases of:

1. Errors in the application form and the attached appendixes, which are not corrected within the terms to article 7, para.1, item2;
2. Obligations to the transmission company, which have not been lapsed.
 - (2) The operator shall not register a commercial party in case of non-fulfillment of conditions within terms, defined to article 9, para.1.
 - (3) In case of refused registration to para.1 or para.2, the applicant could start a new procedure for registration at the balancing energy market, according to para.6, after 1 (one) month expiry from the date of receiving the refusal by the operator to para.1 or para.2.

Article 14. (1) In case of refused registration by the operator, the commercial party has the right to dispute the refusal by letter, addressed to the State Energy Regulatory Commission (the Commission) within 14 days from receiving it.

(2) The Commission shall verify whether the reasons for refusal are justified and shall pass judgement within 30 (thirty) days from complaint's entry to para.1.

(3) In case of Commission's decision, confirming that the operator has refused the registration at the balancing energy market unjustifiably, the operator is obliged within 2 (two) working days from receiving the judgement to para.2, to send the applicant a notification for admitting the application form at the balancing energy market.

Part IV

Termination of participation at the balancing energy market

Article 15. In case of 6 (six) months expiry from the date of registration to article 9, para.3, when the commercial party does not comply with the conditions to article 9, para.4 and/or does not pay in the required guarantee deposit, the operator shall exclude him from the register and shall inform him.

Article 16. (1) A registered commercial party has the right to retire from the balancing energy market, as he shall send the operator a written notification for retirement.

(2) The notification for retirement shall define the date of retirement, which cannot be earlier than 10 (ten) days after the date of its sending.

(3) After the term's expiry to para.1, the operator shall inform the commercial party, the public provider and the bank about the date of retirement and shall note it in the register.

(4) The time of retirement of the commercial party from the balancing energy market, can not be less than 2 (two) months.

(5) In case of commercial party retirement from the balancing energy market, the operator shall issue daily excerpts for settlement, including the date, preceding the retirement, as well as a total excerpt for settlement and an inquiry about the quantity of transmitted electricity for the period, starting from issuing of first invoice to the date, preceding the commercial party retirement.

(6) The operator and the commercial party shall perform invoice verification, according to article 105. The invoice payment shall be made within the terms, defined by article 106.

(7) The retired commercial party has the right to receive the balance of the guarantee deposit after arranging his financial relations with the operator and the bank.

(8) In case of 6 (six) months expiry from the retirement date, when the commercial party does not send an application for reinstatement at the balancing energy market, the operator shall exclude him from the register and shall inform him.

Article 17. (1) In case of reinstating of his participation at the balancing energy market, the commercial party shall send the operator:

1. Application for reinstatement at the balancing energy market, which shall include updated information to article 6, para.1;
2. Documents to article 6, para.2, items 5 and 6;
3. Additional documents to article 6, para.2 in case of changes, which have occurred after the date of retirement from the balancing energy market.

(2) The operator shall calculate the amount of guarantee deposit under article 116.

Article 18. (1) The operator has the right to suspend by compulsion a commercial party from the balancing energy market in cases of and under the Chapter 9.

(2) The public provider cannot be suspended from the balancing energy market.

(3) The commercial party can restore his participation at the balancing energy market not earlier than 3 (three) months from the retirement date.

- (4) The reinstatement of the participation at the balancing energy market after retirement shall be implemented under article 17.
- (5) In case of 6 (six) months expiry from the retirement date, when the commercial party does not send an application for reinstatement of his participation at the balancing energy market, the operator shall exclude him from the register and shall inform him.
- (6) After exclusion from the register to article 15, article 16, para.8 and article 5, the commercial party has the right to register under article 6.

Chapter 3

CONTRACTS

Part I

Electricity sale-trade contracts at freely negotiated prices

Article 19. Commercial parties shall conclude in between electricity sale-trade contracts at freely negotiated prices to article 100 from the EL.

Article 20. (1) The vendors to contracts at freely negotiated prices are obliged to send the operator notifications for weekly schedules of delivery not later than 10:00a.m. on Wednesday, preceding the weekly delivery period, according to para.2.

(2) The schedules shall include period of 168 contiguous hours, which shall start at 0:00h on Saturday of the week to para.1.

(3) The notifications to para.1 shall be sent by e-mail, fax or another sources, approved by the operator and shall include:

1. Name and identification number of the vendor;
2. Name and identification number of the vendee;
3. The quantity of electricity in MWh, according to the delivery schedule for every settlement period.

(4) The operator shall define the pattern of notifications to para.1 and the information format.

Article 21. (1) The operator shall not accept for future processing and shall reject delivery schedule, sent after the term to article 20, para.1.

(2) By 12:00 a.m. on Wednesday, the operator shall put a code number to the delivery schedule and shall verify its validity, concerning:

1. The structure of the information in the notification;
2. The identification number of the parties to the delivery schedule, according to the commercial parties register;
3. Correspondence of the electricity quantity, which has to be generated, according to the schedule, with the disposal and technical parameters for electricity generation, defined by the Commission to article 21, item 17 of the EL.
4. Whether it is possible the electricity quantity, which a commercial party sells and/or buys to the weekly delivery schedules, to exceed the total installed capacity of his industrial sites for one period of settlement in case, when he is not trading with electricity.

(3) In case of notification infirmity, after the inspection to para.2, the operator shall send the vendor a notification for infirmity of the delivery schedule up to 12:00 a.m. on Wednesday, including the reasons for infirmity.

(4) The vendor has the right to present a notification for corrected delivery schedule up to 13:00h taking into consideration the infirmity notification of the operator to para.3.

(5) In case the reason for infirmity of the delivery schedule is subject to para.2, item 3 and the producer has more than one announced delivery schedule, he can make corrections in all schedules, after making arrangements with the vendees and sending notifications for corrected delivery schedule, according the terms to para.4.

(6) The operator shall verify the notifications for corrected delivery schedules and shall accept them for future processing or reject them completely if they are not valid or not sent within the terms to para.4.

Article 22. (1) By 16:00 h on Wednesday, the operator shall verify the admittance of delivery schedule implementation in terms of restrictions in access control resources and working regimes of the electricity transmission network.

(2) In case of restrictions to para.1 the operator shall inform by 16:00h. both parties to delivery schedule about the nature of the restrictions, by showing them the

quantities, within which the implementation of delivery schedule is admissible. In case the restrictions are necessary, the sequence of restrictions is taken from the last known valid schedule for delivery to article 20 and article 21.

(3) In cases to para.2 the vendor has the right to present a notification for corrected quantities, in accordance with the requirements of the operator, by 17:00h on Wednesday.

(4) The operator shall verify the notification for corrected quantities and by 18:00h on Wednesday shall send confirmation for validity of the weekly delivery schedule to both parties or shall reject it completely in cases, when the requirements of the operator to para.2 or the terms to para.3 are not observed.

Article 23. By 10:00 a.m. on Thursday the vendee to contract shall send the operator a notification for acceptance of the delivery schedule. If the notification for acceptance is not presented within the terms, it is considered as a refusal.

Article 24. (1) After the acceptance of the schedule to article 23, the operator shall register the delivery schedule to the contract by 16:00 h on Thursday and shall inform the parties.

(2) In case of terms expiry to para.1, when the eligible consumer does not have a delivery schedule, the operator shall inform the commercial party and the public provider/supplier, that within forthcoming 7-days period the consumer should be supplied with electricity under his contract and conditions to article 26, para.1.

Article 25. (1) Each party to the contract has the right to declare delivery schedule abandonment not later than 14:00 h on Thursday, specifying the relevant code number.

(2) In case of delivery schedule abandonment to para.1, the withdrawing party shall present:

1. Copy of signed and sealed contract in the part, which proves the negotiated quantities of electricity between vendor and vendee;
2. Reasons for withdrawing the delivery schedule.

(3) When the delivery schedule abandonment is made by mutual agreement between both parties, the eligible vendor-vendee to the contract does not have right of substituting delivery schedule to the withdrawn weekly schedule to article 29.

(4) The operator shall confirm the delivery schedule abandonment before both parties to the contract by 16:00 h on Thursday, as the schedule with the relevant code number is not registered.

Part II

Contract under condition

Article 26. (1) The eligible consumer shall sign annual contract under condition with the public provider and/or public suppliers for electricity sale-trade at regulated prices.

(2) When an eligible consumer has registered weekly delivery schedule to contract at freely negotiated prices, for 168 hours period he does not have the right to be supplied with electricity from the public provider and/or public suppliers for the industrial sites, declared to article 6. para.2, item 1, except for at delivery schedule substitute.

(3) In case of electricity supply at delivery schedule substitute, according to para.2, the relations between public provider and/or public suppliers and eligible consumer shall be arranged on the basis of the contract under condition.

(4) In case of electricity supply to contract under condition, the eligible consumers do not have the right of weekend-tariff.

Article 27. The contracts to article 26 shall be implemented when the eligible consumer:

1. Has none registered weekly delivery schedule;
2. Is suspended from the balancing energy market under conditions to article 126;
3. Has infringed delivery schedule in cases of work stoppage of the market to article 151;
4. Has invalid delivery schedule, when the eligible consumer is the regular party, but the condition to article 29, para.1 is not implemented;
5. Uses his right of delivery schedule substitute, according article 29.

Article 28. (1) Producers and traders with electricity conclude annual contracts under condition with the public provider and/or public suppliers for electricity supply, which shall be implemented in case of:

1. Infringed delivery schedule in cases of work stoppage of the market to article 151;
2. Stopped or corrected delivery schedule, because of irresistible force setting, concerning the other party to the delivery schedule;
(2) The notifications to the public provider and/or public suppliers to item 1 and 2 shall be sent by the operator within 24 hours from receiving the information about the relevant event.

Part III

Delivery schedule substitute

Article 29. (1) In case of delivery schedule abandonment, according to article 25 or invalid delivery schedule to article 128, when the regular party – vendee to the contract, is an eligible consumer, who registered at least one delivery schedule for the same period, the consumer can send the operator a notification for delivery schedule substitute with the public provider/supplier.

(2) In case of invalid delivery schedule the vendee to the contract shall send the notification to para.1 by 9:00 a.m. on the day, preceding the date of invalidation.

(3) In case of withdrawn schedule the vendee to the contract shall send the notification to para.1 by 9:00 a.m. on Friday.

(4) Eligible consumer, who buys electricity at delivery schedule substitute, shall be balanced according to the general conditions for balancing.

(5) Eligible consumer has the right to buy electricity at delivery schedule substitutes up to two consequent weekly schedules.

(6) In case of irresistible force setting, concerning the vendee to registered delivery schedule, the vendee has the right of delivery schedule substitute for the undelivered quantity.

(7) The eligible consumer shall pay the negotiated electricity at delivery schedule substitute at regulated prices, defined by the Commission, observing the condition to article 26, para.4.

Article 30. (1) In case of invalid delivery schedule to article 128, the operator shall register delivery schedule substitute with a code number by 10:00 a.m. on the day

of receiving the notification for delivery schedule substitute to article 29, para.2 and shall inform the public provider/supplier and the other party to the contract.

(2) After receiving the notification to article 29, para.3, the operator shall register delivery schedule substitute with a code number by 10:00 a.m. on Friday, preceding the delivery period and shall inform the public provider/supplier and the other party to the contract.

(3) In the notification for registration of the delivery schedule substitute to para.1 and para.2 shall be pointed:

1. Vendee at the delivery schedule substitute;
2. Initial period of settlement at the delivery schedule substitute;
3. Quantities for each period of settlement at the delivery schedule substitute.

(4) The public provider or the relevant public supplier is obliged to accept and execute the delivery schedule substitute.

Article 31. (1) When the electricity delivery is implemented at second delivery schedule substitute, the eligible consumer shall send the operator the schedule within the terms to article 20, para.1.

(2) The operator shall register the delivery schedule substitute, according to article 24, para.1.

Part IV

Electricity supply to private sites

Article 32. (1) The producers have the right to sell at regulated prices only generated electricity quantity, exceeding the demand of all their sites, declared to article 6, para.2, item 1 and the quantities at weekly delivery schedules.

(2) Producers shall pay the electricity transmission for their private sites supply, according to article 104.

Chapter 4
METERING

Article 33. (1) Eligible consumers and producers of electricity have the right to conclude contracts at freely negotiated prices for generation from facilities, declared to the article 6, para.2, item 1 of the EL and for supplying these facilities, when they are connected to high and/or medium voltage network and are equipped with commercial metering devices of electricity, according to article 83, para.1, item 6 of the EL.

(2) Producers have the right to supply with electricity their private sites, when they are connected to high and/or medium voltage network and are equipped with commercial metering devices of electricity, according to article 83, para.1, item 6 of the EL and are declared to article 6, para.2, item 2.

(3) Commercial metering devices to article 1 and article 2 should provide possibility for electricity registering at periods of settlement, according to article 74, para.2.

(4) Readings of the electricity commercial metering devices should be performed in accordance with the rules to article 83, para.1, item 6 of the EL.

Article 34. The operator shall provide a register of electricity commercial metering devices of all sites, connected to the electricity network and these, connected to the electricity networks, used for the purposes of settlement of the commercial parties.

Article 35. The register to article 34 shall indicate the following:

1. Owner of the site;
2. Technical specifications of the commercial metering devices;
3. Connection point of the site to the electricity transmission or distribution network;
4. Other information required, according to the rules to article 83, para.1, item 6 of the EL.

Article 36. The register to article 34 should be maintained in actual status, regarding changes, occurred with the parties, metering devices and termination of communication connections with a particular metering system. The operator shall use the automatic system for collecting and processing the information from the

commercial metering devices of the commercial parties for each period of settlement.

Chapter 5

BALANCING MECHANISM

Part I

General provisions

Article 37. (1) In accordance with the electricity market principles, consumers shall conclude contracts at electricity delivery schedules, closer to the expected demand to the maximum extent and the producers shall generate quantities, equal to negotiated ones, according to the delivery schedules, if possible.

(2) The total amount of the electricity quantities at delivery schedules to all sale-trade contracts should be equal to the expected total demand for a particular period.

Article 38. (1) Balancing of a commercial party is the compensation for the difference between the quantities of used/generated energy and the quantities at the schedules in accordance with concluded contracts.

(2) Subject to balancing are:

1. Commercial parties with registered weekly electricity delivery schedules;
2. Commercial parties, participating with offers and applications at the balancing electricity market for the relevant period of settlement;
3. The public provider in cases defined by article 83, para.1, item 2 and article 84, para.1, item 2.

Article 39. Sources of balancing energy are:

1. Sites of producers, which disposal is completely vacant for the given period, according to the article 21, item 17 of the EL;
2. Sites of eligible consumers;
3. Power plants of producers, which disposal is partially or completely bought up by the public provider;
4. Power plants owned by the public provider.

Part II

Applications and offers for balancing

Articles 40. Applications and offers for balancing declare the opportunity of a particular party to deviate from his physical nomination at relevant price for increasing or decreasing of the production/demand, if it is required by the operator.

Article 41. (1) Applications for balancing submitted by producers shall be in favour of production decreasing.

(2) Activation of applications for decreasing the production submitted by the operator is aiming to decrease the initial active power of the relevant site, compared to the announced in the physical nomination of production level.

Article 42. (1) Applications for balancing submitted by eligible consumers shall be in favour of consumption increasing.

(2) Activation of applications for increasing the consumption submitted by the operator is aiming to increase the electricity demand of the relevant site, compared with the announced in the physical nomination of consumption level.

Article 43. (1) Offers for balancing, submitted by producers, are in favour of production increasing.

(2) Activation of applications for increasing the production submitted by the operator is aiming to increase the initial active power of the relevant site, compared to the announced in the physical nomination of production level.

Article 44. (1) Offers for balancing, submitted by eligible consumers, are in favour of consumption decreasing.

(2) Activation of offers for decreasing the consumption submitted by the operator is aiming to decrease the electricity demand of the relevant site, compared with the announced in the physical nomination of consumption level.

Article 45. Producers to article 39, item 1 have the right to submit offers for production increasing and applications for production decreasing.

Article 46. Eligible consumers to article 39, item 2 have the right to submit offers for consumption decreasing and applications for consumption increasing for the periods of settlement with existing registered weekly schedule.

Article 47. Producers to article 39, item 3 and 4 do not submit offers for balancing and applications for balancing at the balancing energy market, but participate in the priority list of the balancing energy sources, according to article 51 and article 53.

Article 48. The operator shall activate:

1. Offers for balancing, when the generator capacity in the electricity system is insufficient, according to the rules at article 83, para.1, item 4 of the EL,
2. Applications for balancing, when the generator capacity in the electricity system is in surplus, according to the rules at article 83, para.1, item 4 of the EL.

Part III

Priority list of balancing energy sources

Article 49. The operator shall make a priority list and activate the balancing energy sources according to it, regarding the technology criteria, connected with the supply assurance, in accordance with the rules to article 83, para.1, item 4 of the EL.

Article 50. (1) The priority list consists of:

1. Offers/applications for balancing presented by the commercial parties to article 39, items 1 and 2;
2. Available for the relevant period of settlement reserve for tertiary regulation, submitted by the producers to article 49, items 3 and 4.

(2) The power range, envisaged for participation in automatic regulation of frequency and volumetric capacity are not included in the priority list.

Article 51. (1) The arrangement of the balancing energy sources, when making a priority list for compensation of generator capacity at the electricity system, shall be implemented through high sequence of the electricity price, supplied by these sources.

(2) With the purpose to make the priority list to para.1:

1. The balancing energy price, generated by the producers to article 39, item 3, shall be accepted as equal to the amount of their regulated prices for energy and disposal, multiplied by the factor f_c to article 83, para.3, plus transmission price.

4. The balancing energy price, generated by HPP – owned by the public provider, shall be accepted as equal to the highest balancing energy price to item 1;
5. The balancing energy price, which was not consumed by PSHPP – owned by the public provider shall be accepted as equal to the lowest balancing energy price to item 1.

Article 52. (1) The arrangement of the balancing energy sources, when making a priority list for compensation of generator capacity at the electricity system, shall be implemented through downgrade sequence of the electricity price, proposed by these sources.

(2) With the purpose to make the priority list to para.1:

1. The balancing energy price, which was not generated by the producers to article 39, item 3, shall be accepted as equal to the amount of their regulated prices for energy and disposal, divided by the factor f_c to article 83, para.3, plus transmission price.
2. The balancing energy price, which was not generated by HPP – owned by the public provider, shall be accepted as equal to the highest balancing energy price to item 1;
3. The balancing energy price, consumed by PSHPP – owned by the public provider shall be accepted as equal to the lowest balancing energy price to item 1.

Article 53. In case of receiving offers and applications with equal prices, the priority shall be for the offers and applications, indicating wider range of physical nomination aberration.

Part IV

Physical nomination

Article 54. Commercial parties, who submit offers and applications to the balancing market, are obliged to present the operator the following information:

1. Dynamic parameters, total of data and characteristics of the different sites or total of sites of the commercial parties, connected with their possibility to change the initial power, according to article 58.

2. Physical nomination of generation/demand, consisting of information about the expected level of generation/demand of a particular site or total of sites, according to article 58.

Article 55. (1) Dynamic parameters and physical nomination shall be submitted by the commercial parties together with presented offers and applications for balancing in a summarised pattern form, approved by the operator.

(2) The operator shall send the information to para.1. to the operator by e-mail, fax or another source, approved by the operator.

Article 56. Dynamic parameters shall include:

1. Velocity of power step up, MW/min;
2. Velocity of power drop, MW/min;
3. Highest possible quantity for delivery, MWh – only for HPP and PSHPP;
4. Delivery period of the quantity to item 3, in hours and minutes - only for HPP and PSHPP;
5. Activation time for balancing application, min;
6. Activation time for balancing offer, min;
7. Time for implementing an instruction of the operator for capacity change, from the moment of receiving it to the moment when it starts to be implemented, min;
8. Minimal step for capacity change, MW.

Article 57. Dynamic parameters shall be announced for each day, when the relevant party submit offers and applications for balancing, and they are valid for each period of settlement for that day.

Article 58. (1) Physical nomination for generation shall be submit by the producers for net generation of the relevant facility to such a way, that the operator will be familiar with the active power level for each minute of the forthcoming 24 hours.

(2) Physical nomination for demand shall be submit by the consumers for the expected net demand of a relevant facility in such a way, that the operator will be familiar with the active power level for each minute of the forthcoming 24 hours.

Article 59. (1) The operator shall use the announced levels of generation/demand in the physical nomination when determining the quantities of balancing energy from activated offers for balancing and applications for balancing.

(2) When particular offer/application for balancing is activated, the party is obliged to deviate from his physical nomination within the offer/application, according to the operator's instructions.

Article 60. (1) Physical nomination shall be presented in a table with a format, defined by the operator and shall consist of information about the active power levels and the moments of change.

(2) For the purposes of settlement shall be accepted, that the active power between each two consequent moments in time, announced in the physical nomination, changes at linear characteristic.

(3) Active power levels shall be registered with sign "+", when the energy goes from the facility of the party to the electricity transmission/distribution network, and with sign "-", when the direction is from the relevant network to the facility of the party.

(4) Physical nomination shall be announced by the commercial parties for each day, when offers /application for balancing are submitted.

Part V

Structure of presenting and registering of applications for balancing and offers of balancing

Article 61. (1) Commercial parties shall submit applications for balancing and offers of balancing, concerning the aberrations of physical nomination levels of each particular site or total of sites with structure, defined by the operator.

(2) Applications for decreasing the production and increasing the demand shall include the aberration of the active power from the level of physical nomination, period of settlement and application price.

(3) Offers for decreasing the production and increasing the demand shall include the aberration of the active power from the level of physical nomination, period of settlement and offer price.

(4) Offers for balancing and applications for balancing shall be submitted by commercial parties only for sites, connected to the transmission network.

Article 62. (1) Duration of a particular offer/application shall be equal to the period of settlement, as the party is obliged to submit two consequent offers and/or applications at least.

(2) The initial and the final moment of each offer/applications coincide on the hour.

Article 63. (1) Aberration of the physical nomination for production of a particular offer/application, submitted for a site or total of sites of a producer, should not be less than 20 MW, as it shall be presented at whole number megawatts.

(2) Aberration of the physical nomination for production of a particular offer/application, submitted for a site or total of sites of an eligible consumer, should not be less than 10 MW, as it shall be presented at whole number megawatts.

Article 64. (1) The price of the offer/application for balancing shall be in charge for the whole period of settlement.

(2) Applications for balancing with negative prices shall be considered as invalid.

Article 65. (1) The operator shall receive and register applications for balancing and offers for balancing, according to article 73.

(2) The operator shall reject offers and applications, which are incomplete, include incorrect data for the party, do not correspond to the characteristics of the sites, or are presented in different structure from the operator's approved format, or if they are not corrected under the procedure for data exchange to article 73.

Article 66. (1) Registering of offers for balancing and applications for balancing stands as a signed contract under condition in operator's favour.

(2) Prices and quantities of a contract in force to para.1 shall be defined as it follows:

1. Producer shall sell the operator the required /by the operator/ generated electricity quantity at the price of activated offer for balancing;
2. Producer shall sell the operator the required /by the operator/ electricity quantity, which was not generated, at the price of activated application for balancing;
3. Consumer shall buy from the operator the required /by the operator/ electricity quantity, which was not consumed, at the price of activated offer for balancing

4. Consumer shall buy from the operator the required /by the operator/ consumed electricity quantity at the price of activated application for balancing;
- (3) Registered offers for balancing and applications for balancing could not be withdrawn.

Part VI

Activation of applications for balancing and offers for balancing

Article 67. (1) The operator shall activate offers for balancing and applications for balancing in order to maintain the necessary reserve for secondary regulation in accordance with the rules to article 83, para.1, item 4 of the EL.

(2) The operator could activate offers for balancing and applications for balancing together, in order to prepare the generating capacities to provide the additional rotating reserve or to get over restrictions, occurred in the system in accordance with the rules to article 83, para.1, item 4 of the EL.

(3) When activating applications for balancing and offers for balancing, the operator could change the working capacity of a particular facility or total of facilities within these applications and offers.

Article 68. (1) Activation of application for balancing or offer for balancing shall be made by phone or another source of communication, approved by the operator.

(2) The effective activation of an offer for balancing or application for balancing and the consequent instructions within their duration shall be documented by the operator in a registration table, including instructed aberration from the physical nomination and the moment of submitting the instruction.

(3) Instructions, registered by the operator shall be used for settlement of the party, according to chapter six.

Article 69. The operator shall activate a particular offer or application according to:

1. Dynamic parameters of the relevant site and the specific conditions in the electricity system;
2. The arrangement of the offers or applications in the priority list of the balancing energy sources.

Article 70. When a commercial party has registered offer/application for balancing at the end of the settlement period, and he has presented offer/application for balancing for the period of settlement, following the current one, but he did not receive instruction from the operator for deactivation of the offer/application, it shall be considered that the operator has activated the offer/application for the next period as well.

Article 71. (1) The operator could activate offer/application for balancing of a commercial party for a particular period of settlement not earlier than 2 (two) minutes from the beginning of the period.

(2) When the dynamic parameters, according to article 56, items 1,2,5 and 6, do not allow complete activation of the offer/application within 4 (four) minutes, the operator could arrange the beginning of the activation at such time before the start of the period, that the arranged capacity change to be completed within first 2 (two) minutes of the period of settlement.

Article 72. (1) When a commercial party has not presented offer/application for balancing for the term, following the current period of settlement, and he has not received instruction from the operator to deactivate his offer/application, he has the right to deactivate the offer/application by himself not earlier than 2 (two) minutes before the end of the period, while he shall inform the operator for his intention in advance.

(2) When the dynamic parameters, according to article 56, items 1, 2 and 7 do not allow complete deactivation of the offer/application for balancing within 4 (four) minutes, the commercial party could ask the operator to start the deactivation at that time before the end of the period, when reaching the level of the physical nomination could be achieved within first 2 (two) minutes of the next settlement period.

Article 73. (1) Commercial parties, submitting offers for balancing and applications for balancing for a particular date, should submit them on the previous day, while observing the following schedule for information exchange:

1. By 10:00 a.m. to present the operator generalized form, including their dynamic parameters; physical nomination and offers/applications, valid for each period of settlement;

2. By 12:00h the operator shall verify the validity of submitted forms and shall send a notification for infirmity of incorrect forms.
3. By 14:00h commercial parties could submit the corrected forms to the operator;
4. By 15:00h the operator shall send final confirmation and shall register valid offers and applications;
 - (2) If final confirmation for registration of offers and applications to para.1, item 4 has not been sent, it shall be considered as a refusal.
 - (3) Information exchange shall be implemented only on working days. In case the day of submitting the applications/offers for balancing to para.1 is a holiday, the information shall be sent on the last working day, preceding the holiday.