

SEE CAO

**Specific Annex for Bidding Zone borders
serviced by SEE CAO to the Harmonised
Allocation Rules for long-term transmission
rights**



Podgorica, May 2022

TITLE 1 General Provisions

Article 1

Subject-matter and scope

1. This Annex to the Harmonised Allocation Rules for long-term transmission rights on European Union level (hereafter referred to as “HAR”) is related to the Article 51 of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “FCA Regulation”) that is not directly applicable to Bidding Zone borders outside of the European Union (hereafter referred to as “EU”). The purpose of this Annex to the HAR (hereafter referred to as the “Annex”) is to include the HAR (as amended by this Annex) into the operation of the Allocation Platform. Unless otherwise expressly set out in this Annex, the provisions of this Annex equally apply to all Bidding Zone borders listed in Appendix 1 of this Annex.

This Annex takes into consideration, where applicable, the provision on general principles of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity and Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity.

2. The activities of the Allocation Platform concern jurisdictions of transmission system operators (hereinafter also referred to as TSOs) from the European Union, TSOs from contracting parties of the Energy Community Treaty and jurisdictions of TSOs from other countries for which services are provided by Allocation Platform. References to TSO or transmission system operator therefore include references to EU TSOs, transmission system operators from contracting parties of the Energy Community Treaty as well as transmission system operators from any other country for which services are provided by Allocation Platform, whereas national regulatory authority (hereinafter also referred to as NRA) include references to NRAs of the European Union, NRAs from contracting parties of the Energy Community Treaty, or national regulatory authorities of other countries which have jurisdiction over the relevant TSO or Allocation Platform.
3. In accordance with Article 4 (*Regional specificities*) of the HAR, regional or border specificities may be introduced for one or more Bidding Zone borders.
4. The rules described in this Annex shall be applied to the Bidding Zone borders as listed in Appendix 1 to this Annex. If there is an inconsistency between any of the provisions in the main body of the HAR and this Annex, the provisions in this Annex shall prevail.
5. The capitalized terms used in this Annex are defined in the HAR to which this Annex is attached unless otherwise specified below:

Allocation Platform means Coordinated Auction Office in South East Europe d.o.o. Podgorica, Montenegro (**SEE CAO**) and replaces the term “Single Allocation Platform” defined in HAR;

Business Account means a dedicated deposit account opened by the Allocation Platform for the purpose of providing collaterals in a form of cash deposit by Registered Participants, which may be used for payments by the Registered Participant;

Article 2

Effective date and application

1. This Annex shall be effective at the date announced by the Allocation Platform, subject to approval of HAR and this Annex by relevant national regulatory authorities. This Annex may be reviewed upon request of the relevant national regulatory authority(ies). In case this Annex needs to be amended based on a decision of the relevant national regulatory authority(ies), Article 68 (*Duration and amendment of Allocation Rules*) of the HAR shall apply.
2. List of Bidding Zone borders (Appendix 1) to which the HAR and Annex apply including information on type of allocated Long Term Transmission Rights may be amended or supplemented in accordance with provisions relating to the amendment of the HAR.
3. For the purpose of incorporation of the amendment, only the approval of NRA that has jurisdiction over the relevant TSO whose Bidding Zone border is amended or added, shall be required to be consulted or shall be asked for approval, as applicable.

TITLE 2

Amendments to the HAR

Article 3

Recitals

Recitals in the HAR shall apply to all TSOs, however, in relation to TSOs that are not from the European Union, they apply mutatis mutandis.

Article 4

Allocation Platform

Article 3 (*Allocation Platform*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. The Allocation Platform shall undertake the allocation functions in accordance with these Allocation Rules, applicable European Union legislation or applicable legal acts of the Energy Community, and/or applicable national legislation of one or more of the Bidding Zone border countries."

Article 5

Submission of information

Article 9(1) (*Submission of information*) of the HAR shall be amended as follows:

1. paragraph (g) shall read: "(g) Energy Identification Code (EIC)";
2. paragraph (l) shall read: "(l) ACER Registration Code (ACER Code) assigned by the European Agency for the Cooperation of Energy Regulators (ACER) during the market participant registration process with the NRA, for participation in allocation on Biding Zone borders listed in Appendix 2;

Article 6

Regulatory and legal requirements

Article 18 (*Regulatory and legal requirements*) of the HAR shall be amended to read as follows: "It is the responsibility of each market participant to ensure that it complies with national legislation,

and where applicable, European Union legislation or legal acts of the Energy Community, including requirements of any relevant competent authority, and that it obtains all necessary authorizations in connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights."

Article 7

Form of Bank Guarantee

Article 21(1) (*Form of Bank Guarantee*) of the HAR shall be amended as follows:

1. paragraph (h) shall read: "(h) the bank issuing the Bank Guarantee shall be permanently established, including via branch in EU member state, European Economic Area, Energy Community Contracting Party, Energy Community Observer Country or Switzerland and shall be acceptable for the business bank of the Allocation Platform;" and
2. paragraph (i) shall read: "(i) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB- by Standard and Poor's Corporation, BBB- by Fitch or Baa3 by Moody's Investors Service Inc. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the relevant NRAs."

Article 8

Triggering events and consequences of curtailment on Long Term Transmission Rights

Article 56 (*Triggering events and consequences of curtailment on Long Term Transmission Rights*) of the HAR shall be amended as follows:

1. paragraph 3 shall read: "3. Long Term Transmission Rights may be curtailed after the Day Ahead Firmness Deadline in accordance with applicable national legislations"; and
2. paragraph 5 shall read: "5. In case of curtailment, the affected Registered Participant is entitled to receive reimbursement or compensation according to:
 - (a) Article 10 (*Day Ahead Firmness deadline*) of this Annex (instead of the rules set out in Article 58 (*Day Ahead Firmness deadline*) of the HAR);
 - (b) Article 11 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 59 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the HAR);

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- (c) Article 12 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 60 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of the HAR); and
- (d) Article 13 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of this Annex (instead of the rules set out in Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of the HAR)".

Article 9

Process and notification of curtailment

Article 57 (*Process and notification of curtailment*) of the HAR shall be amended to read as follows:

Paragraph 3 shall read: "3. The description of the triggering event shall include information on exact operational security limit(s) that are expected to be violated in the absence of curtailment, the TSO(s) invoking the curtailment, and why alternative measures are not sufficient to avoid the expected violation of operational security limit(s). If this information is not available at the same time as the curtailment information concerning the affected Long Term Transmission Rights and the affected volume in MW per hour for each concerned period, TSOs shall submit a first notification with the available information and update the curtailment information including required detail concerning the triggering event within 72 hours after the initial notification".

Article 10

Day Ahead Firmness deadline

Article 58 (*Day Ahead Firmness deadline*) of the HAR shall be amended to read as follows: "The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Day Ahead Firmness Deadline as proposed by relevant TSOs and approved by concerned NRAs".

Article 11

Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline

Article 59 (*Compensation for curtailments to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows:

1. paragraph 1 shall read: "1. In cases of curtailment to ensure operation remains within Operational Security Limits before the Day Ahead Firmness Deadline the compensation for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction.";
2. paragraphs 2, 3, 4 shall not apply.

Article 12

Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline

Article 60 (*Reimbursement for curtailments due to Force Majeure before the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows: "In the case of Force Majeure before

the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction."

Article 13

Reimbursement or compensation for curtailments due to Force Majeure or emergency situation after the Day Ahead Firmness Deadline

Article 61 (*Reimbursement or compensation for curtailments due to Force Majeure of emergency situation after the Day Ahead Firmness Deadline*) of the HAR shall be amended to read as follows: "In the event of Force Majeure or an emergency situations after the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process, which for each affected hour and Registered Participant shall be calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by the Marginal Price of the initial Auction."

Article 14

Invoicing and payment conditions

Article 65 (*Invoicing and payment conditions*) of the HAR shall be amended as follows:

1. paragraph 1 shall read: "1. Payments shall be settled before the start of the Product Period if the Auction timeline allows so. If the Cross Zonal Capacity product has a duration of more than one (1) month, each monthly instalment shall be settled in the second (2nd) month preceding the month of delivery, by the deadline specified in Auction Calendar, published on Allocation Platform website";
2. paragraph 2 shall read: "2. The Allocation Platform shall issue invoices for payments for all Long Term Transmission Rights on a monthly basis in accordance with Auction Calendar, published on Allocation Platform website.";
3. paragraph 5 shall read: "5. In the cases of curtailment of Long Term Transmission Rights, or return of Long Term Transmission Rights according to Article 40 or remuneration of Long Term Transmission Rights according to Article 48, the Registered Participant shall issue invoice to the Allocation Platform and submit it by electronic means as specified by the Allocation Platform on its website. Notwithstanding, payments to be credited to the Registered Participants may be settled through self-billing mechanism which shall allow Allocation Platform to issue invoices in the name and on behalf of Registered Participants.";
4. paragraphs 6 and 7 shall not apply;
6. paragraph 9 shall read: "9. The Registered Participant shall settle payment obligations resulting from paragraph 3 or paragraph 8 of Article 65 of these Allocation Rules, within ten (10) Working Days after the date of issuance of the invoice.";
7. paragraphs 10 and 11 shall not apply;

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8. paragraph 12 shall read: "12. The Allocation Platform shall settle payment obligations resulting from paragraph 5 or paragraph 8 of Article 65 of these Allocation Rules, within twenty (20) Working Days after the date of the receipt of the invoice."; and
9. paragraph 15 shall read: "15. All bank fees shall be covered by the Registered Participant."

Article 19

Governing law

Article 77 (*Governing law*) of the HAR shall be amended to read as follows: "These Allocation Rules shall be governed by and construed in all respects in accordance with the law of Belgium, as specified in Participation Agreement."

Appendix 1

List of Bidding Zone borders to which the HAR apply including information on type of allocated Long Term Transmission Rights.

List of Bidding Zone borders and/or their subsets of interconnectors			Type of Long Term Transmission Rights
List of responsible TSOs			
Croatia (HR) HOPS	<>	Bosnia and Herzegovina (BiH) NOSBiH	PTRs
Bosnia and Herzegovina (BiH) NOSBiH	<>	Montenegro (ME) CGES	PTRs
Montenegro (ME) CGES	<>	Albania (AL) OST	PTRs
Albania (AL) OST	<>	Greece (GR) IPTO	PTRs
Greece (GR) IPTO	<>	North Macedonia (MK) MEPSO	PTRs
Greece (GR) IPTO	<>	Türkiye (TR) TEIAS	PTRs
Albania (AL) OST	<>	Kosovo (XK) KOSTT	PTRs
Kosovo (XK) KOSTT	<>	Montenegro (ME) CGES	PTRs
Kosovo (XK) KOSTT	<>	North Macedonia (MK) MEPSO	PTRs

This List of Bidding Zone borders to which the HAR apply including information on type of allocated Long Term Transmission Rights may be amended or supplemented in accordance with the provisions of Article 2 (Effective date and application) of this Specific Annex for the Bidding Zone borders serviced by SEE CAO shall apply.

Appendix 2

List of Bidding Zone borders where ACER Registration Code assigned by the European Agency for the Cooperation of Energy Regulators (ACER) is precondition for participation in allocation process.

List of Bidding Zone borders		
Croatia (HR) HOPS	<>	Bosnia and Herzegovina (BiH) NOSBiH