

**NOTE:**

**This document has been prepared exclusively for the purpose of providing an easy way to read the Regulation on the organization and functioning of the day-ahead power market in compliance with the price coupling mechanism of the markets.**

**OPCOM S.A. assumes no responsibility in case of inaccuracies between this document and the Orders issued by ANRE regarding the organized framework for trading on the day-ahead power market.**

**The official version of the ANRE Order no. 82/03.09.2014 on the approval of the Regulation on the organization and functioning of the day-ahead power market in compliance with the mechanism of price coupling of markets and the amendment of some normative acts is the one published in the Official Gazette no. 668 of 11.09.2014, with amendments and subsequent completions (ANRE Order no. 68/08.04.2015, ANRE Order no. 178/13.08.2019, ANRE Order no. 65/31.03.2020, ANRE Order 213/25.11.2020).**

## REGULATION

### **for organization and functioning of the day-ahead electricity market in compliance with the price market coupling mechanism and amendment of some procedural acts that regulate the day-ahead electricity market**

#### **Chapter I**

##### **General measures**

**Art. 1** - This Regulation establishes the framework for organization and functioning of the electricity day-ahead market in terms of implementing the price coupling mechanism of the markets, namely:

- a) the activities, roles and responsibilities of the parties involved;
- b) the bidding organization and principles of concluding transactions;
- c) the trades settlement principles.

**Art. 2** - The DAM Rules establish a centralized market framework for selling and buying electricity by the participants on the wholesale electricity market, necessary for:

- a) facilitating the formation of a wholesale electricity market at national and regional level under competitive, transparency and non-discrimination conditions;
- b) establishment of the reference prices for other transactions in wholesale electricity market;
- c) optimizing the use of interconnection capacity with neighboring countries by applying implicit allocation mechanism.

**Art. 3** – This Regulation applies to:

- a) the DAM participants;
- b) the electricity market operator;
- c) the transmission and system operator.

**Art. 4** - The abbreviations used in this Regulation have the following meanings:

*ANRE* – The Romanian National Regulatory Authority in Energy Field;

*ATC* – Available Transmission Capacity;

*CET* – Central European Time;

*Euphemia* - Acronym for Pan-European Hybrid Electricity Market Integration Algorithm;

*mTMF* – Management function of TSO;

*MCF* – Market Coupling Function;

*PN* – Physical Notification;

*BMO* – Balancing Market Operator;

*EMO* – Electricity Market Operator;

*TSO* – Transmission and System Operator;

*4M MC* – The coupling project of the day-ahead electricity markets from Romania, Hungary, Slovakia and Czech Republic;

*PCR* – Price Coupling of Regions, the price market coupling mechanism of the regional markets;

*BM* – Balancing Market;

*IDM* – Intraday Market for electricity;

*MCP* – Market Clearing Price for the bidding national zone;

*PMB* – PCR Matcher/Broker, the common system used as solution of the PCR initiative;

*BRP* – Balancing Responsible Party;

*BRP-DAM* - Balancing Responsible Party for EMO as counterparty in the DAM;

*DAM* – Day-Ahead Market;

*NPS* – National Power System;

*UIOLI* – the commercial principle „use it or lose it“.

**Art. 5** – (1) In the meaning of this Regulation, the terms and expressions used have the following meaning:

1. **shipping agent** – (shipper) the role that TSOs fulfills in the price market coupling mechanism, reflected by the physical and commercial transfer of electricity between two bidding areas from/to power exchange in local area to/from the neighboring shipping agent/agents;
2. **power exchange** - operator that acts on the national energy market and administers DAM at national level;
3. **power exchange serviced for the market coupling function** – power exchange that participates in the market coupling mechanism and does not own the PCR assets but designated a coupling service provider to act on its behalf in carrying out the market coupling function; EMO is serviced power exchange in 4M MC;
4. **identification code** – alphanumeric code allocated to every DAM participant by EMO at registration;
5. **DAM Participation Agreement** – agreement concluded between EMO and a DAM participant, which contains rights and obligations towards each other of the EMO and DAM participant;

6. **incident committee** – governance structure formed by executive representatives of the power exchanges and TSOs involved in the market coupling having the monitoring role and decision making power in case of incidents occurred in daily operation of the market coupling;
7. **congestion** – situation when an interconnection cannot cope with all physical flows which result from international exchange requested by market participants, because of a lack of capacity on the interconnectors and/or of the national transmission systems concerned;
8. **coordinator** – the coupling operator who have, based on the rotational principle, the responsibility to correlate the offers and to establish the market coupling results in a specific day;
9. **matching** – combining opposite offers that lead to a transaction, according to coupling algorithm;
10. **the price threshold domain** – the set of MCP values that are higher than the minimum threshold and lower than the maximum threshold, which are accepted as results of the coupling mechanism without triggering the second auction;
11. **clearing an offer** – establishing a transaction on DAM that satisfies the offer conditions, by the DAM participant which has introduced it, after performing the coupling mechanism;
12. **export** – physical or commercial delivery of electricity from NPS to the other countries;
13. **the market coupling function** – set of operations that include usage of the unified algorithm of matching offers, called Euphemia, in order to achieve a common matching and establishing the market coupling results;
14. **the management function of TSOs** – set of coordinated activities of TSOs participating in market coupling, centrally performed by the mTMF provider;
15. **coupling service provider** – party that owns the PCR assets, designated by a serviced power exchange to perform the market coupling function on his behalf;
16. **the provider of TSOs' management function** – TSO participating at market coupling, jointly designated by all TSOs to perform the functions related to market coupling mechanism under the responsibility of TSOs in a centralized manner;
17. **financial guarantee** – amounts of money and/or financial instruments with the aim to guarantee payment obligations of DAM participants towards the EMO, accepted by it under the provisions of a public procedure;
18. **import** – physical or commercial delivery of electricity from other countries to NPS;
19. **interconnection** – set of facilities and equipment through which the electricity exchanges between energy systems represented as bidding areas are achieved;
20. **trading interval** – period of one hour, for which an individual transaction may be concluded on DAM;
21. **market information** – document issued by the EMO with the purpose of communication with DAM participants;

22. **shadow auction** – explicit auction for ATC related to the markets coupled, whose results are published and becomes enforceable only in case of triggering the procedure of last resort;
23. **quantitative trading limit** – the maximum hourly quantity of electricity accepted by EMO as the sum of the quantities from the offers of a DAM participant, according to its preliminary request;
24. **value trading limit** – the aggregate maximum value of price-quantity pairs and of the block offers for buy at positive price and/or for sell at negative price, accepted by EMO for a DAM participant, corresponding to participant's available financial guarantees;
25. **DAM price coupling mechanism** – coordinated mechanism that clears all the supply and demand curves and of the block offers provided by power exchanges and establish, through auction, the electricity transactions for the next day, considering the interconnection capacity provided by the TSOs and through which it is implicitly allocated, using a single software application that includes the coupling algorithm;
26. **PCR mechanism** – unique price coupling of regional electricity markets method at European level with the scope to harmonize the European national markets and to create the European internal market for electricity;
27. **TSO Cloud** – IT environment which represents the communication environment and the unique data source under the responsibility of TSOs, needed both for TSOs and power exchanges;
28. **4M MC PCR Cloud** – IT environment which represents the communication environment and the unique source for input and output of market coupling data, at the coordinator and coupling operator disposal;
29. **physical notification** – formal information sent by a BRP, which includes the electricity net production schedule, block exchanges and consumption, as well as the electricity imports, exports and transits of the market participants for which the BRP has assumed the balance responsibility;
30. **offer** – electronic document by which a DAM participant sends to EMO the price limit together with the quantity for that it wants to conclude a transaction on DAM;
31. **hourly offer** – buy or sell offer on DAM which refers to a single trading interval, compound of maximum 32 quantity-price pairs;
32. **block offer** – combination of buy or combination of sell offers on multiple hourly intervals, whose execution is interdependent, i.e. all or none are executed;
33. **buy offer** – offer submitted by a DAM participant with the purpose of buying electricity on the DAM;
34. **simple buy offer** – hourly buy offer which contains one price only;
35. **sell offer** – offer submitted by a DAM participant with the purpose of selling electricity on the DAM;
36. **simple sell offer** – hourly sell offer which contains one price only;

37. **coupling operator** – party which has the PCR assets installed, respectively Euphemia and PMB, acting on own behalf in case it's one of the power exchanges that acts in the market coupling, or on serviced power exchange's behalf, performing parallel run along with the coordinator of the coupling algorithm, including cross-validation, according to the PCR procedures; as a result of the incidents committee's decision the coupling operator can take over the full responsibility for carrying out the market coupling session, in the coordinator role if that one encounters technical problems;
38. **gate closure time on DAM** – the deadline within trading day preceding the delivery day until which the offers on DAM can be sent to EMO; it is synonymous with closing time of DAM order book;
39. \*\*\* Repealed by O. no. 65/2020;
40. **quantity-price pair** – a combination between a price and a quantity, indicating minimum or maximum price at which a DAM participant intends to sell or buy, as applicable, a quantity of electricity that does not exceed the specified quantity;
41. **the implicit DAM participant** – DAM participant that acts as shipping agent in coupling mechanism and that does not have the right to submit offers in its capacity;
42. **DAM participant** – licensee or small producer, who signed DAM Participation Agreement with EMO;
43. **minimum threshold** – the minimum limit for MCP in any bidding area, located within the price scale at which reaching and exceeding the second auction is triggered, considering that the market is in severe situation that can be improved;
44. **maximum threshold** – the maximum limit for MCP in any bidding area, located within the price scale at which reaching and exceeding the second auction is triggered, considering that the market is in severe situation that can be improved;
45. **maximum price of the scale price** – the maximum value of the prices at which offers can be submitted;
46. **minimum price of the scale price** – the minimum value of the prices at which offers can be submitted;
47. **net position** – quantitative balance of all sell and buy resulting from application of the coupling mechanism for a trading interval within a bidding area;
48. **normal procedure** – daily procedure which includes the actions of the operators involved in the coupling mechanism when no problem occurs;
49. **last resort procedure** – (also used as fallback procedure) the procedure which includes the operators' actions involved in the market coupling mechanism in case an information can't be produced/exchanged neither through the normal nor backup procedure or in case a verification can't be achieved or it is expected not to be achieved before the target time for the coupling results publication;
50. \*\*\* Repealed by O. no. 178/2019;

51. **order book** – IT secured product, managed by EMO, which stores information regarding the DAM participants by means of which EMO identifies, receives, stores and ranks the sale and buy offers submitted by DAM participants based on the rules in this Regulation;
52. **congestion rent related to the interconnections** – the sum of the products between the difference of the MCP in importing and exporting area for each interconnection and the electricity flows on interconnection resulted from transactions on DAM, having meaning of monetary value of the interconnection capacity resulting from the implicit allocation;
53. **price scale** – allowed range for the offer prices;
54. **block exchange** – power exchange between two BRPs resulting from the aggregation on sale and buy of all transactions between participants in both BRP within a dispatching interval;
55. **back-up solution** – the actions taken by the coupling operator in parallel with the coordinator, to take over its responsibilities, in case an incident occurs; e.g. some information can't be produced/transmitted, a validation can't be performed before the target time, or it is expected not to be achieved before the target time, and so on;
56. **the buyer's surplus** – economic concept which reflects the difference between the maximum amount that the buyer would have been willing to pay for the bought electricity, according to submitted offers and the amount paid by the buyer for this;
57. **the seller's surplus** – economic concept which reflects the difference between the amount received by the seller for sold electricity and the maximum amount that the seller would have been willing to receive for this electricity, according to submitted offers;
58. **target time** – the estimated time for completion of a normal proceeding;
59. **transaction on DAM** – contract agreed between EMO and the DAM participant, for sale or buy of electricity for the next day, based on the results of the PCR mechanism;
60. \*\*\* Repealed by O. no. 65/2020;
61. **trading day** – the day in which the auction on DAM takes place and establishes the trades with electricity for delivery in the next day;
62. **delivery day** – the day in which the electricity delivery/consumption provided in the DAM transactions physically takes place, day that follows to the trading one;
63. **bidding area** – geographical area in which the market participants can transfer electricity without the need to check whether it falls below the interconnection available capacity and to allocate it;
64. **national bidding area** - the bidding area which Romanian electricity consumers and producers are connected to.
62. **aggregator** - market participant involved in aggregation, as defined in art. 2 point 43 of Regulation 943/2019.

(2) For the purposes of this regulation, the terms and expressions used, other than those provided in paragraph (1) have the meanings defined in Regulation (EU) 2019/943 of the European Parliament and European Council of 5 June 2019 on the internal market in electricity (recast) (hereinafter Regulation 943/2019) and in the Law on Electricity and Gas no. 123/2012, with subsequent amendments and completions.

**Art. 6** - (1) Each trading day, firm trades with electricity are concluded for each trading interval of the corresponding delivery day, based on the offers submitted by the DAM participants.

(2) DAM is administered by EMO.

**Art. 7** - The trades on DAM are carried out by matching offers for sell and buy through the auction mechanism established according to PCR, after the bidding, validation and bidding aggregation steps are completed.

**Art. 8** - The auction takes place every day after DAM gate closure time.

**Art. 9** - The auction mechanism principles that apply to offers are the following:

- a) the offers matching is performed according to a transparent method corresponding to the PCR mechanism and through which publicly known principles are implemented;
- b) the matching of the offers ensures a non-discrimination among DAM participants;
- c) the matching of the offers is conducted in accordance to their specifications;
- d) the auction results are published within a reasonable time after the DAM gate closure time;
- e) EMO can reject the offers of a participant if quantity limit or value limit are exceeded before the DAM gate closing time.

**Art. 10** - EMO registers all received offers in the order book.

**Art. 11** - EMO anonymizes received offers and forward them to the coordinator as aggregate curves for demand and supply and adding the block offers.

**Art. 12** - The auction clearing price corresponds to the intersection point of aggregate curves of demand and supply and results from the combination of the hourly and block offers of participating national markets, within the limit of the transmission available capacity on interconnections.

**Art. 13** - Each transaction corresponds to a supply of electricity at constant power throughout the respective trading interval.

**Art. 14** - The result of the auction is published by EMO.

**Art. 15** - EMO is counterparty for each DAM participant, in all transactions concluded on DAM.

**Art. 16** - The transactions are completed through the physical delivery of electricity within the NPS, during the delivery day.

**Art. 17** - The electricity delivery is considered fulfilled through the transmission of the physical notifications for transactions concluded on the DAM in accordance with the provisions of the



*Regulation for scheduling of dispatchable production units and consumptions and with the TSO's related procedures.*

**Art. 18** - In order to fulfill the tasks of scheduling and notification to the TSO and carrying out physical settlement of DAM transactions, EMO shall register a BRP dedicated to the transactions concluded on the DAM, as counterparty in these transactions.

**Art. 19** - In order that TSO to be integrated with the role of shipping agent (shipper) in the balancing market and implicit DAM participant, TSO shall register a dedicated BRP for the transactions recorded as such.

**Art. 20** - In BRP-DAM recorded by EMO no other members can enter and all trades are executed through block exchanges with others BRP in the balancing market system administered by the TSO.

**Art. 21** - The electricity delivery is made in any injection or extraction point of NPS.

**Art. 22** - The transactions concluded on the DAM at positive prices trigger an obligation of the DAM participant to deliver electricity in the case that the transactions have been based on sell offers, or an obligation to accept delivery of electricity, in case that the transactions have been based on buy offers, in accordance with the specifications of that transaction.

**Art. 23** - The transactions can be concluded at negative prices. A transaction with negative price signifies providing a service to relieve/remove the electricity, as service provided by the receiving party to the delivery party, not having the significance of the supply of goods by the party who delivers the electricity.

**Art. 24** - Each DAM transaction refers to a trading interval, which is an hour, the first trading interval being the interval between 0.00h CET and 1.00h CET (the interval 1.00h - 2.00h in the Romanian time).

**Art. 25** - The delivery day has 24 trading intervals, except on transition day from summer to wintertime, which has 25 trading intervals, and the day of transition from winter to summertime, which has 23 trading intervals, respectively.

## **Chapter II**

### **Participation at the DAM**

**Art. 26** - The participation at the DAM is voluntary and is allowed to market participants who were registered as DAM participants.

**Art. 27** - For acting as shipping agent (shipper), the TSO it registered as implicit DAM participant.

**Art. 28** - As implicit DAM participant, the TSO cannot submit offers on the DAM.

**Art. 29** - An offer is accepted only if it is made by a DAM participant or by EMO on behalf of the participant, if mandated in this regard, namely whether the offer contains the identification code of the DAM participant.

**Art. 30** - To become a participant at the DAM, a market participant must be registered by the EMO according to a public procedure developed by the EMO for this purpose, subject to a public consultation process.

**Art. 31** - The network operators may become DAM participants and may participate at the DAM in sole purpose of fulfilling their duties provided by the law. No network operator has the right to trade on DAM for profit only.

**Art. 32 - (1) A market participant may carry out electricity transactions on DAM individually or in aggregate mode.**

**(2) The aggregation of the market participants is made separately for the production activity, respectively for consumption.**

**(3) In the case of aggregate participation, the aggregator is the participant that trades electricity and which fully bears all the responsibilities and rights provided in the DAM participation agreement, as well as those provided in national and / or European Union regulations corresponding to the electricity market participation.**

**(4) The aggregator communicates to EMO the list of final customers / aggregated producers, and EMO includes it, as an annex, in the DAM Participation Agreement; the aggregator notifies EMO whenever changes occur in this list.**

**(5) A market participant wishing to become a DAM participant has the obligation to pay the applicable tariffs established in accordance with the regulations in force.**

**(6) In the case of registration of the aggregator combining electricity produced from several sources, the application of the tariff component for market administration practiced by EMO is made on the basis of the total installed power of the aggregated production capacities.**

**(7) In case of registration of the aggregator combining the tasks of several final customers, the application of the tariff component for market administration practiced by EMO is made on the basis of the sum of the approved powers of the consumption places of the aggregated final customers.**

**Art. 33** - The DAM participant who has the intention to submit buy offers with positive prices or sell offers with negative price have to previously post a financial guarantee at EMO, determined according to a public procedure of EMO, subject to a public consultation process.

**Art. 34** – A market participant is registered as DAM participant after its registration as BRP of the licensee or by transferring the balance responsibility to another BRP in the case of final customers participating at the market.

**Art. 35** – (1) The EMO establishes the content of the DAM Participation Agreement, which must include the mutual rights and responsibilities of the EMO and of the DAM participant. The registration as DAM participant becomes effective after signing by the parties of the DAM Participation Agreement, as of the date of entry into force.

(2) The aggregator has full responsibilities and rights presented in the agreement for its participation provided in paragraph (1), as well as those presented in national and / or Community regulations corresponding to the participation in the electricity market.

**Art. 36** - Each DAM participant receives at registration an identification code on the DAM.

**Art. 37** - A DAM participant can withdraw from the DAM and the EMO may suspend or revoke recording of a participant at the DAM if it no longer complies with the registration conditions or does not respect the Agreement/the applicable rules.

**Art. 38** - The withdrawal, suspension or revocation of a DAM participant does not relieve the parties from fulfilling the obligations engaged on the DAM until then.

**Art. 39** - The EMO prepares and maintains a register of the offers which contains relevant information about each DAM participant and through that their offers are managed.

### **Chapter III**

#### **Conditions applicable to the DAM offers**

**Art. 40** - The DAM participants introduce offers for sell/buy on the DAM at aggregate level on portfolio.

**Art. 41** - An offer represents firm commitment of the DAM participant to enter into a contract for the sell or buy or relieve/removal of electricity service, whose terms and conditions are described in this Regulation and detailed in the applicable procedures developed by the EMO.

**Art. 42** – The offers sent by the DAM participants contains at least following information:

- a) the identification code of the DAM participant;
- b) identification as sell offer or buy offer;
- c) identification as hourly offer or block offer;
- d) validity (delivery day, the trade intervals at which it refers);
- e) quantity, for each price-quantity pair;
- f) the price limit, for each price-quantity pair.

**Art. 43** – The offers can be of the following categories:

- a) offers for a single trading interval, identified as hourly offers;
- b) offers for more trading intervals, interdependent, identified as block offers;

**Art. 44** - The DAM buy or sell offers prices are numbers with two decimals, expressed in lei/MWh, and for matching purpose are exchanged by the EMO in euro/MWh at the official exchange rate leu/euro published by the National Bank of Romania (NBR) valid for the trading day, up to 11 decimals.

**Art. 45** - The offers prices after exchange must be within the price scale, respectively to be higher or at least equal to the equivalent in lei of the minimum price of the price scale and less than or at most equal to the equivalent in lei of the maximum price of the price scale which are rounded at two decimals, to the nearest value.

**Art. 46** - The maximum price of the price scale is +3000 euro/MWh, and the minimum price of the price scale is -500 euro/MWh; these values can be modified following agreement of all power exchanges and Regulators involved.

**Art. 47** - The EMO publishes on its website the price scale limits expressed in lei valid for the following trading day, within one hour as of publication by the NBR of exchange rate leu/euro available for that day.

**Art. 48** - The offers quantities for sell or buy on the DAM are expressed in MWh with one decimal.

**Art. 49** - Each hourly offer for sale or buy on the DAM contains at least one and up to 32 price-quantity pairs.

**Art. 50** - Each price-quantity pair of a buy hourly offer for a trading interval, defines the maximum unit price at which the DAM participant is willing to buy a quantity of electricity that does not exceed the quantity specified in the price-quantity pair.

**Art. 51** - Each price-quantity pair of a sell hourly offer for a trading interval, defines the minimum unit price at which the DAM participant is willing to sell a quantity of electricity that does not exceed the quantity specified in the price-quantity pair.

**Art. 52** - The buy and sale offer cannot be combined in one offer.

**Art. 53** - The buy and sale offer on the DAM are monotonous.

**Art. 54** - A monotonous sale offer consists in price-quantity pairs for a trading interval in which the prices will be constantly increasing in the consecutive price-quantity pairs.

**Art. 55** - A monotonous buy offer consists in price-quantity pairs for a trading interval in which the prices will be constantly decreasing in the consecutive price-quantity pairs.

**Art. 56** - The sell or buy block offers is a combination of simple offers for sale or buy for at least two trading intervals, whose execution is interdependent.

**Art. 57** - The trading intervals contained in the block offers can be consecutive or not.

**Art. 58** - The block offers are characterized by a minimum acceptance quota of the hourly quantities.

**Art. 59** - The block offers can be interdependent related to each other, namely acceptance of a block offer can take place only if another block offer of the DAM participant was accepted for the respective trading day.

**Art. 60** - The block offers can be executed through matching with other block offers or hourly offers on the same combination of trading intervals.

**Art. 61** - (1) The type and block offers' characteristics, the maximum number of block offers for each delivery day and each portfolio and the maximum number of linked block offers as well as rules for

block offers integration are established by the EMO through a public procedure, developed after having performed a public consultation process.

(2) The procedure must expressly provide terms for phased inclusion of all types of block offers that can be processed by the coupling algorithm and are available to other coupled power exchanges in the set of blocks made available to DAM participants, no later than 2 years after the entry into force of this Regulation.

**Art. 62** – No VAT included in the prices of the offers.

**Art. 63** – Offers can be submitted any trading day for which the price scale limits were published by the EMO during the period established and published by the EMO thereof, starting with the hour they were published.

**Art. 64** - The hourly interval for offers submission ends at the DAM gate closure time and is provided in the procedures developed according to Art. 193.

**Art. 65** - Before the gate closure time of the DAM, offers can be modified or canceled at any time by the DAM participant who introduced them. Each change establishes a new offer that is taking into the consideration by the matching algorithm.

**Art. 66** - The offers are electronically submitted by the participants at the DAM through an electronic interface to the trading system for matching and execution.

**Art. 67** - The EMO receives and records the offers in the order book and after the DAM gate closure time gives them the anonymity character for the matching mechanism performance.

**Art. 68** - After gate closure time of the DAM, the offers cannot be changed or canceled anymore, being irrevocable.

**Art. 69** - The template format and content for the offers are established by the EMO and are published on the EMO website at least 30 days before the entry into force of the Regulation.

## **Chapter IV**

### **Offers validation**

**Art. 70** - The EMO can determine and change at any time the trading limit for a DAM participant, based on the available financial guarantees or base on participant's request.

**Art. 71** - The trading limits apply as quantity limits or value limits.

**Art. 72** - Each DAM participant may request the EMO to invalidate its offers which contain a total hourly quantity greater than a certain limit specified in advance by the respective participant. The DAM participants can specify different quantity limits for the buy and sale offers.

**Art. 73** - If the offer does not respect the trading limit values set by the EMO according to a public procedure developed and subjected to public consultation, it is rejected. The DAM participant is

notified about the rejection through a message sent by the EMO and it can modify the offer for respecting the trading limit, before the DAM closing the gate.

## **Chapter V**

### **The algorithm for establishing the DAM results**

**Art. 74** - The algorithm used for matching the offers and determination of MCP in the coupled or decoupled markets is based on social welfare maximization principle both in case of coupled markets as well as at national market level, in case of decoupling, respectively based on the sum of the seller surplus, the buyer surplus and the congestion related rent on the interconnection lines if it is necessary.

**Art. 75** - By using such an algorithm, the efficient allocation of the resources from the electricity market and of the interconnection capacities in the coupled regions, considering all offers submitted in each coupled market and all information regarding the interconnection available capacities is sought.

**Art. 76** - The algorithm used for the market coupling is recommended by the ACER for coupling of regions through price in order to create the European internal electricity market, namely algorithm used by the Euphemia or any successor thereto that corresponds to the same performance criteria and based on its approval by the ACER and by all governments, regulators, power exchanges and TSOs in states participating at the coupling.

**Art. 77** - The PCR coupling solution envisages using a single algorithm for the whole European internal electricity market, ensuring the fair and transparent pricing and cross-border capacity allocation in the day before delivery day, to respect the principle of decentralized data sharing, which ensures sound and safety operation as well as individual responsibility of the power exchanges through the exchanging the anonymized offers and the interzonal transfer capabilities in scope of bidding and other reference pricing as well as of establishing the electricity flows between all zones included in the mechanism.

**Art. 78** - The Euphemia algorithm goal is to determine the executed and unexecuted block offers, the regional trading prices and the net positions on the bidding areas by maximizing the social welfare in the region generated by the offers execution and by providing generated electricity flows through the execution of the offers not exceeding the capacity of the relevant network elements.

**Art. 79** - Euphemia evenly treats all offers of the same type with competing block offers tested in random order. Euphemia considers the configuration of interconnections between transmission networks, modeled in the form of restrictions to be respected by the final solution.

**Art. 80** - For Hu-Sk-Ro-Cz markets coupling, the maximum quantity of electricity exchanged between bidding areas are determined based on ATC model. The ATC model starts from the hypothesis that the bidding areas are linked by interconnection lines with a certain topology, and power is transferred from one to another area through these lines, limited by the transfer capacity available (ATC) thereof.

**Art. 81** - The existence of block offers, accepted only if their specific conditions predefined in each market are respected for all hourly intervals along which they are defined, transforms the problem into a complex one. The solution uses a combinatorial optimization algorithm modeled as a quadratic mixed discrete programming problem which solves the main welfare maximization problem.

**Art. 82** - As a general rule, a block offer is executed or not by comparing its offer price with the average of the market clearing prices in the respective hours, weighted by the quantities of each hour of the block offer. Given the complexity of the problem, it is possible that a block offers not be executed even if its price would have allowed the execution at MCP.

**Art. 83** - The following conditions are satisfied for the coupled markets: the market clearing price in the importing bidding area is higher or equal to the market clearing price in the exporting bidding area while MCPs are equal in two neighboring areas in case the import or export flow is less than the available capacity on interconnection.

**Art. 84** - The algorithm stops in the following cases:

- a) all branches were explored, in which case the optimal outcome is established;
- b) time limit has been reached;
- c) maximum number of iterations has been reached.

**Art. 85** - The Euphemia algorithm provides the following data as results:

- a) MCP in each bidding area;
- b) net position in each bidding area;
- c) the electricity flows through each interconnection, relating to transactions concluded on DAM;
- d) quantities executed for each block offer.

**Art. 86** - The EMO uses the results provided by Euphemia for determining transactions on the DAM for each DAM participant.

## **Chapter VI**

### **The features of the matching process results**

**Art. 87** - The sell hourly offers are not executed for the quantities offered at prices higher than the MCP.

**Art. 88** - The buy hourly offers are not executed for the quantities offered at prices lower than the MCP.

**Art. 89** - The sell hourly offers are executed for the quantities offered at prices strictly lower than the MCP.

**Art. 90** - The buy hourly offers are executed for the quantities offered at prices strictly higher than the MCP.

**Art. 91** - The hourly offers cannot be executed or can be executed in part for the quantities offered for sale/buy at prices equal to MCP.

**Art. 92** - A sale block offer will not be executed if its price is higher than the average price resulting from the average of hourly MCP published on the trading intervals at which the block offer refers to, weighted by each hourly volume of the block offer.

**Art. 93** - A buy block offer will not be executed if its price is lower than the average price resulting from the average of hourly MCP published on the trading intervals at which the block offer refers to, weighted by each hourly volume of the block offer.

**Art. 94** - In case of the intersection of the demand with the supply curve provides a common interval of prices, the MCP is established at the mid of the common prices segment.

**Art. 95** - In case of the intersection of the demand with the supply curve provides a common interval of quantities, the traded quantity is the maximum of the common quantities segment.

## **Chapter VII**

### **The second auction procedure**

**Art. 96** – In case the auction leads, in any bidding area, at prices outside the threshold price range, the EMO or any other power exchange triggers the second auction procedure.

**Art. 97** - The threshold price range is between -150 Euro/MWh and +500 euro/MWh; it is provided in the operating procedure of the DAM and can be modified by mutual agreement of the power exchanges and regulators.

**Art. 98** - The second auction procedure aims to inform DAM participants regarding that the severe market conditions in a certain bidding area and in certain hours occurred and to provide opportunities to improve market situation through: adding quantities for sell/decreasing quantities for buy or reduction the prices for sale/buy, in case of the situation is characterized by high prices, or adding quantities for buy/decreasing quantities for sale or increasing the selling/buying prices, in case of the situation is characterized by low prices.

**Art. 99** - In case of the second auction procedure is triggered, the EMO informs all DAM participants about the characteristics of situation the market is facing, the type of changes admitted and postponing the DAM gate closure time (closing the order book)/reopening of the order book for offering.



**Art. 100** - Information on the reopening of the order book is made by all the power exchanges, which reopen own order books for the same purpose and the same period.

**Art. 101** - During the reopening, the orders book changing or deleting existing offers is not allowed if these actions are not performed as allowed by the market situation.

**Art. 102** - MCPs resulting after the second auction procedure performance are confirmed as market coupling results, whether or not the prices fall within the threshold.

## **Chapter VIII**

### **Applicable conditions for transactions concluded on the DAM**

**Art. 103** - MCP result for the national bidding area after using the algorithm used during the auction for matching offers is the price at which the transactions relating to a trading interval takes place.

**Art. 104** - For the price-quantity pairs mentioned as executed in the coupling a firm transaction is established between the EMO, on one hand, and the DAM participant, on the other hand, for the supply of the final executed electricity quantity in the national bidding area (delivery day, trading interval) specified in the offer and at a price equal to MCP established for the respective area and interval.

**Art. 105** - The quantity relating to the net position determines a transaction between EMO and Romanian TSO in his capacity as shipping agent (shipper), at MCP of the national bidding area for the respective trading interval.

**Art. 106** - The EMO informs DAM participants about all transactions concluded on the DAM, according to a public procedure developed by the EMO for this purpose, subjected to a public consultation process. For each delivery day, the EMO sends individual trade confirmations.

**Art. 107** - The delivery of electricity related to a transaction concluded on the DAM is considered accomplished when sending to the BMO, within proceeding of BRP physical notifications submission according to regulations, of the corresponding block exchanges between BRP-DAM and the BRP which includes the DAM participant, respectively the BRP of the shipping agent; all the BRP have the obligation to send PN of the DAM transactions.

## **Chapter IX**

### **The coupling process execution**

**Art. 108** - The period in which the activities related to trading on the DAM are conducted includes three consecutive sub-steps:

- a) the precoupling step;

- b) the coupling step;
- c) the postcoupling step.

## ***Section1***

### ***The pre-coupling actions***

**Art. 109** - EMO opens the order book for receiving/changing of the offers.

**Art. 110** - The TSO evaluates own network and performs the coordinated calculation of available interconnection capacity, namely the ATC with the other systems, in accordance with applicable regulations provisions.

**Art. 111** - After receiving the daily notifications relating to the schedule exchanges for delivery day regarding using the capacity interconnection already explicitly allocated through the annual, monthly, weekly auctions, by the auctions from participants that get them, the TSO individually provides information about the ATC determined to the provider of the TSO management function, namely the operator of the mTMF function.

**Art. 112** - All the pre-coupling activities coordinated by TSOs are covered at the TSO level by the management function, hereinafter mTMF, which is centrally performed by the mTMF provider. This ensures the timely and correctly preparation of all data in the market coupling process related to the interconnection capacities received from TSOs.

**Art. 113** - The TSO performs the interconnection capacity coordinated calculation and determines the ATC parameters through the mTMF of the TSOs and provide this information through a communication environment called TSO cloud, which is the unique source of data in the TSOs' responsibility needed for both, TSOs and power exchanges and/or their coupling service providers.

**Art. 114** - The TSO cloud uses the PCR interface, respectively the PCR standards/formats files and is available to the parties involved in the market coupling.

**Art. 115** - The mTMF provider correlates information received from the TSOs and provides the final values of the available interconnection capacity, namely the ATC to TSOs and makes them available to the coupling service provider and power exchanges through the TSO cloud.

**Art. 116** - The EMO downloads from the TSO cloud information regarding available interconnection capacity for the coupled markets and publish them on its website; the coupling service provider downloads this information from the TSO cloud;

**Art. 117** - The DAM participants submit/modify sell or buy electricity offers for the delivery day.

**Art. 118** - The EMO closes the orders book at the DAM gate closure time.

**Art. 119** - Until the closure time of the order book, the DAM participants can submit/modify/cancel sell or buy offers. The trading system considers the last valid offer of each DAM participant. After this time, offers cannot be changed or canceled anymore, being firm and irrevocable.

**Art. 120** - After closing the orders book, the EMO creates the anonymized offers aggregate curves for buy and sell based on the hourly offers collected from participants and provides this information, together with the block offers, to the coupling service provider. This distributes information to the power exchange, PCR member, who is a coordinator through a common communication environment called the 4M MC PCR Cloud.

**Art. 121** - The EMO establishes the supply curve by combining into a single offer all price-quantity pairs from the sell hourly offers, sorted in ascending order of prices, from price-quantity pair with the lowest price to the highest price.

**Art. 122** - The EMO establishes the buy curve by combining into a single offer all price-quantity pairs from the buy hourly offers, sorted in descending order of prices, from price-quantity pair with the highest price to the lowest price.

## ***Section 2***

### ***The coupling actions***

**Art. 123** - The offers matching, in accordance with the Euphemia's principles, is performed daily by the coordinator, who is on rotational basis a power exchange of one the states involved in the coupling, if it is a PCR full member or the coupling service provider of a serviced power exchanges, if it is not a PCR member; the matching process is done in parallel by a coupling operator which has installed the assets PCR, to ensure validation of the results, as back-up solution.

**Art. 124** - The market coupling function, hereinafter MCF, is under the governance of the power exchanges, being accomplished by them, either directly, as power exchange as a PCR full member or through a coupling service provider having a servicing contract with the serviced power exchanges.

**Art. 125** - The power exchange or the coupling service provider which ensures the backup solution can take over the coupling session and fulfill the role of coordinator in case of the technical problems of the Coordinator, in accordance with the incidents committee's decision.

**Art. 126** - The session is accomplished daily by the coordinator and consist of:

- a) the coupling activities management, including organizing of the operative calls and Incidents Committee calls, if necessary;
- b) calculation of the coupling results;
- c) the coupling results distribution through the 4M MC PCR cloud to the power exchanges and the coupling service provider, which validates them according to the PCR procedures;
- d) the global preliminary confirmation distribution, subject to approval the coupling results by the power exchanges;
- e) the global final confirmation distribution to the power exchanges, PCR member, and to the coupling service provider, subject to approval the coupling results by the power exchanges.

**Art. 127** - The power exchanges involved in the project ensure the coupling service based on rotational principle, for equal time periods, either directly, if the power exchange is full PCR member or through the coupling service provider which services it. The rotational principle makes subject of a detailed procedures agreed by the power exchanges.

**Art. 128** - The information flow arising from rotation of the coordinators is set by mutual agreement in the procedures used in the cooperation TSO – power exchange.

**Art. 129** - The results provided by the algorithm coupling consist in:

- a) net position for each bidding area;
- b) market clearing price for each bidding area;
- c) the executed block offers;
- d) the cross-border electricity flows resulting from the transactions on the DAM.

**Art. 130** - The cross-border electricity flows between bidding areas are checked by power exchanges responsible for each cross-border flow. The EMO checks that the electricity flow resulted on interconnection Hungary - Romania is less or equal than ATC, in the respective way.

**Art. 131** - The TSO does not condition the coupling results publication by own approval/validation of cross-border electricity flows related to the provided ATC values.

**Art. 132** - The EMO verifies and validates the coupling results.

**Art. 133** - The EMO performs portfolios allocation for participants of the coupling results and confirms the coordinator the successful of this operation.

**Art. 134** - After receiving confirmations from all power exchanges and/or from the coupling service providers, the coordinator sends the global confirmation to power exchanges that acts as coupling operators and/or to the serviced power exchanges through their coupling service provider.

**Art. 135** - All power exchanges publish the final coupling results at the same time: the market clearing prices, the traded volumes, the net positions, the cross-borders exchanges.

**Art. 136** - After publishing the results, the coordinator or coupling operator who performed the back-up solution in the takeover case of the coordinator responsibilities, makes the results available to mTMF function through the TSO cloud for the post-coupling activities purpose.

**Art. 137** - The TSO publishes the results through the mTMF function according to the transparency requirements they have, but not before official results publication by the power exchanges.

### ***Section 3***

#### ***The post-coupling actions***

**Art. 138** - In the post-coupling process, TSOs have the role of shipping agents of electricity resulting from the coupling algorithm to be transferred between two adjacent bidding areas.

**Art. 139** - In this capacity, the TSO transfers the electricity, both physically and commercially to the neighboring TSO and manages the congestion revenues on that interconnection.

**Art. 140** - The TSO notifies the bilateral cross-border flows resulting from market coupling in accordance with the applicable rules.

**Art. 141** - The TSO acts as an intermediary from commercial point of view for transferring cross-border electricity flows, as follows:

- a) if the NPS resulted as exporting area, the TSO buys electricity from the EMO at the national bidding area price and sells at the same price, denominated in euros to the neighboring TSO;
- b) if the NPS resulted as importing area, the TSO buys electricity from the neighboring TSO at the neighbor bidding area price and sells to the EMO at the national bidding area price.

**Art. 142** - From this type of settlement, the TSO operating the importing bidding area obtains the appropriate revenues from the implicit day-ahead allocation of the interconnection capacity, in case when a congestion on respective interconnection appears and the prices of the two adjacent bidding areas are different.

**Art. 143** - The congestion revenue is monthly divided between the two TSOs according to the applicable rules, implemented in mTMF.

**Art. 144** - For each day, mTMF determines the net value of the transactions between the two TSOs, which follow the corresponding settlement rules. Invoicing is performed each month.

**Art. 145** - The EMO provides each DAM participant including the shipping agent acting as implicit participant, information regarding individual transactions as trade confirmations and settlement notes.

**Art. 146** - The trades confirmation made available by the EMO to the DAM participants contains the price and quantity determined by the matching algorithm for each hour as well as the transactions synthesis for the block offers.

**Art. 147** - The DAM trading price for each trading interval results from the MCP for the national bidding area determined by matching algorithm exchanged in lei at the same leu/euro exchange rate used for the price offers exchange for the respective delivery day, rounded to the nearest hundredth.

**Art. 148** - The TSO receives the power exchanges data from mTMF and notifies the exchange schedules for electricity transferred through interconnections according to the rules and deadlines agreed with the TSOs partners or this activity is performed by the mTMF on his behalf.

**Art. 149** - In case the notified values of the cross-borders flows exceed the relevant interconnection capacity in case after the results publication the ATCs were reduced from the amount envisaged by the MCF, the TSO applies the re-dispatching/countertrading/restrictions measures according to the provisions of the (EC) Regulation 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 and repealing Regulation (EC) No.1.228/2003.

**Art. 150** - In case of congestion on an interconnection, reflected by various market clearing price between two neighboring bidding areas, mTMF calculates the congestion revenues and publish them along with the relevant data, on behalf of the TSO.

**Art. 151** - The EMO establishes the physical notifications corresponding to the block exchanges related to the DAM transactions and make them available to every BRP whom DAM participants belong to.

**Art. 152** - The DAM-BRP sends physical notifications to the balancing market system in accordance with the Regulation for scheduling of production units and dispatchable consumptions.

**Art. 153** - The transactions between the EMO and TSO as shipping agent which result from market coupling are notified as block exchanges between BRP-DAM and the BRP registered by the TSO for transactions performed as DAM implicit participant and shipper.

## ***Section 4***

### ***Settlement***

**Art. 154** - The EMO elaborates the procedures for performing the specific settlement functions according with these provisions.

**Art. 155** - Each applicant who wishes to be registered as a DAM participant, including the TSO as implicit participant (shipper), must open a cash account in one commercial bank that meets criteria laid down in a public procedure elaborated by the EMO, hereinafter referred to as settlement bank.

**Art. 156** - The EMO opens a central account for DAM at a commercial bank at the Romanian territory, for payments related for transactions concluded on the DAM.

**Art. 157** - The TSO acting as shipping agent opens both an euro account and a lei account for payments relating to DAM transactions, at a Romanian commercial bank participating in the Automated Clearing House and conclude an agreement with the bank through which the amounts in euro to be changed in lei and in accordance with the direct debit mandate concluded with the bank, the equivalent value of the payment obligations to the EMO to be transferred to his account on the basis of direct debit instructions, respectively the amounts in lei to be exchanged into euro according to the payment obligations and their value to be transferred to the account of neighboring shipping agent.

**Art. 158** - An applicant who wants to become DAM participant lodge at the EMO, before submitting sale offers with negative price/buy offers with positive price, the mandate regarding payment through direct debit concluded with its settlement bank which allow the EMO payment of the amounts he is entitled according to the settlement notes.

**Art. 159** - The EMO has the right to require DAM participant to establish a financial guarantee before the DAM participant may submit buy offers with positive prices or sell offers with negative prices; the

default participant is not required to constitute financial guarantees but take all measures so that the settlement deadlines are not exceeded due to lack of availability in its settlement accounts.

**Art. 160** - The TSO as the shipping agent establishes terms of payment and collection related the daily payment obligations or receiving rights to/from the neighboring TSO according to the DAM net values of the cross-border flows on the respective interconnection, considering the terms of payment/collections of the EMO, respectively of the TSO partner, and provides amounts necessary in settlement accounts to ensure the settlement fluidity on the DAM.

**Art. 161** - The EMO elaborates the procedures for establishing requested types and amount of financial guarantees, the procedures regarding the achievement and the verification of the guarantee establishing and the procedures relating to the DAM transactions payments.

**Art. 162** - For each participant at the DAM, the EMO determines daily the value in lei of the payment obligations/collection rights by summing the product of the quantities and prices for all DAM participant's transactions concluded with the EMO on the DAM for relevant delivery day.

**Art. 163** -The EMO issues a daily settlement note comprising all amounts which must be debited or credited to the central account of the DAM separately for each DAM participant and each delivery day. The settlement note includes also the values resulted from the application of the EMO tariffs related to trading on the DAM and any other fees imposed under the applicable law.

**Art. 164** - The TSO does not pay tariffs to the EMO related to transactions on the DAM in its capacity of implicit DAM participant.

**Art. 165** - Before the end of the trading day the EMO provides to every DAM participant the daily settlement note and send direct debit instructions to the bank where is opened the central account of the DAM, according to a public procedure developed by the EMO, subjected to public consultation.

**Art. 166** - The settlement notes must be paid by the direct debit mechanism within the terms provided in the relevant public procedure drafted by the EMO, and according to the payment/collection terms established by the TSO as shipper with the neighboring TSO. The payments are considered executed on the date on which the corresponding values have been debited or credited to the central account of the DAM.

**Art. 167** - The TSO assume or ensure, where appropriate, the corresponding amounts of the exchange differences resulting from the settlement of transactions completed as shipping agent so that the cash flows are not affected, and the costs/revenues related to this activity cumulate to the revenues from the congestion management on interconnections.

## ***Section 5***

### ***Objections***

**Art. 168** - The EMO accepts objections regarding the contents of trade confirmations only in case of errors resulting from EMO actions.

**Art. 169** - If, within the time period specified in a public procedure developed by the EMO and subjected to public consultation procedure, a DAM participant does not send any objection to the trade confirmations received, trades are considered accepted.

**Art. 170** - The formulation of an objection does not exempt the DAM participants by fulfillment the obligations resulted from the objected transactions.

**Art. 171** - The EMO is liable for any direct cost induced to the DAM participant since he has fulfilled his obligations resulting from the objected transactions, if proven erroneous.

## ***Section 6***

### ***Transparency***

**Art. 172** - The TSO publishes the following information relating to market coupling on the web page of mTMF function in a centralized manner: ATC, the cross-border exchange schedule and congestion rent.

**Art. 173** - The information regarding the ATC provided for coupling and the congestion rent which must be published by the TSO on a common page ENTSO-E (EMFIP) according to the (EC) Regulation no.714/2009, are published in a centralized manner by the mTMF provider, and information regarding the cross-borders exchange schedule, MCP and national bidding area net position are individually published by TSO.

**Art. 174** - (1) The EMO publishes on its website, the MCP of each bidding area, the sell and buy volumes for the national bidding area, the net position of the national bidding area, the aggregate demand and supply curves for the national bidding area, for all the transaction intervals, including the block offers, at the same time with other power exchanges, according to the schedule set for each market situation. Additionally, the EMO may publish the aggregate volumes of the executed block offers, the average prices of the predefined block offers and the aggregate curves of demand and supply for each trading interval with inclusion of the executed block offers and cross-borders flows resulted from DAM coupling.

(2) In the calendar day next to the delivery day, the EMO publishes on its website the electricity quantity sold on the DAM by the EMO to each participant and the electricity quantity purchased on the DAM by the EMO from each participant, for each hourly interval of the delivery day, including participant's identity.

**Art. 175** - The TSO publishes on its website description of the method for calculating the interconnection capacity and the method used for the congestion management.

**Art. 176** - The EMO publishes on its website the Euphemia algorithm description.

## **Chapter X**



## **The procedure for exceptional cases**

### ***Section 1***

#### ***Backup solutions***

**Art. 177** - The normal daily procedure includes backup solution, which consists in carrying out all the operations and establishment the results of market coupling by another coupling operator, outside the Coordinator, to take over his responsibilities when the coordinator is unable to fulfill them. The way of application the backup solution is determined by the operational procedures established and elaborated by the EMO together with the other power exchanges.

### ***Section 2***

#### ***The procedure of last resort***

**Art. 178** - If the market coupling becomes impossible, i.e. the coupling results cannot be established and validated, for example certain data of the results can't be determined, the algorithm or system on which it runs crashes, the validation process finds that the results are not valid etc., the decoupling procedure applies, hereinafter the procedure of last resort (fallback procedure).

**Art. 179** - If the coupling results were not published until the target time, a message launched by the PCR through the EMO informs the DAM participants about the publication delay and a possible situation to apply the procedure of last resort.

**Art. 180** - The procedure of last resort consists in the markets decoupling and application by the EMO of local matching algorithm for the offers registered in its own order book.

**Art. 181** - The procedure of last resort involves applying results of interconnection capacity from the explicit allocation with the markets coupled systems, realized as shadow explicit auction.

**Art. 182** - The shadow auction is administered by one of the TSO that manages relevant interconnection, based on transparent and non-discriminatory auction procedure conducted according to the rules published on its website and the responsibilities agreed in the agreements for interconnection capacities allocation concluded between the neighboring TSOs.

**Art. 183** - To conduct the shadow auctions for the next day on interconnection, which is included in the market coupling mechanism, the DAM participants who wish to perform cross border exchanges submit/modify/ withdraw offers for the capacity allocation on the interconnection, in the terms indicated by relevant procedure.

**Art. 184** - The DAM participants who wish to participate in the shadow auction registers itself at this according to the public procedures elaborated by the TSO that runs it, before the DAM coupling session starting for the respective trading day, independently of the DAM registration, becoming

signatory of the interconnection capacity allocation agreement with the TSO who runs the explicit auction.

**Art. 185** - The offers entered by the participants to the shadow auction are mandatory and irrevocable, relevant participants being obliged to respect the rights and obligations resulting from the auction of shadow auction, when triggering the procedure of last resort.

**Art. 186** - The offers submitted by the DAM participants registered for explicit allocation of interconnection capacity through shadow auction for a delivery day are not active unless in case of procedure of last resort application for the respective day.

**Art. 187** - The TSO determines the ATC value for each direction of interconnection in accordance with the applicable rules agreed in advance with the neighboring TSO and according to the (EC) Regulation no. 714/2009.

**Art. 188** - The interconnection capacity awarded to a participant in the shadow auction is lost by this, applying the principle UIOLI, if not notify its use according to the applicable procedures.

**Art. 189** - Deadlines for registration, submission/modification/withdrawal of the offers for shadow auction, deadlines for establishing and publishing the results and for ATC allocation trade confirmation are established by the TSO which administers the explicit auction, as agreed by the TSOs involved, according with deadlines set by power exchanges for activities run in the procedure of last resort and with the physical notifications procedures for the balancing market.

**Art. 190** - The order book on the DAM reopens and remains open for sufficient time after shadow auction results publication, for the offers submission/modifying/withdrawal on the DAM when DAM procedure of last resort applies.

**Art. 191** - Application of the procedure of last resort may be declared at any time before the deadline for publication of the coupling results jointly established by the power exchanges and TSOs participating in the coupling project and deadlines for all subsequent activities are accordingly delayed.

**Art. 192** - In the case when, following the application of the procedure of last resort the MCP cannot be established for the national bidding area for reasons regarding the IT systems functioning, the EMO immediately informs the DAM participants, TSO and ANRE that market closing is not possible, and MCP is declared at the value established or declared, after case, for the respective trading interval of the previous day, which is the previous banking day, in case the incident occurs in a banking day or previous non-banking day, in case the incident occurs in a non-banking day.

**Art. 192<sup>1</sup>** - In the case when, by applying the normal procedure or after the application of the procedure of last resort, MCP cannot be determined for the national bidding area from reasons regarding the market conditions, such as lack of demand, lack of supply or no intersection of the demand curve with supply curve, the EMO immediately informs the DAM participants, TSO and ANRE that the market situation does not allow MCP determination, and MCP is stated at a value determined as follows:

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<sup>1</sup> Art. 192<sup>1</sup> has been introduced by O. no. 68/2015 as of 17th April 2015

- a) in case there is no buy offers, MCP is set equal to the arithmetic average between the minimum threshold price domain and the lowest price of the sell offers;
- b) in case there is no sell offers, MCP is set *equal to the arithmetic average between the maximum threshold price and the highest price of the buy offers*;
- c) in case there is no intersection between demand and supply curve, MCP is set equal to the arithmetic average between highest buy offer price and the lowest sell offer price.

**Art. 192<sup>2</sup>** - *The provisions of Chapter VIII applies to transactions resulting from the procedure of last resort, with changes resulting from the lack of transactions for the shipping agent.*

## **Chapter XI**

### **Transitional and Final Provisions**

**Art. 193** - Daily schedule and deadlines in normal situations or in the case of the procedure of last resort, for performing activities related to the DAM in coupled operation are established and may be modified by the EMO and TSO respectively, following a public consultation process and with the agreement of all power exchanges, transmission system operators and regulatory authorities of the states involved in the coupling project. These are included in their operational procedures and are published with at least 30 days before the date of application.

**Art. 194** - Last delivery day based on the national DAM rules, before the implementation of market coupling mechanism based on CET, will have 25 trading intervals.

**Art. 195** - For the period between the date of entry into force of this Regulation and the date of effective coupling mechanism enforcement, the market is considered as decoupled and the procedure of last resort applies if the case.

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<sup>2</sup> Art. 192<sup>2</sup> has been introduced by O. no. 68/2015 as of 17th April 2015