OPERATIONAL PROCEDURE

REGARDING FUNCTIONING OF

THE DAY-AHEAD ELECTRICITY MARKET

Elaborated by: Romanian Gas and Electricity Market Operator OPCOM S.A.

30th September 2025

Translation disclaimer:

This translation has been carried out for the exclusive purpose of enabling the market rules to be read in English.

This translation shall not be considered binding for the Market Operator or Market participant under any circumstances or at any time. In the event of any discrepancies between this translation and the Romanian document, the Romanian version shall prevail.

LIST OF REVISIONS

The revised document:

No.	Rev.	Date	Revision refers to changes according to provisions of:
1	1	13.09.2019	Order of the President of ANRE no. 178/13.08.2019 regarding changing, completion and repeal of part of the provision in electricity sector.
2	2	15.08.2020	Order of the President of ANRE no. 65/13.03.2020 regarding changing and completion of some National Regulatory Authority in electricity field President's orders.
3	3	15.08.2020	Order of the President of ANRE no. 213/25.11.2020 approving the Regulation for calculating and settling imbalances of the parties responsible for balancing - single imbalance price and for amending of some orders of the President of the National Energy Regulatory Authority; ANRE Order no. 63/31.03.2020 on approving the program for implementing the necessary measures in order to ensure the settlement at a 15 minutes interval conditions; ANRE Order no. 230/16.12.2020 regarding the extension of some terms provided in the orders of the president of ANRE.
4	4	17.06.2021	DAOA (Day-Ahead Operational Agreement), ANDOA (All NEMO Day-ahead Operational Agreement), ROA (Interim Coupling Regional Operational Agreement), elaborated in compliance with the provisions of CACM (Commission Regulation (EU) 2015/1222), the terms, the conditions and methodologies developed according to it; the revision was made in the context of the transition to the sustainable solution for Single Day-Ahead Coupling (SDAC) by implementing the Interim Coupling project;
5	5	27.10.2021	The revision was carried out in the context of the operationalization of the RO-BG MC border within the Single Day-Ahead Coupling (SDAC) by implementing the Romanian and Bulgarian Market Coupling Project (BG-RO MC).
6	6	08.06.2022	Operational procedures DAOA, ANDOA, Core DAOA (Core Day Ahead Operational Agreement), elaborated in compliance with the provisions of CACM (Commission Regulation (EU) 2015/1222), the terms, the conditions and methodologies developed according to provisions; the revision was made in the context of the

			implementation of the flow-based coupling project, CORE FB MC (Core Flow-Based Market Coupling).
7	7	30.09.2025	The common operational procedures at the European and regional level, developed in compliance with the provisions of the CACM Regulation (Commission Regulation (EU) 2015/1222), the terms, conditions, and methodologies developed under it. The review was conducted in the context of implementing the 15-minute resolution and the possibility of bidding for the 15-minute, 30-minute, and 60-minute resolution.

SUMMARY

1. SUBJECT MATTER

1.1. Procedure aims the process presentation of the trading on Day-Ahead Market (DAM), including the process of normal operation in coupled mode, the backup solutions applicable in cases where issues in normal operation occur, as well as the functioning in decoupled regime when fallback procedure applies.

1.2. The rules of the Day-Ahead Market (DAM) establish a centralized market framework for the sale and purchase of electricity by the participants in the wholesale electricity market, necessary for:

a) facilitating the formation of a wholesale market for national and European electricity in conditions of competition, transparency and non-discrimination;

b) establishing reference prices for other wholesale market transactions;

c) optimizing the use of network capacity interconnected at the European level by applying the implicit allocation mechanism.

2. SCOPE

2.1. This procedure is applied by:

2.1.1. the Day Ahead Market participants;

2.1.2. the Day Ahead Market Operator for electricity and natural gas, OPCOM S.A.;

2.1.3. the Transmission and System Operator, C.N.T.E.E. TranselectricaS.A.;

2.2 All aspects related to the participation on DAM are related to CET hours.

3. ACRONYMS

ANRE	-	National Energy Regulatory Authority;
BG-RO MC		The project that introduces the default NTC-based capacity allocation on the RO-BG border within the Single Day-Ahead Coupling (SDAC);
CORE CCCt	-	*TSO management function.* TSO IT system being responsible for the coordinated calculation of capacities, Flow-Based (FB) parameters as well as for the verification of market coupling results from TSOs perspective;
CET	-	Central Europe Time;
CIP	-	Central Interface Point – Organized common environment used in the exchange of information between CCCt and local NEMOs platforms, with two-way communication;
CZC	-	Cross Zonal Capacity;
Core CCR		Core capacity calculation region which, according to ACER Decision No. 6/2016, with subsequent amendments, includes the interconnections between the bid

		areas of the following EU Member States: Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, The Netherlands, Poland, Romania, Slovakia and Slovenia.
CORE FB MC	-	The Core Flow-Based Market Coupling project is the project to develop and implement the day-to-day operation of the Flow-Based Market Coupling (FB) in Core CCR, within SDAC;
CORE MO	-	CORE Market Operator;
Euphemia	-	The Pan-European Electricity Market Integration Hybrid Algorithm;
Flow Based parameters	-	Network parameters of the flow-based coupling model in the Core region (known as the PTDF matrix - Power Transfer Distribution Factors);
GCT	-	Gate Closure Time;
NTC	-	Net Transfer Capacity;
NEMO	-	Nominated Electricity Market Operator for DAM;
TSO	-	Transmission System Operator;
MCP	-	Market Clearing Price;
BRP	-	Balancing Responsible Party;
DAM	-	Day Ahead Market;
SDAC	-	Single Day-Ahead Coupling;
NPS	-	National Power System;

4. DEFINITIONS

4.1. For the purposes of this Procedure, terms and expressions used other than those set out below in this Chapter have the meanings defined in Regulation (EU) 2019/943 of the European Parliament and of the Council of 5th of June 2019 on the internal market in electricity (recast). (hereinafter Regulation 943/2019), in the Law on electricity and natural gas no. 123/2012, as subsequently amended and supplemented, other applicable regulations and rules developed in accordance with the provisions of Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines on capacity allocation and congestion management.

4.2. For the purposes of this procedure, the following terms are defined in addition :

4.2.1. *ACER* - Agency for the Cooperation of Energy Regulators;

4.2.2. *Shipping agent* - The role fulfilled in the price coupling mechanism of markets, in accordance with the provisions of Regulation (EU) 2015/1222 and national rules, reflected by the physical

and commercial transfer of electricity between two bidding areas from/to the electricity exchange in their own area to/from the neighboring shipping agent(s);

4.2.3. *Aggregator* – Market Participant involved in Aggregation as it is defined in art. 2 point 43 from Regulation 2019/943;

4.2.4. *Explicit allocation* - Allocation of transmission capacity on interconnections in a separate auction from electricity trading;

4.2.5. *Electricity exchange* - Operator operating on a national electricity market, which manages the DAM at national level; The electricity exchange is known as NEMO, respectively the Nominated Electricity Market Operator by the regulator within the meaning of the provisions of Regulation (EU) 2015/1222;

4.2.6. *Accepted communication channel* - Web site, e-mail, phone;

4.2.7 *Offer Volume* – The average power on the trading interval expressed in MW offered by the participant for the time interval corresponding to the offer granularity/definition period of the block;

4.2.8. *Own communication channels* - All systems sending/receiving data held by NEMO, respectively DAM participants and TSOs;

4.2.9. *Temporary DAM access certificate* - Digital certificate with a limited duration of 6 months which provides the participant with access to the DAM trading system and which can be granted to the participant upon request in exceptional situations;

4.2.10. *USB token* – Device through which the participant can access the trading system of DAM;

4.2.11. *Participant Identification Code* - Alphanumeric code assigned by the NEMO to a user of the participant in order to be identified on DAM;

4.2.12. *Transaction identification code* - Unique code assigned to the transaction by the DAM trading system at its registering in the trading system;

4.2.13. *Incident Committee* - Structure composed of executive representatives of the electricity exchanges and TSOs involved in the coupling of the markets, with the role of supervision and decision in case of daily incidents of operation of the coupling of the markets;

4.2.14. *Trade Confirmation* - Information issued by the DAM trading system and made available to the market participant through which the trades concluded on DAM are confirmed for delivery day next to the trading day;

4.2.15. *Preliminary confirmation* - The communication sent by NEMO in the coupled market regarding the acceptance or rejection of the results of the coupling algorithm following the validation of the portfolio allocation. If the coupling results are accepted by NEMO, the preliminary confirmation is positive; otherwise it is negative;

4.2.16. *Final confirmation* - The communication sent by NEMO in the coupled market regarding the acceptance or rejection of the results of the coupling algorithm following the validation of the flows on the network elements in relation to the declared cross-border transport capacities or with the Flow Based parameters. If the coupling results are accepted the final confirmation is positive; otherwise it is negative (the responsibility for validation is borne by the TSO);

4.2.17. *Congestion* - The situation in which an interconnection can not cope with all the physical flows resulting from the international exchanges requested by market participants, due to a lack of sufficient capacity of the interconnections and / or national transport systems involved;

4.2.18. *Short-Term Electricity Markets (Day-Ahead Market and Intraday Market)participation agreement* - Contract concluded between NEMO and a DAM participant, which includes the reciprocal rights and obligations of NEMO and of the DAM participant;

4.2.19. *Coordinator* - The coupling operator which has, based on the rotational principle, the responsibility of matching the offers and determining the results of the coupling of the markets each day;

4.2.20. *Partial decoupling* - The situation where, for a certain delivery day, it is not possible to allocate cross-border transport capacity by default (regardless of whether the network data, as input data in the running of the coupling algorithm, is represented by interconnection capacities in the case of allocation of available capacity on interconnections, either limitations on branches / critical elements in the case of the network model based on maximum flows) through the market coupling mechanism for the next day in the whole SDAC coupled area, respectively separate decouplings of interconnections, of the auction areas or regions for which a regional coordination project is organized;

4.2.21. *Full decoupling* - The situation in which, for a certain delivery day, it is not possible to allocate the interconnection capacity by default (regardless of whether the network data, as input data in the running of the coupling algorithm, is represented by interconnection capacities in the case of allocation of available capacity on interconnections, either limitations on branches / critical elements in the case of the network model based on maximum flows) through the day-ahead market coupling mechanism for the entire SDAC coupled area, respectively the trading is performed by local / regional solution for each region within the SDAC. The deadline for declaring full decoupling is **14:20 CET**. If the total decoupling is known in advance, the deadline for declaring the full decoupling is **10:30 CET**;

4.2.22. *Early decoupling* - Decoupling (partial or full) if the need for decoupling is known in advance due to a previous day's incident leading to decoupling, so the announcement of decoupling can be made either after the previous day's coupling session, or in the morning on the current day no later than **10:30 CET**. In case of early decoupling, the closing time of the bid (GCT - Gate Closure Time) remains at **12:00 CET** for all SDAC regions, trading taking place at local/regional level;

4.2.23. *Decoupling known in advance during the current day coupling session* - Market decoupling in case the need for decoupling becomes known on the current day in the coupling process. The deadline for declaring decoupling differs depending on the reason for decoupling and involves different approaches, detailed in the relevant sections of this procedure;

4.2.24. Partial decoupling due to capacity reasons (CZC) - Impossibility of implicit capacity allocation on one or more interconnections due to the impossibility to establish the available capacity for the default coupling process on the respective interconnection / interconnections, or on branches/critical elements in the case of the network representation model based on maximum flows, in which case those interconnections/elements remain in the calculation topology of the coupling, but their capacities are considered equal to zero. The deadline for partial decoupling due to capacity is 11:30 CET. The closing time of the bid (GCT - Gate Closure Time) remains at 12:00 CET;

4.2.25. *Partial decoupling for reasons other than lack of capacity* - Impossibility of default capacity allocation on one or more interconnections or in a trading area or for a NEMO due to the impossibility of transmitting the input data needed to run the coupling algorithm (either network data or register of offers), in which case the coupling is performed on a modified topology from which the elements for which the input data are missing have been removed. The term of Partial Decoupling for reasons other than lack of capacity shall be decided in the SDAC no later than **13:00 CET**. The closing time of the offer (GCT - Gate Closure Time) is shifted according to the details in the relevant section;

4.2.26. *Threshold price range* - 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 secondary auction;

4.2.26. *Execution of an offer* - Establishing a transaction on DAM that satisfies the conditions of the offer, by the participant in DAM that introduced it, following the development of the coupling mechanism;

4.2.27. *Market coupling function* - A set of operations that includes the use of the single matching algorithm approved at European level by all energy regulators, called Euphemia, in order to achieve a common bid correlation and determine the results of market coupling;

4.2.28. *TSO management function* (CCCt) - IT system of TSOs responsible for calculating capacities, Flow Based parameters and checking the market coupling results;

4.2.29. *Generation of interdependent block offers (linked)* - The level associated to a block offer within the family of interdependent block offers;

4.2.30. *Financial guarantee* - Amounts of money and / or financial instruments intended to guarantee the payment obligations of the DAM participants towards NEMO, accepted by it based on the provisions of a public procedure;

4.2.31. *Interconnection* - The set of installations and equipment through which the exchanges of electricity between the electric power systems represented as bid areas are realized;

4.2.32. *Trading interval* - A period of 15 minutes, 30 minutes or one hour, for which an individual transaction can be concluded on DAM. In the context of general formulations regarding the algorithm, the Trading Interval is also understood as the interval at the minimum granularity, namely 15 minutes.;

4.2.33. *Implicit auction* - Electricity trading, together with capacity allocation within the same trading session, respectively after the running of the coupling algorithm;

4.2.34. *Shadow auction* - Explicit auction for the allocation of the available cross-border interconnection capacity related to the coupled markets, the results of which are published and become enforceable only in case of declaring the application of the last resort procedure;

4.2.35. *Quantitative trading limit* - the maximum quantity as average power over the trading period accepted by NEMO as the sum of the quantities from the offers on every granularity of a DAM participant, according to his prior request;

4.2.36. *Value trading limit* - the maximum total value of price-quantity pairs and block bids at a positive price and / or at a negative price, accepted by NEMO for a DAM participant, corresponding to its available financial guarantees;

4.2.37. *DAM price coupling mechanism* - Coordinated mechanism for correlating all supply and demand curves provided by electricity exchanges and block bids establishing, on the basis of a auction, the next day's electricity transactions, taking into account the interconnection capacity or the limit flows provided by TSO and through which its implicit allocation is achieved, using a single computer application comprising the coupling algorithm;

4.2.38. *Schedule notification* - Information within the trading system made available to the DAM participant as a BRP, regarding the quantities of traded individually and by the other Participants in the Day-Ahead Market for which it assumed the responsibility of balancing, as applicable, expressed in average power over the trading interval [MW] aggregated per BRP, as net value, during each 15 minute interval of the delivery day considered in CET hours; NEMO transmits, as BRP - DAM, Schedule notifications to the TSO;

4.2.39. *Independent block bid* - block offer that is not linked with any other block offer;

4.2.40. *Linked block offer* - Block offers linked to each other for which the acceptance of one of them (child offer) can take place only if the other block offer (parent offer) of the DAM participant for the respective trading day was accepted;

4.2.41. *Designated Electricity Market Operator* - An entity designated by the competent authority to perform tasks related to the single market coupling for DAM (according to Regulation (EU) 2015/1222). OPCOM S.A is MO in the bidding area Romania.;

4.2.42. *Time of closing the DAM gate* - The time until which the offers on the DAM can be transmitted to NEMO, from the trading day preceding the delivery day; synonymous with the closing time of the DAM register of offers;

4.2.43. *DAM participant* - Market participant, within the meaning of art. 2 point 25 of Regulation 2019/943, which sign up this market and complies with the participation agreement related to this trading method, as well as the applicable national and / or Community regulations for participation in the electricity market. In the context of this procedure, the reference is to the Participant registered at the market managed by OPCOM.

4.2.44. *Default DAM participant* - DAM participant that fulfills the role of shipping agent in the coupling mechanism and does not have the right to submit offers in this capacity;

4.2.45. *Party involved in the coupling project* - MO or transmission and system operator participating in SDAC;

4.2.46. *Maximum price of the price scale* - The maximum value of the prices at which offers can be introduced;

4.2.47. *Minimum price of the price scale* - The minimum value of the prices at which offers can be introduced;

4.2.48 *Market clearing price* – The price of the energy unit (expressed in RON/MWh) corresponding to transactions concluded for each trading interval according to the minimum granularity (15 minutes). This is the settlement price that applies to the minimum trading interval, regardless of the granularity of the offer that led to the transactions.

4.2.49 *Offer price* – The unit price of energy (expressed in RON/MWh) associated with the average hourly power offered over the time interval corresponding to the granularity of the stepwise/block offer definition period;

4.2.50. *DAM trading platform* - system established and maintained by MO in order to carry on the DAM transactions;

4.2.51. *Gate in the trading system* - Status associated with a certain process carried out within the trading system, which allows the performance of actions specific to that process. The status of the trading system allows the relevant actions to be performed exclusively during the period when the gate is open. The bidding gate allows the bids to be entered in the trading system;

4.2.52. *Matching gate* - Status of the trading system associated with the process of establishing transactions on DAM, respectively of establishing:

a) the quantities traded by allocating on the portfolio of each participant using the results provided by the coupling algorithm under the conditions of the Flow Based model;

b) of the traded quantities and of the MCP for the national bidding area by running the coupling algorithm in the conditions of some input data characteristic to the operating situation in decoupled regime;

4.2.53. *Normal procedure* – The daily procedure comprising the actions of the operators involved in the market coupling mechanism in case no problem arises;

4.2.54. *Procedure of last resort* – The procedure comprising the actions of the operators involved in the market coupling mechanism in case information cannot be produced / changed either by the normal procedure or by the backup solution or if a verification cannot be performed or is expected not to be completed before the deadline for publishing the results of the coupling;

4.2.55. *Results publication* – Providing DAM participants with the trade confirmations is referred herein as publishing the results in the meaning of present procedure.

4.2.56. *Congestion rent on interconnection lines* – The sum of the products between the difference of the MCP of the importing area and the MCP of the exporting area for each interconnection and the energy flow on that interconnection resulting from the DAM transactions, having the meaning of monetary value of the interconnection capacities, resulting from the implicit allocation;

4.2.57 *Offer resolution* – (or granularity) Represents the time interval on which the offer can be created, which can be the resolution of the bidding area Romania (15 minutes) or smaller (greater granularity). The bidding resolution can thus be in intervals of 15 minutes, 30 minutes, or 60 minutes;

4.2.58. *SDAC (Single Day-Ahead Coupling)* – The single European-level coupling solution that brings together, through the price-based coupling algorithm approved by European regulators, all European regions organized for implicit trading;

4.2.59. *DAM trading system* – IT system that performs the functions corresponding to trading on DAM with respect to the price coupling mechanism of the markets;

4.2.60. *Backup solution* – The actions performed by the coupling operator in parallel with the coordinator, in order to take over his responsibilities, in case an incident occurs; for example: information cannot be produced / transmitted, a validation cannot be performed before the target deadline or it is expected not to be performed before the target deadline, etc .;

6.2.61. *Buyer's surplus* – Economic concept that reflects the difference between the maximum amount that the buyer would have been willing to pay for the electricity purchased, according to the bids submitted and the amount given by the buyer for it;

6.2.62. *Seller's surplus* – Economic concept that reflects the difference between the amount received by the seller for the electricity sold and the minimum amount he would have been willing to receive for it, according to the bids submitted;

6.2.63. *Trading day* – The day on which the auction takes place on DAM and the electricity transactions with delivery on the next day are established;

6.2.64. *Delivery day* – The day on which the delivery / consumption of the electricity provided in the transactions on DAM takes place, the day following the one on which the auction takes place;

6.2.65. *Bid area* – Geographical area in which market participants can transfer electricity without the need to verify compliance with the available interconnection capacity and its allocation;

5. REFERENCE DOCUMENTS

5.1. Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines on capacity allocation and congestion management, with subsequent amendments.

5.2. Order of the President of ANRE no. 178 / 13.08.2019 on amending, supplementing and repealing provisions in the electricity sector, published in the Official Gazette of Romania, Part I, no. 690 of 21.08.2019;

5.3. Electricity and natural gas Law no. 123 of 10.07.2012, as subsequently amended and supplemented;

5.4. ACER Decision No. 1/10.01.2023 regarding the *Proposal of all NEMO regarding the Methodology of the harmonized minimum and maximum trading prices applicable to the the day ahead market*;

5.5 ACER Decision No. 13/25.09.2024 regarding the *Amendment of products that may be considered in the unique coupling process of the day-ahead markets*;

5.6. The Convention for Participation in Short-Term Electricity Markets (Day-Ahead Market and Intraday Market);

5.7. Operational procedure for the constitution, verification and use of financial (guarantees) collaterals for participation on the Day Ahead Market;

5.8. The operational procedure regarding the receipts and payments related to the transactions on the DAM;

5.9. Day-Ahead Market Participant User Guide;

5.11. Procedure regarding participants' registration at centralized electricity markets administered by OPCOM S.A.;

5.11. Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity;

5.12. Order of the President of ANRE no. 63 of 31.03.2020 on the approval of the program for implementing the necessary measures in order to ensure the settlement at 15 minutes interval conditions;

5.13. Order of the President of ANRE no. 65/2020 on amending and supplementing some orders of the President of the National Energy Regulatory Authority;

5.14. ANRE Order no. 230 of 16.12.2020 regarding the extension of some terms presented in orders of the ANRE president.

5.15 Order of the President of ANRE no. 127 dated December 8, 2021, for the *approval of the Regulation regarding the clauses and conditions for balancing service providers and for reserve providers for frequency stabilization, as well as the Regulation regarding the clauses and conditions for the responsible parties for balancing and for the modification and repeal of certain orders of the president of the National Authority for Energy Regulation*, with subsequent amendments and supplements (Order ANRE 127/2021).

5.16 ACER Decision No. 13/25.09.2024 regarding the *Amendment of products that can be considered by NEMOs in the single coupling process for the next day*

5.17 ACER Decision no. 04/30.01.2020 regarding the *Proposal of the nominated electricity market operators for the price coupling algorithm and for the continuous trading algorithm, also including the proposals of TSOs and NEMOs for a common set of requirements*.

5.18 ACER Decision No. 11/23.09.2024 regarding the *Methodology for the price coupling algorithm, the continuous trading algorithm, and the intraday auction algorithm*;

5.19 ANRE Order no. 128 of December 8, 2021, for the approval of the rules for the suspension and restoration of market activities and the rules for settlement applicable.

6. METHOD

6.1. DAM PARTICIPATION

6.1.1. Participation in DAM is voluntary, being allowed to market participants who have been registered as DAM participants.

6.1.2. In order to fulfill the function of shipping agent, TSO registers as a default participant in DAM. As a default participant, TSO cannot submit bids on DAM.

6.1.3. In order to become a DAM participant, an applicant must be registered by the NEMO in accordance with the provisions of a public procedure, developed by NEMO for this purpose.

6.1.4. Network operators may become participants in the DAM and may participate in the DAM only for the purpose of performing their functions expressly provided by law.

A market participant may conduct electricity transactions on the DAM individually or as aggregate.

6.1.5. In case of aggregate participation, the aggregator is the participant that trades electricity and which has full responsibilities and rights provided in the Short-Term Electricity Markets (Day-Ahead Market and Intraday Market), as well as those provided in national and / or European Union regulations corresponding to the participation in the electricity market .

- 6.1.6. 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.

6.1.7. The DAM participant who intends to submit purchase offers with positive prices or sale offers with negative prices must:

- submit to NEMO a financial guarantee, determined according to the provisions of a public procedure of NEMO;
- open a cash account with a commercial bank that meets the criteria set out in a public procedure developed by NEMO, hereinafter referred to as the settlement bank.

6.1.8. A market participant is registered as a DAM participant following its registration as a BRG or the transfer of balancing responsibility to a BRG, in the case of end customers participating in the market.

6.1.9. NEMO sets out the content of the *Short-Term Electricity Markets (Day-Ahead Market and Intraday Market) Participation agreement*, which must include the mutual rights and responsibilities of NEMO and the DAM Participant. Registration as a DAM participant becomes effective after the parties have signed the Participation Agreement, from the date of its entry into force.

6.1.10. Upon registration, each participant in the DAM receives an identification code on the DAM.

6.1.11. A DAM participant may withdraw from the DAM and NEMO may suspend or revoke the registration of a DAM participant if it no longer meets the registration conditions or does not comply with the Participation Convention / applicable rules.

6.1.12. Withdrawal, suspension or revocation of a DAM participant shall not exempt the parties from fulfilling their obligations under the DAM until then.

6.1.13. NEMO draws up and maintains a register of offers, which contains relevant information about each DAM participant and through which their offers are administered.

6.2. GENERAL ASPECTS

6.2.1. An offer is accepted only if it is submitted by a DAM participant or by NEMO on its behalf, if it is mandated to do so, ie if the offer contains the identification code of the registered DAM participant.

6.2.2. On the DAM are concluded, on each trading day, firm transactions with active electricity for each trading interval of the corresponding delivery day, based on the offers sent by the DAM participants. DAM is managed by OPCOM as NEMO for the Romania area.

6.2.3. Transactions on DAM are performed by correlating the sale and purchase bids through the implicit bidding mechanism agreed for the single European coupling solution (SDAC), after going through the bidding, validation and aggregation stages of the bids, prior to their correlation.

6.2.4. NEMO is the counterparty for each DAM participant in the transactions concluded on the DAM.

6.2.5. The transactions are completed by the physical delivery of electricity in SEN, on the day of delivery.

6.2.6. The delivery of the contractual amount on the day-ahead market (PZU) is the quantity of electrical energy that is considered as being delivered from or to a participant of DAM/or a BRP based on the obligations undertaken by the participant /participants of DAM belonging to a BRP, in accordance with the legal provisions, for transactions concluded on DAM, notified within a settlement period.

6.2.7. In order to fulfill the tasks of programming and notification to TSO and in order to achieve the physical settlement of transactions concluded on DAM, NEMO registers a BRG dedicated to transactions concluded on DAM, in its capacity as counterparty in these transactions.

6.2.8. In order to integrate into the balancing market TSO's role of transfer agent and implicit participant on DAM, it registers a separate BRG for the transactions registered in this capacity.

6.2.9. No other members may enter the BRP-DAM registered by NEMO, and all transactions are executed through block exchanges with other BRPs notified in the balancing market system administered by TSO.

6.2.10. Electricity is delivered at any NPS injection or extraction point.

6.2.11. Transactions concluded on the DAM at positive prices determine an obligation of the respective DAM participant to deliver electricity, if the transactions were based on sales offers, or an obligation to accept the delivery of electricity, if the transactions were based on purchase offers, in accordance with the specifications of that transaction.

6.2.12. Transactions can be concluded at negative prices. A transaction with a negative price has the meaning of providing an electricity procurement service, by the party receiving the energy to the party delivering it, not having the meaning of the delivery of goods by the party delivering the energy (the seller pays for the energy).

6.2.13. Each transaction on DAM refers to a trading interval, this being :

a) hourly, the first trading session being the interval between 00:00 CET and 01:00 CET (the interval 01:00 - 02:00, Romanian time).

b) Half an hour, the first trading session being the interval between 00:00 CET and 00:30 CET (the interval 01:00 - 01:30, Romanian time).
c) Quarter of an hour, the first trading session being the interval between 00:00 CET and 00:15 CET (the interval 01:00 - 01:15, Romanian time).

6.2.14. In the case of offering on 60 minutes intervalsthe delivery day has 24 trading intervals, except for the day shift from summer to winter, which has 25 trading intervals, and the day shift from winter to summer, which has 23 trading intervals.

6.1.15. In the case of offering on 30 minutes intervals the delivery day has 48 trading intervals, except for the day shift from summer to winter, which has 50 trading intervals, and the day shift from winter to summer, which has 46 trading intervals.

6.1.16. In the case of offering on 15 minutes intervals the delivery day has 96 trading intervals, except for the day shift from summer to winter, which has 100 trading intervals, and the day shift from winter to summer, which has 92 trading intervals.

6.2.17. The trading mechanism on DAM is the implicit auction, respectively the trading of electricity simultaneously with the capacity allocation.

6.2.18. The principles of the auction mechanism that apply to offers are the following:

a) the correlation of the offers is made according to a transparent method corresponding to the agreed coupling mechanism and through which publicly known principles are implemented;

b) the correlation of the offers ensures a non-discriminatory environment to the DAM participants;

c) the correlation of the offers is carried out in accordance with their specifications;

d) the results of the auction shall be published within a reasonable time after the closing time of the DAM gate.

6.2.19. The algorithm used to correlate the offers and determine the MCP in the process of coupling the markets or in the decoupled operation has as principle the maximization of social welfare at the level of the coupled markets, respectively the national market, in case of decoupling, namely the amount between seller's surplus, buyer's surplus and related congestion rent on interconnection lines, if applicable.

6.2.20. The use of such an algorithm aims at the efficient allocation of resources in the electricity market and interconnection capacities in the coupled regions, taking into account all the offers introduced in each of the coupled markets and all the information on the available interconnection capacities.

6.2.21. The algorithm used for market coupling (Euphemia) is the one recommended by ACER for price coupling of regions in order to create the European internal market for electricity, ie the one used by Euphemia or any successor that meets the same performance criteria, based on the agreement by ACER and all governments, regulators, power exchanges and TSOs of coupling states.

6.2.22. The coupling solution for the SDAC area envisages the use of a single algorithm for the entire European internal market, ensuring fair and transparent pricing one day before delivery and allocating cross-border capacity, respecting the principle of decentralized data sharing, which ensures robustness and operational safety, as well as the individual responsibility of the exchanges, through the exchange of anonymised offers and interzonal transfer capacities between exchanges for the calculation of zonal and other reference prices, as well as electricity flows between areas, for all areas included in the mechanism.

6.2.23. The purpose of the Euphemia algorithm is to determine the block bids that are executed and those that remain unexecuted and to determine the zonal trading prices and net positions NEMO related on the bidding areas, so as to maximize the social welfare of the coupled regions generated by the execution of the bids. , and the energy flows generated by the execution of the offers do not exceed the capacity of the relevant network elements.

6.2.24. The Euphemia algorithm treats all bids of the same type at the minimum granularity of the bidding zone, offers with a granularity coarser than the minimum granularity of the bidding area similar to block offers, with competing block bids being tested in random order, regardless of the granularity of their offering. The Euphemia algorithm takes into account the configuration of the interconnections between the transmission networks respectively of the network model considered for the areas where the maximum flow method is applied, which are modeled in the form of constraints that must be observed by the final solution. The calculation algorithm considers the minimum granularity of each bidding area as the basis for calculation. The minimum granularity for the bidding area of Romania is 15 minutes.

6.2.25. For the coupling of markets, the maximum power exchanged between the bidding areas is determined on the basis of the bidding registers for each bidding area and the network data provided in the form of a model based on interconnection capacities or a model of maximum fluxes on critical elements. Of the region in which it applies.

6.2.26. The existence of block offers, which are accepted only if the specific conditions predetermined by each market when defining these offers are observed at all intervals, turns the problem into a complex one, the solution being the use of a combinatorial optimization algorithm modeled as a quadratic discrete programming problem, to solve the main problem of maximizing well-being.

6.2.27. As a general rule, a block bid is executed or not, by comparing its price with the average clearing prices in those intervals, weighted by every interval of the block offer. Given the complexity of the issue, a block bid may not be executed even if its price would have allowed execution at the closing price.

6.2.28. The following conditions are respected for the coupled market area: the market closing price in the importing offer area is greater than or equal to the market closing price in the exporting offer area, and if the import or export flow is less than the available capacity interconnection, closing

prices in the two areas are equal. In the context of implementing maximum flow-based coupling (CORE FB MC), the capacities on interconnections are replaced by a group of critical network elements associated with a matrix of power transfer distribution Factors (PTDF – Power Transfer Distribution Factor) and remaining avalable margin of the power on the network elements (RAM - Remaining Available Margin).

6.2.29. The algorithm stops in the following cases:

a) all possible solutions have been explored, in which case the optimal result is determined;

b) the time limit has been reached.

6.2.30. The Euphemia algorithm provides the following data:

a) the market clearing price related to each bidding area;

b) the total traded volume related for the stepwise offers per NEMO and per bidding zone, for each specific resolution;

c) electricity flows through each interconnection, related to DAM transactions;

d) the quantities executed, for each block offer.

6.2.31. NEMO uses the results provided by Euphemia to determine the DAM transactions of each DAM participant.

6.2.32. The process of coupling the markets comprises three stages in terms of chronological development of operations, respectively: the pre-coupling stage, the coupling stage and the post-coupling stage. The main activities of each stage are presented below.

A) The pre-coupling step

6.2.33. In the pre-coupling step the following actions are ensured:

a) Determination in a coordinated manner of available interconnection capacities and the parameters used in the calculation of the Flow Based matrix (PTDF) between bidding zones values for the Day Ahead Market (hereinafter generically referred to as CZC);

b) Publication of the relevant CZC values for market participants;

c) Submission of offers by market participants on chosen time resolutions;

d) Gathering, aggregation and anonymisation of the offers after gate closure time.

6.2.34. All coordinated TSO precoupling activities in the CORE FB MC coordinated region are covered by the TSO management function, hereinafter referred to as CORE CCCt. This ensures the

coordinated preparation of the maximum capacities and flows on the critical network elements in the market coupling process, based on data from TSOs.

6.2.35. TSOs perform the coordinated calculation of the interconnected capacity and determines the CZC parameters through the CORE CCCt centralized module of the TSOs and provides to NEMOs this information through a secured file transferenvironment called the Central Interface Point (CIP), which is the environment that provides the flow of information needed by both TSOs and power exchanges.

6.2.36. DAM participants introduce / modify offers for the sale or purchase of electricity for the day of delivery.

6.2.37. At the closing time of the DAM gate (GCT), NEMO closes the offer register.

6.2.38. Until the closing time of the offer register, the DAM participants can introduce / modify / cancel the sale or purchase offers, depending on the resolution that has been offered. The trading system takes into account the last version related to each offered resolution of each DAM participant. After this time, the offers can no longer be modified or canceled, as they are firm and irrevocable.

6.2.39. After closing the register of offers, NEMO realizes the aggregated sales and purchase curves based on the stepwise offers collected from the participants and makes this information available, together with the block offers, to the coordinator. All offers are anonymized in advance.

B.) The coupling step

6.2.40. In the coupling step the following actions are performed:

a) Submission of aggregated orders, including anonymized block offers by the NEMOs to the Coordinator of the coupling process;

b) Running coupling algorithm and coupling results distribution by coordinator to NEMO, for validation purpose;

c) Establishing the traded quantities by portfolio allocation of the coupling results performed by each NEMO;

d) Transmission of the coupling results by CORE MO to CORE CCCt, through CIP in order to validate the flows resulting from the running of the coupling algorithm;

e) Publication of the coupling results.

6.2.41. The correlation of offers, in accordance with the Euphemia principles, is done daily by the Coordinator, who is an electricity exchange of the states involved in the coupling, if it is a full member of the PCR or the coupling service provider of a serviced electricity exchange, if it is not a PCR member, based on the rotational principle; the matching process is performed in parallel also

by the other operators that have PCR assets installed. The final solution takes into account the results with the greatest social welfare achieved.

6.2.42. The market coupling function is under the governance of the electricity exchanges, being performed by them, either directly, as a full member exchange, or through the coupling service provider with which the electricity exchanges served.

6.2.43. The electricity exchange or coupling service provider that provides the backup solution can take over the coupling session and perform the role of coordinator.

C.) The post-coupling step

6.2.44. In the post-coupling step the following actions are performed:

a) Establishing and sending the physical notifications by NEMO to the TSO

b) Performing the transactions settlement at local market level;

c) Performing the settlement of bilateral transactions between TSOs based on flows resulting from coupling mechanism;

d) Establishing the congestion income and its distribution between TSOs.

6.2.45. If the coupling process cannot be performed, the parties within the CORE FB MC coordinated region, as well as those from BG-RO MC cooperation shall apply the procedure of last resort described in Section *6.9 Operational Fallback Procedure - OPERATION IN DECOUPLING REGIME* namely it organizes the restricted energy trading auction at the level of each bidding area organized by each of the NEMOs involved and, separately, explicit auctions for the allocation of interconnection capacity through shadow auctions organized by the JAO (Joint Allocation Office - www.jao.eu). The rules applicable to shadow auctions are available at https://www.jao.eu/support/resourcecenter/overview, the main requirements for market participants to participate in shadow auctions are:

- concluding a participation agreement with JAO (see arts. 6 and 13 of the SAR, Shadow Allocation Rules)
- obtaining access to the auction platform (see art. 14 of the SAR, Shadow Allocation Rules);
- compliance with the specific provisions of the RO-HU and RO-BG borders, if applicable, as well as concluding agreements with Transelectrica, if applicable, details applicable within the CORE FB MC coupling project, respectively BG-RO MC are available here: https://www.transelectrica.ro/web/tel/reguli-alocare-ungaria, https://www.transelectrica.ro/web/tel/reguli-alocare-bulgaria.

Information on registering with the JAO for shadow auctions can be found at: https://www.jao.eu/.

6.2.46. Given the application of the 15-minute BRP imbalance settlement interval, Schedule notifications related to DAM trading are aggregated by considering the quantities traded across all time resolutions. for delivery day D by reference to CET hours for each 15-minute interval of the delivery day, respectively 96 of 15-minute intervals (100/92 intervals, on the clock change days, as appropriate). Given that the approach to trading on the coupled DAM in CET hours makes it so that the 24th CET hour of a delivery day (D) CET represents the 1st one of the next delivery day (D+1) Romanian hours, whenever there are changes in the assumption of the balancing responsibility with regard to DAM participants (availability of which is related to the current delivery day in Romanian hours), after sending the schedule notifications of the block exchanges resulting from the trading on DAM in hours CET related to the delivery day D, the NEMO will retransmit the schedule notifications of the updated block exchanges for the four 15 minute intervals of the the first hour of Romania for the next delivery day (D+1). The update refers to the change in the assumption of the balancing responsibility available starting with the the first hour of Romania for the next delivery day (D+1). After the update in the balancing market platform for the four 15 minute intervals for the 1st hour Romanian for the next delivery day (D+1), the BGs will take into account these updated schedule notifications.

6.3. Trading on DAM

6.3.1. The provisions of this section apply by the participants in DAM and MO in the activity of bidding, respectively of validation of offers for the daily trading of electricity on DAM, both in the operation of the DAM in coupled regime and in the decoupled operation, when the procedure is applied of last instance (Section 6.9 Operational Fallback Procedure - OPERATION IN DECOUPLING REGIME.

A.) Features of offers on DAM

6.3.2. An offer expresses the firm commitment of the DAM participant to enter into a contract having as object the sale or purchase of electricity if the offer price is positive, respectively the sale or purchase of the power take-off service if the offer price is negative.

6.3.3. The offers of sale / purchase of electricity are made at an aggregate level on the portfolio of each DAM participant.

6.3.4. The offers are defined based on different time resolutions: 15 minutes, 30 minutes, and 60 minutes.

6.3.5. The offer is defined by at least one price-quantity pair. The quantity represents the average power over the trading interval expressed in MW to one decimal place, and the offered price represents the unit price associated with the energy corresponding to the declared power and the granularity of the bidding zone, being expressed in lei with two decimal places;

6.3.6. NEMO publishes on its website the limits of the price scale expressed in lei for the unit of energy (RON/MWh) valid for the next trading day, within two hours from the publication by the BNR of the lei / euro exchange rate valid for that day;

6.3.7. Each price-quantity pair of a stepwise purchase offer for a trading interval defines the maximum unit price, of the energy that the DAM participant is willing to buy, at the average power over the trading interval as declared by theoffer quantity, for the time interval corresponding to the offer granularity/block definition period.

6.3.8. Each price-quantity pair of a stepwise sale offer for a trading interval defines the minimum unit price at which the DAM participant is willing to sell, at the average power over the trading interval as declared by theoffers quantity, for the time interval corresponding to the offer granularity/block definition period.

6.3.9. Bids are made by reference to the CET time, i.e. the first trading interval is the interval between 00:00 to 00:15 CET for trading on the 15-minute resolution, from 00:00 to 00:30 CET for trading on the 30-minute resolution, and from 00:00 to 01:00 CET for trading on the 60-minute resolution.

6.3.10. Offers shall be made for the national ofer area, taking into account its operation in coupled mode or, as the case may be, in exceptional situations, in decoupled mode;

6.3.11. Offers can be of the following categories:

a) stepwise offers;

b) block offers.

6.2.12. How to submit bids in the trading system is described in detail in the Day Ahead Market Participant User Guide, made available to the participant by OPCOM S.A.

STEPWISE OFFERS

6.3.13. For each time resolution, a DAM participant may submit a single stepwise buy offer and a single stepwise sell offer.

6.3.14. The participant may submit offers on resolutions of 15 minutes, 30 minutes, and 60 minutes.

6.2.15. A step sell / buy offer can contain a maximum of 32 price-quantity pairs, regardless of the time resolution used in its creation. The price of each price-quantity pair reflects the trading price accepted by the seller / buyer for the energy offered in the respective stepwise offer at a lower / higher price. The quantity of supply is expressed as average power over the trading interval.

6.3.16. A price-quantity pair of a stepwise buy offer for a trading interval defines the maximum unit price at which the DAM participant is willing to buy the amount of electricity related to the declared average hourly power through the offer's pair.

6.3.17. A price-quantity pair of a stepwise sell offer for a trading interval defines the minimum unit price at which the DAM participant is willing to sell the amount of electricity related to the declared average hourly power through the offer's pair.

6.3.18. In trading, the quantities (average power per trading interval) from stepwise offers accumulate the quantities (average power per trading interval) offered at a better price over the same trading interval.

6.3.19. DAM participants may submit to NEMO avolume limit, separately for buy and sell, applicable for each interval, on the maximum quantity that can be offered by them on DAM,. The volume limit takes into account the quantities offered in stepwise offers and block offers for a specific granularity during each trading interval. In the absence of such requests from DAM Participants, NEMO will use a volume limit of 99,999 MW, representing the technical limit for the total quantity corresponding to the stepwise and block offers submitted by any participant;

6.3.20. Stepwise bids on 60 minutes resolution are independent and can be submitted for all 24 trading intervals, respectively for 23 trading intervals on the day shift from winter time to summer time and for 25 trading intervals on the day shift from summer time to winter time.

6.3.21. Stepwise bids on 30 minutes resolution are independent and can be submitted for all 48 trading intervals, respectively for 46 trading intervals on the day shift from winter time to summer time and for 50 trading intervals on the day shift from summer time to winter time.

6.3.22. Stepwise bids on 15 minutes resolution are independent and can be submitted for all 96 trading intervals, respectively for 92 trading intervals on the day shift from winter time to summer time and for 100 trading intervals on the day shift from summer time to winter time.

BLOCK OFFERS

6.3.23. The sell or buy block offers on the DAM is a combination of simple sell offers or a combination of simple buy offers related to several intervals, on every time resolution, whose execution is interdependent, namely are execute all or none. The block offer is characterized by a price (in RON/MWh) and a quantity expressed in average power over the trading interval (in MW).

6.3.24. Block offers are defined by the number of intervals that make up the block. The number of intervals of a block offer may be defined in the trading system by NEMO (predefined block offers) or by the participant. Predefined offers in the system are available to all market participants. The block offers defined by the participant are available only to the respective participant who defined them.

6.3.25. Block offers can be independent or interdependent (linked). Block offers can be interdependent only if they are of the same direction, only sell or only buy offers respectively.

6.3.26. Two or more interdependent block offers form a family of block offers. A family of linked block offers formed of two generations includes a "parent" block offer (an offer whose acceptance can be made by fulfilling the condition of executing the block offer, independently of other offers) and a "child" block offer (an offer whose acceptance is additionally conditional upon acceptance of another block offer, named "parent" block offer). The block offers within a family must be created at the same granularity.

6.3.27. The block bids implemented in the DAM trading system have the characteristics set out in Annex 1. They may be modified for the purpose of implementing the other types of bids accepted by the Euphemia algorithm from those provided in the *ACER Decision No. 13/25.09.2024 regarding amendments made to products that may be considered in the unique pairing process of the day ahead markets* , in accordance with the procedures agreed by all Power Exchanges in order to ensure the performance of the Euphemia algorithm at the appropriate parameters under the conditions of geographical extension of the coupling, introduction of multi-Power Exchanges arrangements, increasing the complexity of the topology, extension of the coupling based on flows, etc., being published sufficiently before application.

B.) The content of the offers on DAM

6.3.28. The stepwise offers submitted by the DAM participants are required to contain the following information:

a) the identification code of the participant on DAM;

b) the identification as sale offer or as buy offer;

c) the identification as stepwise offer (SQB, SHHB, SHB);

d) time resolution (PT15M, PT30MIN, PT60MIN)

e) validity (delivery day, the trading intervals to which it refers to);

f) quantity expressed in average power on trading interval, for every price-quantity pair;

g) the limit price, for every price-quantity pair;

6.3.29. The block offers submitted by the DAM participants are required to contain the following information:

a) the identification code of the participant on DAM;

b) the identification as sale offer or as buy offer;

c) the identification as block offer (BLB15, BLB30, BLB60);

d) time resolution (PT15M, PT30MIN, PT60MIN)

e) the code of other block offer that conditions acceptance of this block offer, if it is a linked offer;

f) validity, namely the block definition period (delivery day, the trading intervals to which it refers to);

g the quantity expressed in average power on trading interval (constant) for each interval from the block definition period;

h) the average limit price accepted for the unit of offered energy in the block.

C.) The format of the offers on DAM

6.3.30. The offers are defined for each desired resolution and for a specific direction (sell/buy).

6.3.31. Buy and sell offers can't be combined in a single offer.

6.3.32. Sell offers or buy offers with different time resolutions cannot be combined into a single offer.

6.3.33. The offer price is submitted in RON for the unit of energy (RON/MWh) and is automatically equivalated by the transaction system into Euro/MWh, at the exchange rate of the Romanian National Bank (BNR) available for the day ahead.

6.3.34. Buy and sell stepwise offers are monotonous.

6.3.35. A monotonous stepwise sell offer consists of price-quantity pairs for a given transaction interval in which the prices of the pairs are ordered from the lowest to the highest.

6.3.36. A monotone stepwise buy offer consists of price-quantity pairs for a given transaction interval in which the prices of the pairs are ordered from the highest to the lowest.

6.3.37. The offers can be submitted through the DAM transaction system web interface or by uploading a **.xml** file on each individual resolution, which contains the offers of a certain type (buy or sell).

6.3.38. An **.xml** file can contain stepwise offers as well as block offers, on the same resolution. Submitting a new **.xml** file on the same resolution, replaces the previously submited offer (stepwise and/or block) available in the trading system for a specific direction (buy or sell).

D.) Submitting offers in the DAM trading system

6.3.39. Offers can only be submitted for delivery days for which the price limits (in RON) of the price scale have been published. The price limits are established at a cupled region level in Euros, and are published in RON, in the transaction system and on OPCOMs website, by NEMO, as soon as the exchange rate is available.

6.3.40. The participant has the opportunity to upload offers in any available resolution.

6.3.41. The Romanian National Bank (BNR) sets the exchange rate for every working day of the week. The exchange rate used for each trading day is the one set forth in the previous banking day before trading day. In case of weekends (Saturday and Sunday) or legal holidays, the exchange rate set for the last banking day is used for more trading days coresponding as many as the number of non-working days. As such, for the end of the week, the exchange rate set forth on Friday will be available for the trading days of Saturday, Sunday and Monday respectively the delivery days of Sunday, Monday and Tuesday.

6.3.42. The local trading system allows offers to be made in advance up to a maximum of 6 delivery days (a maximum of 6 delivery day offer gates can be opened) provided that the price limits of the price scale are published in advance and within the limits of the available guarantees..

6.3.43. The Euro price scale can be modified in accordance with the decisions agreed at the SDAC coupled area, taken in accordance with ACER decisions regarding the modifications made to products that may be considered in the single coupling process *for single day ahead market coupling*. The new price scale limits are communicated to the participants prior to its use in the offer validation process.

6.3.344. The offer submission time gate for the next delivery day is set to close at the closure hour of the DAM offer gate, respectively:

a) 12:00 CET, in case of coupled operations in normal operating mode;

b) As announced by the NEMO in accordance with *Section 6.9: Last resort procedure – Operating in decoupled regime,* in case of operating in decupled mode.

6.3.45. Before the DAM gate closure time, the offers can be modified or cancelled by the DAM participant on each offered resolution. Each modification establishes a new offer, for each offered resolution, the last valid offer version being the one taken into account by the algorithm for establishing of the transactions on DAM (either in coupled or decoupled process).

6.3.46. DAM participants can submit offers:

a) through the DAM web interface;

b) by uploading the **.xml** file that is compatible with the local DAM transaction system.

6.3.47. NEMOs can submit an offer (new or modified) on behalf of the participant, if mandated so, specifically in case the participant cannot do so on his own due to technical issues and he requests the NEMO to upload his offer in the transaction system. If the request is sent in due time, over email, (the message can contain the offer/offers for a single delivery day) in **.xml** file format, the NEMO will accept and proceed only if sent by registered participant contacts as stated in *Procedures regarding registering particiapnts on OPCOM S.A. administered organised energy markets.*

6.3.48. NEMO can cancel one offer that is uploaded in the trading system on participant's behalf, if mandated to do so, namely in the situation that the participant is technically impossible to cancel the offer in his own name and requests NEMO to cancel the offer from the trading system on his behalf. NEMO will accept to cancel from the trading system the offer sent in due time on participant behalf only if the request is sent by e-mail, specifying offer type (sell or buy) and the delivery day the offer was submitted for NEMO can cancel only full offer in one sense, buy or sell, namely all step offers and also block offers for the sense and delivery day asked. At the request of the participant, NEMO will accept cancel requests only from the participant's representatives with the contact details declared in accordance with the Procedure regarding participants registration at centralized markets administrated by OPCOM S.A.

6.3.49. NEMO receives and registers the offers in the order book, which will then be anonymised after the DAM offer gate closure in order to be processed by the corelation algorithm if operating coupled.

6.3.50. After the offer submission Gate Closure Time, of DAM, offers can not be modified or canceled anymore, being irrevocable.

6.3.51. The coupling algorithm must ensure the integration of trading products, network requirements, and other requirements established by European regulations, and it must also ensure the provision of results at the European level within the deadlines set by these regulations. The complexity of the algorithm requires performance monitoring. In the event that a deterioration of the algorithm's performance is observed or anticipated, corrective measures will be applied with prior notification in accordance with the provisions of the Algorithm Methodology approved by ACER Decision (ACER Decision no. 04/30.01.2020 and ACER Decision no. 11/23.09.2024).

E) Validation of the offers

6.3.52. NEMO may set and change at any time the trading limit value for a DAM participant, based on its available financial guarantees.

6.3.53. Quantity trading limits apply in the form of quantity limits (average power over the trading interval) or value limits (depending on the available guarantee).

6.3.54. Each DAM participant may request NEMO to invalidate offers that contain a total (offered power) amount per granularity greater than a certain limit specified in advance by that DAM participant. Thus, participants may specify different quantity limits for purchase offers and sale offers. If the participant bids at multiple granularities, the limit applies as an average power for each interval corresponding to each granularity.

6.3.55. If the offer does not comply with the value trading limit set in accordance to the *Procedure regarding the establishment, verification, and use of financial guarantees for participation in the Day-Ahead Market*, it shall be rejected. The DAM participant is notified automatically through the trading system of the rejection by a relevant message and may change the offer for compliance with the value trading limit, before closing the DAM gate.

6.3.56. The validation of the offers is made automatically by the DAM trading system according to the validation criteria required by the specifications of the offers content and format and of the rules applicable to the offers according to the present procedure.

6.3.57. The IT system will verify, for validation purpose, each registered offer in order to establish the compliance with the following criteria :

a) The participant right to trade on the DAM, which can be affected by the transaction license expiry or if suspended/revoked at the time of the offer submission;

b) The possibility to offer on the selected delivery day, respectively displaying the offer submission gate and its status (open) in the transaction system interface;

c) The correct number of decimals for the prices and the quantities;

d) If the offer prices fit within price boundaries;

e) If the offer aggregated quantities at the granular level fit within the quantity declared by the participant, if such a declaration has been made;

f) The monotonous nature of the price;

g) Compliance with the admitted number of price-quantity pairs on interval per participant, in case of the stepwise offers;

h) Compliance with the admitted number of block offers per participant, in case of the block offers;

i) Compliance with the maximum volume limit established for the block offers;

j) Compliance with the value limits of the collateral guarantee for validation/available for the buy offers with a positive price or for the sale offers with a negative price according to the Procedure for the constitution, verification and use of financial (guarantees) collaterals for participation on the day ahead market.

k) The presence of the time resolution.

6.3.58. In case of non-compliance with one of the validation criteria mentioned at the previous article, the IT system will invalidate the offer and will notify the participant through a message regarding the reason for invalidation. The participant can correct and re-send the offer or cancel an offer at any time during the offers submission period.

6.3.59. In case of the offer submission through **.xml** file, prior to checking the validation criteria mentioned in art. 6.3.57., the system will verify the compatibility of the **.xml** file with the system, in case of incompatibility displaying an error message in this respect.

6.3.60. Given the specific approach to trading in CET hours for coupling DAM, respectively the fact that the hour 24:00CET of a delivery day (D) from the perspective of DAM trading represents the interval 00:00 – 01:00 in Romanian time for day ahead of delivery (D+1), participants whose responsibility for balancing is no longer assumed by any BRP for the day of delivery D+1, will not bid on DAM for interval 23:00 – 24:00 (in CET hours) for delivery day (D),

regardless of granularity NEMO has the right to cancel the stepwise bidsand block offers which contains this interval includingblock offers that are linked with these, of the participants who are in this situation.

6.4. TRADING ON DAM

6.4.1. Under the coupling mechanism at SDAC level, NEMOs and TSOs have the responsibility to validate the results based on market principles, respectively NEMO from the perspective of allocation on offer portfolios and TSOs from the perspective of cross-border flows.

6.4.2. The principles for validating coupling results are:

a) The stepwise sales offers are not executed for the quantities offered at prices higher than MCP.

b) Stepwise purchase offers are not executed for the quantities offered at prices lower than MCP.

c) The stepwise sales offers are executed for the quantities offered at prices strictly lower than MCP.

d) The step purchase offers are executed for the quantities offered at prices strictly higher than PIP.

e) Stepwise offers may not be executed or may be partially executed for the quantities offered for sale / purchase at prices equal to MCP.

f) A block sale offer will not be executed if its price is higher than the average market price resulting from the MCP average published on the trading intervals to which the block offer refers, weighted by the volumes corresponding to each trading interval in the block offer.

g) A block purchase offer will not be executed if its price is lower than the average market price resulting from the MCP average published on the trading intervals to which the block offer refers, weighted by the volumes corresponding to each trading interval in the block offer.

h) If the intersection of the demand curve with the supply curve takes place over a common price range, the MCP is set at the middle of the common price range.

i) If the intersection of the demand curve with that of the supply takes place over a common range of quantities, the traded quantity is the maximum of the common range of quantities.

6.4.3. The resulting MCP for the national bidding area following the use of the bid matching algorithm during the auction is the price applicable to the 15-minute trading interval which applies to all transactions regardless of the offered

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

6.4.5. The quantity related to the net position determines a transaction between NEMO and Romanian TSO in its capacity of transfer agent, at MCP related to the national bidding area at the minimum granularity (15 minutes) for the respective trading interval.

6.4.6. The contractual delivery related to a transaction concluded on DAM is considered to be made together with the transmission to TSO, within the procedure of transmitting schedule notifications of BRP according to the regulations in force, of the corresponding block exchange between BRP-DAM and BRP of which the participant is part of, respectively the BRP of the transfer agent. All BRPs have the obligation to transmit the schedule notofications on DAM transactions. The schedule notification is made by considering the aggregated average power resulting from each trading interval at a granularity of 15 minutes.

6.5. OPERATION IN NORMAL CONDITIONS

6.5.1. The operation in the normal conditions involves automatically deployment of all actions planned to be automatically performed without interruptions or delays in processes.

6.5.2. The TSOs that are part of the CORE FB MC and RO-BG MC agree on the CZC values available for the Day-Ahead Market coupling process and send them to the CORE CCCt module. The Pre-Coupling Operator managing the CORE CCCt module prepares the common CZC document with all available capacities and Flow Based parameters on the interconnections involved in the coupling process and makes it available to NEMOs through CIP.

6.5.3. Each NEMO shall publish the CZC values relevant to the area in which it operates and which are available to the coupling process no later than **10:30** CET.

6.5.4. In accordance with the procedures agreed in the context of coupled operation, TSOs have the right to update CZC values if necessary, but so that they will be available for power exchanges and service provider no later than **11:00 CET**.

6.5.5. Participants have the right to submit bids, modify or cancel bids already registered in the trading system until **12:00 CET**, which is the closing time of the DAM gate. The offer is made in compliance with the provisions of Section 6.3.: Trading on DAM.

6.5.6. NEMO provides DAM participants with coupling results in CET via trade confirmations starting at **13:05 CET**.

6.5.7. The clearing price of the auction it is reported at a granularity of 15 minutes and corresponds to the solution identified by the Euphemia matching algorithm that takes into account the curves of the aggregate demand and supply quantities resulting from the combination of stepwise bids and block bids in the participating national markets, regardless of their granularity, within the available interconnection capacity. The prices for the 30-minute and 60-minute granularities are calculated by the algorithm as averages of relevant 15-minute intervals and are intended for guidance.

6.5.8. Each transaction corresponds to a supply of electricity at a constant power throughout the respective trading interval.

6.5.9. NEMO shall transmit to TSO the schedule notifications of net exchanges for each BRP, for each 15 minute settlement interval related to the transactions concluded on the DAM by the members of the BRP, in CET hours, by **14:30 CET** latest. The schedule notification of the block exchanges always includes 96 intervals of 15 minutes (respectively 100/92 intervals, on the daylight saving time days, as the case may be)

6.5.10. Any delay in the normal operation of the coupling process shall be notified to market participants, and the agreed procedures for the coupling process shall be applied.

6.6. SETTLEMENT

6.6.1. NEMO elaborates the procedures for performing the specific settlement functions according to the present provisions.

6.6.2. Each applicant wishing to be registered as a DAM participant, including TSO as a implicit participant, must open a cash account with a commercial bank that meets the criteria set out in a public procedure developed by NEMO, hereinafter referred to as the settlement bank.

6.6.3. NEMO opens a central DAM account at a commercial bank in Romania, for payments related to transactions concluded on DAM.

6.6.4. TSO, as a transfer agent, opens, for payments related to DAM transactions, both an account in euro and an account in lei, at a commercial bank in Romania participating in the automatic clearing house and concludes an agreement with the bank through which the amounts in euro to be exchanged in lei, and in accordance with the direct debit mandate concluded with the bank, the equivalent of the payment obligations to NEMO to be transferred to its account based on the direct debit instructions, respectively the amounts in lei to be changed in euro according to the obligations payment, and their value to be transferred to the account of the neighboring transfer agent.

6.6.5. An applicant wishing to become a participant in the DAM submits to NEMO, before submitting negative bids / positive bids, the direct debit payment mandate concluded with his settlement bank allowing NEMO to collect the amounts to which he is entitled according to the settlement notes.

6.6.6. NEMO has the right to require the DAM participant to provide a financial guarantee before that DAM participant submits positive bids or negative bids; the implicit participant is not obliged to provide financial guarantees, but takes all measures so that the settlement deadlines are not exceeded due to the lack of cash in its settlement accounts.

6.6.7. TSO as a transfer agent establishes the payment and collection terms related to the payment obligations, respectively the daily collection rights to / from the neighboring TSO according to the net value of the cross-border flows on DAM on the respective interconnection, taking into account the payment / collection terms of NEMO, respectively of the partner TSO, and ensures the necessary amounts in the settlement accounts so as to ensure the fluidity of settlement on DAM.

6.6.8. NEMO develops the procedures for determining the required and the types of financial guarantees requested, the procedures for making and verifying the establishment of guarantees, as well as the procedures for making payments related to transactions on DAM.

6.6.9. For each DAM participant, NEMO determines daily the value in lei of payment obligations / collection rights, by summing the products between the quantities and prices for all transactions that the respective DAM participant concluded with NEMO on DAM for the corresponding delivery day.

6.6.10. Separately for each DAM participant and for each delivery day, NEMO draws up a daily settlement note containing all the values to be debited or credited to the central DAM account.

6.6.11. TSO does not pay fees to NEMO related to trading on DAM as an implicit participant in DAM.

6.6.12. NEMO makes available to each DAM participant, before the end of the trading day, the daily settlement note and sends, on banking days, the direct debit instructions to the bank where the

central DAM account is opened, according to the provisions of a public procedure developed by NEMO in accordance with the public consultation principle.

6.6.13. The value of the net payment obligations from the settlement notes is collected by the NEMO through the direct debit mechanism within the deadlines provided in the public procedure having this object elaborated by the NEMO.Collections are deemed realized on the date on which the corresponding amounts were credited to the central DAM account.6.6.14. The settlement price is the MCP related to each trading interval at a minimum granularity (15 minutes) no matter the granularity at which the bids leading to the trades were made.

6.7. PUBLICATION DELAY AND UPDATING THE CZC VALUES

6.7.1. In normal operation the CZC values are published at **10:30 CET**.

6.7.2. Due to technical reasons or because of problems in the CZC process or problems with the CZC file transfer, delays in the CZC values publication can occur.

6.7.3. Depending on the CZC process delay, the delay can be assessed as **short or critical**, the approach being different in terms of the actions carried out and market participants notification.

6.7.4. In case of **critical delay** in the CZC process, meaning more than **11:15 CET**, MO communicates to participants the of applying the last resort procedure for the risk of decoupling detailed in *Section 6.9 Operational Fallback Procedure - OPERATION IN DECOUPLING REGIME*, participants thus being notified that additional actions in the market would be performed. NEMO notifies the market participants for information purpose and communicates the following to them:

a) The occurance the risk of decoupling for CZC reason, participants of the explicit auctions (organized by JAO) being guided to update their offers for shadow explicit auction in accordance with JAO procedures, notification sent after **11:15 CET** by **UMM_02**: Risk of Partial Decoupling for one or more interconnectors, which contains details of the interconnections for which there is a risk of decoupling;

b) Publishing CZC values as soon as they are available, but not later than **11:30 CET**.

c) If the problem is not resolved by **11:30 CET**, partial decoupling is declared for CZC reasons. In this case the message **UMM_03** is sent to the participants: One or more interconnected decoupled / One or more interconnectors decoupled, which contains details about the decoupled interconnections.

6.7.5. In case of updating the CZC values, participants will be notified on the update and they will be directed to update their offers on DAM in the new market conditions.

6.8. DELAY IN THE COUPLING PROCESS

6.8.1. In normal operation the results of the coupling process are distributed to the entities in the SDAC coupling process (NEMO and TSO). They are validated by NEMOs from the perspective of the principles of coupling and portfolio allocation in relation to the bids submitted and are subsequently sent to the TSOs at **12:55 CET** for validation from the perspective of cross-border flows in relation to the declared cross-border transport capacities.

6.8.2. In normal operation the results of the coupling process are available to participants after their validation as soon as after 12:45 CET but not earlier than **13:05 CET**. OPCOM publishes the results of the linking process on the webside as soon as they are available and validated.

6.8.3. Delays of deadlines for market coupling results publishing established by the normal procedures could occur as a result of system technical problems or problems in the communication between the entities involved in the coupling process. Depending on the delay in the coupling process, may be **short-term or critical** delay, the approach being different in terms of the actions carried out and market participants notifications.

6.8.4. In case of **short delay**, participants don't have to take further actions in the market. MO notifies the market participants for information purpose and communicates the following to them:

a) The occurance of a delay in the coupling process and delay of market results publication towards publication in the normal operation regime, notification sent as soon as possible after 12:55 CET and not earlier than 13:05 CET.

b) Publication of the coupling results as soon as they are available.

6.8.5. In case of **critical delay** of the processes, the participants are informed of the initiation of the application of the last resort procedure, they being informed about the need for further actions in the market. NEMO sends information notifications to market participants informing them of the risk of decoupling, ie the decoupling decision. Depending on the situation of decoupling, the deadlines for the transmission of communications and communications differ, these being detailed in Section 6.9 Operational Fallback Procedure - OPERATION IN DECOUPLING REGIME.

6.9. OPERATIONAL FALLBACK PROCEDURE: OPERATION IN DECOUPLING REGIME

6.9.1. Where, for a given day of delivery, it is not possible to allocate through implicit auction the transport capacity available for the next delivery day in portions of the SDAC coupled zone, the markets shall be **partially decoupled**, respectively areas are decoupled as appropriate interconnections and / or bidding areas. For interconnections and / or decoupled offer areas, reserve solutions for specific electricity trading and capacity allocation are organized at local / regional level. The remaining bidding areas remain coupled and the coupling algorithm for common implicit trading is applied.

6.9.2. When, for a certain delivery day, it is not possible to allocate by implicit auction the transport capacity available for next delivery day in the entire SDAC coupled area because the coupling results are not available or are rejected following the validation process, total decoupling of markets is enforced, ie decoupling all regions participating in the SDAC solution. In this case, specific electricity trading and reserve capacity allocation solutions are organized at local / regional level for all regions. In the case of the region related to the CORE FB MC and BG-RO MC cooperation projects, following the total decoupling, the electricity trading is organized locally by each NEMO in the bidding area in which it operates, and the capacity allocation is organized by explicit shadow auction by JAO.

6.9.3. In case of decoupling of the Romania bidding area, the transport capacity on the Romania-Hungary and Romania-Bulgaria interconnections are allocated by explicit shadow auction organized by JAO on the time horizon the next day, carried out according to the provisions of the relevant JAO procedures. The local trading of electricity in the Romania offer area is done by applying the same algorithm as for the coupled operation, namely the Euphemia algorithm.

6.9.4. Decoupled operation is a procedure of last resort and applies following the joint decision at the level of the SDAC coupling taken in the Incident Committee.

6.9.5. Decoupling, either partial or full, may be necessary in two situation categhories, each with a coresponding specific action, deadline for participant notification, determined by the need to extend or not the DAM market closure time, so that the participants will have sufficient time to adjust their offers in the new market circumstances:

a) **Early decoupling**, in which the critical situation leading to decoupling is known in advance, leading to decoupling the day before the current day and in which decoupling is decided early enough so that the closing time of the supply gate on the DAM can remain the operation process engaged in normal mode (**12:00 CET**), respectively the deadline for declaring early decoupling being at the latest **10:30 CET**;

b) **Decoupling known during the trading session**, where the critical situation leads to decoupling occurring during the current trading session and which applies if decoupling is decided at a time close to (sooner or later) the time the publication of DAM results for the coupled operation of markets, a situation which requires the reopening of the bid register to allow participants to review and adjust bids in the new market context.

6.9.6. In accordance with agreed upon procedures of the SDAC coupled area, should major problems arise that would impede the coupling process, an Incident Committee is summoned.

6.9.7. Should it be the case, the SDAC coupled area parties will apply the agreed upon back-up procedures in an attempt to succesfully finish the coupling process. Exceeding the coupling process normal and back-up regime deadlines means informing the market participants of the decoupling risk.

6.9.8. If even after applying the back-up procedures, the decoupled solution presents itself as necessary, the Incident Committee decides upon decoupling and the application of procedures specific for the decoupling situation.

6.9.9. NEMOs shall notify the participants in the electricity market of the decoupling decision and the application of the provisions of this section, communicating the steps to be followed for the successful completion of the trading session.

6.9.10. Offers on DAM are done in accordance with *Section 6.3. Offering on DAM.*

6.9.11. The bid schedule on the DAM according to this section is correlated with the bid schedule for the explicit shadow auction for interconnection capacity allocation according to the relevant TSO procedures, so that participants know the results of the shadow interconnection capacity allocation auction sufficiently before closing the DAM gate and being able to adjust their bids accordingly.

6.9.11. The bid schedule on the DAM according to this section is correlated with the bid schedule for the explicit shadow auction for the allocation of interconnection capacity according to the relevant JAO procedures, so that participants know the results of the shadow interconnection capacity allocation auction well in advance before the closing of the DAM gate and be able to adjust their bids (if necessary) accordingly. The results of the explicit shadow auctions are published on the JAO website according to the relevant JAO rules.

A.) Early full Decoupling (decoupling known in advance)

6.9.12. Early decoupling is applied as a result of maintaining a problem(s) that occurred in the previous market coupling session that led to the total decoupling of the trading session from the day before the current day, which cannot be resolved by the early decoupling deadline on **10:30 CET**.

6.9.13. If it becomes apparent that there is a risk of early full decoupling, market-specific internal trading procedures will apply. NEMO shall without delay transmit to market participants the communication on the occurrence of the risk of early decoupling and the need to update bids for the explicit shadow auction. The communication of the risk of early decoupling is sent to the market participants at **10:00 CET**, by the message **ExC_03b**: Further delay of the Market Coupling Session.

6.9.14. If the problem is not resolved, the Incident Committee shall decide to apply market decoupling no later than **10:30 CET**. NEMO shall transmit the communication to market participants without delay. The early decoupling communication is sent to the participants by the message **ExC_05b**: Full Decoupling known in advance. For trading organized at local / regional level, the closing time of the supply gate on DAM remains at **12:00 CET**.

6.9.15. In case of full decoupling known in advance, OPCOM runs the trading session in isolation. The offer gate closes at **12:00 CET**. NEMO shall generate and make available to participants the

confirmation of transactions as soon as the results of the local trading process are available, but not later than the scheduled time for normal operation in coupled operation, respectively 13:05 CET.

6.9.16. NEMOs sends to TSO the schedule notifications related to the transactions concluded on the DAM in CET hours at the latest at **14:30 CET**, as in normal coupled operation.

B.) Full decoupling declared during the coupling process

6.9.17. The full decoupling declared during the coupling process is due to serious problems that occurred during the current market coupling process that prevent the publication of the coupling results (the results are not available or have not been confirmed until **14:20 CET** or have been rejected following the validation process), issues that cannot be resolved by the full decoupling deadline, ie **14:20 CET**.

6.9.18. If the preliminary results of the coupling process are not available to the parties of the SDAC coupling process (NEMO and TSO) by the scheduled time of normal operation, ie 12:45 CET, NEMO shall send a notice to the market participants regarding the publication delay of coupling results by message **ExC_02**: Delay in Market Coupling Results publication.

6.9.19. If the results of the coupling process are not available to participants by **13:05 CET**, NEMO will send a further communication to the market participants regarding the delay in publishing the coupling results via the message **UMM_01a**: Delay in final Market Coupling Results publication coupling process.

6.9.20. If the preliminary results of the coupling process are not available to the parties of the SDAC coupling process by **13:50 CET**, NEMO will send to market participants the communication on the occurrence of the decoupling risk and the need to update the bids for the explicit shadow auction. The communication of the risk of full decoupling shall be sent to the market participants at **13:50 CET** by the message **ExC_03b**: Further delay of the Market Coupling Session.

6.9.21. If the problem is not resolved, the Incident Committee shall decide to decouple the markets completely no later than **14:20 CET**. NEMO shall transmit the communication to market participants without delay. The offer register shall be reopened for re-bidding taking into account the decoupled operation as soon as possible after **14:20 CET**, but not later than **14:30 CET**, for a period of **15 minutes** after the publication of the results of the shadow auction for interconnection capacity allocation, in order to update the offers on DAM in the conditions of the provisions of the present procedure. The communication of full decoupling during the coupling process is sent to the participants by the message **ExC_04b**: Full Decoupling.

6.9.22. In case of full decoupling known during the coupling process, OPCOM runs the trading session in isolation. NEMO generates and makes available to participants the Transaction Confirmations as soon as the results of the local trading process are available.

6.9.23. If the communication **ExC_03b**: Further delay of the market coupling process has been transmitted but the problem has been resolved and the coupling process continues, the schedule notification transmission deadline will be **15:00 CET**.

6.9.24. If **ExC_04b**: Full Decoupling has been sent, the deadline for the schedule notification transmission will be **15:30 CET**.

C.) Early partial decoupling

6.9.25. Early partial decoupling is applied as a result of maintaining a problem (s) that occurred in the previous coupling session of the markets that led to decoupling the day before the current day and that cannot be resolved by the early partial decoupling deadline, respectively **10:30 CET**.

6.9.26. If there is still a problem with the operation of the coupled region which led to decoupling the day before the current day and it is not resolved by **10:00 CET**, NEMO shall without delay send the market participants a notice of the risk of partial decoupling. The communication shall include details of the affected areas / NEMOs and related interconnections / profiles which are decoupled, for the purpose of informing participants about the new market context and is sent to market participants at **10:00 CET** by the message **ExC_03a**: Risk of Partial Decoupling.

6.9.27. If the problem cannot be resolved, the decision shall be taken to partially decouple the bidding area / NEMO and the related interconnections / profiles affected no later than **10:30 CET**. NEMO shall transmit the communication to market participants without delay. The communication of early partial decoupling is sent to the participants by the message **ExC_05a**: Partial Decoupling known in advance.

6.9.28. In case of early partial decoupling, the electricity is traded locally, the closing time of the offering being **12:00 CET**, as for the operation connected in normal regime. The deadline for submitting the schedule notifications is **14:30 CET**. Explicit shadow auctions will be organized on partially decoupled interconnections.

D.) Partial decoupling due to CZC reasons.

6.9.29. Partial decoupling due to CZC (decoupling in the known decoupling category during the current trading session) applies due to the impossibility of providing CZC on one or more interconnections within the CORE FB MC cooperation or for the RO-BG border until the deadline for partial decoupling due to CZC, respectively **11:30 CET**.

6.9.30. In the case of partial decoupling due to CZC, it is possible to consider the value of zero for interconnections that are missing or that are affected by the problem, so that the coupling process continues without being practically affected. For this reason, from the perspective of SDAC, this situation of partial decoupling is not considered a decoupling per se.

6.9.31. In case of partial decoupling due to CZC, the bidding gate also closes at **12:00 CET**, as in normal coupled operation.

6.9.32. If a problem arises which would lead to partial decoupling due to CZC on one or more interconnections, NEMO shall without delay send to market participants the communication on the occurrence of the risk of partial decoupling due to CZC. The communication shall include details of interconnections which are decoupled (taking into account zero capacities) in order to inform participants of the new market context and shall be transmitted to market participants at **11:15 CET** by the message **UMM_02**: Risk of Partial Decoupling for one or more interconnectors.

6.9.33. If the problem cannot be resolved, the decoupling decision shall be taken by considering zero capacity on the affected interconnections / profiles no later than **11:30 CET**. NEMO shall transmit the communication to market participants without delay. The communication of partial decoupling due to CZC is sent to the participants by the message **UMM_03**: One or more interconnects decoupled.

6.9.34. In case of partial decoupling due to CZC on partially decoupled interconnections, explicit shadow auctions will be organized for the allocation of transport capacity.

6.9.35. In case of partial decoupling due to CZC, the deadline for sending the schedule notifications remains at **14:30 CET**, as in normal operation.

E.) Partial decoupling for reasons other than lack of CZC

6.9.36. Partial decoupling for reasons other than the absence of CZC (decoupling in the decoupling category known during the current trading session) shall apply due to the malfunction of the local systems of one or more NEMOs or where CZCs cannot be provided as input data in the coupling algorithm by any of the NEMOs responsible for those interconnections. Partial decoupling for reasons unrelated to CZC may be decided by the partial decoupling deadline for reasons unrelated to CZC, ie **13:00 CET**.

6.9.37. In case of partial decoupling for reasons other than lack of CZC it is necessary to eliminate the affected bidding area / NEMO, as well as the related interconnections directly affected by the coupling algorithm.

6.9.38. In case of partial decoupling for reasons unrelated to CZC, the bidding gate shall be reopened for **15 minutes** for the remaining areas in coupling to allow the participants' bids to be adapted to the new market context, if necessary.

6.9.39. If a problem arises that would lead to partial decoupling for reasons unrelated to CZC, NEMO shall without delay send to market participants a communication on the occurrence of the risk of partial decoupling for reasons other than the absence of CZC. The communication shall include details of the areas / NEMOs and related interconnections / profiles that are decoupled for the

purpose of informing participants about the new market context and sent to market participants at **12:35 CET** by **ExC_03a**: Risk of Partial Decoupling.

6.9.40. If the problem cannot be solved, the decision to decouple the affected bidding area / NEMO as well as the directly affected interconnections / profiles is taken by removing them from the coupling algorithm no later than **13:00 CET**. NEMO shall transmit the communication to market participants without delay. The communication of partial decoupling for reasons unrelated to CZC is sent to the participants by the message **ExC_04a**: Partial Decoupling - Reopening of the order books.

6.9.41. In the case of partial decoupling for reasons unrelated to CZC, explicit shadow auctions will be organized on partially decoupled interconnections.

6.9.42. If the completion of the coupling process is delayed, the provisions mentioned in the section full decoupling declared during the coupling process corresponding to the deadlines applied shall apply.

6.11. ESTABLISHMENT OF CLEARED VOLUMES AND PRICES

A.) Applied algorithm

6.10.1. For trading on the market for the next day, both in coupling or decoupling mode, the Euphemia algorithm is used for price coupling of regions in order to create the European internal market for electricity, which aims to maximize social welfare in coupled markets, and namely the amount between the seller's surplus (difference between the value of the volume traded and the value of the offer related to the volume traded), the buyer's surplus (difference between the value of the offer related to the traded volume and the value of the traded volume) and the congestion rent on the interconnection lines (interconnection flow multiplied by the difference in the prices of the bidding areas surrounding the interconnection).

6.10.2. Trading takes place daily according to the rules agreed at the level of the European Coupled Zone, SDAC, as well as the rules agreed within the cooperation projects CORE FB MC, respectively BG-RO MC.

B.) Specific rules for pricing

6.10.3. In coupled markets functioning the price is determined by coupling algorithm in Euro with two digits. It is converted to RON using the same exchange rate as for conversion of offers in national bidding area for order book creation purpose. The price thus obtained and rounded to two (2) decimals represents the MCP for the national bidding area.

6.10.4. NEMOMO will complement the stepwise offers curves for each individual resolution as follows:

a) If the highest price for sell offers is lower than the maximum DAM price scale, then a fictiv price-quantity pair for sale with zero amount and the maximum price scale will be added;

b) If the lowest price for buy offers is higher than the minimum DAM price scale, then a fictiv price-quantity pair for buy with zero amount and the minimum price scale will be added.

6.11.5. If, following the application of the normal procedure or the application of the fallback procedure,: in exceptional situations characterized by lack of demand, lack of supply or non-intersection of the demand curve with the offer curve, the MCP is declared at a value calculated by the European algorithm Euphemia.

6.10.6. In case even after applying the *Operational fallback procedure* MCP can not be determined for the national bidding area, NEMO immediately inform DAM participants, ANRE and TSO that closing the market is not possible and MCP is declared equal to MCP for relevant trading interval of the previous day, meaning the previous banking day in case the incident occurs during a banking day or the previous non-banking day respectively, in case the incident occurs during a non-banking day.

C.) Principles for offer execution and the traded quantities establishing

6.10.7. Stepwise sell bids at lower price and stepwise purchase bids at higher price than the MCP are executed in full.

6.10.8. Stepwise offers for sell at a higher price and stepwise offers for purchase at a lower price than MCP are rejected.

6.10.9. Stepwise bids may not be executed or may be partially or totally executed for the quantities offered for sale/purchase at prices equal to the MCP.

6.10.10. The condition of execution of a block offer: for the block sale offer, this is accepted if the average price per traded MWh within the block is at least equal to the block offer price, and for the block purchase offer, the average price per traded MWh in the block frame is at most equal to the offer price of the block.

6.10.11. In principle, an independent block bid is executed if the condition of the block bid execution is met.

6.10.12. The possible situations of execution or non-execution of block offers are the following:

a) An independent block bid is not executed if the block bid condition is not met;

b) An independent block bid may not be executed even if the block bid condition is met. These bids are rejected by running the coupling algorithm and are called block bids paradoxically rejected.

c) An interdependent block offer that is a "parent" block offer (an offer that can be accepted by fulfilling the condition of executing the block offer, independent of other offers) can be executed even if the condition of the block offer is not met if the block offer "Child" (offer whose acceptance is additionally conditioned by the acceptance of another block offer, called block offer "parent") to complete the average price per traded MW within the block so that, in total, the condition of execution of the „parent" block offer is met.

6.10.13. Stepwise offers with a granularity coarser than the minimum granularity of the bidding area are handled within the algorithm for the purpose of integrating similar block offers, thus there may be situations of paradoxical rejection of these offers.

6.11. TRADE CONFIRMATION

A.) Release trade confirmations

6.11.1. DAM trades are concluded on each trading day and represent firm commitments of DAM the participants.

6.11.2. Each transaction corresponds to a trading interval related to the resolution in the Romania area (15 minutes) expressed in CET hours corresponding to the delivery day for which the transaction was concluded.

6.11.3. At 12:55 CET under normal coupled operation, the results of the coupling process validated by all NEMOs from the perspective of portfolio allocation are transmitted to TSO in order to validate cross-border flows in relation to the declared capacities. Following this validation, the results of the coupling process represent the final results of the coupling process and NEMO makes available to the participants, no earlier than **13:05 CET** of the trading day, the transaction confirmations, separately for each trading interval, expressed in CET hours and for each delivery day, in CET hours.

6.11.4. Under normal operation, trade confirmations are automatically generated by the DAM trading system as soon as the matching gate is closed and the gate is opened for the publication of transaction results (making trade confirmations available to participants). In case of delay of the coupling results, the trade confirmations are made available to the market participants as soon as the trading process has ended.

6.11.5. Transactions confirmations made available to participants will contain the following information:

- The delivery day;
- Offer type: stepwiseoffers (SQB, SHHB, SHB) or block hour bid (BLB15, BLB30, BLB60);
- Offer direction: buy or sell;

- Trading interval, respectively the defined inteval of the block in CET hours for which the transaction was concluded;
- Time resolution;
- Transaction identification code;
- Offer version that concluded the trade;
- Offer details: price-quantity pairs;
- Transacted quantity and MCP.

B.) Delay in generating of transaction confirmations

6.11.6. In case of delays of the coupling process and delay of the publication of the coupling results compared to the program of their publication in normal operation, respectively if the preliminary results of the coupling process are not validated by NEMOs until the time provided in normal mode **12:55 CET**, NEMO sends to the market participants the communication regarding the delay of the publication of the coupling results by the message **ExC_02**: Delay in Market Coupling Results publication.

6.11.7. In case of delays in the coupling process and delay in publishing the coupling results compared to the program for their normal operation, the coupling results will be published as soon as they are validated by the parties involved in the coupling process (NEMOs and TSOs), but no later than the full decoupling deadline.

6.11.8. In the event of full market decoupling, NEMO shall generate and make available to participants transactions confirmations as soon as the results of the internal trading process are available.

6.11.9. In the event that participants are unable to access trade confirmations, NEMOs will notify participants and TSOs of the situation, opening the e-mail channels provided in *Section 6.12 .: Emergency situations* and sending the trade confirmations as soon as possible.

C.) Objections to trade confirmations

6.11.10. DAM participants have 20 minutes from the time the confirmation of transactions is made available/transmitted through alternative channels to send appeals to the trade confirmations.

6.11.11. If the participant does not submit appeals to the trade confirmations within the stipulated time frame, the transactions are considered accepted.

6.11.12. Complaints are registered in the DAM trading system via the real-time web interface.

6.11.13. Any submitted appeal does not exonerate the DAM Participant in question from fulfilling the obligations resulting from the contested transactions.

6.12. EMERGENCY SITUATIONS

6.12.1. Emergency situations regarding trading system and MO and the DAM participants communication channels malfunction apply when appears at least one of the following situations on this market:

a) In case of due to non-functioning or malfunctioning of own communication lines, one or more DAM participants can not send buy/sale offers or receive trade confirmations from NEMO;

b) In case of due to non-functioning or malfunctioning of own communication channels, NEMO can not receive offers submitted by DAM participants or can not send trade confirmations and schedule notifications to TSO.

6.12.2. The responsibilities of NEMO, TSO and DAM participants regarding the emergency situations referred to are specified in the table below:

No. crt.	Case 6.8.1.	Action	Responsible
1	6.8.1. a)	Opening an alternative communication channel for access to Internet	DAM participants and TSOs
2		Notify the MO by e-mail on this situation and transmission of an e-mail notification and/or receiving data via e-mail from MO	
3	6.8.1. b)	Opening an alternative communication channel for access to Internet	NEMO
4		Notify the TSO and market participants via e-mail on this situation, transmitting and/or receiving data via e-mail to/from NEMO	
5		Notify the TSO and market participants on the situation created	

6.13. NEMO COMMUNICATION IN CONNECTION WITH THE COUPLING PROJECT

6.13.1. NEMO communicates with involved partners in the coupling process strictly respecting the provisions of the operational procedures agreed at SDAC level as well as within the CORE FB MC and BG-RO MC projects.

6.13.2. DAM participants will be informed as soon as possible about any event related to the trading process in which they are taking part, through the trading platform, e-mail, according to the situation.

6.13.3. NEMO ensures constant communication with DAM participants through operational communications whose content is approved within the CORE FB MC and BG-RO MC to ensure equally and simultaneously information of all market participants and to effective conduct of the trading process.

6.13.4. The operational messages agreed in the coupling process at SDAC level, at the level of the CORE FB MC and BG-RO MC cooperation projects, as well as the locally adapted messages for communication with DAM participants are presented in the document *Operational messages* available on the OPCOM website in the menu *Trading - Products / Day-Ahead Market / Registration, Convention, Procedures.*

7. ANNEXES

ANNEX 1 – TYPES OF OFFERS AVAILABLE IN THE LOCAL TRANSACTION SYSTEM

1. Independent block bids and interdependent block offers can be introduced in the DAM trading system.

2. Block offers can be submitted separately or in conjunction with stepwise offers across all time resolutions: 15 minutes, 30 minutes, and 60 minutes.

3. The caracteristics of the block offers implemented in the trading system are:

3.1. The All or Nothing type, offers, can be accepted in their entirety or, if not, wholly rejected;

3.2. The block definition period consists of at least two trading intervals ;

3.3. The block definition period consists of consecutive trading intervals on declared resolution;

3.4. The block definition price is the unit price of the offer, namely:

a) The minimum accepted price per MWh for all the energy offered in a selling block;

b) The maximum price offered per MWh for all bidding energy in a buying block.

3.5. The block definition as average power on trading interval (MW) quantity is the same for all trading intervals in the block definition period.

4. The characteristics of interdependent (linked) block offers:

4.1. The The "child" block offer is a block offer whose acceptance depends on accepting another block offer, called "parent" block offer;

4.2. The Euphemia algorithm also allows for the execution of a family of block offers for which, in the case of block offers for sale, the total value of the parent unit calculated at MCP is less than the offer value or the block purchase bids higher than the offer value, provided that the value of the "child" offer compensates, in terms of wellfare, this difference;

5. Limits for block offers:

5.1. The minimum quantity (average power on trading interval) of block definition is **0.1 MW**;

5.2. The maximum quantity (average power on trading interval) of block definition is **400 MW**, and this value can be adjusted to maintain the performance of the DAM engagement algorithm within acceptable limits based on the common procedure of all NEMO developed in the context of the implementation of Regulation (EU) 2015/1222;

5.3. The maximum number of block offers allowed per participant is **100**, of which the maximum total number of interdependent block offers (for example, parent-child linkage) is **15**. These limits can be adjusted to maintain acceptable performance limits for the algorithm combining DAM, based on the common procedure of all NEMO developed in the context of the implementation of Regulation (EU) 2015/1222;

5.4. The "parent" block offer may only have one "child" block offer;

5.5. The "child" block offer may only have one "parent" block offer;

5.6. A family of block offers can have up to three generations of interdependent block offers, respectively a maximum of 3 linked block offers.

6. The maximum price of the price scale is **+4.000 Euro / MWh**, and the minimum price of the price scale is **-500 Euro / MWh**; these values may be modified by agreement of all electricity exchanges and regulators / by ACER decision.

ANNEX 2 - The chronological sequence of normal actions and deadlines for the transmission of communications

Time [CET]	Message code	Message subject
10:00	ExC_03b	Risk of Early Decoupling
10:30	ExC_05a	Early Decoupling
10:30		Publishing of the CZC values
11:15	UMM 02	Risk of partial decoupling on one or more interconnections
11:30	UMM 03	Partial decoupling on one or more interconnections
12:00		Gate Closure Time (Closing the Order book)
12:35	EXC 03a	Partial decoupling risk
12555	ExC_02	Delay in market coupling results (*not if ExC 04a has already been sent)
13:05	-	Final results transmission during normal operation
13:00	ExC_04a	Partial decoupling – reopening of the order book
13:05	UMM 01a	Delay in publication of the coupling final results
13:50	ExC 03b	Further delay in market coupling process – risk of full decoupling
14:20	ExC 04b	Full Decoupling

ANNEX 4 – Rights and responsibilities in transmitting and validation of offers

1.) The rights of DAM participant:

1.1. To submit sale and / or buy offers for electricity on DAM;

1.2. Declare volume limits applicable to their own bids (separately for sale and purchase) and modify this volume only with prior written notification to NEMO;

1.3. Modify or cancel its own electricity offer and transmit the modified offer during the transmission hours of the offers on DAM according to the provisions of the Procedure;

1.4. If it can not access the DAM trading system, submit its own **.xml** energy Offer by email and request NEMO to upload it in the DAM trading system on its behalf, subject to the provisions of this Procedure;

1.5. If it can not access the DAM trading system, request NEMO to cancel bids in his name, in compliance with the provisions of this Procedure;

1.6. To be informed by the messages displayed by the DAM software system on validating or invalidating its bids;

1.7. To be informed by NEMO of any change in the time limit for the submission of bids for the day-ahead of delivery, set at **12:00 CET** for normal coupled process;

1.8. To receive notifications by the trading system informing them of the delay in generating transaction confirmations and making them available to participants;

1.9. To access trade confirmations for each delivery day reported at CET hours through the DAM trading system;

1.10. To request NEMO to transmit transaction confirmations through alternative channels in the event that the participant is unable to access the trading system;

1.11. In the case of aggregate participation, the aggregator is the participant that trades electricity and which has full rights under the "*Short-Term Electricity Markets (Day-Ahead Market and Intraday Market*Participation Agreement", as well as those provided for in national and/or European Union regulations corresponding to participation in the electricity market.

1.12. To access the Daily Settlement Notes (in CET hours) and to request NEMO to transmit them through alternative communication channels (e-mail) in case it cannot access the Trading System of the DAM.

1.13. To collect the equivalent value of the net collection rights, provided in the daily Settlement Notes and to document, on a monthly basis, the collection of the rights and the payment of the reciprocal regularization obligations, in equal value.

1.14. To transmit the monthly invoices in the national system regarding the electronic invoice RO e-invoice for the electricity sales transactions to NEMO, during the month of delivery, respectively for "provision of services" for the purchase from the NEMO for electricity in CET hours, from the month of delivery, at negative prices.

2.) The DAM participant has the following responsibilities

2.1. Comply with the provisions of this Procedure regarding the conditions and manner of subscription of electricity offers in the DAM trading system;

2.2. Comply with the format and the content of the energy offers for DAM under the provisions of this Procedure;

2.3. Send energy offers for DAM only during the bidding intervals specified in chapter 6.2. Section D);

2.4. Verify the accuracy of the bid data in the **.xml** file before submitting it to NEMO for the listing of the bid in the trading system by NEMO on behalf of the DAM participant;

2.5. Not to offer for the 23:00 – 24:00 (regardless of granularity) interval of the day of delivery if he no longer fulfills the conditions for taking responsibility for balancing;

2.6. Check to see if the offer for DAM has been loaded into the trading system;

2.7. Verify the accuracy of the data recorded in the DAM trading system in terms of quantities and prices as soon as the offer is submitted;

2.8. Verify that the offer for DAM has been validated;

2.9. Reset the offer for DAM and re-send it to the trading system if it has not been validated;

2.10. Contact NEMO immediately if does not receive a notification from it about validating or invalidating the offer within 15 minutes of the official submission of the offer (when the offer enters into the trading system);

2.11. Announce the NEMO when occurrence of a situation where they can not access transaction confirmations;

2.12. To ensure the financial availability necessary to debit his account, opened with the Settlement Bank, at the net value of the payment obligations provided by the Daily Settlement Notes;

2.13. Regularly check the records in the Log List of significant actions on DAM, file accessible in the trading system;

2.14. Immediately announce NEMO by phone on issues related to the connection to the DAM software and to send by e-mail in a timely manner the offer in **.xml** format for uploading it to the trading system by NEMO on its behalf;

2.15. Keep updated the list of persons empowered in the relationship with OPCOM S.A. in accordance with the *Procedure regarding participants registration at centralized electricity markets administered by OPCOM S.A..*

2.16. In the case of aggregate participation, the aggregator is the participant that trades electricity and which has full obligations under the " *Short-Term Electricity Markets (Day-Ahead Market and Intraday Market Participation Agreement* ", as well as those provided in national and/or European Union regulations corresponding to participation in the electricity market.

3.) NEMO has the following rights

3.1. Invalidate energy offer for DAM witch are not coresponding the provisions of this Procedure regarding the validity of the license, the content, the format and the time of submission of the offer;

3.2. Refuse to load / cancel bids in / from the trading system at the request of the Participant if it does not comply with the provisions of this procedure regarding the offer format and the quality of the representative provided by the *Procedure regarding participants registration at centralized electricity markets administered by OPCOM S.A.;*

3.3. Invalidate the daily purchase offer at a positive or negative price sale if its value exceeds the value of the Validation Guarantee / Available in accordance with the *Short-Term Electricity Markets (Day-Ahead Market and Intraday Market Participation Agreement* and the *Procedure for the constitution, verification and use of financial (guarantees) colateral for participation on the day ahead market;*

3.4. Invalidate the Participant's offers if is not in a position to fulfill the conditions for explicitly assuming the responsibility for balancing;

3.5. Introduce offers in the DAM trading system at the request and on behalf of the participant only if the participant can not access the DAM trading system;

3.6. Delay the publication of transaction results under the conditions set out in this procedure.

3.7. To collect the equivalent value of the net collection rights, provided in the Daily Settlement Notes by sending to the central bank account the related direct debit instructions and to document, on a monthly basis, the collection of rights and payment of reciprocal regularization obligations;

3.8. To transmit the monthly invoices in the national system regarding the electronic invoice RO e-invoice for electricity sales transactions to DAM participant, during the month of delivery, respectively for "provision of services" for the purchase of electricity (from DAM participant, in CET hours), from the month of delivery, at negative prices;

3.9. To request the execution of the letter of bank guarantee in case the DAM participant did not ensure the financial resources necessary to debit his account opened with the settlement bank.

4.) NEMO has the following responsibilities

4.1. Validate / invalidate the energy bids transmitted by the DAM Participants in accordance with the provisions of this Procedure;

4.2. Inform the participant about the validation or invalidation of an offer by means of operational messages launched by the DAM software system;

4.3. Provide transaction confirmation to the participant for each delivery day reported in CET hours;

4.4. Notify the participant of the delay in publishing the results of the coupling with the publication schedule;

4.5. Transmit through the alternative channels of communication the transaction confirmations to the participant who requested it under the conditions set out in this procedure;

4.6. Inform the participant about the occurrence of a decoupling situation, specifying the actions to be taken in this specific situation;

4.7. To pay, in full, the equivalent value of the net collection rights provided in the Daily Settlement Notes through the payment orders issued for the crediting of the bank account opened by the DAM Participant at a commercial bank in Romania;

4.8. Reopen the offers register under the circumstances of a decoupling situation according to the section on *Operational fallback procedure: operation in decoupling regime*;

4.9. Provide this Procedure to DAM Participants and inform them of any subsequent changes made to this Procedure.