Annex 10 to the harmonised Allocation Rules for Forward Capacity Allocation

Border specific annex within CEE Region

Article 1

Subject-matter and scope

1. The Articles 2 to 4 of this annex are applicable until the future Commission Regulation on Forward Capacity Allocation, which is currently under finalisation, becomes effective.

2. In accordance with Article 4 of the Allocation Rules regional or border specificities may be introduced for one (or more) Bidding Zone border(s).

3. Curtailment process and compensation rules described in Articles 2 to 4 of this annex apply in derogation to Articles 59 to 61 of the Allocation Rules to the Bidding zone borders: Slovak<>Polish, Slovak<>Hungarian.

4. The Curtailment process and compensation rules described in Article 3 and 4 of this annex apply in derogation to Articles 59 to 61 of the Allocation Rules to the Bidding zone borders: Czech<>German, Czech<>Polish and Czech<>Austrian.

5. Article 35(3) of the Allocation Rules is further detailed in order to explicitly define constraints of the optimisation function in form of relevant Offered Capacities created by combination of specific Bidding zone borders within Technical Profiles.

6. This annex enters into force as of the date of entry into force of the Allocation Rules in accordance with the applicable national regulatory regime. This annex may be reviewed based on request of the relevant National Regulatory Authorities. In case this annex needs to be amended based on a decision of the relevant National Regulatory Authorities, Article 68 of the Allocation Rules shall apply.

7. The capitalised terms used in this annex are defined in the harmonised Allocation Rules to which this annex is attached unless otherwise specified below:

   CEE region means the following seven (7) countries: Austria, Czech Republic, Germany, Hungary, Poland, Slovakia and Slovenia.

   Technical Profile means a combination of Biding Zone borders which have a common technical limit and represent the limit for commercial transactions on Interconnectors or parts of a national transmission system creating constraint of the optimisation function in form of relevant Offered Capacity in accordance with Article 35(3) of Allocation Rules.

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Article 2

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

1. This Article 2 replaces Article 59 of the Allocation Rules.

2. Curtailment triggered to ensure operation remains within Operational Security Limits and published by the Allocation Platform on its website no later than at Day Ahead Firmness Deadline shall be performed in line with Article 57 of the Allocation Rules. Holders of curtailed Long Term Transmission Rights shall be entitled to receive from the Allocation Platform a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights allocation, which for each affected hour and Registered Participant shall be calculated as:

   (a) the Marginal Price of the initial Auction; multiplied by

   (b) the volume in MW per hour corresponding to the difference between the Long Term Transmission Rights held by the Registered Participant before and after the curtailment,

   unless paragraph 4 of this Article applies.

3. When paragraph 4 of this Article applies the reimbursement will be decreased to 50% of the amount calculated according to paragraph 2 of this Article.

4. Following exceptions are applied for compensation according to paragraph 3 of this Article for curtailment on Slovak<>Polish and Slovak<>Hungarian Bidding zone borders on Slovak side where according to Slovak *Act No. 251 of 31 July 2012 on Energy:* "The transmission system operator shall be entitled to restrict or interrupt electricity transmission within the inevitable extent and for the inevitable period without entitlement to the damage compensation but for the cases if the damage was caused due to fault of the transmission system operator in case of

   - immediate threat to life, health, or property of persons and liquidation of those conditions,
   - state of emergency or activities which immediately precede its origination,
   - failures on the system equipment facilities and during their elimination,
   - electricity consumption by equipment influencing quality and reliability of electricity supply and if the electricity consumer failed to ensure restriction of those impacts using available technical means,
   - electricity supply by equipment influencing quality and reliability of electricity supply and if the electricity producer failed to ensure restriction of those impacts using available technical means"

   where "state of emergency" is defined as sudden shortage or threat of shortage of energy, change of frequency in the system over or below the level determined for technical equipment ensuring automated disconnection of facilities from the system in compliance with the technical conditions of the transmission system operator pursuant to Art. 19 Slovak *Act No. 251 of 31 July 2012 on Energy* or interruption of parallel operation of transmission

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systems which may result in significant reduction or interruption of electricity supplies or shut-down of energy facilities or threat to life and health of people on the specified territory or on a part of the specified territory due to

a) extraordinary events and crisis situation(For example, Art. 3 par. 2 of the Slovak Act No. 42/1994 Coll. o Civil Protection of Inhabitants, Art. 1 par. 4 of the Slovak constitutional Act No. 227/2002 Coll. on State Security at the Time of War, State of War, State of Emergency and State of Crisis, Art. 2 subpar. a) of Slovak Act No. 387/2002 Coll. on State Management in Crisis Situations Other than Time of War and State of War),

b) measures of economic mobilization(Art. 5 of Slovak Act No. 179/2011 Coll. on Economic Mobilization and on amending and supplementing Slovak Act No. 387/2002 Coll. on State Management in Crisis Situations Other than Time of War and State of War),

c) accidents on facilities for electricity production, transmission, and distribution also outside the specified territory,

d) threat to security and reliability of the system operation,

e) shortage of energy sources,

f) terrorist act.

Article 3

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

1. This Article 3 replaces Article 60 of the Allocation Rules.

2. Curtailment triggered due to Force Majeure and published by the Allocation Platform on its website no later than at Day Ahead Firmness Deadline shall be performed in line with Article 57 of the Allocation Rules. Holders of curtailed Long Term Transmission Rights shall not be entitled to get any compensation.

Article 4

Reimbursement or compensation for curtailments due to Force Majeure or Emergency Situation after the Day Ahead Firmness Deadline

1. This Article 4 replaces Article 61 of the Allocation Rules.

2. In the event of Force Majeure after the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive a reimbursement equal to the price of the Long Term Transmission Rights set during the Long Term Transmission Rights Allocation Process as described in Article 2 (2) of this annex.

3. In an Emergency Situation after the Day Ahead Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to compensation calculated as the Long Term Transmission Rights in MW per hour corresponding to the difference between the allocated Long Term Transmission Rights held by the Registered Participant before and after the curtailment multiplied by a price calculated as follows:

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(a) the Market Spread at the concerned Bidding Zone border for the concerned hourly period only in case the price difference is positive in the direction of the curtailed Long Term Transmission Rights; or

(b) the Marginal Price of the initial Auction if the day-ahead price is not calculated at least in one of the two relevant Bidding Zones.

Article 5

Constraints of the optimisation function

1. Some Bidding Zone borders and their subsets have in CEE region a common technical limit and therefore may create a Technical Profile.

2. Technical Profiles are listed below:

<table>
<tr><th colspan="2">Set of Bidding Zone borders and/or their subsets/ having common technical limit

List of responsible TSOs</th><th>Technical Profile</th></tr>
<tr><td>Czech Republic (CZ)
<>
CEPS</td><td rowspan="3">Poland (PL)

PSE</td><td rowspan="3">PSE->(50Hertz+CEPS+SEPS)

(50Hertz+CEPS+SEPS)->PSE</td></tr>
<tr><td>Slovakia (SK)
<>
SEPS</td></tr>
<tr><td>Germany (DE)
<>
50Hertz</td></tr>
<tr><td>Poland (PL)
<>
PSE</td><td rowspan="2">Germany (DE)

50Hertz</td><td>50Hertz-> (PSE+CEPS)</td></tr>
<tr><td>Czech Republic (CZ)
<>
CEPS</td><td>(PSE+CEPS)->50Hertz</td></tr>
</table>

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