

# Electricity Trading RULES

Issued by the State Energy and Water Regulatory Commission, promulgated in the State Gazette, issue 66 of 26.07.2013, in force from 26.07.2013, amended and supplemented, issue 39 of 9.05.2014

## Chapter One

### GENERAL PROVISIONS

**Art. 1.** (1) (Amended - State Gazette, issue 39 of 2014) Art. 1. (1) These Electricity Trading Rules, hereinafter referred to as the "Rules", regulate:

1. the structure of the electricity market;
2. the terms and conditions for participation in the electricity market;
3. (Amended - State Gazette, issue 39 of 2014) the rules for conclusion of transactions for electricity through bilateral contracts at regulated and freely negotiated prices;
4. the rules for conclusion of transactions on the power exchange market;
5. the rules for registration of balancing group coordinators, suppliers of ancillary services and balancing energy providers;
6. (Amended - State Gazette, issue 39 of 2014) the procedures for registration of hourly schedules and settlement between the market participants and the independent transmission operator;
7. the requirements for the submission of data for the metered quantities of electricity to the independent transmission operator and the coordinators of balancing groups;
8. requirements for data exchange between the market participants;
9. the rules for organisation of the balancing energy market;
10. the rules for organisation of the reserve and ancillary services;
11. the rules for settlement, the principles of balancing and the methods for balancing energy price determination;

12. rules for supply from end suppliers;
13. the rules for crossborder transmission capacity allocation;
14. the procedure for change of the electricity supplier;
15. the procedure for change of balancing group coordinator;
16. electricity market monitoring.

(2) (Amended - State Gazette, issue 39 of 2014) Market participants, within the meaning of these Rules, are the electricity producers, electricity traders, end consumers, the public provider of electricity, the end suppliers of electricity, the independent transmission operator, the power exchange operator, the operators of the electricity distribution grid, the suppliers of last resort, distribution companies of traction power.

## **Chapter Two**

# **ELECTRICITY MARKET STRUCTURE**

## **Section I**

### **Market Types**

**Article 2.** (1) The electricity market includes the following interrelated elements:

1. electricity market through bilateral contracts;
2. power exchange;
3. balancing energy market;
4. reserve and ancillary services market;
5. market for crossborder transmission capacity allocation.

(2) (Amended - State Gazette, issue 39 of 2014) Subject of the transactions according to these Rules are:

1. electricity traded on the market under bilateral contracts;
2. electricity traded on the power exchange;

3. electricity traded on the balancing energy market;
4. availability for participation in primary and secondary regulation;
5. availability for cold reserve;
6. crossborder transmission capacity;
7. ancillary services;
8. service "access to the grid, including system services";
9. service "electricity transmission and other network services";
10. "balancing responsibility".

**Article 3.** (Amended - State Gazette, issue 39 of 2014) The market participants acquire a right to nominate transactions of electricity after registration, in accordance with the requirements of these Rules, by the respective grid operator to whose grid the power plants are connected.

## **Section II**

### **Electricity Market through Bilateral Contracts**

**Article 4.** (1) The market participants under art. 1, par. 2 conclude transactions with electricity at freely negotiated prices and/or at regulated prices for each interval of delivery, equal to one hour.

(2) The schedules of the transactions under par. 1 shall be announced to the independent transmission operator on the day preceding the delivery and/or within the day of delivery.

(3) (Amended - State Gazette, issue 39 of 2014) The independent transmission operator and the operators of the electricity distribution grid shall purchase electricity only for covering of technological costs in the grids for each interval of delivery.

## **Section III**

### **Power Exchange**

**Article 5.** (1) (Amended and supplemented - State Gazette, issue 39 of 2014) The market participants registered to participate in the power exchange can conclude transactions with electricity on the power exchange in accordance with Chapter Four of these Rules.

(2) (Amended - State Gazette, issue 39 of 2014) The transactions under par. 1 shall be

concluded at a market clearing price determined for each interval of delivery by the power exchange operator licensed for administration of the power exchange.

(3) (Revoked – State Gazette, issue 39 of 2014).

## **Section IV**

### **Balancing Energy Market**

**Article 6.** (1) The independent transmission operator concludes transactions for purchase and/or sale of electricity with market participants who are owners of dispatchable generating units and /or consumption installations in order to cover the imbalances in the national market zone.

(2) (Supplemented - State Gazette, issue 39 of 2014) The market participants under par. 1, registered on the balancing energy market as balancing energy providers, as a result of participation in secondary regulation, shall provide available capacity (range) for up-regulation, determined by the independent transmission operator, indicated in the contracts under art. 131, par. 2 of the Rules, which shall be updated on a monthly basis, and within this range they shall not conclude transactions on the bilateral contracts market or on the power exchange.

(3) (Amended and supplemented - State Gazette, issue 39 of 2014) The market participants under par. 1, registered for participation in the balancing energy market as providers of balancing energy, as a result of participation in secondary regulation, shall be obliged to provide their available ranges for down-regulation and shall pay for the unproduced electricity at prices, indicated in the contracts under art. 131, par. 2 of the Rules.

(4) (Amended - State Gazette, issue 39 of 2014) The market participants under par. 1, who are registered for participation on the balancing energy market as providers of energy for tertiary regulation, shall be obliged to provide to the balancing energy market, in the form of offers for up-regulation, the entire gross capacity which they have not contracted on the market through bilateral contracts and/or on the power exchange.

(5) (New - State Gazette, issue 39 of 2014) The market participants under par. 1, who are registered for participation on the balancing energy market as providers of energy for tertiary regulation, shall be obliged to provide to the balancing energy market, in the form of offers for down-regulation, the entire gross capacity up to the technical minimum of the aggregates.

(6) (Previous para. 5 – State Gazette, issue 39 of 2014) The independent transmission operator activates balancing energy sources to maintain the balance and ensure the reliable and safe operation of the electricity system.

(7) (Previous para. 6, Amended - State Gazette, issue 39 of 2014) The financial responsibility towards the independent transmission operator for the realized imbalances in the balancing group shall be taken by the coordinators.

(8) (Previous para. 7, Amended - State Gazette, issue 39 of 2014) The market participants under art. 1, par. 2, shall take their share of the financial responsibility vis-a-vis the coordinators, in accordance with the contracts for participation in the balancing group.

**Article 7.** (1) The balancing energy market shall be administrated by the independent transmission operator.

(2) The independent transmission operator is counterparty to the balancing energy transactions with balancing energy providers and balancing group coordinators.

## **Section V**

### **Reserve and Ancillary Services Market**

**Article 8.** (1) (Amended - State Gazette, issue 39 of 2014) In order to secure reliable electricity supply to the end consumers, the independent transmission operator shall conclude transactions for ancillary services with producers, registered for participation in the ancillary services market, in accordance with the requirements of the Grid Code and of these Rules..

(2) The participation of producers in the transactions under par. 1 shall be in accordance with the provisions of Chapter Nine.

**Article 9.** (Amended - State Gazette, issue 39 of 2014) The independent transmission operator shall conclude transactions for cold reserve with producers in accordance with the requirements of the Energy Act, the Grid Code and these Rules.

## **Section VI**

### **Market for Provision of Transmission Capacity**

**Article 10.** (1) The independent transmission operator organizes auctions for cross-border transmission capacity in accordance with the requirements of Regulation (EC) 714/2009 in coordination with system operators of neighboring countries according to the "Auction Rules" agreed by the SEWRC and published on the website of the independent transmission operator.

(2) In the event that no agreement has been reached on holding bilateral coordinated auctions with some of the neighboring system operators, the independent transmission operator applies provisional rules for providing 50% of the transmission capacity of the border, which are agreed by the SEWRC and are published on the website the independent transmission operator.

## **Chapter Three**

### **Electricity Market Contracts**

#### **Section I**

#### **Contract Types**

**Article 11.** The electricity market contracts are:

1. contract for access to the electricity transmission grid and provision of system services;
2. contract for electricity transmission through the electricity transmission grid;
3. contracts for access and for transmission of electricity through the electricity distribution grid;
4. contract for sale of electricity;
5. contract for provision of cold reserve;
6. contract for provision of ancillary services;
7. contract for participation in the balancing market with balancing energy provider;
8. balancing energy contract with balancing group coordinator;
9. contract for participation in a balancing group;
10. combined services contract;
11. contract for participation in the power exchange;

12. contract with a market maker that provides liquidity of the power exchange;
13. framework contract;
14. contract for regulation of the exchange of electricity with respect to the participation of producers of electricity from renewable sources and high-efficiency cogeneration in a combined balancing group;
15. contract for exchange of measurement data;
16. contract as per art. 100, par. 4 of the Energy Act.

## **Section II**

### **Subject of Contracts and Contract Parties**

**Article 12.** (1) Subject of the contracts under art. 11, item 1 is the provision of the service "access to the transmission grid" and system services.

(2) The contracts under par. 1 shall be concluded between the independent transmission operator, on one side, and:

1. end consumers connected to the electricity transmission grid;
2. producers connected to the electricity transmission grid;
3. operators of electricity distribution grids;
4. traders and producers of electricity, concluding import and export transactions.

**Article 13.** (1) Subject of the contracts under art. 11, item 2 is the provision of the service "transmission of electricity through the transmission grid".

(2) The contracts under par. 1 shall be concluded between the transmission company, on one side, and:

1. end consumers connected to the transmission grid;
2. producers connected to the transmission grid;
3. operators of electricity distribution grids;
4. (Amended - State Gazette, issue 39 of 2014) traders and producers of electricity who conclude import transactions and do not deliver electricity to end consumers on the territory of Bulgaria as well as export transactions.

(3) (Revoked – State Gazette, issue 39 of 2014).

**Article 14.** (1) (Amended - State Gazette, issue 39 of 2014) Subject of the contracts under art. 11, item 3 is the provision of the services "access to the distribution grid" and "electricity transmission through the distribution grid".

(2) The contracts under par. 1 shall be concluded under general terms and conditions between the distribution grid operator, on one side, and:

1. (Supplemented - State Gazette, issue 39 of 2014) end consumers connected to the electricity distribution grid under common conditions;

2. producers connected to the electricity distribution grid;

3. (revoked – State Gazette, issue 39 of 2014);

4. (revoked – State Gazette, issue 39 of 2014).

(3) (Amended - State Gazette, issue 39 of 2014) The operator of the distribution grid and the end supplier settle their financial relationship in connection with payments of the network services through a contract.

**Article 15.** (1) The contracts for sale of electricity under art. 11, item 4 shall be concluded at regulated, at freely negotiated prices, at prices under an approved by SEWRC methodology and under long-term agreements for purchase of electricity and availability.

(2) The contracts at regulated prices shall be concluded between:

1. (Amended - State Gazette, issue 39 of 2014) the producers, within the available capacity (quota) determined under art. 21, par. 1, item 21 of the Energy Act, on the one side, and the public provider;

2. the public provider, on one side, and:

a) the end suppliers for the quantities of electricity determined by SEWRC pursuant to art. 21, par. 1, item 21 of the Energy Act;

b) (Amended - State Gazette, issue 39 of 2014) the independent transmission operator (for technological costs);

c) the distribution grid operators (for technological costs);

3. the end suppliers, on one side, and household and non-household consumers - for installations connected to the low voltage distribution grid, when these consumers have not chosen a different supplier;

4. the producers who generate electricity from renewable sources and cogeneration, on one side, and:

a) the public provider;

b) the end supplier.

(3) The contracts at freely negotiated prices shall be concluded between:

1. the producers, on one side, and:

a) the electricity traders;

b) end consumers, registered on the market at freely negotiated prices;

c) (Amended - State Gazette, issue 39 of 2014) the public provider in the cases stipulated in the Energy Act;

d) other producers of electricity;

2. (Amended - State Gazette, issue 39 of 2014) the public provider, on the one side, and:

a) (Supplemented - State Gazette, issue 39 of 2014) the end suppliers in the cases stipulated in the Energy Act;

b) (Amended - State Gazette, issue 39 of 2014) suppliers of last resort;

c) electricity traders;

3. the electricity traders, on one side, and:

a) end consumers, registered on the market at freely negotiated prices;

b) other electricity traders.

(4) The contracts under prices which are determined with an approved by SEWRC methodology, shall be concluded between the suppliers of last resort and end consumers who have not chosen another supplier of electricity or have remained without a supplier.

**Article 16.** (1) Subject of the contracts under Article 11, item 5 and 6 is the provision of additional services and cold reserve.

(2) The contracts under par. 1 shall be concluded between the independent transmission operator on one side, and:

1. producers who have fulfilled the requirements of the Grid Code;

2. the public provider.

**Article 17.** (1) Subject of the contracts under art. 11, item 7 is the provision of balancing energy to the independent transmission operator from secondary, tertiary and activated cold reserve.

(2) The contracts under par. 1 shall be concluded between the independent transmission operator on one side, and:

1. producers registered as balancing energy providers;
2. end consumers registered as balancing energy providers;
3. the public provider.

**Article 18.** (1) Subject of the contracts under art. 11, item 8 is the physical and financial settlement of the imbalances for the metering points which form the virtual metering device determined for the relevant balancing group.

(2) The contracts under par. 1 shall be concluded between the independent transmission operator, on the one side, and the balancing group coordinators or market participants who are responsible for the imbalances of their own installations, on the other side.

**Article 19.** (1) Subject of the contracts under art. 11, item 9 are the conditions for participation in a balancing group, the transfer of balancing responsibility and the methodology for allocation of the total imbalance in the balancing group among the individual members of the balancing group.

(2) The contracts under par. 1 shall be concluded between the coordinator and the members of the balancing group.

(3) (Supplemented - State Gazette, issue 39 of 2014) The contracts under par. 1 between the end suppliers in their capacity of coordinators of special balancing groups and the non-household consumers at low voltage, when these consumers have not chosen another supplier, shall be concluded under general terms approved by SEWRC.

(4) (Amended - State Gazette, issue 39 of 2014) The contracts under par. 1 shall be concluded between coordinators of special balancing groups or coordinators of combined balancing groups, on the one side, and on the other, the producers of electricity from renewable sources and cogeneration for whom they have taken the responsibility for balancing.

(5) The contracts under par. 1 between suppliers of last resort, in their capacity of coordinators of special balancing groups, and end consumers who have not chosen another supplier, shall be concluded under the general terms approved by SEWRC.

**Article 20.** (1) (Amended - State Gazette, issue 39 of 2014) Subject of the contract under art. 11, item 10, is the sale of electricity and the payment of some or all of the following services: "grid access", "transmission of electricity" and "responsibility to balance". The contracts settle the relationships in connection with the payment of amounts due for network services for the respective price period.

(2) The contracts under par. 1 may be concluded between:

1. suppliers of last resort and end consumers who have not chosen another supplier of electricity or were left without a supplier;
2. a trader of electricity, on the one hand and the end consumer;
3. (revoked – State Gazette, issue 39 of 2014).

**Article 21.** (Amended - State Gazette, issue 39 of 2014) (1) Subject of the contract under art. 11, item 11, are the conditions for participation in the power exchange.

(2) The contract under art. 11, item 11, shall be concluded between the independent transmission operator or another operator on the power exchange, on the one hand, and a market participant under Chapter Four of these Rules in accordance with the requirements of the power exchange operator.

**Article 22.** (1) (Amended - State Gazette, issue 39 of 2014) Subject of the contract under art. 11, item 12, are the rights and obligations with respect to the participation of a market participant providing liquidity on the power exchange (a market-maker).

(2) (Amended - State Gazette, issue 39 of 2014) The contract under art. 11, item 12, shall be concluded between the power exchange operator or another operator on the power exchange, on the one hand, and one or more market-makers, on the other.

**Article 23.** (1) (Amended - State Gazette, issue 39 of 2014) Subject to the framework contract under art. 11, item 13, is the settlement of the financial relationships related to network services for end customers, which have concluded a "combined services contract" with suppliers of last resort or with a trader of electricity.

(2) The framework contract is concluded between the operator of the grid, on the one hand and the provider of last resort / dealer contract with end user in accordance with art. 11, item 10.

**Article 24.** (1) (Amended - State Gazette, issue 39 of 2014) Subject of the contracts under art. 11, item 14 is the regulation of the relations related to the difference between produced quantity of electricity by producers from renewable sources and cogeneration and the approved scheduled quantity for each settlement period.

(2) (Amended - State Gazette, issue 39 of 2014) The contract under par. 1 shall be concluded between a coordinator of a combined balancing group, for sites of producers of electricity from renewable sources and high-efficiency cogeneration, connected to the electricity transmission grid, on the one side and the public provider on the other.

(3) (New - State Gazette, issue 39 of 2014) The contract under par. 1 shall be concluded between a coordinator of a combined balancing group, for sites of producers of electricity from renewable sources and high-efficiency cogeneration, connected to the electricity distribution grid, on the one side and the public provider on the other.

**Article 25.** (1) Subject of the contract under art. 11, item 15 is the provision of hourly data from the commercial metering devices, verification and aggregation by balancing groups, deadlines for submission and format of the files.

(2) The contract under par. 1 shall be concluded by the independent transmission operator on the one side, and the operators of electricity distribution grids on the other.

**Article 26.** (Amended - State Gazette, issue 39 of 2014) Subject of the contract under art. 11, item 16 is the payment to the public provider by all traders and producers who conclude transactions under freely negotiated prices with end consumers connected to the electricity system in Bulgaria, of an approved by SEWRC price in BGN per consumed MWh for "obligation to society".

### **Section III**

#### **Contract for Network Services**

**Article 27.** (1) The contracts under art. 11, items 1, 2, 5, 6 and 7 between the independent transmission operator and producers connected to the electricity transmission grid may be combined.

(2) In the contracts for transmission and access concluded between the independent transmission operator on the one side and the public provider and the operators of the distribution grids on the other, the format and amount of the security guarantee under the contracts shall be specified.

**Article 28.** (1) (Amended - State Gazette, issue 39 of 2014) Household and non-household clients of the end suppliers shall pay for all network services for the respective price period to the end supplier.

(2) (Amended - State Gazette, issue 39 of 2014) The end supplier/the supplier of last resort shall collect and pay to the distribution grid operator the amounts for transmission, access, other network services for the respective price period for the total quantity of electricity invoiced by the end supplier/provider of last resort.

(3) (Amended - State Gazette, issue 39 of 2014) The distribution grid operator shall pay to the independent transmission operator for the network services, applicable to the electricity transmission grid, for the total quantity of electricity transmitted to end consumers connected to the respective electricity distribution grid.

(4) (Revoked – State Gazette, issue 39 of 2014).

**Article 29.** (1) (Amended - State Gazette, issue 39 of 2014) The network services shall be paid for by consumers and producers on the basis of the invoiced amounts of active electricity in accordance with the measurements of the commercial metering devices and/or the power supplied at the metering points determined in accordance with the Electricity Metering Rules and the contracts under art. 11, item 1, 2 and 3, at the approved by SEWRC prices.

(2) (Amended - State Gazette, issue 39 of 2014) Consumers and producers, connected to the electricity transmission grid, owe approved by SEWRC prices for access to the transmission grid, for transmission through the transmission grid, other network services in the transmission grid for the respective price period, payable to the independent transmission operator.

(3) (Amended - State Gazette, issue 39 of 2014) Consumers and producers, connected to the electricity distribution grid, owe approved by SEWRC prices for access to the transmission grid, for transmission through the transmission grid, for access and transmission through the distribution grid, other network services for the respective price period, payable to the distribution grid operator and/or end supplier and/or the supplier of last resort. For these consumers and producers, the price for access to the transmission grid and the price for transmission through the transmission grid are paid by the distribution company to the independent transmission operator in accordance with the contracts under arts. 12 and 13.

(4) Producers who power their own facilities through networks which are not owned by the transmission and distribution company, do not owe a price for transmission through the respective network.

**Article 30.** (1). For determining the quantities of electricity originating from Bulgaria, as per a schedule for interconnection exchange the market participants send their statements in the form determined by the independent transmission operator.

(2) Market participants under par. 1 pay a price for network services through the transmission network on the quantities according to the validated exchange schedule, taking into account the declarations under para. 1.

(3) Transactions for energy transit through the electricity system of Bulgaria can be carried out only within a balancing group.

**Article 31.** (1) The clients, registered on the market at freely negotiated price, who conclude contracts for combined services under art. 11, item 10, shall pay the owed amounts for network services of the respective trader or supplier of last resort.

(2) The traders and suppliers of last resort shall pay the owed amounts for network services to the respective grid operator, regardless of whether they have received payment from the client.

(3) (Amended - State Gazette, issue 39 of 2014) All traders and producers who conclude transactions at freely negotiated prices with end clients connected to the electricity system of Bulgaria, shall pay to the Public Provider a price as "obligation to society" in BGN per consumed MWh.

## **Chapter four**

# **ELECTRICITY STOCK MARKET**

## **Section I**

### **General Terms**

**Article 32.** (Amended - State Gazette, issue 39 of 2014) The operator of the stock market performs administration of all transactions on the stock market for electricity.

**Article 33.** (1) (Amended - State Gazette, issue 39 of 2014) The market participants who conclude transactions at freely negotiated prices shall be entitled to participate in the stock market organised within the Bulgarian market zone by the stock market operator or to participate in the stock market for electricity organised by other market operator in the region or jointly by two or more operators, in compliance with the provisions of these Rules for administration of the stock market for electricity published on the website of the operator.

(2) (Amended - State Gazette, issue 39 of 2014) Transactions made by market participants on the stock market of electricity shall be notified automatically via the trading platform for trading, as nominations for exchanges between the relevant participants and the balancing group of the operator of the stock market.

(3) (New - State Gazette, issue 39 of 2014) Transactions executed on the stock market of electricity shall be notified to the independent transmission operator operator by the stock market operator within 02:00 pm on day D-1.

**Article 34.** (1) The Rules for electricity trading regulate an additional option for the purchase and sale of electricity by the participants registered on the stock market of electricity in Bulgaria conducted on the competitive market equilibrium principle.

(2) The Stock market for electricity aims to:

1. create conditions for the formation and functioning of an electricity market in a competitive, transparent and non-discriminatory environment.

2. prevent any manifestations of market power.

3. determine equilibrium and reference electricity prices according to the supply and demand, which can be used as basis for other transactions on the wholesale market.

4. Optimal use of the scarce transmission capacity of interconnections with neighboring countries through the coordinated allocation and implicit auctions on a daily basis, and within the day through the stock market.

(3) (Amended - State Gazette, issue 39 of 2014) Trade participants who are registered under these trading rules may participate on the stock market.

**Article 35.** (1) (Amended - State Gazette, issue 39 of 2014) The transactions on the stock market are concluded for each delivery interval.

(2) For each single delivery interval (one hour) during the day of delivery separate, independent transactions for the supply of electricity shall be concluded corresponding to the hourly products for stock trading.

(3) (Amended - State Gazette, issue 39 of 2014) A set of block products, representing a combination of certain hourly products, additionally published by the operator of the stock market on its website may be provided as products for stock exchange.

(4) Transactions executed on the stock market, represent a strict commitment of the respective trade participant for the supply of electricity in case of an accepted offer for sale or obligation to accept the electricity supply in case of an accepted offer for purchase in accordance with the specification of the transaction.

(5) Every transaction is bound to one day of delivery, one delivery interval and one market area.

(6) (Amended - State Gazette, issue 39 of 2014) Transactions shall be considered completed/ fulfilled upon the performance of the physical delivery on the day of delivery of electricity in the power system of Bulgaria, including the delivery on a border with a neighboring country.

(7) Each day of delivery consists of twenty-four (24) consecutive delivery intervals, each of (one) hour, where the first delivery interval starts at 00:00 on the day of delivery. For the days of transition from summer to winter time, respectively, from winter to summer time, the day of delivery consists of 25, respectively 23 delivery intervals.

(8) (Amended - State Gazette, issue 39 of 2014) The operator of the stock market may conclude a contract under Article 11 pt. 12 with a registered market participant (market maker) who would take responsibility for providing liquidity to the stock market for electricity through daily participation with pre-regulated quantities for purchase and sale of electricity under the terms of the contract.

(9) (Amended - State Gazette, issue 39 of 2014) The conditions for achieving liquidity on the stock market for electricity are determined by the operator on the stock market and the market participant acting as the "market-maker" accepts the terms and undertakes to respect them by signing the contract referred to in Article 11, pt. 12.

## **Section II**

### **Conditions for Participation and Registration on the Stock Market**

**Article 36.** (1) (Amended - State Gazette, issue 39 of 2014) Trade participants registered by the operator of the stock market for participation in the stock market of electricity, are eligible to submit proposals for the sale and purchase of electricity.

(2) (Amended - State Gazette, issue 39 of 2014) Participants on the stock market of electricity can be:

1. electricity producers, granted access to the network and registered on the electricity market;
2. electricity traders registered on the electricity market;

3. the public provider;
4. suppliers of last resort;
5. end customers direct members of balancing groups;

6. participants who have not transferred the responsibility for balancing to a balancing group coordinator and are responsible for the imbalances of their sites, according to Article 57, para. 1 pt. 2 of the rules.

(3) (Revoked - State Gazette, issue 39 of 2014).

**Article 37.** (Amended - State Gazette, issue 39 of 2014) (1) Trade participants under Article 36, para. 2 shall submit an application for verification of the conditions for participation and registration on the stock market of electricity according to the form approved by the operator of the stock market.

(2) The operator of the stock market develops a contract for participation in the stock market of electricity, which regulates the rights and obligations of the operator of the stock market, on one side, and the trade participant on the stock market on the other.

(3) By signing the contract under para. 2 and the provision of required collateral the participant in the stock market of electricity shall be entered in the registry under Article 38 and acquire the right to submit proposals for the sale and purchase in accordance with these rules.

**Article 38.** (1) (Amended - State Gazette, issue 39 of 2014) The operator of the stock market shall keep the registry of participants in the stock market of electricity up to date.

(2) The register under par. 1 shall include at least the following information for every participant:

1. Full name, registered office and persons representing the company.
2. Contract for participation in the stock market of electricity, number and date.
3. Identification code for participation in the stock market for electricity.
4. Date of registration, date of withdrawal, date of removal.

(3) (Amended - State Gazette, issue 39 of 2014) The trade participant registered on the stock market of electricity is obliged to immediately notify the operator of the stock market of any change in the circumstances relating to its registration.

## Section III

## **Conditions for Withdrawal and Removal from the Electricity Stock Market**

**Article 39.** (1) (Amended - State Gazette, issue 39 of 2014) The trade participant in the stock market of electricity shall be entitled to withdraw from this market on the basis of a written request sent at least 10 working days before the date on which the operator of the stock market should terminate the registration.

(2) (Amended - State Gazette, issue 39 of 2014) The operator of the stock market shall review the application under par. 1 within 5 business days.

(3) (Amended - State Gazette, issue 39 of 2014) Termination of registration and recording of the change in the registry under Article 38 shall be made upon written notice to the trade participant in the stock market for electricity and settlement of the mutual obligations by the date of termination of its participation.

**Article 40.** (1) (Amended - State Gazette, issue 39 of 2014) The stock market operator is entitled to remove a participant from the stock market for electricity and to terminate its registration if it does not comply with these rules, the contract for participation, the rules for the operation of the organized stock market of electric and the instructions for participation in the stock market.

(2) (Amended - State Gazette, issue 39 of 2014) In case of a violation under para. 1 the operator of the stock market shall provide a remedy term. If the participant does not meet the deadline, the stock market operator shall send notice of removal from the stock market of electricity, stating the reasons and date of removal.

(3) The removal of a participant of the stock market of electricity shall be entered in the registry under Article 38.

(4) The participant has the right to start a new registration procedure not earlier than three months after the date of removal.

(5) (Amended - State Gazette, issue 39 of 2014) In case the license of a participant is suspended or revoked, is this participant is subject to licensing, the operator of the stock market shall remove the participant concerned immediately and unconditionally from the stock market, take the appropriate measures for invoicing and settlement of the mutual obligations by the date

of termination of its participation.

(6) (Revoked - State Gazette, issue 39 of 2014).

(7) (Revoked - State Gazette, issue 39 of 2014).

**Article 41.** (Amended - State Gazette, issue 39 of 2014) The operator of the stock market shall enter the termination of participation in the stock market for electricity in the registry under Article 38, and from that date the suspended participant may not submit offers for sale and purchase of electricity.

**Article 41a.** (New - State Gazette, issue 39 of 2014) (1) The guarantee shall be released within 10 working days after the date of termination of registration, provided that all the invoices issued in the name of the participant for transactions concluded on the stock market of electricity to the date of termination have been paid on time.

(2) The guarantee may be utilized to the amount of any payment due.

## **Section IV**

### **Requirements for the Submission and Validation of Offers on the Electricity Stock Market**

**Article 42.** (1) The participants in the stock market send offers for the sale of electricity and proposals for purchase of electricity under the following conditions:

1. a participant may submit only one offer for purchase and one offer for sale for any delivery interval for a given market area;

2. (Amended - State Gazette, issue 39 of 2014) Each offer may contain the number of pairs price - quantity fixed in the instructions for participation in the stock market for electricity, published on the website of the stock market operator;

3. each pair price - quantity of the purchase offer defines the maximum purchase price which the participant would pay for the amount of electricity which does not exceed the quantity stated in the pair price - quantity;

4. each pair price - quantity of the sale proposal defines the minimum sale price at which the participant would sell the amount of electricity not exceeding the amount referred to in the pair price - quantity;

5. (revoked, previous item. 6 - State Gazette, issue 39 of 2014) the offers constitute a firm commitment to supply or purchase electricity.

(2) (Amended - State Gazette, issue 39 of 2014) On the trading day (D-1) the participants in the stock market send their sale and purchase offers for the delivery day (D) before the deadline for submission of offers on the trading day according to the instructions published by the operator of the stock market on its website.

(3) (Amended - State Gazette, issue 39 of 2014) The offers under par. 2 may be sent at the time of opening of the respective tender in compliance with the instruction published by the operator of the stock market on its website.

(4) (Amended - State Gazette, issue 39 of 2014) Offers must be submitted directly to the trading system for stock trading.

(5) (Amended - State Gazette, issue 39 of 2014) An offer is considered formally submitted at the time of its entering the trading system of the stock market operator, and the time of sending is indicated with a time stamp.

(6) (Amended - State Gazette, issue 39 of 2014) Prior to closing the stock market on the trading day the offers may be changed or canceled at any time by the participant who sent them. The time of the changes is indicated and they are registered in the trading system. Any changes constitutes a new offer, which automatically cancels the validated previous offer for the relevant day, delivery interval and market area.

(7) (Amended - State Gazette, issue 39 of 2014) If it is impossible to enter a new offer for a participant of the stock in the trading system for stock trading, the participant should establish immediate contact with the operator of the stock market in accordance with the rules for operation of the organized stock market.

**Article 43.** (1) (Amended - State Gazette, issue 39 of 2014) The form and content of the offers and the price scale are determined by the operator of the stock market.

(2) (Amended - State Gazette, issue 39 of 2014) The price scale contains a minimum and maximum price within the range of which the prices of the participant's offer are indicated. The maximum price set by the operator of the stock market should always be higher than the highest expected equilibrium price determined on the electricity stock market.

(3) (Amended - State Gazette, issue 39 of 2014) The prices are entered in BGN per MWh and must be in the range of the price scale specified by the operator of the stock market, as

defined in the parameters of the relevant tender according to the instructions for participation in the electricity stock market.

(4) Upon submission of trade offers directly in the trading system for stock trading the prices referred to in the successive pairs price - quantities are sorted in an ascending price order.

**Article 44.** (1) (Amended - State Gazette, issue 39 of 2014) The operator of the stock market develops a procedure for validation of the offers, which becomes an integral part of the instructions for participation in the stock market, published on its website.

(2) Immediately after the submission of a new offer in the trading system the process of verification and validation of data starts in accordance with the procedure under par. 1.

(3) (Amended - State Gazette, issue 39 of 2014) The maximum value of a purchase offer, calculated in accordance with the procedure under par. 1, should not be higher than the maximum daily limit specified in the contract under Article 37, para. 2, on the grounds of which is the guarantee of the relevant commercial participant in the electricity stock market has been determined.

(4) (Amended - State Gazette, issue 39 of 2014) Participants registered on the stock market of electricity whose guarantee is depleted and is not restored within the specified amount, have the right to submit offers only for the sale of electricity.

(5) (Amended - State Gazette, issue 39 of 2014) Trade participants in the stock market of electricity shall be informed on the rejection of a purchase offer pursuant to the procedure described in the instructions for participation, published on the website of the stock market operator.

## **Section V**

### **Determination of the Quantities of Electricity Traded on the Electricity Stock Market**

**Article 45.** (1) (Amended - State Gazette, issue 39 of 2014) The stock market operator accepts all offers for the delivery day (D) filed on the day of trading (D-1), by the time of closure of the stock market.

(2) (Amended - State Gazette, issue 39 of 2014) After verification and validation of the offers the stock market operator calculates the equilibrium price and traded volumes of electricity

for each delivery interval (one hour) for the delivery day (D).

(3) Upon the calculation of prices and quantities under par. 2 only the offers which are accepted and validated are taken into account.

(4) (Amended - State Gazette, issue 39 of 2014) The stock market operator determines the initial equilibrium price in the national market area in the following manner:

1. (Supplemented - State Gazette, issue 39 of 2014) On the grounds of the offers received he determines the demand curve and the supply curve in the national market area according to Article 48 and 49 of these rules;

2. (Supplemented - State Gazette, issue 39 of 2014) Where the demand or supply quantity is equal to zero, the operator takes the actions referred to in Article 50, para. 4 of these rules;

3. (Supplemented - State Gazette, issue 39 of 2014) In all other cases the operator determines the equilibrium price of the national market area under Article 52 of these rules.

**Article 46.** Where one electricity stock market unites several national market areas and optimization of traded volumes between these national market areas is implemented, separate procedures are initiated, agreed with the neighboring system operators.

**Article 47.** (1) (Amended - State Gazette, issue 39 of 2014) The pairs price - quantity admitted to trading, determine the final transaction between the stock market operator and the participant in the electricity stock market, which is fixed for a particular market area, a designated delivery day and a certain delivery interval.

(2) (Amended - State Gazette, issue 39 of 2014) The transaction under par. 1 is at an equilibrium price determined by the operator on the stock market for the relevant market area, delivery day and delivery interval.

## **Section VI**

### **Determination of the Supply and Demand Curves**

**Article 48.** (Amended - State Gazette, issue 39 of 2014) The stock market operator determines the supply curve by adding all pairs price - quantity from the sale offers into one curve, arranged in an ascending order by cost, starting with the pair price - quantity with the lowest price and finishing with the one with the highest price.

**Article 49.** (Amended - State Gazette, issue 39 of 2014) The stock market operator

determines the demand curve by adding all pairs price - quantity from the purchase offers into one curve, arranged in an descending order by cost, starting with the pair price - quantity with the highest price and finishing with the one with the lowest price.

**Article 50.** (1) The equilibrium price is the intersection of the demand curve (aggregate purchase offers) and the supply curve (aggregated sale offers).

(2) In the event that there is only one intersection point or if all intersections have only one price, the price corresponding to the intersection point is the equilibrium price.

(3) In the event that the curves of supply and demand intersect at various points forming a common area with a maximum price  $P_{max}$  and a minimum price  $P_{min}$ , the equilibrium price is determined by the reference price  $P_{ref}$ , as follows:

$EP = P_{max}$ , at  $P_{ref} > P_{max}$

$EP = P_{ref}$ , at  $P_{min} < P_{ref} < P_{max}$

$EP = P_{min}$ , at  $P_{ref} < P_{min}$ ,

where:

$EP$  is the equilibrium price;

$P_{max}$  - the highest price corresponding to the intersection of the demand curve and the supply curve;

$P_{min}$  - lowest price corresponding to the intersection of the demand curve and the supply curve;

$P_{ref}$  - reference price representing the arithmetic average of the past three weeks for the same time interval.

(4) (Amended - State Gazette, issue 39 of 2014) Where the total demand and supply quantity is equal to zero or there is no intersection of the curves of supply and demand, no trading quantities are realized. Then the equilibrium price is assumed to be equal to the price closest to the reference price of a validated offer for demand or supply for the relevant settlement period.

## **Section VII**

### **Determination of the Volumes of Demand and Supply**

**Article 51.** (Amended - State Gazette, issue 39 of 2014) (1) Where the equilibrium price

for the relevant market zone/ zones is not determined, the supply and demand volumes shall be zero.

(2) For any other cases:

1. supply volume is determined in the following manner:

Supply Volume =  $\sum K_n$ ,

where:

$K_n$  is the quantity corresponding to the pairs price - quantity of the sale offers, containing a price which is lower or equal to the equilibrium price;

2. demand volume is determined in the following manner:

DV =  $\sum K_k$ ,

where:

$K_k$  is the quantity corresponding to the pairs price - quality of the purchase offers, containing a price which is higher or equal to the equilibrium price.

## **Section VIII**

### **Measures in Cases Where the Supply is Insufficient or There is no Demand**

**Article 52.** (1) (Amended - State Gazette, issue 39 of 2014) Where the market demand curve and the market supply curve contain a total amount equal to zero or the above curves do not intersect, the operator of the stock market initiates a procedure for notification of the trading participants in the stock market of electric on the circumstances arisen, as detailed in the instructions for participation in the stock market.

(2) (Amended - State Gazette, issue 39 of 2014) In the case of para. 1 the operator of the stock market shall extend the deadline for submission of offers on the trading day.

(3) (Amended - State Gazette, issue 39 of 2014) Upon receipt of the new offers for the sale and purchase within the extended deadline the operator of the stock market calculates again the prices and quantities for the delivery day.

(4) (Amended - State Gazette, issue 39 of 2014) Where the operator of the stock market has not received any offers for purchase or sale within the new period for submission of offers or there is no intersection of the supply and demand curves, determined on the grounds of validated

purchase and sale offers made during the new period prior to the closure of the electricity stock market, all trade participants in the electricity stock market may be informed by the trading platform that no quantities for trade on the stock market have been realized.

## **Section IX**

### **Confirmation of Transactions Realized on the Electricity Stock Exchange**

**Article 53.** (1) (Amended - State Gazette, issue 39 of 2014) The stock market operator provides the relevant participants with access to information on the transactions entered into them pursuant to this chapter on the trading day through the trading platform.

(2) (New - State Gazette, issue 39 of 2014) The operator of the stock market provides the independent transmission operator with access to information about the transactions on the trading day through the trading platform.

(3) (Previous para. 2, supplemented - State Gazette, issue 39 of 2014) The results from trading on the stock market of electricity are used during the settlement process under Chapter Ten of these rules and the volumes traded by each market participant in the electricity stock market are summed with the quantities traded under bilateral contracts.

(4) (Previous para. 3, amended - State Gazette, issue 39 of 2014) The operator of the stock market publishes information on the trading volumes and prices through the trading platform.

## **Section X**

### **Extraordinary Procedures**

**Article 54.** (Amended - State Gazette, issue 39 of 2014) The stock market operator terminates its activity on the stock market of electricity in case of:

1. Complete or partial inability for operation of the trade system or any other information system used to process offers and determine the equilibrium price.

2. Disruption of the market in case of an emergency.

**Article 55.** (1) (Amended - State Gazette, issue 39 of 2014) In case of problems related to the participants' communication with the trading system of the operator, the stock market operator is entitled to change the deadlines for submission of the relevant offers and confirmations, including the working hours of the electricity stock market.

(2) (Amended - State Gazette, issue 39 of 2014) The stock market operator may refuse registration of a market participant in case of a technical error in the trade system.

## **Chapter Five**

### **Balancing Responsibility**

#### **Section I**

#### **Coordinators of Balancing Groups**

**Article 56.** (Amended - State Gazette, issue 39 of 2014) (1) The establishment of balancing groups aims at:

1. implementation of a new organization of administration of the electricity transactions, their real execution and settlement;
2. improvement in the planning of the composition of generating capacities and determination of the balancing sources for maintenance of the electricity system balance;
3. division of obligations for the physical delivery of electricity from the financial relations in cases of deviation of actual production/consumption from the preliminary forecasts, registered schedules and dispatcher instructions of the independent transmission operator;
4. aggregation of the imbalances of market participants and mitigation of the economic effects of the prices of balancing energy;
5. concentration of the obligations for exchange of information with the independent transmission operator at a small number of market participants.

(2) The balancing groups are:

1. standard balancing groups;

2. combined balancing groups;
3. special balancing groups, which shall be registered by the independent transmission operator, and which shall be subject to the same balancing principles;
4. virtual commercial balancing group of the public provider.

(3) The standard balancing group is coordinated by a person to whom a license is issued under art. 39, para. 5, items 1, 5, and 9 of the Energy Act; and is registered by the independent transmission operator; and its members are market participants under art. 100, para. 1 of the Energy Act that conclude electricity transactions at freely negotiated prices.

(4) The special balancing groups are groups with coordinators: the independent transmission operator, the public provider, the end suppliers, distribution grid operators, the distribution company for traction electricity, suppliers of last resort, power exchange operator.

(5) In the cases where the producers of electricity from renewable sources and high-efficiency cogeneration of heating and electricity have not transferred the balancing responsibility to a coordinator of a combined balancing group, they shall be in the balancing groups with coordinators - the public provider or the end supplier depending on the concluded power purchase contracts.

(6) The independent transmission operator shall be coordinator to the following special balancing groups:

1. Group for compensation of the technological costs in the electricity transmission grid;
2. Group for compensation of unplanned exchanges.

(7) The power exchange operator is the coordinator of a special balancing group to compensate for imbalances on the power exchange.

(8) The public provider shall be the coordinator of the following special balancing groups:

1. Group of the producers of electricity from renewable sources and combined cycle power plants with the following participants:

1.1. producers of electricity from renewable sources whose electricity is being purchased by the public provider, including producers connected simultaneously to the electricity transmission and the electricity distribution grid when these have not chosen a different balancing group coordinator;

1.2. producers of electricity from combined cycle power plants whose electricity is being purchased by the public provider, including producers connected simultaneously to the electricity transmission and the electricity distribution grid when these have not chosen a different balancing group coordinator;

1.3. the groups under para. 10, item 2 with coordinators the end suppliers;

1.4. the groups under para. 10, item 3 with coordinators the end suppliers.

2. Group of the producers of electricity from hydro power plants, owned by "NEK" EAD;

3. Group of the producers with whom the public provider has concluded long-term contracts for purchase of electricity and availability, when these have not chosen a different balancing group coordinator;

4. A virtual commercial balancing group, created by the public provider, to/from which schedules for exchange are sent, including informative schedules, which aims to accumulate all purchases and sales of the public provider carried out according to the regulations.

(9) The groups under para. 8, items 2 and 3 can be combined with a common financial settlement.

(10) The end suppliers shall coordinate the following special balancing groups:

1. Group of household and non-household end consumers, connected to the low voltage electricity distribution grid, which are being supplied with electricity by the end supplier;

2. Group of the producers of electricity from renewable sources, whose energy is being purchased by the end supplier, when these have not chosen a different balancing group coordinator;

3. Group of producers of electricity from combined cycle power plants, whose electricity is being purchased by the end supplier, when these have not chosen a different balancing group coordinator;

4. The groups under items 2 and 3 that can be combined with a common financial settlement.

(11) The suppliers of last resort shall be coordinators of balancing groups of end consumers to whom they supply electricity.

(12) The distribution grid operator shall be coordinator of a special balancing group for compensation of the technological costs of the electricity distribution grid. The distribution grid operator has the right to transfer the responsibility for balancing to the end supplier for compensation of the technological costs of the electricity distribution grid as part of the group under para. 10, item 1.

(13) The electricity distribution company for traction power shall be the coordinator of a special balancing group that includes sites connected to the distribution grid of the railway transport - per MWh.

(14) In the cases where there is a combination of balancing groups through a common financial settlement, coordinators shall be required to notify the individual aggregated schedules

for each group, which allows the independent transmission operator to perform a separate settlement and a determination of the realized imbalances in the group.

(15) The combined balancing group is the group in which producers of electricity from renewable sources and cogeneration participate.

(16) When the producers of electricity from renewable sources and cogeneration choose to transfer their balancing responsibility to a coordinator of a combined balancing group, then they are not restricted by their geographical location and concluded power purchase contracts.

**Article 57.** (Amended - State Gazette, issue 39 of 2014) (1) Balancing responsibility have:

1. the balancing group coordinators in accordance with the Energy Act;

2. the market participants who enter into transactions at freely negotiated prices for the period during which they have not transferred their balancing responsibility to a coordinator of a balancing group and are on their own responsible for the imbalances of their installations.

(2) The end consumers who buy electricity at regulated prices, and producers of electricity from renewable sources and high-efficiency cogeneration of heat and power, shall transfer their balancing responsibility to a coordinator by means of a contract, as provided for in art. 11, item 9 of these Rules.

(3) The coordinators of special balancing groups, except in the cases provided for in art. 56, para. 12, shall not transfer their balancing responsibility to another licensed company, and shall be accountable to the independent transmission operator for the imbalances of each special balancing group separately.

(4) The coordinators of balancing groups of producers of electricity from renewable sources and cogeneration of heat and power shall not include in the balancing group installations of other

participants and shall not transfer the balancing responsibility to another licensed company.

**Article 58.** (1) Trade participants have the right to register as "coordinators of standard balancing groups" and/or "coordinators of combined balancing groups" if they fulfil the following conditions:

1. have a license for production and/or trade with electricity under art. 39, par. 5 of the Energy Act;

2. they have developed "general principles for allocation of the imbalances within the balancing group" of which they have registered as coordinator and have published these on their website;

3. (Amended - State Gazette, issue 39 of 2014) SEWRC has approved a decision for expansion of the existing license with the rights and obligations related to the activity of "coordinator of a standard balancing group" and/or "coordinator of a combined balancing group", in accordance with art. 39, par. 5 of the Energy Act;

4. they fulfil the requirements and maintain communication equipment and devices for exchange of information in accordance with these rules;

5. they do not have any liabilities to the public provider, end suppliers, the independent transmission operator and distribution grid operators;

6. they have concluded a contract under art. 11, item 14 when a registration of a coordinator of a combined balancing group is required.

(2) Trade participants are eligible to register as "coordinators of special balancing groups" if the following conditions are met:

1. they hold a license for the production, transmission, distribution, organizing the exchange market, public supply, supply of an end supplier, supply of electricity of last resort and distribution of propulsion electricity under Article 39, para. 1 pt. 1, 2, 3, 6, 7, 10, 12 and 13 EA;

2. they have developed "general principles for the distribution of the imbalances within the special balancing group" and have published them on their website;

3. (Amended - State Gazette, issue 39 of 2014) the SEWRC has adopted a decision to complement the existing license with the rights and obligations related to the activity "coordinator of a special balancing group", according to Article 39, para. 5 of the EA;

4. the requirements are fulfilled and the participant maintains communication equipment and

tools for the exchange of information in compliance with these rules;

5. they have no obligations to the public provider, end suppliers, the independent transmission operator and operators of distribution networks.

**Article 59.** (1) Trade participants who fulfilled the conditions under Article 58, para. 1, shall apply for registration as per the form approved by the independent transmission operator which contains:

1. Applicant's name, address, type of license and license №, № of the decision of the SEWRC under Article 39, para. 5 EA;

2. the names of the persons requested to be direct or indirect members of the balancing group;

3. list of the sites of the applicant and persons under p. 2;

4. information on the provided capacity of the sites under p. 3;

5. information about the metering points of the sites under item 3 and identification numbers of the commercial electricity meters, validated by the owners of the commercial metering devices, who are required to perform validation within 14 days;

6. the quantity produced / consumed electricity for each month of the previous calendar year and the last six months preceding the date of the application, aggregated for the applicant and the persons under item 2;

7. the contact persons of the applicant, who are responsible for all matters relating to the submission of production schedules, consumption schedules and exchange schedules between balancing groups, offers and orders for balancing energy, settlement and invoicing.

(2) The application under par. 1 shall be accompanied by the following documents:

1. certificate for granted access to the transmission and/ or distribution networks for each of the companies under par. 1 pt. 1 and 2 for compliant technical requirements and lack of obligations to the public provider and/ or an end supplier;

2. the certificate under item. 1 is not required for companies which are already granted access to the network at the time of entry into force of these rules;

3. declaration by the applicant that all the persons under par. 1 pt. 1 and 2 have signed access agreements and contracts for transmission of electricity, either directly or through their electricity supplier and have provided the relevant collaterals in accordance with the legal requirements and these rules;

4. for all customers who have requested to change their utility supplier and without installed electricity meters for hourly reporting of electricity - identification number of a standardized profile from the unified state list of standardized load profiles, proposed by the distribution companies;

5. a copy of the license and relevant appendices thereto, confirming the right to perform the activities of a "balancing group coordinator."

**Article 60.** (1) The independent transmission operator shall review the application within 15 days and send a written reply to the applicant, stating that it:

1. accepts the application for registration, indicates the identification number/ EIC code of the coordinator of the balancing group and indicates the sites and their code numbers that form the balancing group for which the applicant is responsible in its role as coordinator of a standard balancing group;

2. gives instructions for additional information and term for its presentation;

3. refuses to register the applicant as a balance group coordinator, where such refusal is accompanied by the due justification.

(2) Within 10 days of receipt of the notice of acceptance of the application for registration under par. 1 pt. 1 the balancing group coordinator should conclude the contract under Article 11 pt. 8, which specifies the size of the original collateral and the suppliers of balancing energy to the balancing group shall conclude a contract under Article 11, pt. 7.

(3) Upon the conclusion of the contracts under par. 2, the balancing group coordinator shall be entered in registry under Article 65 with a "registered" status.

(4) After providing the collateral in the amount of para. 2 the coordinator of a standard balancing group shall be entered in the registry under Article 65 with an "active" status.

**Article 61.** (1) Trade participants who have fulfilled the conditions set in Article 58, para. 2 shall submit "an application for registration of a coordinator of a special balancing group" in the form approved by the independent transmission operator, indicating:

1. the applicant's name, address, type of license and license №, № of the decision of the SEWRC under Article 39, para. 5 EA;

2. the names of the persons, indirect members of the special balancing group who have meters for hourly electricity metering;

3. the names of the persons, indirect members of the special balancing group who do not

have meters for hourly electricity metering, at the request of the independent transmission operator;

4. the identification number of a standardized profile from a unified state list of standardized load profiles proposed by the distribution companies;

5. a list of sites of the applicant and the members of the group under pt. 2 at the request of the independent transmission operator;

6. information on the capacity provided to the sites under pt. 5;

7. a description of the metering points of the sites under pt. 5 and identification numbers of the commercial electricity meters, validated by the owners of the commercial metering devices, at the request of the independent transmission operator;

8. the quantity of electricity produced/ consumed for every month of the previous calendar year, aggregated for the coordinator and the members of the group;

9. the contact persons of the applicant, who are responsible for all matters relating to the submission of production schedules, consumption schedules and exchange schedules, offers and orders for balancing energy, settlement and invoicing.

(2) The application under par. 1 shall be accompanied by a copy of the license and the relevant appendices thereto, confirming the right to perform the activity "coordinator of a special balancing group" under Article 39, para. 5 EA.

(3) The independent transmission operator shall review the application within 15 days and send a written reply to the applicant under para. 1, indicating that it:

1. accepts the application for registration, stating the identification number / EIC code of the coordinator of the special balancing group and code numbers of the sites, places for which the applicant is responsible in its role as a coordinator of a special balancing group;

2. gives instructions for additional information and term for its presentation.

(4) Within 10 days of receipt of the notice of acceptance of the application for registration under par. 3 the coordinator of a special balancing group shall conclude the following with the independent transmission operator: the contract under Article 11 pt. 8, provide a declaration on the conclusion of the contracts under Article 11, paragraph. 1, 2 and 3 or a declaration for the conclusion of a contract under Article 11 p. 10 of the rules.

(5) Upon the conclusion of the contract under par. 4 the coordinator of a special balancing group shall be entered in the registry under Article 65 with a "registered" status.

(6) After providing the collateral the coordinator of a special balancing group shall be entered in the registry under Article 65 with an "active" status.

**Article 62.** (1) Each installation of a producer or consumer shall be assigned to a single balancing group coordinator.

(2) The market participants registered on the market prior to the entry into force of these trading rules, shall within 30 calendar days of entry into force of these rules transfer the balancing responsibility for their installations to a coordinator of a balancing group.

(3) In the cases where the requirement under par. 2 has not been fulfilled, the independent transmission operator shall consider that the market participant is responsible for the imbalances of his installations as a coordinator of a balancing group.

(4) In the cases under par. 3, the market participant shall conclude the contracts under art. 11, items 1, 2, 3 and 8 of these rules as a coordinator of a balancing group with the same rights and responsibilities.

(5) In case the contracts under par. 4 have not been concluded, the market participant shall not have the right to conclude transactions on the electricity market.

**Article 63.** (1) The end suppliers and suppliers of last resort shall undertake the balancing responsibility for end consumers whom they supply with electricity, in accordance with approved by SEWRC general terms.

(2) (2) (Amended - State Gazette, issue 39 of 2014) In case producers of electricity from renewable sources and cogeneration have not chosen to transfer their responsibility to a coordinator to a combined balancing group, then the end suppliers and public provider, depending on the concluded power purchase contracts, shall register and balance them according to the approved by SEWRC general principles for the distribution of the imbalances in the special balancing group. This group does not allow participation by other market participants.

**Article 64.** (1) The independent transmission operator assumes responsibility for the imbalances in transactions with balancing energy for compensation of unplanned exchanges

(2) Except for the cases under par. 1 the independent transmission operator has no responsibility for the imbalances of:

1. any other balancing group coordinator;
2. sites of users connected to the transmission and/ or distribution network.

**Article 65.** The independent transmission operator shall maintain a public register of the

balancing group coordinators. The register shall contain as a minimum the following information: name and headquarters of the licensed party, balancing group coordinator, identification number/EIC code, date of registration, number of the contract for balancing with the independent transmission operator, status.

## **Section II**

### **Withdrawal or removal of a balancing group coordinator under the conditions of art. 58, par. 1**

**Article 66.** (1) (Supplemented - State Gazette, issue 39 of 2014) The standard balancing group coordinator has the right to send a notification about the withdrawal of their registration as a balancing group coordinator.

(2) The notification shall be sent to the independent transmission operator and all members of the balancing group.

(3) In the notification, the date of withdrawal shall be specified, which shall not be earlier than 40 days after the notification of withdrawal has been sent.

(4) The independent transmission operator issues daily and summarized settlement statements, including the day preceding the withdrawal, while the parties issue the relevant invoices and make payments according to the terms set out in Article 178 of the Rules.

(5) The date of withdrawal of a balancing group coordinator is the first day of the calendar month after expiry of the term under par. 3.

(6) The independent transmission operator releases the guarantee within seven days after the settlement of all financial matters related to the termination of the registration of the "balancing group coordinator."

(7) (Amended - State Gazette, issue 39 of 2014) The installations of producers of electricity from renewable sources and cogeneration, in the cases under para. 1, shall transfer the responsibility for balancing to the coordinator of a combined balancing group or to the special group of the public provider or the end suppliers depending on the contracts concluded for purchase of electricity in accordance with the register under art. 65.

**Article 67.** (1) (Amended - State Gazette, issue 39 of 2014) A balancing group coordinator who has submitted a notification for withdrawal under art. 66, par. 1, as well as their members

have the right to transfer the balancing responsibility to another balancing group coordinator in accordance with the register under art. 65 by submitting at the independent transmission operator an "application for transfer of balancing responsibility" in accordance with an approved form. The application shall contain:

1. name of the coordinator that shall take the balancing responsibility;
2. declaration for the consent of the coordinator under item 1;
3. description of the facilities and the respective code numbers of the person who transfers the balancing responsibility.

(2) The independent transmission operator shall check the data in the application and shall reply within 15 days in writing to the applicant and the new balancing group coordinator.

(3) The reply under para. 2 shall specify the date from which the transfer of balancing responsibility shall enter into effect, which shall be the first day of a calendar month.

(4) The independent transmission operator has the right to require change of the concluded contracts under art. 11, item 8 with the new balancing group coordinator.

(5) The independent transmission operator shall reflect the changes in the register under par. 65.

(6) The independent transmission operator and the distribution grid operators shall exchange information at the end of the current month about the scope of the balancing groups and the respective coordinators, in effect from the following calendar month.

**Article 68.** (1) The independent transmission operator can remove from the electricity market a balancing group coordinator or a market participant under art. 62, para. 3, with a five working days notice, in each of the following cases:

1. the balancing group coordinator or the market participant under art. 62, para. 3, does not fulfil their obligations under these Rules and/or is not eligible for registration as a balancing group coordinator;

2. the balancing group coordinator or the market participant under art. 62, para. 3, violates the terms and conditions of the balancing contract, including when there is a failure to pay on time or if they do not recover or do not provide updated security guarantee within the terms of the contract;

3. the balancing group coordinator or the market participant under art. 62, para. 3, has outstanding unpaid obligations under their contracts for access and transmission and/or has not

submitted/not recovered security guarantees under them;

4. the balancing group coordinator or the market participant under art. 62, para. 3, continues to systematically allow significant imbalances in their balancing group following an explicit written warning by the independent transmission operator;

5. the balancing group coordinator is bankrupt or is in the process of liquidation;

6. does not submit schedules within the terms of the Rules;

7. the combined balancing group coordinator has outstanding unpaid obligations under their contracts with the public provider.

(2) The notice under para. 1 shall be sent to the members of the balancing group.

(3) The balancing group coordinator or the market participant under art. 62, para. 3, is obliged to settle all their obligations to the independent transmission operator incurred up to the date of removal from the electricity market.

(4) The members of a balancing group, whose coordinator is removed from the electricity market, are responsible for their own imbalances, effective from the date of removal, and shall be entitled to transfer the responsibility for balancing to another coordinator.

(5) The independent transmission operator files the removal of a balancing group coordinator or a market participant under art. 62, para. 3, in the register under art. 65, within two working days from the date of removal.

(6) In the cases under para. 1, the independent transmission operator shall inform the State Energy and Water Regulatory Commission of the removal from the market of the balancing group coordinator.

## **Section III**

# **Participation of the Producers of Electricity from Renewable Sources and High-Efficiency Cogeneration on the Balancing Market**

**Article 69.** (Amended and supplemented - State Gazette, issue 39 of 2014) The public provider and end suppliers shall pay the producers from renewable sources and high-efficiency cogeneration for the quantities of produced electricity to as per the measurements of the

commercial electricity meters at a price in accordance with concluded sale contracts, consistent with the provisions of art. 162 of the Energy Act.

**Article 70.** (1) (Amended - State Gazette, issue 39 of 2014) The producers of electricity from renewable sources and high-efficiency cogeneration who have chosen to transfer their balancing responsibility to a coordinator of a combined balancing group, shall obtain access to the respective grid and shall be registered on the market by submitting an application to the respective grid operator in accordance with the applicable requirements and shall conclude a contract under art. 11, item 9 of these rules.

(2) (New - State Gazette, issue 39 of 2014) The public provider, the end suppliers in their capacity as coordinators of special balancing groups and the coordinators of combined balancing groups for producers of electricity from renewable sources and high-efficiency cogeneration of heat and power, shall conclude a contract under art. 11, item 9, with all members of the balancing group.

(3) (Previous para 2, Amended - State Gazette, issue 39 of 2014) The producers under para. 2, who have not concluded a contract under art. 11, item 9, shall be balanced by the respective coordinator of the special or the combined balancing group in accordance with the applied methodology for distribution of the imbalances of the members of the special balancing group and the approved by SEWRC general principles for the distribution of imbalances.

(4) (Previous para. 3, Amended - State Gazette, issue 39 of 2014) The producers of electricity from renewable sources and high-efficiency cogeneration who sell electricity at preferential prices and in accordance with the measurements of the commercial metering devices, shall not participate in standard balancing groups.

**Article 71.** (1) (Amended and supplemented - State Gazette, issue 39 of 2014) In relation to the participation of producers of electricity from renewable sources and/or high-efficiency cogeneration on the balancing market, the submission and confirmation of the schedules shall be made in accordance with the provisions of chapter six of these rules.

(2) (New - State Gazette, issue 39 of 2014) The coordinators of the special balancing groups of the public provider and end suppliers with plants of the producers of electricity from renewable sources and high-efficiency cogeneration of heat and power, shall submit informative schedules for exchange to the virtual commercial balancing group of the public provider for the forecasted production in the group. These schedules are used only for the determination of the

imbalances of groups of producers of electricity from renewable sources and high-efficiency cogeneration of heat and power and pursuant to them there are no financial payments.

(3) (Previous para. 2, Amended - State Gazette, issue 39 of 2014) The coordinator of a combined balancing group shall submit the schedules for exchange under par. 1 also for producers of electricity from renewable sources and high-efficiency cogeneration of heat and electricity also to the coordinators of special balancing groups who purchase electricity from producers of electricity from renewable sources and/or high-efficiency cogeneration.

(4) (New - State Gazette, issue 39 of 2014) The coordinators of the special balancing groups of producers of electricity from renewable sources and producers of electricity from high-efficiency cogeneration of heat and power shall submit aggregated schedules for the groups to the coordinator of the special balancing group under art. 56, para. 8, item 1.

**Article 72.** On the basis of the settlement of the coordinator of a combined balancing group, a settlement of the relations between the balancing group coordinator and the independent transmission operator shall be carried out at prices for shortage/surplus on the balancing market.

**Article 73.** (1) (Amended - State Gazette, issue 39 of 2014) The arisen relations between the public provider and the coordinators of combined balancing groups regarding the groups under art. 71, pursuant to the obligation under art. 69, shall be settled in the following way:

1. For each settlement period, when the produced quantity of electricity by producers of electricity from renewable sources and high-efficiency cogeneration of heat and power is more than what is registered in the schedule, then the coordinators of the combined balancing group shall pay the public provider for the difference at a price determined by the public provider in BGN per MWh;

2. For each settlement period, when the produced quantity of electricity by producers of electricity from renewable sources and high-efficiency cogeneration of heat and power is less than what is registered in the schedule, then the public provider shall pay the respective coordinators of the combined balancing group for the difference in quantity at a price determined by the public provider in BGN per MWh.

(2) (Amended - State Gazette, issue 39 of 2014) The payments between the public provider and the coordinators of a combined balancing groups under para. 1, item 1 and item 2 shall be settled at one and the same price which is determined and announced by the public provider no later than five calendar days before the date of their application.

(3) (New - State Gazette, issue 39 of 2014) Within 10 working days of the end of each quarter, the public provider shall determine and announce the final price for the quarter in connection with the payments under para. 1, items 1 and 2.

(4) (New - State Gazette, issue 39 of 2014) The end suppliers shall notify to the public provider the same informative schedule that they received from the coordinators of the combined balancing groups under art. 71 for sites of producers of electricity from renewable sources and high-efficiency cogeneration, connected to the respective grids.

**Article 74.** The trade relations under art. 72 shall be settled by means of the bilateral contracts under art. 11, item 8.

**Article 75.** The trade relations under art. 73 shall be settled by means of the bilateral contracts under art. 11, item 14.

**Article 76.** (Revoked – State Gazette, issue 39 of 2014).

## **Chapter six**

# **RULES FOR SUBMISSION AND APPROVAL OF PRODUCTION SCHEDULES, CONSUMPTION SCHEDULES AND ELECTRICITY EXCHANGE SCHEDULES**

## **Section I**

### **Production and Consumption Schedules**

**Article 77.** (1) Hourly production schedules, with information on gross plant production, shall be sent to the independent transmission operator by all producers, connected to the electricity transmission grid, in compliance with an approved template (PPS file) and with indicated access to the system, within the deadlines as per the instruction published on the website of the independent transmission operator.

(2) Hourly production schedules shall be sent to the coordinators of balancing groups by all

producers, connected to the electricity distribution grid, on the day before execution of the delivery, in compliance with a template approved by the balancing group coordinator.

(3) Aggregated hourly production schedules of the power plants connected to the respective distribution grid shall be submitted by type of generating capacity by the balancing group coordinators to the independent transmission operator in the form of an approved template (PPS file) and with indicated access to the system, within the deadlines as per the instruction published on the website of the independent transmission operator.

(4) The suppliers of balancing energy shall send to the independent transmission operator hourly schedules for the planned gross production of each dispatched unit, in accordance with the concluded contracts for delivery of electricity, for covering of the technological costs in the grids, on the electricity power exchange, in the form of an approved template (PPS file) and specified access to the system, within the deadlines in accordance with the instructions published on the website of the independent transmission operator and in accordance with the procedures in the Grid Code and these rules.

(5) The suppliers of balancing energy shall send to the independent transmission operator hourly schedules for the planned net production of each dispatched unit in the form of an approved template (TPS file) and specified access to the system, taking into account the concluded contracts for supply of electricity, within the deadlines in accordance with the instructions published on the website of the independent transmission operator and in accordance with the procedures in the Grid Code and these rules.

(6) The production schedules under par. 1, par. 3 and par. 4 shall be used for dispatching of the respective generating unit.

(7) (Amended - State Gazette, issue 39 of 2014) The hourly production schedules of the balancing energy suppliers under par. 4 (gross) and para. 5 (net) must be comparable and take into account the estimated own needs, comply with the terms of the contracts concluded under Article 11, item 7 of these Rules and the provided availability for regulation. The operator may request a change of the schedule or restrict the terms according to the instructions published by the independent transmission operator on its website, where schedules are not consistent with the forecast operating modes and the availability for regulation determined.

(8) By the 10<sup>th</sup> day of the previous month the independent transmission operator shall send to the manufacturers under par. 4 the required ranges (gross availability) for adjustment of each

unit for the following month, and the manufacturer has no right to conclude transactions on the electricity market over the determined gross output for each block, unless the parties have agreed otherwise in writing.

(9) The hourly consumption schedules of suppliers of balancing energy with consumer objects contain information about the planned consumption according to the contracts, procedures contained in the Grid Code and these Rules, and are sent as per the approved model (TPS file) and specified system access within the terms under para. 5.

(10) The coordinators of balancing groups and market participants under Article 62, para. 3 shall send the aggregate net hourly forecast for production and an aggregate hourly forecast for consumption in the balancing group in the approved form (TPS file) and indicated access to the system within the terms specified in the instructions published by the independent transmission operator on its website.

(11) The hourly production schedules and hourly consumption schedules shall be sent on the day, preceding the day of delivery, and shall contain information for the quantity of electricity for each hour on the day of delivery, which the respective producer (unit of the producer) or installation of the producer will deliver to/consume from the grid.

(12) The independent transmission operator, based on the production and consumption schedules and his own forecasts, shall determine the necessary reserve - secondary, tertiary and cold for the following day, necessary for:

1. maintaining the real-time balance between production and consumption;
2. maintaining a secure and reliable supply of electricity;
3. maintaining reserve capacity in cases of unforeseen accidents in the grid and generation capacities and changes in the weather conditions;
4. management of overload of the grid.

**Article 78.** (1) (Amended - State Gazette, issue 39 of 2014) The end suppliers, the suppliers of last resort, the electricity distribution companies and the independent transmission operator shall send to the public provider monthly forecasts of the quantity of electricity for the consumption and for compensation of the technological costs in the respective grids:

1. up to 3 working days after the determination of the quotas by a decision of the SEWRC - for the second half of the current calendar year;
2. until December 10 - for the six months of the following calendar year.

(2) (Amended - State Gazette, issue 39 of 2014) The public provider shall determine within 2 working days of receipt of the information under para. 1, the monthly obligations by the end of the respective year of the "quota power plants", as well as the obligations of producers under art. 93a of the Energy Act, within the quota determined by a SEWRC decision, and until December 10 - the obligations for the six months of the following calendar year.

(3) The monthly obligations under para. 2 shall be sent to the respective producers and the independent transmission operator and shall be published on the website of the operator within two working days of receipt of the information by the operator.

(4) (Supplemented - State Gazette, issue 39 of 2014) The monthly forecasts under para. 1 can be updated by the end suppliers, the suppliers of last resort, the electricity distribution companies and the independent transmission operator until the fifth day of the previous month.

(5) The monthly obligations under para. 2 can be updated by the public supplier until the tenth day of the previous month, taking into account the maintenance programs, accidents with the aggregates, change in the weather forecast, within the overall six-month availability, approved by SEWRC.

(6) (Amended - State Gazette, issue 39 of 2014) Each business day until 9:30 am, the public provider shall determine the hourly quantities for the next day of the "quota power plants" and the producers under art. 93a of the Energy Act, taking into account the monthly obligations after they have been updated. It is mandatory that the hourly quantities must be within the operating range of the aggregates, their production characteristics and forecasted working modes. The quantities are based on the schedules of the end suppliers, sent to the public provider on the previous day until 5 pm.

(7) The quantities under para. 6 are mandatory for the producers and should be taken into account in the schedules for exchange under art. 80.

(8) The quantities under para. 6 are mandatory as well as for the producers in the balancing groups of the public provider.

(9) (Amended - State Gazette, issue 39 of 2014) In case of discrepancy in the quantities in the schedules under para. 6 and para. 7, the independent transmission operator shall register the schedule of the public provider.

(10) (New - State Gazette, issue 39 of 2014) When the public provider is unable to balance the schedules for purchase/sale or exchange with other balancing groups, in D-1 without using

capacity in consumption mode and the independent transmission operator orders activation of a dispatchable member, the independent transmission operator will pay to the public provider the amount of energy consumed by the consumer at a price determined by the public provider.

## **Section II**

### **Schedules for Exchange of Electricity**

**Article 79.** (1) The schedules for exchange of electricity between two balancing groups within the power system of Bulgaria shall be forwarded to the independent transmission operator within the terms according to the instructions published by the independent transmission operator on its website in an approved form (TPS file) and obtained access to the system and shall contain information on the quantity of electricity for each hour of the day of delivery which the relevant balancing group will exchange with other balancing groups.

(2) The schedules for exchanges between a balancing group registered in the electricity system of Bulgaria and a legal entity that has acquired the right to conduct business in a neighbouring market area (interchange schedule) shall be forwarded to the independent transmission operator in the required form (TPS file) and obtained access to the system.

(3) The deadline for submitting schedules for interchanges in accordance with the acquired transmission capacities from the annual and monthly tenders (long-term nominations) and daily tenders (short-term nominations) is provided for in the Auction Rules for the relevant control areas, published by the independent transmission operator, and the requirements of the OH - Policy2 for synchronous zone continental Europe.

(4) The independent transmission operator shall verify the eligibility of implementing the exchange schedules in terms of the forecast operation modes and technical capabilities of the units, the acquired interconnection capacity, the comparability of the schedules of all balancing group coordinators, the preliminary balance and correlation between the production schedules, the consumption schedules and the exchange schedules of each balancing group, limitations in the interconnection capacities, requirements for reserving the adjustment range and the presence of circumstances that may impair the safety or quality and security of the power system, under the Grid Code and these Rules.

(5) Coordinators of balancing groups and balancing energy providers shall send corrected production schedules, consumption schedules exchange schedules between two balancing groups within the power system of Bulgaria in accordance with the requirements of the independent transmission operator within the terms according to the instructions published by the independent transmission operator on its website.

(6) The independent transmission operator is entitled to change the instructions in connection with the process for adoption, validation and registration of production schedules, consumption schedules and exchange schedules, if necessary, by publishing the change no later than two weeks before the date of entry of the change into force.

(7) The balancing group coordinators may send production schedules, consumption schedules and exchange schedules up to seven days in advance.

(8) The power plants for high-efficiency cogeneration which are technologically connected to installations which consume the heating energy generated by them, shall provide electricity on the market at freely-negotiated prices only after the consumption of the technologically connected installation has been fully met.

**Article 80.** (1) Notice of a concluded transaction on the power exchange shall be sent by the participant and/or the organizer of the power exchange to the independent transmission operator in a form approved by the independent transmission operator, if such notice is required by the contract under art. 11, item 11, and shall include information concerning the obligations for delivery or purchase to/from the power exchange for the separate delivery intervals on the day of delivery, in accordance with Chapter Four.

(2) The information referred to in para. 1, shall be sent to the independent transmission operator as well as in the cases of participation on a power exchange organized by another system or market operator.

**Article 81.** (1) The independent transmission operator shall confirm the production schedules and the consumption schedules to the suppliers of balancing energy under art. 77, par. 4, par. 5 and par. 9 within deadlines in accordance with the instructions published on the website of the independent transmission operator.

(2) The balancing group coordinators shall receive information for the registered schedules by the operator's trading system within deadlines in accordance with an instruction.

(3) The independent transmission operator shall confirm to the balancing group

coordinators the exchange schedules under art. 79 within deadlines specified in an instruction.

(4) In case of discrepancy in the quantities stated by the balancing group coordinators within the Bulgarian electricity system, the lower value shall be accepted for the valid one.

(5) In case of discrepancy in the quantities stated by the balancing group coordinators in the external schedules for exchange with the electricity systems of other countries, the bilateral agreements between the independent transmission operator and the relevant neighbouring operator shall apply (i.e. valid lower value or reduction to zero value).

(6) For two balancing groups within the Bulgarian electricity system, the balancing group coordinators shall notify only of the balance on the transactions between them.

(7) The confirmed by the independent transmission operator power exchange schedules, production schedules and consumption schedules, including the traded quantities on the power exchange, shall form the basis for determination of the imbalances of the balancing group coordinators, the electricity provided/purchased to/from the balancing market and the financial liabilities of the parties.

(8) The production schedules, consumption schedules and exchange schedules of a single balancing group shall be balanced so that the announced purchases from other balancing groups and forecasted production within the group shall be equal to the announced sales to other balancing groups and forecasted consumption.

(9) The independent transmission operator shall have the right to require corrections to the schedules from the balancing group coordinators, in case the requirements under par. 8 have been violated and corresponding actions from the balancing group coordinators are obligatory.

**Article 82.** (1) Subject to the necessary technical conditions the independent transmission operator has the right to establish a procedure for notification, validation and registration of production schedules, consumption schedules and exchange schedules on the day of delivery.

(2) The number of sessions throughout the day is determined by the independent transmission operator.

**Article 83.** (1) In case of an emergency and/ or force majeure which are local in nature, the balancing group coordinators shall take the necessary steps to coordinate the interchange schedules for the next unblocked delivery period, which would take into account the changed circumstances.

(2) The independent transmission operator shall not terminate or modify the schedules for

exchange between the coordinators of balancing groups in the case of par. 1, after their registration.

**Article 84.** (1) The independent transmission operator has the right to discontinue and/or limit the balancing group coordinators' schedules for exchange in case the following circumstances occur:

1. failure of the system for market administration;
2. upon the occurrence or for prevention of breakdowns of installations for production and transmission of electricity;
3. overload of electricity grids;
4. long-term shortage of electricity;
5. orders by competent authorities;
6. failing to maintain the balance of the electricity system, and after all other measures in accordance with the requirements of ENTSO-E have been taken;
7. in the case of art. 73 of the Energy Act and other force majeure hypotheses.

(2) In the cases under par. 1, the independent transmission operator shall comply with the terms for notification, provided for in the regulatory framework.

(3) In the cases of par. 1, the relations related to production and consumption of electricity in the electricity system for the period of discontinuation of the market shall be settled with the suppliers of last resort who provide services of public interest.

(4) The relations under par. 3 shall be settled in correspondence with the measurements of the commercial metering devices.

(5) In the cases of par. 1, the producers shall sell at prices determined by SEWRC and/or in the long term contracts.

(6) The consumers shall purchase the consumed electricity at a price determined by the supplier of last resort in the sale contracts.

(7) For the period under par. 1, the trade participants shall not be subject to balancing.

## **Chapter Seven**

### **METERING. PROVISION OF DATA**

## **Section I**

### **Objectives**

**Article 85.** (1) The aggregation and reporting of the measured quantities of electricity serves the process of settlement of the quantities traded on the electricity market through bilateral contracts or on the stock market for electricity, the balancing energy market, the bilateral exchanges with neighboring control areas/ blocks, the settlement of imbalances, the ancillary services, the payments for access and transmission and all other services under these rules.

(2) This chapter regulates the procedures for:

1. aggregation of values measured;
2. provision of the aggregated measured values;
3. provision of data for hourly consumption.

(3) The settlement process on the electricity market is based on the settlement period (one hour) and all aggregated and transmitted values of the load profile must be for the same period.

(4) These rules govern the use of measuring equipment, information systems and mechanisms in the process of settlement on the electricity market. These procedures do not apply to resources and measurement systems that are for operational use.

## **Section II**

### **Requirements to the Metering Systems**

**Article 86.** (1) Devices for periodic metering of electricity shall be installed at all points for metering of installations in accordance with the Electricity Metering Rules.

(2) For installations outside of the scope of par. 1, standard load profiles may be applied, developed by the distribution companies and submitted to the independent transmission operator upon the registration under art. 59 and art. 61.

**Article 87.** (1) The owners of the metering systems shall store and provide aggregated and hourly metered values recorded by the electricity meters under art. 86, par. 1 of the quantity of active electricity, supplied/consumed to/by the installations of the market participants for each settlement period.

(2) Each virtual electricity meter has a permanent alphanumeric identification code. These codes are determined by the independent transmission operator upon the registration of the market participants and are made available to the respective owners of the measuring systems with an attached list of the metering points for each identification code.

(3) Upon registration of a market participant on the electricity market it is necessary that its objects include all points of measurement for these objects. Registration of an object of a participant on the electricity market with part of the metering points for the object is not allowed.

## **Section III**

### **Reporting, Verification and Submission of Metered Values**

**Article 88.** The measured value is the amount of electrical energy, which is measured and recorded by the meter for periodic measurement, or through the load profile, integrated for the settlement period.

**Article 89.** (1) Every owner of a metering system shall be accountable for all metered values in accordance with the Electricity Metering Rules and the Electricity Trading Rules.

(2) In the cases under art. 86, par. 1, the owners of the metering systems shall validate process and store the data in a database of metered values. The summed and hourly data shall be submitted to the independent transmission operator by 17:00 on the second business day of the week for the days from Monday till Sunday of the preceding calendar week.

(3) In the cases under art. 86, par. 2, the balancing group coordinators shall submit to the independent transmission operator by 12:00 on the second business day of each month, for the period of the corresponding month, the summed number of installations of market participants under art. 86, par. 2, divided by type of load profile and ownership of the electricity network in which the above-mentioned installations are located.

(4) At the end of each month, the owners of the metering systems shall validate, process and store the data in a database of metered values. The summed data shall be submitted to the independent transmission operator by 12:00 on the second business day for the days of the preceding month, for which there is missing data, but no later than the third calendar day.

(5) In case of missing hourly data from the individual metering systems, in order to comply

with the deadlines for provision of information to the independent transmission operator, the owner of the metering systems may use replacing values in accordance with the Electricity Metering Rules, calculated on the basis of previous settlement periods or based on a method which is specified in the contract for access to the distribution/transmission grid for the market participant. In case of absence of replacing values provided by the owner of the metering systems, the independent transmission operator applies a value of 0 for the corresponding missing hourly data.

(6) In case of missing data under para. 5 or wrong data, the owner of the metering system shall evaluate, correct or replace the missing or wrong information related to the metered values in accordance with the electricity Metering Rules and shall provide this information to the independent transmission operator by 12:00 o'clock on the third working day and no later than the fifth calendar day after the end of the month.

(7) The balancing group coordinators shall receive the metered values by installation for each direct and indirect member of the balancing group from the owners of the metering systems within the terms for submission of data to the independent transmission operator, mentioned in par. 2 and 4.

(8) The received metered values under par. 7 may be disputed through the balancing group coordinators in front of the owners of the metering systems within 3 working days from receipt of the data. The owner of the metering devices shall conduct a check and shall confirm or correct the metered values. Undisputed values within this term shall be considered as confirmed by the respective party.

(9) All metered values, including those that have been subject to change under par. 8 shall be considered by the independent transmission operator as confirmed by the parties no later than on the eight day of each calendar month following the reporting month, and shall become confirmed metered values. In case of failed coordination, which lasts after this date, then the provisions of chapter 10, section VII shall be applied.

(10) (New - State Gazette, issue 39 of 2014) Each owner of a measuring system shall send the measured values for sites of producers of electricity from renewable sources also to the coordinator of the special balancing group for sites of producers from renewable sources, for which the responsibility of balancing is transferred to the public provider or the end suppliers.

**Article 90.** The provisions of this section are applicable to the metering points

corresponding to the sites of producers and consumers who provide ancillary services to the independent transmission operator.

## **Section IV**

### **Determination of the Technological Costs in the Network**

**Article 91.** All metered values from the commercial electricity metering devices on the interconnection power lines, between the electricity transmission grid and the electricity distribution grids, between the individual distribution grids, between producers and the transmission/distribution grid, shall be recorded and used for the determination of the technological costs of the transmission company and the distribution companies.

**Article 92.** (1) The technological costs in the grid shall be determined separately for the electricity transmission network and each electricity distribution network.

(2) The transmission company and the distribution companies, corresponding to the ownership of the grid, shall determine the technological costs in the respective grid for each settlement period separately as the difference between the total electricity quantity fed in the respective grid at the metering points, and the electricity quantity consumed in the respective grid or supplied in other networks, according the confirmed metered values.

(3) (Amended - State Gazette, issue 39 of 2014) The independent transmission operator shall calculate the imbalances of the quantities of electricity necessary for covering the technological costs in the transmission and distribution grids on the basis of the determined technological costs under par. 2 and the confirmed delivery schedules submitted to the public provider by the coordinators of special balancing groups for coverage of the technological costs.

(4) All technological costs in the networks, determined under par. 2, shall be considered as verified metered values.

## **Section V**

### **Aggregation and Submission of Metered Values**

**Article 93.** (1) After determining the measured values established by Article 89, para. 9

and Article 92, para. 4 every owner of a measuring system determines the total physical supply for each producer and each consumer/ supplier of end-user (as appropriate) for the relevant network for each settlement period.

(2) The aggregate production by the producer is equal to the sum of all validated measured values at the points of connection of production units to the network.

(3) The aggregate consumption of the consumer is equal to the sum of all the validated measured values at the points of connection/ metering points to the consumer connected to the relevant network.

**Article 94.** (1) The owners of metering systems shall submit to the independent transmission operator summed, grouped per balancing groups, validated data from the commercial electricity metering devices of the installations of trade participants connected to the respective electricity grid.

(2) The owners of the metering systems shall provide to the balancing group coordinators aggregated validated data from the commercial electricity metering devices of the installations of market participants, included in the respective balancing group.

(3) (Amended - State Gazette, issue 39 of 2014) The transmission company provides to the distribution company within the terms under Article 89, para. 2 the aggregated values of the measured load profiles of electricity reported by each commercial meter, which is involved in the formation of the total electricity supplied from the transmission to the distribution network.

(4) The transmission company shall provide the end supplier within the terms under Article 89, para. 2 with the aggregated regional values of the measured load profiles of electricity formed by each commercial electric meter involved in the formation of the total amount of electricity that the end supplier buys from the public provider.

## **Section VI**

### **Aggregation of Measured Values for a Balancing Group**

#### **Coordinator**

**Article 95.** (1) After receiving the measured values established the independent transmission operator determines the general physical deliveries of each balancing group in terms of the points of measurement of the relevant network for each settlement period.

(2) The aggregated production of a balancing group coordinator is equal to the sum of the total production of the sites of all producers, for which the relevant balance group coordinator has undertaken an obligations for balancing.

(3) The aggregated consumption of a balance group coordinator is equal to the sum of the total consumption of the sites of all consumers for which the relevant balance group coordinator has undertaken an obligations for balancing.

## **Section VII**

### **Aggregation of Measured Values for the Relevant Network**

**Article 96.** (1) The net production of the network is equal to the sum of the total production of all producers connected to this network.

(2) The net consumption of the network is equal to the sum of the total consumption of all consumers of this network.

(3) The electricity delivered to other networks is equal to the sum of all measured values, evidencing the exchange of electricity from the relevant network to other networks. With regard to the transmission grid to the realized exchange with other networks the export of electricity is also included.

(4) The electricity received from other networks is equal to the sum of all measured values, evidencing the exchange of electricity from other networks to the relevant network. With regard to the transmission grid to the realized exchange with other networks the import of electricity is also included.

## **Section VIII**

### **Aggregation of Measured Values in Regards to the Implementation of the Activity "Imbalances Settlement" by the Independent Transmission Operator**

**Article 97.** (1) The owners of measuring systems shall provide the independent transmission operator the following information in relation to the settlement of imbalances only for the relevant network and separately for each settlement period:

1. the established measured values separately for all dispatchable blocks and loads that provide ancillary services including balancing energy;

2. the established measured values for another block that has provided additional services to the Electricity System Operator.

(2) The owners of measuring systems shall provide the independent transmission operator the following information only for the relevant network and separately for each settlement period :

1. the total production by type and total consumption for each balancing group determined under the terms of Article 95, para. 2 and 3;

2. the technological costs in the network, determined under the terms of Article 92, para. 2 and 4;

3. the net production and net consumption in the relevant network determined defined under the terms of Article 96, para. 1 and 2;

4. The electricity supplied to other networks determined in compliance with the terms of Article 96, para. 3;

5. The electricity received from other networks determined in compliance with the terms of Article 96, para. 4.

**Article 98.** (1) The independent transmission operator shall implement preliminary physical settlement on a weekly basis for each coordinator of a standard and special balancing group, for all metering points equipped with electricity metering devices, by Thursday for the days of the preceding calendar week.

(2) The independent transmission operator shall implement final physical settlement for each coordinator of a standard and special balancing group, inclusive the installations under art. 86, par. 2, till the tenth day of each calendar month following the reporting month.

(3) The independent transmission operator shall implement financial settlement on a monthly basis for each coordinator of a standard and special balancing group in accordance with the Accountancy Law and the Law on VAT.

(4) The results from the physical and financial settlement, according to chapter ten, shall be

reflected in the daily and the monthly settlement reports of the coordinators of standard and special balancing groups and of the balancing energy providers.

## **Chapter Eight**

# **CONDITIONS AND PROCEDURES FOR CHANGE OF THE ELECTRICITY SUPPLIER AND THE BALANCING GROUP COORDINATOR. SUPPLIER OF LAST RESORT**

## **Section I**

### **Procedure for Change of Electricity Supplier and Balancing Group Coordinator**

**Article 99.** (1) The procedure for change of supplier of electricity within the meaning of this section covers:

1. (Amended - State Gazette, issue 39 of 2014) change of end supplier with a supplier from the liberalized market;

2. change of one supplier with another supplier from the liberalized market when the affiliation to a balancing group changes;

3. change of supplier from the liberalized market with a supplier of last resort and the other way round in the cases provided for in the Energy Act;

4. (revoked., previous item – State Gazette, issue 39 of 2014) change of the supplier of last resort with another supplier.

(2) The change of supplier shall be initiated by the end client or a person authorized by him.

(3) The process of change of supplier for clients connected to the electricity transmission grid shall be administered by the independent transmission operator, and for end consumers connected to the electricity distribution grid - by the respective distribution grid operator.

(4) (Amended - State Gazette, issue 39 of 2014) When changing the supplier from the regulated market with a supplier from the free market, the client has the right to obtain

information for the hourly electricity consumption by the owners of the commercial metering devices within a 5-day term of the date of submitting the request. The information may be requested for a period of 2 years back, prior to the date of filing the request. This information shall be provided free of charge.

**Article 100.** (1) The market participant or a notary authorized person sends an application for access according to the network to which the relevant site is connected, to the independent transmission operator, the operator of the electricity distribution network respectively, which should be in the form published on the website of the relevant network operator:

1. for market participants - individuals: full name, PIN, address of the site to which the change will be made, and account number, identifier of the metering points;

2. for market participants - legal entities: according to the form published of the network operator's website and the additional instruction published on the website of the independent transmission operator;

3. for market participants - companies under the Law on Obligations and Contracts: full name and PIN of the partners participating in the company, address of the site to which the change will be effected, account number and identifier of the metering points.

(2) The application under par. 1 shall provide the following additional information and the following documents:

1. point of connection and sites, if applicable;

2. technical information for the commercial metering devices according to the rules under Article 91, para. 1, p. 6 of the Energy Act, if applicable;

3. identification number of a standardized profile of a unified list for the country including the standardized load profiles, if applicable;

4. name and identification number in the registry under Article 65 of the balancing group coordinator who will be responsible for the imbalances of the market participant, if known at the time of submission of the application for access;

5. copy of the access contract and the contract for transmission to the transmission grid;

6. Certificate of a contract concluded under the general terms and conditions for access and transmission through the distribution network of the respective network operator.

**Article 101.** (1) The independent transmission operator or the operator of the electricity distribution network shall examine the application for access and the additional documents

provided in accordance with Article 100 within 10 working days of receipt.

(2) In the event that a lack of documents or incompleteness in the information provided is established, within the term under para. 1 the independent transmission operator or the operator of the electricity distribution network shall notify the applicant of the deficiencies and gives them 5 calendar days to submit the required information.

(3) If the new provider will supply electricity under a contract as per Article 11, para. 10, a framework contract shall be concluded with the relevant network operator within the 30-day term.

(4) The late submission of additional information as well as its incomplete submission or lack of framework agreement concluded constitute grounds for the independent transmission operator, the operator of the electricity distribution network, respectively, to discontinue the examination of the application to gain access. In this case, the review shall be renewed upon the submission of a new application.

(5) If the application contains all the necessary information and after the conclusion of the relevant contracts, the independent transmission operator or the operator of the electricity distribution network issues a notification for the fulfillment of the conditions for access, including compliance with the Rules for electricity metering.

(6) The notification under par. 5 shall state the identification code of the market participant and its sites in the database of the network operator.

(7) The procedure for obtaining access and subsequent registration shall be done for all sites for which the responsibility for balancing was transferred from the public provider, end supplier and / or provider of last resort to another coordinator, including for the sites of the producers of renewable energy sources and high-efficiency cogeneration.

(8) The independent transmission operator and the operators of distribution networks have the right to coordinate a further instruction published on the website of the independent transmission operator that is not contrary to these rules and supplements the process of gaining access.

**Article 102.** (Amended - State Gazette, issue 39 of 2014) In the cases when a request has been submitted for change of supplier of last resort with a supplier from the liberalized market, the independent transmission operator/(the distribution grid company) shall register the change only after the market participant has provided a certificate for lack of debts to their last supplier

on the liberalized market and supplier of last resort or a deferred payment agreement.

## **Section II**

### **Procedure for Change of Affiliation to a Balancing Group**

**Article 103.** (1) This procedure applies to trade participants who for their installations have received a notification for compliance with the requirements for access, under art. 102, par. 5 of these rules, and who wish to register their installations on the market of freely-negotiated prices, or to make a subsequent change of balancing group coordinator.

(2) The independent transmission operator and the electricity distribution grid operators may coordinate an additional instruction, which shall be published on the website of the independent transmission operator, and which shall not contradict these rules but shall supplement the process of change of affiliation to a balancing group.

(3) The market participant or a person notarized by him, shall send a request for change of affiliation to a balancing group to the independent transmission operator or to the distribution grid operator, depending on the grid to which the respective installation is connected.

(4) The change of balancing group coordinator shall become effective always on the first day of the month.

(5) The request under par. 3 shall contain at least the following information:

1. for the market participant - name, unified identification code, identification code in the database of the grid operator, address for correspondence, email and telephone;
2. for the installations of the market participant - identification code for each installation in the database of the grid operator, address of the installation and identifier of the point of metering used by the respective grid operator;
3. declaration for accession as a direct or indirect member of the balancing group;
4. certificate by the current balancing group coordinator and supplier, if different from the coordinator, for no arrears;
5. declaration of acceptance by the new coordinator and/or certificate for concluded contract for balancing/contract for combined service with the new balancing group coordinator.

(6) In case the provided information is complete and correct, the grid operator shall send a

notification of the upcoming change to the previous and to the new balancing group coordinator within the deadlines in accordance with the instruction under par. 2.

(7) As of the date of entry into force of the change of balancing group coordinator, the owner of the commercial metering devices shall determine the consumed electricity in one of the following ways: he shall report the measurements of the commercial metering devices, he shall determine the quantity of electricity on the basis forecasted consumption or on the basis of the end consumer's own reporting - in case of a change of balancing group coordinator by a client with a standardized load profile.

(8) The owners of the commercial metering devices shall send the data under par. 7 within the deadlines under art. 89, par. 3, 4 and 5 of these rules to the current supplier and balancing group coordinator and to the new supplier and balancing group coordinator.

(9) (Amended - State Gazette, issue 39 of 2014) In the cases under the Energy Act, where the supply of electricity should be performed by a supplier of last resort, the change of balancing group coordinator shall be registered by the independent transmission operator, respectively the distribution grid operator, this shall be carried out within 3 business days of receipt of the information in accordance with art. 104 of the Rules.

(10) The independent transmission operator shall inform the market participant, the current supplier, the current coordinator, and the supplier of last resort of the registration under par. 9.

(11) (Amended - State Gazette, issue 39 of 2014) The distribution grid operator shall notify the market participant, the current supplier, the current coordinator, the supplier of last resort and the independent transmission operator of the registration under par. 9.

## **Section III**

### **Rules for Supply by End Supplier and by Supplier of Last Resort**

**Article 104.** (1) (Amended - State Gazette, issue 39 of 2014) The supplier of last resort is a person who has a license in accordance with the Energy Act and who supplies electricity in the cases when the main supplier under a contract for purchase and sale of electricity is not able to continue supplying due to bankruptcy, liquidation, revocation of license or any other event which

has led to a temporary or permanent discontinuation of the electricity supply, and who as well supplies electricity to end consumers who cannot be clients to the end supplier, until the time they select another supplier.

(2) The end client shall notify the independent transmission operator, respectively the distribution grid operator immediately, and no later than 24 hours, of the occurrence of circumstances which have caused or which are causing a temporary or permanent termination of the electricity supply, as well as the date as of which the electricity supply under the existing contract is to be terminated.

(3) The independent transmission operator, respectively the distribution grid operator, shall automatically register the change to supplier of last resort in accordance with its license.

(4) The price at which the supplier of last resort shall sell electricity to the end client shall be determined in accordance with an approved by SEWRC Methodology for Determination of the Prices of Electricity Supplied by a Supplier of Last Resort.

(5) The independent transmission operator, respectively the distribution grid operator, shall send identifying information about the client and his installations, as well as data about the quantity of used electricity on a monthly basis for the previous 12 months.

## **Chapter nine**

# **BALANCING MARKET**

## **Section I**

### **General Terms**

**Article 105.** (1) The balancing market is centralized and shall be organized by the independent transmission operator via the energy system dispatcher on duty.

(2) On the balancing market, the independent transmission operator shall purchase and/or sell electricity from/to the market participants - suppliers of balancing energy to the national balancing market and/or from/to the regional balancing market with the purpose of balancing the deviation from the planned/negotiated schedules for production and consumption of electricity.

(3) The offers and transactions on the balancing market shall be made by separate dispatchable generators/loads.

(4) (Amended - State Gazette, issue 39 of 2014) The price of electricity on the national balancing market shall be determined in accordance with an approved by SEWRC Methodology for Determination of Balancing Energy Prices, an annex to the Electricity Trading Rules.

(5) The balancing market shall not be used for closure of open positions on trade deals on the date of negotiation.

## **Section II**

### **Balancing Market Rules**

**Article 106.** (1) The balancing market rules set out the conditions for sale and purchase of balancing energy with the purpose of ensuring the safety and reliability of the national electricity system and the safe parallel operation of the European electricity system.

(2) The producers of electricity shall announce schedules in accordance with the concluded contracts within the operational range of their generators and in accordance with the expected net production for the respective period. The balancing group coordinators shall announce schedules for the quantities of electricity in accordance with the concluded contracts and the transactions realized by them on the power exchange.

(3) For transit of electricity, in cases of imposed curtailment on the import schedule by the respective neighbouring operator, the corresponding external export schedule shall be curtailed, respectively in case of an imposed curtailment on an outside export schedule, a curtailment on the import schedule shall be implemented.

(4) The independent transmission operator may refuse to register or may curtail an "external" export schedule if the quantities in this schedule are not matched with corresponding quantities of electricity in an "internal" schedule or from import.

**Article 107.** Balancing energy shall be traded on the balancing market and it shall include:

1. the energy fed as a result of participation in regulation (primary and secondary), set through the turbine regulators of the generating units or the central regulator of the electricity system, integrally for the hour;
2. balancing through correction of the operational point of the generating units (tertiary

reserve), set by the independent transmission operator's dispatcher on duty, integrally for the hour;

3. the fed energy as a result of activated blocks of cold reserve, integrally for the hour;
4. balancing via change of state (powering on and off) of the generators, as ordered by the independent transmission operator's dispatcher on duty, integrally for the hour;
5. balancing through change of the load of consumers at the order of the dispatcher;
6. energy purchased/sold from/to neighbouring energy systems and energy as emergency assistance.

**Article 108.** (1) After submission of the production schedules, consumption schedules and schedules for exchange and the offers for regulation in accordance with the Grid Code and these rules, the independent transmission operator shall assess the available reserves for secondary and tertiary regulation to ensure a safe and reliable operation of the system.

(2) When there are not enough available reserves or balancing energy, the independent transmission operator shall act in accordance with the Grid Code.

**Article 109.** (1) The independent transmission operator shall be responsible for the registration of the participants on the balancing market, for the collection, verification and validation of the offers, for the calculation of the necessary quantities of balancing energy on the day of delivery, as well as for the settlement of the mutual obligations on transactions related to the balancing market.

(2) The validated offers shall be passed on to the independent transmission operator's dispatcher on duty, who shall activate the offers completely or partially depending on the conditions in real time.

**Article 110.** (1) A transaction on the balancing market shall be considered concluded at the moment of the complete or partial activation of the balancing energy supplier's offer, carried out by the independent transmission operator's dispatcher on duty.

(2) When a transaction concluded on the balancing market may threaten the operational safety and reliability of the national electricity system and the safe parallel operation of the European electricity system, the dispatcher on duty may deactivate the offer of the balancing energy supplier.

**Article 111.** (1) The independent transmission operator is a party to the contract with each participant in the balancing market - balancing energy supplier, for all transactions concluded on

the balancing market.

(2) A transaction concluded on the balancing market shall set out the obligations of the respective supplier on the balancing market to supply or purchase energy to/from the independent transmission operator in accordance with the offer and order of the independent transmission operator's dispatcher.

(3) The transactions concluded with balancing energy suppliers who participate in secondary regulation or in system regulation through activation of cold reserve units, activation of generators for tertiary regulation, shall be settled in accordance with the provisions of the contracts with the independent transmission operator.

(4) The transaction shall cover the respective dispatching period.

**Article 112.** (1) The independent transmission operator's obligations for payment to the market participants - balancing energy suppliers, under the transactions concluded on the balancing market shall be based on:

1. the ordered by the dispatcher and supplied by the supplier quantity of electricity on the balancing market;
2. the price of the respective offer for up regulation

(2) The market participants' obligations for payment to the independent transmission operator under the transactions concluded on the balancing market shall be based on:

1. the ordered by the dispatcher and the real/effective quantity of electricity purchased by the supplier on the balancing market;
2. the price of the respective offer for down regulation.

**Article 113.** A pumped-storage hydroelectric power plant shall be considered as a dispatchable load when the generator is in pumping regime.

**Article 114.** (1) The balancing energy, traded on the balancing market on the day of delivery, is physically obtained at:

1. point where the dispatchable unit is connected to the national transmission grid;
2. the moment after the dispatcher has given an order, and the moment shall be agreed on depending on the technical characteristics.

(2) The balancing energy, traded on the balancing market on the day of delivery by each balancing energy supplier, shall be set by the independent transmission operator for each period of dispatching, in the condition that a net delivery schedule has been validated within the limits of

the operational range of the generators, the corresponding gross schedule, and the requirements under art. 81, par. 8 and 9 have been met.

**Article 115.** (1) In cooperation with other transmission system operators or suppliers of balancing services from other regions of regulation, the independent transmission operator may negotiate procedures for mutual use of the services offered on the balancing market or to use similar mechanisms effective in other countries.

(2) The procedures under par. 1 shall be approved by SEWRC.

## **Section III**

### **Suppliers on the Balancing Market**

**Article 116.** (1) Market participants who operate dispatchable generators shall be obliged to become suppliers on the balancing market.

(2) Consumers with dispatchable loads may become suppliers on the balancing market.

**Article 117.** Balancing market participants must be designated as suppliers of balancing energy from secondary and/ or tertiary regulation in accordance with the rules for management of the power system and these trading rules.

**Article 118.** (1) Market participant, who has an obligation to become a supplier for the balancing market, must submit a written application to the independent transmission operator under an approved form, which shall be accompanied by all the relevant technical information.

(2) The procedure for granting, inspection and acceptance of the application under par. 1 is determined by the independent transmission operator.

## **Section IV**

### **Register of Balancing Energy Suppliers**

**Article 119.** The independent transmission operator shall maintain a register of the balancing energy suppliers.

**Article 120.** The registration of a new supplier on the balancing market and its entry in the

registry under Article 119 shall be made on the date on which the contract for participation in the balancing market with a provider of balancing energy becomes effective.

**Article 121.** The registry of suppliers on the balancing market should include at least the following information on each supplier on the balancing market:

1. Full name, legal address and contact information for the participant registered as a balancing market supplier;
2. The number and date of the contract of the supplier of balancing energy for participation on the balancing market;
3. The identification number of the supplier on the balancing market;
4. The names and contact information of all persons authorized to act on behalf of the licensed provider;
5. the name and identification number of the coordinator of the balancing group for the relevant supplier of the balancing market;
6. a list of all dispatched units and dispatched loads operated by the relevant supplier of the balancing market;
7. the number of the license, if required for the relevant participant;
8. UIC of the supplier of the balancing market.

**Article 122.** (1) Every supplier on the balancing market has the right to verify the information from the registry of suppliers on the balancing market, associated with it, and require a change of any discrepancy noted.

(2) The information from the registry of suppliers on the balancing market is publicly available.

**Article 123.** (1) A balancing energy supplier may withdraw from this market upon their discretion, stated in writing, only if they are not going to operate the dispatched unit.

(2) The application under par. 1 shall be submitted at least one month prior to the date on which the registration of the supplier must be terminated.

(3) Upon receipt of an application under par. 2 the independent transmission operator shall inform the coordinator of the balancing group to which the relevant supplier belongs.

**Article 124.** (1) The independent transmission operator may terminate the registration of the balancing energy supplier in each of the following cases:

1. if from a certain point onwards the supplier can not meet one or more of the conditions

required for registration as a supplier of balancing energy;

2. if the supplier on the balancing market does not comply with the terms of the contract for participation in the balancing market;

3. if the supplier of the balancing market repeatedly violates the rules applied on the balancing market, or the rules governing the mutual obligations.

(2) The registration of the supplier on the balancing market shall be deemed terminated from the moment of withdrawal of the production license of the supplier by the State Energy and Water Regulatory Commission.

**Article 125.** (1) If a supplier on the balancing market withdraws from this market in compliance with Article 123 or its registration is terminated by the independent transmission operator in accordance with the terms of Article 124, the regulations of Article 179 shall apply for the days until the termination of the registration.

(2) The supplier of the balancing market shall settle all of its obligations with the independent transmission operator by the date of termination of its registration.

(3) The independent transmission operator shall inform the coordinator of the balancing group for the change in the registry under Article 119.

## **Section V**

### **Centralized Market of Ancillary Services**

**Article 126.** (1) The guaranteeing of sufficient available quantity of ancillary services for the independent transmission operator and for the operators of the distribution companies shall be implemented through auctions and/or bilateral contracts.

(2) The balancing energy resulting from the regulation/balancing of the power grid shall be purchased only by the independent transmission operator.

(3) (Amended - State Gazette, issue 39 of 2014) The availability of ancillary services and cold reserve, shall be obligatory provided by the users of the grid in accordance with the Grid Code, and the costs reimbursement to the independent transmission operator shall be implemented through the price for the service "access to the electricity transmission grid". The other ancillary services, including the full participation in the regulation of the power grid, shall

be obligatory provided by the users of the grid in accordance with the Grid Code, and the costs reimbursement to the users shall be implemented through the price of the balancing energy, proposed in the contracts under art. 131 or in the proposals for balancing.

(4) In the contracts for access and ancillary services between the independent transmission operator and the users of the grid, the volume and price of these services shall be specified.

(5) In case the volume and the price of the ancillary services under par. 4 cannot be agreed upon, then the parties under these contracts shall address the issue to the State Energy and Water Regulatory Commission (SEWRC) for their ex officio determination.

**Article 127.** (1) The electricity needed to cover the technological cost in the electricity transmission grid is supplied via delivery schedules by the public provider and is purchased by the transmission company.

(2) The electricity needed to cover the technological cost in the electricity distribution grid is supplied via delivery schedules by the public provider and is purchased by the distribution company.

**Article 128.** (1) The independent transmission operator receives and verifies the information from the coordination centers of ENTSO-E for the quantity of the electricity and the timetable to compensate for adverse deviations from the plan for exchanges.

(2) The independent transmission operator negotiates supply of electricity to compensate for these adverse deviations from the plan for exchanges.

(3) The schedule to compensate for adverse deviations from the plan for exchanges refers to the special balancing group of the independent transmission operator.

## **Section VI.**

### **Purchase of primary and cold reserve**

**Article 129.** (1) The independent transmission operator provides reserve for primary control by the solidarity participation of a group of aggregates on the principle of the centralized

purchase with contracts between the independent transmission operator and the suppliers of this reserve.

(2) The independent transmission operator provides cold reserve of the principle of centralized purchase by contracts between the independent transmission operator and the suppliers of this reserve.

(3) The independent transmission operator determines producers whose aggregates have the technical capability and are obliged to provide the required reserve for primary control, in accordance with its requirements.

(4) (Amended - State Gazette, issue 39 of 2014) The independent transmission operator pays to the producers of the thermal power units the requested range of availability to participate in the primary regulation at a price agreed in a bilateral agreement. The reserve for primary control of HPP shall not be paid.

**Article 130.** The need and the parameters for primary regulation of future producers whose unit installed capacity of the aggregate will exceed 10 MVA for hydroaggregates and 200 MVA for turboaggregates is determined by the independent transmission operator.

## **Section VII.**

### **Purchase of secondary reserve**

**Article 131.** (1) (Amended - State Gazette, issue 39 of 2014) All the existing producers at the date when these trade rules enter into force, whose aggregates have the technical capability to provide reserve for secondary regulation are required to offer this reserve to the independent transmission operator at negotiated prices for availability and regulating energy.

(2) The independent transmission operator shall conclude annual bilateral agreements with the producers under par. 1 to provide reserve for secondary regulation.

(3) The determining of the aggregates participating in secondary control is performed by the independent transmission operator.

(4) (Amended - State Gazette, issue 39 of 2014) The independent transmission operator determines for each producer under par. 1 in the term under Article 77, para. 8 a range of the gross available capacity for secondary regulation in accordance with Article 6 para. 2.

(5) (Amended - State Gazette, issue 39 of 2014) The producers distribute the determined by the independent transmission operator range of the gross available capacity for secondary regulation in blocks and notify the independent transmission operator no later than 12:00 h on the day before the delivery.

(6) (Revoked, Previous para. 7 - State Gazette, issue 39 of 2014) the SEWRC may impose price caps under the methodology constituting Annex № 1 to these rules.

**Article 132.** The required reserve for secondary regulation in the control area of the Republic of Bulgaria is determined by the independent transmission operator.

**Article 133.** Producers who have concluded direct bilateral agreements with the independent transmission operator for the provision of reserve for secondary regulation do not have the right for the same period of settlement to provide proposals for regulating up and down for those aggregates that provide reserve for secondary regulation.

## **Section VIII.**

### **Purchase and suggestions on the balancing energy from tertiary reserve**

**Article 134.** (1) The independent transmission operator purchases balancing energy from tertiary reserve up if necessary to restore the reserve for secondary regulation.

(2) The independent transmission operator sells balancing energy from tertiary reserve down if necessary to restore the reserve for secondary regulation.

**Article 135.** (1) Balancing Energy Sources from tertiary regulation are:

1. dispatching sites of producers who do not participate in the provision of primary and secondary reserve;

2. dispatchable objects to end users of electricity.

(2) Pumped-storage hydroelectric power plants shall be considered as a dispatchable load when the aggregate is in pumping regime.

**Article 136.** The proposals for balancing declare the possibility of a given market participant to deviate from the timetable for production / consumption for a certain price for increasing or decreasing of the production / consumption, if it is specified by the system dispatcher on duty.

**Article 137.** (1) Proposals for balancing downwards submitted by the producers are for reducing the production.

(2) The activation of the proposals to regulate downwards under par. 1 of the dispatcher on duty aims to reduce the active power output of the respective object compared to the announced level in the schedule for production.

**Article 138.** (1) Proposals for balancing downwards submitted by end customers are for increasing the consumption.

(2) The activation of balancing proposals downwards under par. 1 of the dispatcher on duty aims to increase the consumption of electricity of the respective object compared to the stated in the schedule for consumption.

**Article 139.** (1) Proposals for balancing upwards submitted by producers are for increasing of the production.

(2) The activation of the balancing proposals upwards under par. 1 of the dispatcher on duty aims to increase the output active power of the respective object compared to the announced level in the schedule for production.

**Article 140.** (1) Proposals for balancing upwards submitted by the end customers are for reducing consumption.

(2) The activation of balancing proposals upwards under par. 1 of the dispatcher on duty aims to reduce the consumption of electricity of the respective object compared to the stated in the schedule for consumption.

## **Section IX.**

### **Priority list of the balancing energy sources**

**Article 141.** (1) The independent transmission operator prepares a priority list and activates the balancing energy sources according to this list, taking into account the technological criteria related to security of supply and sustainable and safe operation of the power system according to the rules under Article 83, para. 1 pt. 4 EA.

(2) The priority list contains balancing proposals submitted by the suppliers registered under Article 119.

(3) The arrangement of the balancing energy sources in a priority list for compensation of the shortage of generating capacity in the power system is done in ascending order of the price of the delivered energy from them.

(4) The arrangement of the balancing energy sources in a priority list for compensation of the excess of generating capacity in the electricity system is carried out in descending order of the price of proposed by them energy.

(5) In case of a receipt of proposals with equal prices priority will be given to those proposals submitted earlier.

## **Section X.**

### **Dynamic parameters**

**Article 142.** The providers of the balancing market are obliged to provide to the operator dynamic parameters representing a set of data and characteristics of the individual dispatchable sites related to their ability to change the output power.

**Article 143.** (1) The dynamic parameters submitted by the providers of the balancing energy in a summarized form in a sample model approved by the independent transmission operator.

(2) When changing the dynamic parameters the balancing energy providers shall immediately inform the independent transmission operator.

(3) the balancing energy providers send information under par. 1 to the independent transmission operator by e-mail, fax or other approved means.

**Article 144.** The dynamic parameters include at least the following information:

1. rate of increase of the power, MW / min;
2. rate of reduction of the power, MW / min;
3. the maximum possible amount of delivery, MWh - for HPP and PSHPP;
4. the period for delivery of the quantity under item. 3, in hours and minutes - for HPP and PSHPP;
5. time for activating the proposal downwards for balancing, min;

6. time for activation of the offer upwards for balancing, min;
7. execution time of an instruction for changing the power supplied from the dispatcher on duty from the time of its receipt until the beginning of the change, min;
8. minimum step for change of the power, MW.

## **Section XI.**

### **Form of presentation and registration of the balancing proposals**

**Article 145.** (1) The registered providers of balancing energy submit proposals for balancing upwards and proposals for balancing downwards for the deviation from the levels of the schedules for production / consumption for each dispatchable object in the form determined by the independent transmission operator.

(2) The proposals to reduce the production and increase consumption contain the deviation of the active power level stated in the schedule for production / consumption, the periods of dispatching and the price offer.

(3) The proposals to increase the production and reduce the consumption include the deviation of the active power level stated in the schedule for production / consumption, the periods of dispatching and the price offer.

(4) The proposals for balancing upwards and the proposals for balancing downwards shall be submitted by the providers of balancing energy on the day before the delivery, and shall be related to the different periods of dispatching on the day of the delivery.

**Article 146.** (1) The duration of a given proposal is equal to 15 minutes, as the provider should submit proposals for at least sixteen consecutive periods of dispatching (block).

(2) Beginning and end of the each proposal match with quarter of an hour.

**Article 147.** (1) The step of the proposal submitted for a dispatchable object of a producer or end customer, should be at least 5 MW.

(2) The provider should submit proposals for balancing upwards or downwards only within the operating range of dispatchable object.

**Article 148.** (1) A provider of the balancing market may submit to each of its dispatchable objects, one proposal for balancing upwards and one proposal for balancing downwards for one block of sixteen periods of dispatching.

(2) Each block of sixteen dispatching periods starts on every hour.

(3) The cost of the proposal for balancing is in effect for the entire block.

**Article 149.** (1) The registered balancing proposals can not be withdrawn.

(2) The prices and quantities of the activated proposals are defined as follows:

1. A producer sells to the independent transmission operator the produced by an order of the the dispatcher on duty amount of energy at the price of the activated proposal for balancing upwards;

2. a producer buys from the independent transmission operator the unmanufactured by an order of the dispatcher on duty energy at the price of the activated proposal for balancing downwards;

3. a end customer sells to the independent transmission operator the unconsumed by an order of the dispatcher on duty energy at the price of the activated proposal for balancing upwards;

4. The end customer buys from the independent transmission operator the consumed by an order of the dispatcher on duty amount of energy at the price of the activated proposal for balancing downwards.

## **Section XII.**

### **Activation of proposals for balancing**

**Article 150.** (1) The dispatcher on duty activates the balancing proposals to maintain the required reserve for secondary regulation and / or balance of capacity in the power system.

(2) The dispatcher on duty can activate joint proposals for balancing upwards or downwards in order to prepare the generating capacity for providing additional spinning reserve or to overcome limitations occurred in the system.

(3) Upon activation of the proposals for balancing the dispatcher on duty can change the working capacity of a given object under these proposals.

**Article 151.** (1) The proposal for balancing are activated by telephone or other means of communication approved by the independent transmission operator.

(2) The operational activation of the proposal for balancing and the subsequent instructions within their duration are documented in a registration table containing the instructed deviation from the timetable for production / consumption and the time of submission of the instruction.

(3) The registered instructions are used in the process of settlement of the provider of the balancing market under Chapter Ten.

**Article 152.** The dispatcher on duty activates the the proposal by:

1. The dynamic parameters of the respective object and the specific conditions in the power system;

2. The order of arrangement of the proposal on the priority list of the sources of balancing energy.

**Article 153.** When a supplier of the balancing market has an activated proposal for balancing, and at the end of the period of dispatching has submitted the proposal for balancing for the period following the current period of dispatching, but without receiving instructions from the dispatcher on duty to disable the proposal, it is considered that the dispatcher on duty has activated his proposal for the next period as well.

**Article 154.** Providers of the balancing market, submitting proposals for balancing for the respective day of delivery, should submit them on the day preceding the day of delivery in compliance with the timetable for the exchange of information, developed and published by the independent transmission operator.

## **Chapter ten.**

# **PRINCIPLES FOR CALCULATING THE IMBALANCES AND SETTLEMENT OF THE BALANCING GROUPS**

## **Section I.**

### **Basic Statements**

**Article 155.** (1) The rules for calculation of the imbalances regulate the mechanism for calculation of the deviations between the registered schedule, the metered values of producers and consumers and the physical exchanges between the relevant grids or coordinators of balancing groups.

(2) The independent transmission operator applies equal principles for the determination of imbalances and the prices of the balancing energy to the coordinators of standard and special balancing groups.

(3) The quantities under a registered schedule are the quantities agreed between the trade participants before the actual day of delivery, inclusive the quantities registered for trade on the power exchange, and the quantities provided at the balancing energy and ancillary services market.

(4) The metered values are the recorded and validated by the owners of the commercial metering devices metered values of producers, consumers and realised physical exchanges between the relevant grids or neighbouring energy systems.

(5) The imbalances shall be determined on the basis of aggregated metered values for production, consumption and physical exchanges related to a coordinator of a balancing group.

(6) The producers and the consumers with dispatchable installations shall be responsible for the realised "imbalance towards a dispatching instruction" and for ensuring compliance with the agreed quantities and the dispatching instructions received by the dispatcher on duty. The dispatching instructions shall have priority over the agreed quantities.

(7) The balancing energy suppliers shall provide or purchase the entire energy to/from the independent transmission operator, in accordance with the orders of the dispatcher of the independent transmission operator.

(8) At determination of the imbalances, the unplanned exchanges with neighbouring control zones/blocks, shall be taken into account.

(9) The calculation and allocation of costs generated by imbalance shall be done according to the principles of their distribution, as spelled out in the general terms of the coordinator of the balancing group, whereas the producers of electricity, including those from renewable sources and high-efficiency cogeneration, shall pay expenses to cover imbalances in the respective balancing group of which they are members, only if there is a difference in the submitted by them schedules and the actual production. When the producer does not submit a production schedule, the coordinator of the balancing group shall prepare it on their behalf.

**Article 156.** Imbalances are:

1. imbalance of a coordinator of a balancing group, determined on the basis of a contractually-agreed net position and net metered position;
2. imbalance towards a dispatching instruction, determined for each generation dispatchable block (plant) or dispatchable consuming installation, determined as the difference between the planned generation, according to the net agreed position, the ordered dispatching instruction and the real generation, according to the net metered position. In case a plant of the producer participates in primary and/or secondary regulation of frequency and capacity exchange or implements a dispatching order for reduction of the output capacity under the necessary capacity for coverage of the quantities on his registered schedules, it shall be considered that the respective producer has no imbalance;
3. in case a block of the producer participates in primary and /or secondary regulation of frequency and exchange capacities or implements a dispatching order for reduction of the output under the capacity for the coverage of the quantities according on his registered schedules, it shall be considered that the respective producer has no imbalance;
4. system imbalance which shall be determined as the total summed imbalance of the power grid for each separate dispatching interval.

**Article 157.** For the calculation of the imbalances the independent transmission operator determines: 1. agreed net position of each balance group coordinator as a sum of all contractual deliveries / purchases to / from other coordinator of balancing groups, including the transactions on the stock market and on the market of balancing energy and additional services;

2. the net measured position of each balance group coordinator as a sum of all measured confirmed values in the metering points in the places of measurement and in the places of energy exchange;

3. the unplanned exchanges.

**Article 158.** (1) (1) The agreed position are all the deliveries or purchases of electricity according to the latest registered schedules and dispatch instructions (administrated unbalance) of balance group coordinator.

(2) The agreed position includes the following exchanges registered by the independent transmission operator:

1. schedules for exchanges between coordinator of balancing groups within the electric power system of Bulgaria;

2. Export / import contracted by the balance group coordinator;

3. supply of energy for the electricity system operator by a dispatched producer / consumer as a result of upward adjustment, in participation in the secondary regulation, providing cold reserve or in the balancing energy market with a proposal for balancing energy;

4. purchase of energy from the electricity system operator by a dispatched producer / consumer as a result of downward adjustment, in participation in the secondary regulation or in the balancing energy market with a proposal for balancing energy downwards.

(3) The net contracted position  $H_{\Pi_{jb}}$  by coordinator from the balancing group b for each settlement period s is determined by the following formula:

$$H_{\Pi} = (\Sigma KE_{\Delta_{3AK}(sb)} - \Sigma KE_{\Delta_{np}(sb)}) + (\Sigma DE_{Bsb} - \Sigma DE_{I_{sb}}) + (\Sigma KE_{OP_{3AK}(sb)} - \Sigma KE_{OP_{np}(sb)}) + KE_{\Pi_{sb}} - KE_{\Delta_{sb}}$$

where:

$KE_{\Delta_{3AK}(sb)}$ , respectively  $KE_{\Delta_{np}(sb)}$ , is the energy agreed to purchase, respectively sale from / to another balance group coordinator for the settlement period s;

$DE_{Bsb}$ , respectively  $DE_{I_{sb}}$ , is the agreed energy for import respectively export in external schedule for settlement period s;

$KEOII_{3ak(sb)}$ , respectively  $KEOII_{np(sb)}$ , is the amount of energy determined for the purchase, respectively, for sale on the stock market for settlement period  $s$ ;

$KEPII_{sb}$  is the amount of energy from ordered balancing proposals upwards for settlement period  $s$  of participants in the balancing market in the respective balancing group;

$KEP3_{sb}$  is the amount of energy from ordered proposals for balancing downwards for settlement period  $s$  of participants in the balancing market in the respective balancing group.

**Article 159.** (1) The net agreed position is determined for each balance group coordinator for each settlement period  $s$ , and is the last validated and registered by the Electricity System Operator amount for the settlement period  $s$ , determined in accordance with Article 158, para. 3.

(2) The net settled position is in MWh.

**Article 160.** The net measured position is a delivery, measured at the place of connection of producer or consumer, the place of exchange of energy between one grid and another grid or approved standard load profile for a user or group, or an established coefficient representing technological expense, as appropriate.

**Article 161.** The net measured position concerns:

1. net production reported by an electrometer for commercial measuring of production unit or plant, received in the grid;
2. net consumption recorded from an electrometer for commercial measuring of user consumed by the grid;
3. net exchange between two grids of different operators;

4. exports reported by electrometer for commercial measuring realized to another electricity system;

5. imports reported by electrometer for commercial measuring realized by another electricity system;

6. technological costs.

**Article 162.** (1) All the measured values under Article 161 pt. 1 and 5 are positive values.

(2) All the measured values under Article 161 pt. 3 in the case of supply from other grids are positive values.

(3) All the measured values under Article 161, pt. 2, 4 and 6 are negative values.

(4) All the measured values under Article 161 pt. 3 in cases of delivery to other grids are negative values.

**Article 163.** (1) The net measured position for balance group coordinator who is not the independent transmission operator, transmission or distribution company, is determined as the difference between the aggregate net output of producers for which responsibility for balancing is taken and the aggregated net consumption of users for which responsibility for balancing is taken.

(2) Net measuring position for balance group coordinator which is a transmission or distribution company, which is responsible for covering the technological costs in the respective grid is determined by taking into account the following:

1. the technological costs in the grid defined under Article 92;
2. physical deliveries to other grids, including exports;
3. physical deliveries from other grids, including imports;
4. net production of producers connected to the respective grid;

5. net consumption of consumers connected to the respective grid.

**Article 164.** Article 163, para. 1. The net unbalance of a balance group coordinator who is not the independent transmission operator, a transmission or distribution company, is the difference between the net agreed position, determined in accordance with Article 158, para. 3 and the net measured position determined according to Article 163, para. 1.

**Article 165.** The net measured position of coordinator of balancing group, who buys energy from priority producers is determined as the sum of net production of all production units, of which the coordinator of the balancing group is obliged to buy the priority production.

**Article 166.** (1) The system unbalance is the total unbalance of the power system for each interval of dispatching.

(2) The system unbalance is determined taking into account the total amount of energy delivered by the providers of balancing energy and additional services for each interval of dispatching with adjusting the system upwards and adjusting the system downwards and the unplanned exchanges.

**Article 167.** (1) The unplanned exchanges ( $E_{\text{обмен}}$ ) are registered deviations from by the independent transmission operator quantities for import and export under the external schedules and the actual physical exchanges for each interval of dispatching and are determined by the formula:

$$E_{\text{обмен}(s)} = (\sum I_{\text{Знплан}(s)} - \sum I_{\text{Знреал}(s)}) - (\sum B_{\text{нреал}(s)} - \sum B_{\text{нплан}(s)})$$

where:

$\sum I_{\text{Знплан}(s)}$ , respectively  $\sum B_{\text{нплан}(s)}$ , are the planned export, respectively import;

$\sum I_{\text{Знреал}(s)}$ , respectively  $\sum B_{\text{нреал}(s)}$ , are the realized export, respectively import;

(2) The unplanned exchanges refer to the imbalances of the independent transmission operator as a coordinator of a special balancing group.

## **Section II.**

### **Rules of settlement**

**Article 168.** The rules of settlement define the principles for calculating the obligations under the following transactions:

1. transactions concluded on the stock market for electricity;
2. transactions concluded on the balancing energy market with suppliers of balancing energy;
3. transactions for sale and purchase of balancing energy with the balance group coordinator in order to compensate the realized imbalances;
4. transactions with suppliers of additional services;
5. transactions for the purchase of reserves (primary, secondary, cold);
6. transactions for the purchase of energy to cover the technological lexpenses in the grids.

**Article 169.** To ensure open and non-discriminatory process of settlement the independent transmission operator:

1. (Amended - State Gazette, issue 39 of 2014) establishes and maintains energy accounts for each balance group coordinator and each provider of balancing energy;
2. requires the provision of guarantee securities;
3. determines the balancing energy prices for energy shortage and energy surplus for each settlement period;
4. makes a preliminary settlement on a weekly basis and final physical and financial settlement on a monthly basis;

5. calculates the imbalances of the individual balancing groups and real balancing energy provided by the providers of balancing energy;

6. redistributes additional expenses or incomes as a result of the implemented processes settlement under the trade rules;

7. supervises the implementation of financial obligations and impose measures in case of default.

**Article 169a.** (New - State Gazette, issue 39 of 2014) In order to ensure open and non-discriminatory process of settlement of the stock market for electricity, the operator in the stock market:

1. Establishes and maintains energy accounts for each participant in the stock market of electricity.

2. Requires the provision of guarantee securities.

3. Determines the price for settlement (equilibrium market price) for period  $s$  and trade zone  $z$ .

4. Performs daily settlement and sets out the obligations and the receivables of the participants in the stock market.

5. Controls on the implementation of the financial obligations and impose measures in case of default.

**Article 170.** (1) The energy accounts are:

1. The energy account for each participant in the stock market of electricity;

2. The energy account for each provider of balancing energy;

3. The energy account for each balance group coordinator.

(2) The energy loan account under Article 1 pt. 3 contains the measured production, the registered schedules for the purchase of energy and the participation in the balancing energy

market or the market of additional services by purchasing power in regulating the system downwards.

(3) the flow of the energy account under par. 1 pt. 3 contains the measured consumption, the registered schedules for the sale of energy and the participation in the balancing energy market or the market of additional services through the sale of energy in regulating the system upwards.

(4) The independent transmission operator prepares samples of:

1. extracts for settlement for the transactions under Article 168 pt. 2 and 3;

2. (Previous item. 3 - State Gazette, issue 39 of 2014) The extracts for provided power reserves under Article 168 pt. 5;

3. (Previous. 4 - State Gazette, issue 39 of 2014) The statements for provided additional services under Article 168 pt. 4.

(5) (New - State Gazette, issue 39 of 2014) The stock market operator prepares a sample of statements for participation in the stock market of electric energy for the transactions under Article 168 pt. 1.

(6) (Previous 5 - State Gazette, issue 39 of 2014) The extracts under par. 4 are unseparable part of the invoices issued under Section V.

**Article 171.** (1) The independent transmission operator is entitled to require guarantee security for the transactions under Article 168 p. 1, 2, 3 and 4.

(2) (New - State Gazette, issue 39 of 2014) The operator in the stock market requires a guarantee security for transactions under Article 168 pt. 1.

(3) (previous 2 - State Gazette, issue 39 of 2014) The independent transmission operator develops a procedure for determining the amount and the type of guarantee security under par. 1, terms of presentation and update and the consequences of default, which will be publicly available for the interested parties.

(4) (previous 3, amended - State Gazette, issue 39 of 2014) The guarantee security of the participants in the stock market of electricity shall be determined in accordance with the instructions in this market and is granted in favour of the company which organizes the electricity stock market / manages the financial risk.

### **Section III.**

## **Rules for settlement of the transactions on the stock market of electricity**

**Article 172.** (1) (Amended - State Gazette, issue 39 of 2014) The operator of the stock market performs calculations on a daily basis, and for each participant in the exchange market determines the obligations / claims according to the following formula:

$$HCDC = \sum_s \sum_z \Pi_{sz} K_{sz}$$

Where:

**HCDC** is net value of the daily settlement;

**$\Pi_{sz}$**  - Price for settlement (equilibrium market price) for period  $s$  and trade zone  $z$ ;

**$K_{sz}$**  - quantity traded for settlement period  $s$  and trade zone  $z$ .

(2) The quantities corresponding to the purchase from the stock market of electricity are negative values, while the quantities corresponding to the sales of the stock market of electricity are positive values.

(3) (Amended - State Gazette, issue 39 of 2014) For each market participant in the stock market of electricity for each separate trading day on the stock market the operator prepares daily statements.

(4) The daily statements under par. 3 contain at least the following information:

1. hourly volumes traded on the stock market of electricity;
2. equilibrium market price for each delivery interval;
3. obligations and receivables for each delivery interval;
4. aggregate sold and purchased quantities on a daily basis;
5. obligations and receivables on a daily basis;
6. net financial position;
7. (Amended - State Gazette, issue 39 of 2014) payments due to the operator of the stock market / the company that manages the financial risk.

**Article 173.** The participants in the stock market of electricity receive information on the net financial position, which value must be debited from the current account on the day of trading or the next working day and credited on the first working day following the day of trading.

## **Section IV.**

### **Rules for settlement of the imbalances of the coordinators of balancing groups**

**Article 174.** The independent transmission operator determines the imbalances of the coordinators of balancing groups for each delivery interval after receiving the measured values established by the owners of commercial metering devices under Chapter Seven.

(2) The independent transmission operator prepares for each calendar day for each balance group coordinator hourly daily statement for settlement of imbalances and determines the net value of the daily settlement.

(3) The amount of energy from measured unbalance (КЕИИ) is determined by the following formula:

$$\mathbf{KEIH}_{sb} = \Sigma \mathbf{KEД}_{sb} + \Sigma \mathbf{KEИ}_{sb}$$

where:

$\mathbf{KEД}_{sb}$  is the amount of energy according to the registered net schedules for exchange of coordinator of balance group b for interval of settlement s, requested under Chapter Six;

$\mathbf{KEИ}_{sb}$  - measured amount of energy of all objects in the balancing group b.

(4) The amount of energy from activated unbalance (KEAN) is defined with the formula:

$$\mathbf{KEAH}_{sb} = \Sigma \mathbf{KEACP}_{sb} + \Sigma \mathbf{KEABP}^+_{sb} + \Sigma \mathbf{KEABP}^-_{sb} + \Sigma \mathbf{KEП}^+_{sb} + \Sigma \mathbf{KEPЗ}^-_{sb}$$

where:

$\mathbf{?KEACP}_{sb}$  is the total amount of energy with which the objects of the balancing group b actually increased their production for interval of settlement s as a result of activated cold reserve;

$\mathbf{?KEABP}^+_{sb}$  is the total amount of energy with which the objects of the balancing group b actually increased their production of interval of settlement s as a result of an activated secondary regulation upwards;

$\mathbf{?KEABP}^-_{sb}$  is the total amount of energy with which the objects of the balancing group b actually reduced their production interval of settlement s due to an activated secondary regulation downwards;

$\mathbf{?KEП}^+_{sb}$  is the total amount of energy from ordered proposal upwards, with which the objects of balancing group b increased their production or reduced their consumption for interval of settlement s as a result of activated proposals for balancing upwards;

$\mathbf{?KEAЗ}^-_{sb}$  is the amount of energy from ordered proposal downwards, with which the objects of balancing group b increased their production or increased their consumption for interval of settlement s as a result of activated proposals for balancing downwards.

(5) The amount of energy by net unbalance (КЕНН) for balancing group b is defined with the formula:

$$\mathbf{КЕНН}_{sb} = \mathbf{КЕИИ}_{sb} - \mathbf{КЕАН}_{sb}$$

(6) Depending on the value of the estimated net unbalance, the following indications shall be accepted:

1. when  $\mathbf{КЕНН}_{sb} > 0$ , is indicated by  $\mathbf{КЕНН}^+_{sb}$ ;
2. when  $\mathbf{КЕНН}_{sb} < 0$ , is indicated by  $\mathbf{КЕНН}^-_{sb}$ ;
3. when  $\mathbf{КЕНН}_{sb} = 0$ , is indicated by  $\mathbf{КЕНН}^0_{sb}$

(7) The net value of the daily settlement ( $\mathbf{НСДС}_b$ ) of the coordinator of the balancing group b is determined by the formula:

$$\mathbf{НСДС}_b = \mathbf{КЕНН}^+_{sb} \mathbf{ЦЕИ}_s - \mathbf{КЕНН}^-_{sb} \mathbf{ЦЕН}_s$$

**Article 175.** (1) The independent transmission operator provides separately for each calendar day for each provider of balancing energy from secondary control and cold reserve hourly daily statement for settlement and determines the net value of the daily settlement.

(2) The net value of the daily settlement of provider of balancing energy from secondary control and cold reserve ( $\mathbf{НСДСВРСР}_k$ ) is determined by the formula:

$$\mathbf{НСДСВРСР}_k = \sum_{sk=1}^n \mathbf{КЕАСР}_{sk} \mathbf{ЦСР} + \left( \sum_{sk=1}^p \mathbf{КЕАВР}^+_{sk} + \sum_{sk=1}^p \mathbf{КЕАВР}^-_{sk} \right) \mathbf{ЦЕВР}$$

**Article 176.** (1) The independent transmission operator provides separately for each calendar day for each provider of balancing energy from tertiary regulation hourly daily statement for settlement and determines the net value of the daily settlement.

(2) The net value of the daily settlement of provider of balancing energy from tertiary regulation ( $HC\Delta CTP_k$ ) is determined by the formula:

$$HC\Delta CTP_k = \sum_{l=1}^m KEP\pi_{skl}^+ \text{ЦЕП} + \sum_{l=1}^m KEP3_{skl}^- \text{ЦЕЗ}$$

**Article 177.** (1) The independent transmission operator provides separately for each coordinator of balance group monthly statement for settlement of the imbalances until 5th day of the month following the reporting period which includes the aggregate value from the daily settlement for the period. The monthly statement contains at least the following information:

1. date of preparation, time, identification number of the coordinator of the balancing group;
2. aggregated energy surplus for the period;
3. aggregated energy shortage for the period;
4. net monthly unbalance;
5. total value of the obligations of a coordinator of balance group;
6. total value of the receivables coordinator of balance group.

(2) The daily statements for settlement are prepared on a weekly basis until Thursday for the days from Monday to Sunday inclusively, for the previous calendar week.

(3) In the absence of data necessary for the preparation of the daily statement of settlement for the period under para. 2, with no fault by the independent transmission operator, the statement shall be completed within 3 working days of the receipt of the data.

(4) In the absence of data until the third day of the month following the reporting month, the owners of the commercial metering devices are required to send a substitute data according to the procedures in the Rules for measuring the amount of electricity and the trading rules.

(5) Sending daily and monthly statements for settlement are made by means approved by the independent transmission operator.

(6) The coordinators of balancing groups have the right to contest the data of the statements within two days of their receipt.

## **Section V.**

### **Invoicing of the balancing energy**

**Article 178.** (1) The independent transmission operator and coordinators of balancing groups perform invoicing based on monthly statement for settlement under Article 175 for the amount of balancing energy, which is sold for the reporting period.

(2) All the invoices are issued with date - the last day of the calendar month to which they relate, and shall be provided to the market participants until the 5th day of the month following the reporting month.

(3) The deadline for payment of the obligations of the coordinators of the balancing groups to the independent transmission operator is the 15th day of the month following the reporting month.

(4) The deadline for payment of the obligations to the independent transmission operator to the coordinator of balance groups is by the 20th day of the month following the reporting month.

## **Section VI.**

### **Rules for settlement of the the imbalances of the providers of balancing energy and additional services**

**Article 179.** (1) The independent transmission operator performs calculations for each provider of balancing energy and additional services for the amount of balancing energy actually provided for each interval of dispatching upon receipt of confirmed measured net values of the dispatching production and consuming objects.

(2) The actually provided / purchased balancing energy from the providers of balancing energy as a result of an activated proposal for balancing shall be determined in accordance with Article 4 and 5 of the methodology - Appendix № 1.

(3) The independent transmission operator calculates for each period of the dispatching the difference between the ordered unbalance (KEPH) and the amount of balancing energy actually provided as a result of the activated the proposal downwards (KEA3) or the activated proposal upwards (KEAII).

(4) The independent transmission operator pays / receives payment to / from providers of the balancing energy for the entire quantity of balancing energy, activated according to the orders issued by the dispatcher to the independent transmission operator.

(5) The extracts for settlement of the the providers of balancing energy shall be issued within the terms of Article 177.

## **Section VII.**

### **Disputes and recapitulations**

**Article 180.** (1) Upon challenging the statement of settlement within the terms of Article 177, para. 6 by the coordinator of balance group, provider of balancing energy or participant in the stock market of electricity, the independent transmission operator shall verify the information within two working days and:

1. accepts the challenge and issues a new statement for settlement which is sent and confirmed within two working days of receipt of the the statement of challenging;

2. rejects the challenge and informs the contesting party within two working days of receipt of statement of challenging.

(2) If the challenge under par. 1 is not permitted on the date of the issuance of the invoices, the invoices shall be issued on the basis of the contested statement.

**Article 181.** (1) After resolving a dispute for statement of settlement, the independent transmission operator issues new statements of settlement.

(2) In case of change in the tax base for which an invoice was issued, after resolving the dispute a corresponding tax debit or credit note is issued.

(3) the issued tax debit or credit notes are paid within the terms of Article 178, para. 3 and 4.

**Article 182.** (1) The recapitulation should be done in case of change of the data for settlement retroactively due to inaccuracies in reporting, processing and validation of information from the owners of the commercial measurement errors in transmission of information to the independent transmission operator, failure of the commercial measurement, technical errors in executing the settlement or changes in legislation, and for other reasons that are not expressly mentioned in these rules.

(2) The recapitulation under par. 1 is carried out for a period not exceeding one month preceding the date of finding the alteration of the settlement, only in respect of the concerned sites.

(3) In carrying out the recapitulation under par. 1 the independent transmission operator does not change the balancing energy prices set for the period under par 2.

**Article 183.** Reporting, validation and transfer of data from commercial metering devices owned by the distribution companies, is carried out in accordance with the rules for the measurement of quantities of electricity.

## **Section VIII.**

### **Guarantee of the transactions with balancing energy**

**Article 184.** (1) The coordinators of balancing groups provide in favour of the operator a guarantee security for the transactions concluded on the market of balancing energy.

(2) The guarantee security under par. 1 is unconditional and irrevocable bank guarantee opened in favour of the operator, after an approved by the operator model valid for one year or a cash deposit to the account of the operator.

(3) The amount and type of the guarantee security is specified in the contract for balancing.

(4) If the balance group coordinator fails to repay its debt to the operator within the period specified in Article 178, para. 3, the operator has the right, by written request to the bank to collect the amount due together with the accrued interest of the security provided.

**Article 185.** (1) Upon the initial registration of the balancing energy market of a coordinator of standard balancing group under Article 59, the operator determines the amount of guarantee security ( $\Delta H$ ) using the formula:

$$\Delta H_k = KH * EP_k * ЦР ,$$

where:

$\Delta H_k$  is the initial value of the guarantee security coordinator of balancing group k, BGN;

$KH$  - coefficient of securing the initial registration of a coordinator of balance group k;

**EP<sub>k</sub>** - basic amount of electricity to determine the initial guarantee security of coordinator of balancing group k, MWh;

**IP** - the highest approved by SEWRC total price of energy and availability of the generators connected to the grid, with which the public provider has a contract for the purchase of availability and energy BGN / MWh.

(2) The value of the coefficient of securing (KH) is - 0,05.

(3) The basic amount of electricity (EP) is defined with the formula::

$$EP = k * \sum_{l=1}^n KEIlk$$

where:

**KEI** is the largest monthly amount of electricity used by the sites of consumers for the last 6 calendar months preceding the registration with coordinator of balancing group k - producer or dealer, MWh;

or

**KEI** - the highest monthly quantity produced of the objects of producer for the last 6 calendar months preceding the registration, in balancing group in which there are no objects of consumers, with a coordinator of balancing group k - producer, MWh;

**k** - coefficient taking into account the mutual compensation of the imbalances between the objects in a balancing group, which is equal to 0.5 (k = 0,5).

(4) Coefficient "k" does not apply to commercial participants who have taken the responsibility for balancing only on their own sites.

**Article 186.** (1) The independent transmission operator shall update the amount of the guarantee security of coordinator of standard balancing group at least once a year.

(2) The independent transmission operator has the right to update the amount of the guarantee security when:

1. there is a change in the price  $\Pi P$ ;

2. The independent transmission operator has registered new objects or removed objects in the balancing group of a balancing group coordinator  $k$ .

(3) The independent transmission operator shall update the guarantee security in all cases where the amount of the guarantee security obtained under par. 4 is changed by more than 10%.

(4) The amount of the updated guarantee security ( $\Delta A$ ) is defined with the following formula:

$$\Delta A_k = HH_k + (KA * E\Delta_k * \Pi P) ,$$

where:

$\Delta A_k$  is the updated value of the guarantee security of a coordinator of balancing group  $k$ , BGN;

$\Pi P$  - weighted average price of shortage for the last 6 calendar months preceding the updating, BGN / MWh;

$HH_k$  - the largest positive difference between the total amount of liabilities and the total amount of receivables of a coordinator of balancing group  $k$  for the last 6 months preceding the updating, BGN;

$KA$  - coefficient of guarantee in updating the guarantee security;

$E\Delta_k$  - the basic amount of electricity to determine the updated guarantee security of coordinator of balancing group  $k$ , MWh.

(5) The value of the coefficient of securing ( $KA$ ) is - 0,025.

(6) The basic amount of electricity (ЕД) is defined with the following formula:

$$EД = k * \sum_{l=1}^n KEИlk$$

where:

KEИ is the largest monthly amount of electricity used by the sites of the consumers for last 6 calendar months preceding the registration, in balancing group with a coordinator of balancing group k - producer or dealer, MWh;

or

KEИ - the largest monthly amount of electricity, produced in the sites of a producer for the last 6 calendar months preceding the registration, in a balancing group where there are no sites of consumers, with a coordinator of balancing group k - producer, MWh;

k - a coefficient taking into account the mutual compensation of the imbalances between objects in a balancing group, which is equal to 0.5 (k = 0,5).

(7) Coefficient "k" is not applicable to trading participants who have taken responsibility for balancing only on their own sites.

(8) The minimum amount of the guarantee security for a coordinator of standard balancing group k after the update is 20,000 BGN

(9) The guarantee security under par. 6 will be required by the balancing group coordinators - electricity traders, who have not taken responsibility for balancing sites of consumers.

**Article 187.** (1) Upon the initial registration of the balancing energy market of coordinator of special balancing group, the independent transmission operator determines the amount of guarantee security (ДН) using the formula:

$$ДН_k = KH * EP_k * ЦР ,$$

where:

$\Delta H_k$  is the initial value of the guarantee security of coordinator of balancing group k, BGN;

$KH$  - coefficient of security for the initial registration of a coordinator of balancing group k;

$EP_k$  - basic amount of electricity to determine the initial guarantee security of coordinator of balancing group k, MWh;

$\Pi P$  - the highest approved by SEWRC total price of energy and availability of a producer connected to the grid, with which the public provider has a contract for the purchase of availability and energy, BGN / MWh.

(2) The value of the coefficient of securing ( $KH$ ) is - 0,02.

(3) (Supplemented - State Gazette, issue 39 of 2014) The basic amount of electrical energy ( $EP$ ) is defined with the following formula:

$$EP = k * \sum_{l=1}^n KEIlk$$

where:

$KEI$  is the average monthly amount of electricity used by the sites of consumers for last 6 calendar months preceding the registration, in balancing group with a coordinator of balancing group k - public provider or end supplier or provider of last instance, MWh or  $KEI$  is the average monthly quantity of electricity in the sites of producers for the last 6 calendar months preceding the registration, in a balancing group with a coordinator of balancing group k - public provider or an end supplier, MWh

$k$  - coefficient taking into account the mutual compensation of the imbalances between objects in a balancing group, which is equal to 0,2 ( $k = 0,2$ ).

(4) The minimum amount of the guarantee security for a coordinator of special balancing group is 100,000 BGN.

(5) (New - State Gazette, issue 39 of 2014) principles for determining the guarantee security coordinator of special balancing group with objects of renewable sources and high efficiency cogeneration are applied to the coordinators of the combined balancing groups.

**Article 188.** (1) The independent transmission operator shall update the amount of the guarantee security of special balancing group at least once a year.

(2) The independent transmission operator has the right to update the amount of the guarantee security outside the period under par. 1 when:

1. there is a change in the price ЦП;

2. The independent transmission operator has registered new objects or has removed objects in the balancing group of coordinator of balancing group k.

(3) The independent transmission operator shall make and update under par. 2 in all cases where the amount of the guarantee security granted in favour of the independent transmission operator is changed by more than 10%.

(4) The amount of the updated guarantee security ( $\Delta A$ ) is defined with the following formula:

$$\Delta A_k = HH_k + (KA * E\Delta_k * ЦП),$$

where:

$\Delta A_k$  is the updated value of the guarantee security of coordinator of balancing group k, BGN;

$\Pi П$  - weighted average price of shortage for the last 6 calendar months preceding the update, BGN/MWh;

**HH<sub>k</sub>** - the largest positive difference between the total amount of the liabilities and the total amount of the receivables of a coordinator of balancing group k for the last 6 months preceding the update, BGN;

**KA** - coefficient of in securing in case of update of the guarantee security update;

**ED<sub>k</sub>** - the basic amount of electricity to determine the updated guarantee security of coordinator of balancing group k, MWh.

(5) The value of the coefficient of securing (KA) is - 0,01.

(6) The basic amount of electrical energy (ED) is defined with the following formula::

$$ED = k * \sum_{l=1}^n KEIlk$$

where:

**KEI** is the average monthly amount of electricity used by the sites of consumers for last 6 calendar months preceding the registration, in balancing group with a coordinator of balancing group k - public provider or end supplier or provider of last instance, MWh;

**k** - coefficient taking into account the mutual compensation of the imbalances between objects in a balancing group, which is equal to 0,2 (k = 0,2).

(7) The minimum amount of the guarantee security for a coordinator of standard balancing group k after the update is 100 000 BGN.

(8) The independent transmission operator will require an update of the amount of the the guarantee security in the event that after the update the difference between the granted guarantee security and the updated amount exceeds 10% of the granted guarantee security.

(9) The coordinator of the balancing group is obliged to provide a new bank guarantee within 10 working days before the expiry of the existing guarantee.

(10) (New - State Gazette, issue 39 of 2014) The principles for updating the guarantee security for a coordinator of special balancing group with objects of renewable sources and high-efficiency cogeneration apply to the coordinators of combined balancing groups.

**Article 189.** The independent transmission operator shall send a written notice for the amount of the updated guarantee security of the coordinator of balancing group, which is obliged to update the amount within 5 working days.

## **Section IX.**

### **Terms for use of guarantee security**

**Article 190.** (1) If the balance group coordinator does not pay timely the obligation invoiced in Article 178, para. 1, the independent transmission operator sends a request for collection of the amount due from the bank guarantee or withdraws the amount due from a granted deposit in a period not less than 5 working days after the due date of the invoice.

(2) The coordinators of balancing groups have to recover the funds under the guarantee security within three working days from the time of the collection of amounts on them.

## **Chapter eleven.**

### **MONITORING OF THE ELECTRICITY MARKET**

#### **Section I.**

##### **Purpose of the monitoring of the market**

**Article 191.** (1) The monitoring of the market is carried out by the State Energy and Water Regulatory Commission (the Commission) and the independent transmission operator. It is necessary to determine the degree of efficiency, transparency and competitiveness in the market and to ensure that all market participants observe the rules of trade and the other statutory requirements.

(2) The coordinators of standard and special balancing group provide to the Commission periodic information as follows:

1. Information for the members of the balancing group, including location, address, contact person, UIC, registration code of the balancing market and others. (for household customers only summary is provided).

2. Quantities of electricity traded between members of the balancing group.

3. Prices on which electricity is traded between the members of the balancing group.

4. Quantities and prices for the distribution of the imbalances in the balancing group.

5. Any other information necessary for monitoring purposes.

(3) The purpose of monitoring is to determine (estimate):

1. The structure and operation of the market;

2. The effectiveness of the market;

3. The existence of abuse of market strength and power;

4. The need for changes in trade rules and the whole market structure arising in the course of operation of the electricity market;

5. The need for changes in the procedures of the electricity system operator.

## **Section II.**

### **Information provided to the Commission by the market participants**

**Article 192.** (1) The trading participants provide the necessary information and documents for the preparation of the monitoring report by the Commission according to specified scope, time and date for each case.

(2) The information shall be provided in paper and electronic form.

(3) The market participants may not refuse to provide information requested by the Commission, referring to commercial confidentiality.

(4) If necessary in relation to the powers of the Commission in the monitoring process of the electricity market, the Commission may require additional information from market participants.

(5) In the event that the information is untrue, inaccurate, incomplete or not provided within the prescribed period, the SEWRC has the right to sanction the market participant under the provisions of the Energy Act.

### **Section III.**

#### **Information provided by the operator of the power electricity system**

**Article 193.** The operator shall prepare, maintain and periodically publish general and specialized information about the market, about transactions at freely negotiated prices and about the energy traded in the balancing market.

**Article 194.** The operator shall establish and maintain electronic records and records of:

1. commercial participants
2. balancing group coordinators;
3. suppliers of balancing energy;
4. filed and registered delivery schedules;
5. rejected or withdrawn delivery schedules;
6. quantities of electricity traded through contracts at freely negotiated prices;
7. data and physical characteristics of the objects of market participants;
8. submitted, rejected and accepted bids and offers of the balancing energy market;

9. operator's activation of bids and offers;
10. orders to interrupt the operation of the market in emergency situations;
11. data from the commercial electricity metering of market participants;
12. data from settlement extracts;
13. data for the due guarantee securities of the market participants;
14. movement of cash between the operator, on one hand, and the coordinators of balancing groups and suppliers of balancing energy on the other.

**Article 195.** The operator shall provide public information about the market, including:

1. date register of balancing group coordinators and providers of balancing energy;
2. total amount of electricity traded at freely negotiated prices on a daily and monthly basis;
3. the quantity of electricity sold to the end consumer;
4. balancing energy prices for different periods of settlement.

**Article 196.** The operator shall provide to each market participant access to information relating to its participation in the market in time and content as follows:

1. registered delivery schedules - until 18 h on the day preceding the delivery;
2. registered bids and offers - until 18 h on the day preceding the date on which they refer to;
3. The provisions in relation to the activation of the proposals and requests of the market participant - 18 h on the second working day after the date of dispatching;

4. The daily statements for settlement from Monday to Sunday within 3 working days after the end of the week, in the absence of data without fault of the operator the term starts to run on the receipt of the data, but not later than 3 days after the end of the reporting period;

5. summarized statements for settlement within 5 days following the expiration of the calendar month.

## **Section IV.**

### **Analysis and evaluation of the efficiency of the electricity market**

**Article 197.** Based on the information under section second, third and fifth, the Committee analyze the effectiveness of the functioning of the market and the free competition.

**Article 198.** A market participant with a significant impact on the market is a participant who alone or jointly with others has a position equivalent to dominance, ie position of economic strength, enabling him independent behavior from competitors, customers and end consumers.

**Article 199.** Effective competition exists where no market participant, individually or jointly with other market participants, has significant effect on the free market.

**Article 200.** (1) Upon carrying out the analysis, the Commission shall determine the market share of each of the market participants operating in the free market.

(2) The market share of each of the trading participants of the free market is calculated on the basis of some of the following indicators:

1. Net revenue from sale of electricity;
2. amount of electricity sold to resellers and to retail customers;

3. The number of customers;

4. other, applicable depending on the specifics of the market under the legislation on protection of competition.

(3) A leading indicator for determining the market share of the free market is the amount of electricity sold to traders and end customers.

(4) Depending on the characteristics of the market, the Commission may use other indicators on which to determine the market shares, such as the need to use additional indicators justifying the decision of the Commission of the results of the market analysis.

**Article 201.** (1) In assessing the market shares of the companies in the free market the degree of market concentration is also taken into account.

(2) The degree of market concentration is calculated by using the indicators Herfindahl-Hirschman Index (HHI) and market concentration coefficient (CR).

(3) The Herfindahl-Hirschman Index is defined with the following formula:

$$I_{HHI} = 10000 \sum_{i=1}^n X_i^2$$

where:

$X_i$  is the market share of the  $i$ -th participant, in %;

$n$  - the number of participants in the free market

(4) In accordance with the value obtained for IHH the free market can be defined as:

1. normal competitive market with low concentration - with values of IHH below 1000;
2. relatively competitive market with an average level of concentration - with values of IHH from 1000 to 1800;

3. less competitive market with a high level of concentration - with values of IHH over 1800.

(5) The ratio of market concentration is determined by the formula:

$$CR_m = \sum_{i=1}^m W_i,$$

where:

$W_i$  is the market share of the  $i$ -th participant, in %;

$m$  - the number of participants with the highest market share; typically  $m = 1$  and  $m = 3$ .

(6) In accordance with the values obtained for CR1 and CR3 the free market can be defined as follows:

1. value of CR1 > 20% - is important for the level of competition;
2. value of CR1 > 40% - suggesting a dominant market position;
3. value of CR1 > 50% - implicitly considered an indication of a dominant market position;
4. value of CR3, equal to almost 0% - perfect competition;
5. value of CR3 between 40% and 70% - average competitive market;
6. value of CR3 between 70% and 100% - less competitive market.

## **Section V.**

### **Results of market monitoring**

**Article 202.** The operator shall prepare and submit to the the Committee regular reports covering monthly, quarterly and annual periods of market activity and extraordinary reports requested by the Commission containing information on:

1. trade participants in the market and their traded amounts of energy at freely negotiated prices;
2. total amount of energy traded at freely negotiated prices;
3. balancing energy prices for excess and deficiency - minimum, medium and maximum;
4. Settlement of the operator;
5. wrongdoing activities in the market and compliance with the trade rules;
6. other information requested by the Commission.

**Article 203.** The data is stored in a database of the operator for six years.

**Article 204.** All the data except for the publicly available information is confidential and subject to protection in accordance with Article 114 EA.

**Article 205.** The Commission shall prepare an annual monitoring report on the work of the electricity market, which contains:

1. assessment of the structure and operation of the observed relevant markets; 2. assessment of market malfunctioning and possible reasons for this;
3. analysis of the reasons for the malfunctioning of markets, if such is established, including abuse of dominant position, practices and actions which are contrary to fair trade practices and harm or may harm the interests of the competitors, other violations of obligations arising for market participants under these rules;
4. proposals for measures to remedy the violations arising from the operation of the electricity market or raised by the market participants;

5. proposals for amendments to the rules for electricity trading and / or any other legislation relating to them.

**Article 206.** The Commission shall take effective deterrent sanctions against the market participants who have violated the rules of trade and / or inform other competent authorities.

(2) The Commission shall cooperate with other competent state bodies and other national regulatory authorities.

**Article 207.** (1) The operator officially publishes monthly reports until the 15th of next month and an annual report on the market until 31.03 on its website.

(2) The Commission officially publishes annual monitoring report on the electricity market until 15 July on its website.

## **SUPPLEMENTAL PROVISIONS**

**§ 1.** Within the meaning given in these rules:

1. **"Installation"** shall be any individual, in terms of electricity metering, electricity installation of a market participant.
2. **"Virtual electricity metering device"** - calculated summed values of the consumed and the outgoing active electricity from the metering points of one or several installations of a registered participant on the electricity market, determined in accordance with the Electricity Metering Rules.
3. **"Indirect member"** of a balancing group - installation of a consumer for which a contract is concluded with only one supplier and the responsibility for its balancing is transferred to this supplier.

4. "**Direct member**" of a balancing group - installation of a consumer for which a contract with more than one supplier can be concluded but the responsibility for balancing is transferred to only one of them.
5. "**Dispatching period**" - 15 minutes.
6. "**Settlement period**" - 1 hour.
7. "**Grid services**" - access to the electricity transmission grid, transmission of electricity through the transmission grid, access to the electricity distribution grids and transmission of electricity through the distribution grids and other services.

## **TRANSITIONAL AND FINAL PROVISIONS**

§ 2. The Electricity Trading Rules have been drafted pursuant to Article 91, par. 2 of the Energy Act and have been approved by the State Energy and Water Regulatory Commission with resolution protocol N° 110 of 18.07.2013 under item 1 and repeal the Electricity Trading Rules adopted by the State Energy and Water Regulatory Commission resolution protocol N 94 dated 25.06.2010 under item 5.

§ 3. The Electricity Trading Rules shall enter into force from the date of their publication in the State Gazette.

§ 4. (New - State Gazette, issue 39 of 2014) The independent transmission operator shall announce the date on which the conditions for the application of the Electricity Trading Rules with respect to all coordinators of balancing groups are met.

§ 5. (New - State Gazette, issue 39 of 2014) If a curtailment on the production of electricity is ordered, the determination of the imbalances shall be done in accordance with the instruction issued by the Electricity System Operator and published on its website.

§ 6. (New - State Gazette, issue 39 of 2014) The rules for amending and supplementing the Electricity Trading Rules are adopted by SEWRC with a decision under item 8 of Protocol No. 54 on 8.04.2014.

## **Appendix**

to Article 105, para. 4

(Amended - State Gazette, issue 39 of 2014)

Methodology for determining balancing energy prices

General provisions

This methodology regulates the method of determining the price of balancing electricity as part of the rules for electricity trading in accordance with Article 21, para. 11 of the Energy Act.

The methodology was designed to formulate standard and transparent rules in the price of balancing energy, which should be paid to the independent transmission operator by the coordinators of balancing groups and the market participants responsible for the imbalances of its objects as a balance group coordinator.

Method for determining the price of the balancing electricity

Article 1. (1) The contracted quantities of electricity specified in schedules for exchange are recorded in the formulas for settlement of the respective coordinator of balance group with the sign "-" when he is a seller under the contract and with the sign "+" when he is a buyer.

(2) The measured amounts of energy are saved in the formulas for the settlement of the respective coordinator of balance group with the sign "-" when they have a direction from the transmission / distribution grid to the balancing group, and a "+" sign when in reverse.

Article 2. The total amount of regulating energy (KEABP), with which producer k actually has increased / decreased its production of object l for settlement period s, is defined with the following formula:

$$KEABP_{skl} = KE\Delta_{skl} + KEИ_{skl}$$

where:

$KE\Delta_{skl}$  is the amount of energy according to the registered timetable for delivery of the object / unit l of market participant k for settlement period s, stated under Chapter Six;

$KEИ_{skl}$  - measured amount of energy of the object / unit l of market participant k for settlement period s:

1. where  $KEABP_{skl} > 0$ , is indicated by  $KEABP^+_{skl}$ ;
2. where  $KEABP_{skl} < 0$ , is indicated by  $KEABP^-_{skl}$ ;
3. where  $KEABP_{skl} = 0$ , is indicated by  $KEABP^0_{skl}$ .

Article 3. (1) The amount of energy of ordered proposals on regulation  $KEPH_{jkl}$  for dispatching period j is defined with the following formula:

$$KEPH_{jkl} = KE\Pi_{jkl} + KE\Phi_{jkl}$$

where:

$KE\Pi_{jkl}$  is the amount of energy of ordered proposal upwards with which a market participant k must increase its production or reduce its consumption of subject / unit l for a period of dispatching j due to the disposition of the dispatcher on duty for activating the offer for balancing upwards over the same period ;

$KEP3_{jkl}$  -  $KERZ_{jkl}$  - the amount of energy of ordered proposal downwards, which market participant k must reduce its production or increase its consumption of object / unit l for a period of dispatching j due to the disposition of the the dispatcher of duty for activation the offer for balancing downwards over the same period.

(2) The quantities of energy from ordered proposals to balance upwards and proposals to balance downwards involved in the formulas under par. 1 shall be determined on the basis of the recorded dispatch instructions and graphics production / consumption.

(3) The time for the activation of the balancing proposals upwards or downwards is not less than 15 minutes before the start of the respective period of dispatching.

(4) The time for deactivating the balancing proposals upwards or downwards is not less than 15 minutes before the completion of the period of dispatching.

(5) The total amount of energy from ordered proposals on regulation  $KEPH_{skl}$  for settlement period s is defined as:

$$KEPH_{skl} = \sum_{j=1}^4 KEPH_{jkl}$$

Article 4. (1) The amount of energy from activated offers upwards  $KEAP_{skl}$ , with which market participant k actually has increased its production or decreased its consumption of object / unit l for settlement period s as a result of activated offers for balancing upwards is determined by the formula:

$$KEAP_{skl} = \min \left[ KEPH_{skl}; (KEP_{skl} + KEH_{skl} - KEP3_{skl}) \right]$$

where:

$$KEPH_{skl} = \sum_{j=1}^4 KEPH_{jkl}$$

is the amount of energy of ordered proposal upwards with which a market participant k must increase its production or reduce its consumption of object / unit l for settlement period s due to the disposition of the the dispatcher on duty to activate the offer for balancing upwards over the same period;

$$KEP3_{skl} = \sum_{j=1}^4 KEP3_{jkl}$$

is the amount of energy of ordered proposal downwards, with which a market participant k must reduce its production or increase its consumption of object / unit l for settlement period s due to the disposition of the the dispatcher on duty to activate the offer for balancing downwards over the same period.

(2) Where  $KEA\Pi_{skl} > 0$ , is defined by  $KEA\Pi^+_{skl}$ .

(3) The total amount of energy that a market participant k actually delivered for settlement period s as a result of activated offers for balancing upwards of all its objects / units m, is defined with the following formula:

$$KEA\Pi^+_{sk} = \sum_{l=1}^m KEA\Pi^+_{skl}$$

Article 5. (1) The amount of energy  $KEA3$  with which a market participant k actually has reduced its production or has increased its consumption for settlement period s as a result of activated offers for balancing downwards, is defined with the following formula:

$$KEA3_{skl} = \max \left[ KEP3_{skl}; (KE\Pi_{skl} + KE\Pi_{skl} - KE\Pi_{skl}) \right]$$

(2) Where  $KEA3_{skl} < 0$ , is defined by  $KEA3_{skl}^-$ .

(3) The total amount of energy with which a market participant k actually reduced its production or increased its consumption for settlement period s as a result of activated offers for balancing downwards by all its objects / units m, is defined with the following formula:

$$KEA3_{sk}^- = \sum_{l=1}^m KEA3_{skl}^-.$$

Article 6. (1) The operator shall monitor the implementation of the dispatcher's instructions for activation of proposals for balancing upwards and proposals for balancing downwards, by setting the coefficient of non-execution of dispatching instruction ( $K_{\mathcal{D}}$ ) for any proposal for balancing submitted by market participant k, for a period of the dispatching j, which has enabled balancing proposals:

$$K_{\mathcal{D}k} = \left| \frac{KEPH_{jk} - KEA\mathcal{I}_{jk}^+ - KEA3_{jk}^-}{KEPH_{jk}} \right| 100, \%.$$

(2) The operator has the right to impose a ban for proposals for balancing in the balancing market on a trading participant who:

1. within 24 hours has 12 and more periods of dispatching for which the ratio of non-execution of dispatching disposition ( $K_{\mathcal{D}}$ ) is greater than 30%;
2. within 168 hours has 20 and more periods of dispatching for which the ratio of non-execution of dispatching disposition ( $K_{\mathcal{D}}$ ) is greater than 30%.

Article 7. (1) (Amended And supplemented - State Gazette, issue 39 of 2014) The price of balancing energy shortage ( $\Pi EH_s$ ) for settlement period s is defined as the ratio of all expenses of the independent transmission operator for the purchase of balancing energy compared to the negative net imbalances of all balancing group coordinators for settlement period s with the following formula:

$$\Pi EH_s = \frac{\sum_{k=1}^n KEACP_{sk} \Pi CP + \sum_{k=1}^p KEABP_{sk}^+ \Pi EBP + \sum_{k=1}^r \sum_{l=1}^n KEPT_{kl}^+ \Pi ET_{kl} + KEHT_s^+ \Pi E_{cl} + KEBr_s \Pi EB_s + KEABT_s \Pi EM_s}{\sum_{k=1}^i |KEHT_{sk}|} K_p$$

where:

$KEACP_{sk}$  is the amount of energy from activated cold reserve from participant k for settlement period s, MWh;

$\Pi CP$  is a single component price and availability of energy from activated cold reserve of the respective participant k, BGN/MWh;

n is the number of all participants who have provided balancing market energy from activated cold reserve in settlement period s;

$KEABP_{sk}^+$  is the amount of energy from activated secondary reserve by which producer k has actually increased production for settlement period s, MWh;

$\Pi EBP$  the cost of energy from activated secondary reserve of participant k, BGN / MWh;

p is the number of all participants who have provided balancing market energy from activated secondary reserve in settlement period s;

$KE\Pi^+_{skl}$  is the amount of energy by which market participant k must increase its production for settlement period s;

$\Pi E\Pi_{skl}$  the price of energy for balancing proposal for object / unit I of market participant k for settlement period s, BGN / MWh;

r is the number of all market participants, which provided energy from activated offers for balancing for a settlement period s;

$KEHH^-_{sb}$  is the amount of energy from energy deficit of a coordinator of balance group b for settlement period s, MWh;

z is the number of all balancing group coordinators who have energy shortage for settlement period s;

$KEHH^{+*}_s$  is the difference between the total sold quantity of balancing power downwards and the positive net imbalances of all the coordinators of balancing groups;

$\Pi E^+_{ct}$  is the official price at which the independent transmission operator sells  $KEHH^{+*}_s$ , BGN / MWh;

$KEBH_s$  is the amount of energy purchased from neighboring control areas for settlement period s, MWh;

$\Pi EBH_s$  is the price at which the independent transmission operator buys energy from neighboring control areas for settlement period s, BGN / MWh;

$KEAB\Pi_s$  is the amount of energy delivered by emergency assistance from neighboring control areas for settlement period s, MWh;

$\Pi EM_s$  is the highest cost of energy that the independent transmission operator buys for a settlement period s, BGN / MWh;

$k_p$  is a coefficient reflecting the cost of the independent transmission operator for the administration of the balancing energy market.

(2) In the cases where:

$$\sum_{k=1}^n KEACP_{sk} + \sum_{k=1}^p KEABP_{sk}^+ + \sum_{k=1}^r \sum_{l=1}^m KEPIT_{skl}^+ + KEBH_s + KEABII_s < \sum_{b=1}^z |KEHH_{sb}^-|$$

The independent transmission operator determines:

$$KEHH_s^{+*} = \sum_{k=1}^p KEABP_{sk}^- + \sum_{k=1}^r \sum_{l=1}^m KEPZ_{skl}^- + KEIz_s + \sum_{b=1}^q KEHH_{sb}^+$$

(3) The official price that the independent transmission operator determines for  $KEHH_s^{+*}$ , the arithmetic mean between the highest and lowest price of deficiency for month M-1

$$\text{ЦЕ}_{ca}^+ = \frac{\max \text{ЦЕ}H_{(M-1)} + \min \text{ЦЕ}H_{(M-1)}}{2}.$$

Article 8. (1) The price of balancing energy in surplus ( $\text{ЦЕ}I_s$ ) for settlement period s is defined as the ratio of all revenues of the independent transmission operator from selling balancing energy compared to the positive net imbalances of all coordinators of balancing groups for settlement period s with the following formula:

$$\text{ЦЕ}I_s = \frac{\sum_{k=1}^p KEABP_{sk}^- \text{ЦЕ}BP + \sum_{k=1}^r \sum_{l=1}^m KEPZ_{skl}^- \text{ЦЕ}Z_{skl} + KEHH_{sk}^- \text{ЦЕ}_{ca}^- + KEIz_s \text{ЦЕ}Iz_s}{\sum_{b=1}^z KEHH_{sb}^+} \cdot \frac{1}{\kappa_p},$$

where:

$KEABP_{sk}^-$  is the amount of energy from activated secondary reserve by which producer k actually has reduced its production for settlement period s, MWh;

$\text{ЦЕ}BP$  is the cost of energy from activated secondary reserve of a participant k, BGN / MWh;

p is the number of all participants who did not produce energy from activated secondary reserve and which energy they purchase from the balancing market in settlement period s;

$\text{ЦЕЗ}_{skl}$  is the price of energy from proposal downwards for balancing object / unit I of market participant k for settlement period s, BGN / MWh;

r is the number of all commercial participants who have consumed / not produced energy from enabled applications for balancing and which energy they purchase from the balancing market for settlement period s;

$\text{KEHH}^+_{sb}$  is the amount of energy from an energy surplus of balance group coordinator b for settlement period s, MWh;

q is the number of all balancing group coordinators who have surplus energy for settlement period s;

$\text{KEHH}^*_{sk}$  is the difference between the total amount of purchased balancing energy upwards and the negative net imbalances of all balancing group coordinators;

$\text{ЦЕ}^-_{ct}$  is the official price at which the independent transmission operator buys  $\text{KEHH}^*_{s}$ , BGN / MWh;

$\text{KEИЗ}_s$  is the amount of energy sold to neighboring control areas for settlement period s, MWh;

$\text{ЦЕИЗ}_s$  is the price at which the independent transmission operator sells energy to neighboring control areas for settlement period s.

(2) In cases, where:

$$\left| \sum_{k=1}^n \text{KEABP}^-_{jk} + \sum_{k=1}^r \sum_{l=1}^m \text{KEPЗ}^-_{jkl} + \text{KEИЗ}_s \right| \leq \sum_{b=1}^q \text{KEHH}^+_{sb}.$$

The independent transmission operator determines:

$$\text{KEHH}^*_{s} = \sum_{k=1}^n \text{KEACP}_{sk} + \sum_{k=1}^n \text{KEABP}^+_{sk} + \sum_{k=1}^r \sum_{l=1}^m \text{KEПИ}^+_{skl} + \text{KEВН}_s + \text{KEABП}_s + \sum_{b=1}^q \text{KEHH}^-_{sb}$$

(3) The official price that the independent transmission operator determines for KEHH-  
\* s, is the arithmetic mean between the highest and the lowest price for surplus for the month M-  
1:

$$\text{ЦЕ}_{\text{ср.}}^- = \frac{\max \text{ЦЕИ}_{(M-1)} + \min \text{ЦЕИ}_{(M-1)}}{2} .$$

*I , the undersigned, Asya Todorova Kraycheva, do hereby certify that this is a true and accurate translation made by me from Bulgarian into English language of the document "Electricity Trading Rules" attached hereto. The translation consists of 121 pages.*

*Sworn translator:*

*Asya Todorova Kraycheva*