Athens, 27 October 2017

Dear Mr. Pototschnig,

We are writing to you on behalf of the Regulatory Authorities of the SEE CCR, with regard to the respective Transmission System Operators (TSOs) proposal on the Regional Specific Annex for SEE CCR to the Harmonised Allocation Rules for long-term transmission rights, submitted in accordance with Articles 52 par. 3 and 4 par. 7(e) of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation (FCA).

All Regulatory Authorities of the SEE CCR have not been able to reach an agreement on the above proposal, within the period referred to in art. 4 paragraph 9. In particular, the above proposal could not ensure the application of EU HAR, as not all TSOs of the SEE CCR have been able to join an Auction Office for the conduct of the respective auctions.

Therefore, we kindly ask the Agency to adopt the respective decision, pursuant to art. 4 par. 10 of the FCA Regulation.

Please be advised that we are ready to assist the Agency to develop and adopt its decision the
soonest possible within the period provided by the Regulation. In the meantime, the Auctions for
the Available Transmission Capacity (ATC) in both directions on the interconnections between
Bulgaria-Greece and Romania-Bulgaria for the year 2018, have to be conducted by the TSOs,
ESO EAD-ADMIE and Transelectrica-ESO EAD, respectively, pursuant to the respective Capacity
Allocation Auction Rules, to be adopted by RAE, EWRC and ANRE, by the end of November 2017,
as provided by the relevant national legislation and further to the respective proposal currently
being prepared by the above TSOs.

The proposal for the BG-GR border shall include the fundamental FCA principles, such as the
introduction of a DAFD as the earliest time of Member States for PTR firmness, as well as the
provision and reasons for curtailment and compensation according to market spread and the
secondary capacity market (transfer, resale, UIOSI). Other parameters may not be adopted
mainly due to technical reasons, regarding the customisation of existing IT systems. In particular,
we refer mainly to the dynamic business account, the credit limit verification, the financial self-
billing, the information system rules (the later shall be available for participants on each TSO site)
and the default bids enabling. Please note that long-term allocation rules and daily allocation rules
will be included in the same document but the firmness, curtailment etc procedures for each
timeframe will be described distinctively.

Similarly, the proposal for the RO-BG border follows the major principles of the FCA Regulation,
with reference to the capacity’s auctioning process, PTR curtailment and firmness – introduction
of DAFD, transfer of allocated capacity, use of bank guarantees and use of UIOSI principle. There
are, also, few functions that TSO’s platform cannot execute, due to technical reasons, such as
the credit limit verification, the automatic generation of report of settlement values with reference
to capacity returns, the displaying of some information to the participants (rejected offers, the
value of returned capacity, the value of offered capacity), the selection of the transfer function
only for a participant, the adaption of the bid evaluation algorithm, the possibility of returning
capacity acquired over the long term, the default bids enabling, the implementation of reduction
period facility and the realization of the notice board application for the secondary capacity
market.

We remain at your disposal for any further information or clarification.

Yours sincerely,

[Signature]

Dr. Nikolaos Boblakis
President of RAE
Attached Documents:

(i) Transmission System Operators (TSOs) proposal on the Regional Specific Annex for CCR SEE to the Harmonised Allocation Rules for long-term transmission rights, submitted in accordance with Articles 52 par. 3 and 4 par. 7(e) of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation (FCA)
Regional Specific Annex for CCR SEE to the Harmonised Allocation Rules for long-term transmission rights in accordance with Article 52 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation

[date of approval]
All TSOs of the SEE CCR (South-East Europe Capacity Calculation Region) taking into account the following,

Whereas

(1) This document is the common proposal developed by the Transmission System Operators of the CCR SEE (hereafter referred to as “TSOs”) as defined in the decision No 06/2016 of the Agency for the Cooperation of Energy Regulators of 17 November 2016 pursuant to Article 15(1) of the Commission Regulation (EU) 2015/1222.

(2) This common proposal sets out specific requirements applicable to the CCR at regional and bidding zones border level pursuant to Article 52(3) of Commission Regulation (EU) 2016/1719 establishing a guideline on Forward Capacity Allocation (hereafter referred to as the “FCA Regulation”).

(3) This document constitutes an Annex to the proposal of the harmonised allocation rules for long-term transmission rights on EU level (hereafter referred to as “HAR”) in accordance with Article 51 of the FCA Regulation.

(4) This proposal includes the following titles:
   a. The first title covers general provisions of the proposal;
   b. The second title addresses the applicability of a cap on compensations for curtailments in accordance with Article 59 of the HAR;
   c. The third title details further regional or bidding zone border specificities applicable to the CCR SEE in accordance with Article 52(3) of the FCA Regulation.

(5) In accordance with Article 6 of the FCA Regulation, proposals at regional level should be submitted to consultation at least at regional level. Accordingly, the provisions in relation to the applicability of the cap were consulted together with the main body of the HAR proposal (as part of the former Annex 1 of that proposal) for a period of not less than a month (namely 16 January until 17 February 2017). The other regional or bidding zone border specific rules of this proposal as contained in the third Title, were also consulted upon during the public consultation on the former border/ regional specific Annexes to the HAR proposal.

(6) This proposal replaces the former border or regional specific Annexes to the HAR proposal and the information on the applicability of the cap as contained in the former Annex 1 to the HAR proposal.

(7) This proposal is submitted for the approval of all National Regulatory Authorities (hereafter referred to as the “NRAs”) of the CCR SEE.

(8) TSOs understand that for the purposes of the approval or the future amendment of bidding zone border specific requirements of this proposal, only the NRAs of the respective bidding zone borders will have to state their explicit approval. Non-concerned NRA(s) of the CCR will be duly informed.

SUBMIT THE FOLLOWING PROPOSAL TO ALL REGULATORY AUTHORITIES OF THE CCR SEE:
TITLE 1
General provisions
Article 1
Subject matter and scope

1. In accordance with Article 4 of the HAR, regional or border specificities may be introduced for one or more Bidding Zone borders. Rules described in this regional specific annex apply to the borders of the CCR SEE.

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

3. If there is an inconsistency between any of the provisions in the main body of the HAR and this annex, the provisions in this annex shall prevail. The capitalised terms used in this annex are defined in the HAR to which this annex is attached.

4. This annex is applied by the following TSOs from the CCR SEE: Transelectrica, ESO EAD and ADMIE/IPTO.

Article 2
Definitions and interpretation

1. For the purpose of this annex to the HAR the terms used shall have the meaning of the definitions included in Article 2 of the HAR and Article 2 of the FCA Regulation and Regulation (EC) No 714/2009 and Regulation (EC) No 543/2013.

2. In this proposal unless the context requires otherwise:
   a) the singular indicates the plural and vice versa;
   b) the headings are inserted for convenience only and do not affect the interpretation of the proposal; and
   c) any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.

Article 3
Language

The reference language for this proposal for regional specific annex to the HAR shall be English. For the avoidance of doubt, where TSOs needs to translate this proposal into national language(s), in the event of inconsistencies between the English version published by TSOs in CCR SEE in accordance with Article 4(13) of the FCA Regulation and any version in another language the relevant TSOs shall, in accordance with national legislation, provide the relevant national regulatory authority with an updated translation of the proposal for regional specific annex to the HAR.
Regional Specific Annex for CCR SEE to the Harmonised Allocation Rules for long-term transmission rights in accordance with Article 52 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation

TITLE 2
Cap on compensation

Article 4
Bidding zones borders where cap is applicable

For the purposes of this proposal and the HAR, a cap on compensation shall only apply to the bidding zones borders listed in the present Title.

Article 5
Romania-Bulgaria border (RO-BG)

A cap on compensation shall be applicable to the Romania-Bulgaria border in accordance with Article 52(2) of the HAR.

Article 6
Bulgaria-Greece border (BG-GR)

A cap on compensation shall be applicable to the Bulgaria-Greece border in accordance with Article 52(2) of the HAR.

TITLE 3
Further regional or bidding zone border specific requirements

Article 7
Types of Long Term Transmission Rights applied in CCR SEE

Types of Long Term Transmission Rights applied in CCR SEE are mentioned in the following document: “South-east Europe (SEE) Region proposal for design of Long Term Transmission Rights in accordance with Article 31 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation”

Article 8
Border specificities for the border Bulgaria – Romania

1. Allocation Platform

This Article 8 paragraph 1 supplements Article 3 of the Allocation Rules.

The Allocation Platform that will undertake the allocation functions in accordance with these Allocation Rules on the bidding zones border Romania-Bulgaria (RO-BG) shall be the Single Allocation Platform established in accordance with the Article 48 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 “establishing a guideline on forward capacity allocation”.
2. **Effective date and application of Allocation Rules for bidding zones border Romania-Bulgaria (RO-BG)**

This Article 8 paragraph 2 replaces Article 5 paragraph 1 of the Allocation Rules.

These Allocation Rules shall enter into force for bidding zones border Romania-Bulgaria (RO-BG) in accordance with the applicable national regulatory regime, starting with the date when the Single Allocation Platform will become operational, according to the Article 48 of the Commission Regulation (EU) 2016/1719 of 26 September 2016 “establishing a guideline on forward capacity allocation”. The Allocation Platform will announce the date when these Allocation Rules will be applied.

3. **Day Ahead Firmness Deadline applied for bidding zones border Romania-Bulgaria (RO-BG)**

This Article 8 paragraph 3 replaces Article 58 of the Allocation Rules.

The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Day Ahead Firmness Deadline which for the purpose of these Allocation Rules is 10:00 (CET) unless otherwise specified in accordance with the process described in Article 69 of the Commission Regulation (EU) No. 2015/1222.

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**Article 9**

**Border specificities for the border Bulgaria – Greece**

1. **Day Ahead Firmness deadline applied for bidding zones border Bulgaria-Greece (BG-GR)**

This Article 9 paragraph 1 replaces Article 58 of the Allocation Rules.

The Allocation Platform shall publish on its website and take into account for the calculation of compensation for curtailed Long Term Transmission Rights the Day Ahead Firmness Deadline which for the purpose of these Allocation Rules is 10:30 (CET) unless otherwise specified in accordance with the process described in Article 69 of the Commission Regulation (EU) No. 2015/1222.