



Technical Rule no. 03 rev. 04 MTEE

(under Article 4 of the Rules of Operation
of the Energy Efficiency Certificates Market)

Title

**Modalities for determining
the minimum conventional price**

Reference Legislation

Article 29, para. 29.2 of the Rules of Operation of the Energy
Efficiency Certificates Market

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1. Foreword

Article 29, para. 29.2 of the Rules of Operation of the Energy Efficiency Certificates Market (hereafter "MTEE Rules") stipulates that the Technical Rules shall define the modalities for determining the minimum conventional price.

2. Modalities for determining the minimum conventional price

Article 31, para. 31.6, of the MTEE Rules provides that:

if the purchasing Market Participant fails to make the payment or to send a copy of the receipt of payment to GME according to the modalities and within the time limits stated in para. 31.4 above, then GME shall cancel the transaction. In this case, GME shall pay a penalty to the selling Market Participant by utilising the cash deposit [...] of the defaulting purchasing Market Participant; for each certificate traded, the amount of the penalty shall be equal to the minimum conventional price published by GME.

The extent of the minimum conventional price, representing the penalty that purchasing Market Participants are held to pay in the event of default, shall be such as to discourage behaviours which may alter the proper operation of the market.

In this sense, the conventional price shall be kept equal to € 30/TEE, i.e. the value set upon its first application in 2006 and corresponding to 30% of the tariff reimbursement pertaining to 2005 and equal to € 100/toe as per AEEG's Decision 219/04.

GME may set a conventional price higher than € 30, to ensure the total financial coverage of transactions, on an exceptional basis, namely in the following cases:

- if the number of sessions (see Technical Rule no.5 MTEE) is to be increased in view of the expiration of the date of compliance with the obligation;
- if the period in which sessions take place at least once a week (see Technical rule no. 5 MTEE) includes holidays, thus making it operationally difficult for Participants to access the TEE Register;
- near the dates of the last useful market sessions before the expiration of the obligation – 31 May of each year – (see Technical Rule no. 5 MTEE).

In the above-mentioned cases, the increase of the financial coverage of transactions will enable GME to close transactions more rapidly and, at the end of the market session, to concurrently transfer the TEE traded to the respective ownership accounts of Participants.

The minimum conventional price that GME will establish in the above-mentioned cases will be posted, both on the TEE market access screen and on the page showing the calendar of the sessions, at least 7 calendar days in advance.