



**RULES GOVERNING THE FORWARD ELECTRICITY ACCOUNT  
TRADING PLATFORM (PCE), UNDER ARTICLE 17 OF  
ANNEX A TO DECISION 111/06 OF *AUTORITA' PER L'ENERGIA  
ELETTRICA E IL GAS (AEEGSI)*, AS AMENDED (\*)**

*(successfully verified by the Director of Markets of AEEGSI,  
as per Resolution of 7 February 2007, and as amended)*

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(\*) This is an unofficial translation. In the event of any discrepancy between the English text and the Italian original, the latter shall prevail.

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## **SECTION I GENERAL PROVISIONS**

### ***Article 1***

#### ***Text and Annexes***

- 1.1 These Rules and the documents attached hereto, which are an integral part hereof, contain the provisions governing the organisation and operation of the *Piattaforma dei Conti Energia* (Forward Electricity Account Trading Platform, hereafter called PCE). The Rules were adopted in accordance with Article 17 of Annex A to Decision 111/06 of *Autorità per l'energia elettrica, il gas ed il sistema idrico* (hereafter called AEEGSI), as amended.

### ***Article 2***

#### ***Definitions***

- 2.1 The definitions of Article 1 of Annex A to AEEGSI's Decision 111/06, as amended, shall - where applicable - apply to these Rules.
- 2.2 In these Rules:
- a) AEEGSI shall mean *Autorità per l'Energia Elettrica e il Gas* (Electricity & Gas Regulator), established under Law no. 481 of 14 November 1995;
  - b) applicable period shall mean the hour representing the period of time to which each transaction or schedule registered on the PCE refers;
  - c) billing shall mean the determination of the value of payables or receivables;
  - d) counterparty Participant shall mean the Participant that is specified as counterparty in the request for registering a transaction;
  - e) cumulated exposure of a dispatching user shall mean the total value of the estimated and/or accrued payables and receivables of such dispatching user towards Terna; Terna updates such value on a daily basis and calculates it in accordance with the provisions of the Dispatching Rules;
  - f) day of flow shall mean the day during which delivery/withdrawal of electricity takes place;

- g) Dispatching Rules shall mean the terms and conditions for the transmission and dispatching service established by AEEGSI in compliance with Article 3, para. 3 of Legislative Decree 79/99 and the Dispatching Rules laid down by Terna in compliance with Article 3, para. 6 of the same Decree;
- h) economic balance of the actual deviation account shall mean the balance that Terna calculates for each dispatching user under Article 21, para. 21.2 of Annex A to AEEGSI's Decision 111/06, as amended;
- i) economic balance of the forward electricity account shall mean the economic balance that GME calculates for each Participant under Article 20, para. 20.2 of Annex A to AEEGSI's Decision 111/06, as amended;
- j) electricity account (*conto energia*) shall mean the account that each dispatching user or its authorised agent holds on the PCE;
- k) electricity injection account shall mean the electricity account associated with all the injection and mixed offer points that correspond to generating units, importing units and pumping units for which the account holder qualifies as dispatching user, or for which the account holder has been authorised to trade by the related dispatching user, in accordance with Article 24, para. 24.3 below;
- l) Electricity Market Participant shall mean the party admitted to trading in the Electricity Market under the Integrated Text of the Electricity Market Rules;
- m) electricity withdrawal account shall mean the electricity account associated with all the withdrawal and mixed offer points that correspond to consuming units, exporting units and pumping units for which the account holder qualifies as dispatching user, or for which the account holder has been authorised to trade by the related dispatching user, in accordance with Article 24, para. 24.3 below;
- n) estimated fee for rights of use of transmission capacity (hereafter abbreviated estimated transmission capacity fee) shall mean the transmission capacity fee that GME uses for verifying the sufficiency of guarantees;
- o) estimated National Single Price shall mean the price that GME uses for verifying the sufficiency of guarantees;

- p) fee for rights of use of transmission capacity (*CCT*, hereafter abbreviated transmission capacity fee) shall mean the fee referred to in Article 43, Annex A to AEEGSI's Decision 111/06, as amended;
- q) GME shall mean *Gestore dei Mercati Energetici*;
- r) GSE shall mean *Gestore dei Servizi Energetici*;
- s) identification code of the electricity account shall mean the alphanumerical sequence that uniquely identifies an electricity account;
- t) identification code of the offer point shall mean the alphanumerical sequence that uniquely identifies an offer point
- u) identification code of the Participant shall mean the alphanumerical sequence that uniquely identifies a Participant for its participation in the PCE;
- v) Integrated Text of the Electricity Market Rules shall mean the Integrated Text of the Electricity Market Rules approved by the Decree of the Minister of Productive Activities of 19 December 2003, published in the *Supplemento Ordinario, Gazzetta Ufficiale, Serie Generale*, no. 301 of 30 December 2003, as amended;
- w) matching code shall mean the alphanumerical code that counterparties have selected in order to mutually identify a transaction to be registered;
- x) maximum allowed exposure towards Terna shall mean the maximum exposure that Terna has defined for each dispatching user as per Article 49 of Annex A to AEEGSI's Decision 111/06, as amended;
- y) MGP shall mean *Mercato del Giorno Prima* (Day-Ahead Market);
- z) National Single Price (*PUN*) shall mean the price referred to in Article 41, para. 41.2 c) of the Integrated Text of the Electricity Market Rules;
- aa) net position of an electricity account shall mean the algebraic sum of the sale and purchase transactions that have been registered on the same account;
- bb) offer point associated with an electricity account shall mean an offer point included in an electricity account, in that the dispatching user of such point is the account holder or the dispatching user of such point has authorised the account holder to register schedules in respect of such point;
- cc) offer point for which a Participant has been authorised shall mean an offer point associated with an electricity account of which the Participant is the account holder;

dd) offer point shall mean the dispatching point as defined in the Dispatching Rules;

ee) Participant shall mean the natural or legal person, including the PA Participant, admitted to trade on the PCE;

ee bis) PA Participant means the Public Administration referred to in Article 1, para. 209 of Law of 24 December 2007, no. 244;

ee tris) non-PA Participant means the Participant not included in the definition of PA Participant referred to in subpara. ee bis);

ff) physical balance of a forward electricity account shall mean, for each applicable period, the algebraic sum of the net position of the account and of the injection or withdrawal schedules that have been registered on the same account;

gg) physical balance/purchase shall mean a negative physical balance representing a purchase in the MGP;

hh) physical balance/sale shall mean a positive physical balance representing a sale in the MGP;

hh bis) settlement means the payment process of the transactions registered on the PCE;

ii) price for valuing forward purchases and sales shall mean the price referred to in Article 49, para. 49.1 a) of Annex A to AEEGSI's Decision 111/06, as amended;

jj) proposing Participant shall mean the Participant submitting a request for registering a transaction;

kk) purchase transaction shall mean the forward electricity purchase registered on the PCE;

ll) Qualified Market Participant shall mean the Participant referred to in Article 19 of Annex A to Decision 111/06, as amended;

mm) sale transaction shall mean the forward electricity sale registered on the PCE;

nn) transaction shall mean the forward purchase/sale of electricity registered on the PCE;

oo) working day shall mean a day from Monday to Friday, with the exception of holidays recognised by the State for all civil purposes, as well as any other days indicated in the Technical Rules;



pp) zonal price shall mean the price referred to in Article 41, para. 41.2 b) of the Integrated Text of the Electricity Market Rules.

### **Article 3**

#### **General Principles and Amendments to these Rules**

- 3.1 GME shall fulfil its tasks under transparent and non-discriminatory criteria.
- 3.2 GME shall organise and manage the PCE in accordance with the criteria set forth in AEEGSI's Decision 111/06, as amended.
- 3.3 GME shall put in place an organisational structure suitable for preventing real or potential conflicts of interest, as well as procedures for monitoring and enforcing compliance both with these Rules and with *Disposizioni Tecniche di Funzionamento (DTF - Technical Rules)*.
- 3.4 Participants shall conduct their activities in accordance with general principles of ethics and good faith.
- 3.5 GME may propose amendments to these Rules and notify them to interested parties by publishing them on its website or by other suitable means, allowing at least fifteen days for submission of comments, if any. Taking into account the comments received, GME shall then submit the proposed amendments (and the reasons therefor) to AEEGSI for approval.
- 3.6 The procedure referred to in para. 3.5 above shall not apply to urgent amendments to the Rules which have the purpose of safeguarding the proper functioning of the PCE. Any such amendment determined by GME shall have effect as of the date of its publication on GME's website and shall be promptly submitted to AEEGSI for approval. In case of non-approval, the amendment shall cease to have effect as of the date of notification of AEEGSI's decision to GME. GME shall timely notify Participants of the outcome of the approval procedure by posting it on its website.

### **Article 4**

#### **Technical Rules**

- 4.1 The implementing and procedural provisions of these Rules are set out in the Technical Rules. GME shall formulate the Technical Rules under criteria of neutrality, transparency, objectivity and competition between Participants.

- 4.2 The Technical Rules shall be submitted to AEEGSI for approval.
- 4.3 AEEGSI shall notify its approval or rejection of the Technical Rules referred to in para. 4.2 above within 30 days, under the same procedure as for the approval hereof. After the expiration of such time limit, if AEEGSI has not notified its approval or rejection, the Technical Rules shall be deemed to have been approved and enter into force upon their publication on GME's website.
- 4.4 The procedure referred to in paras. 4.2 and 4.3 above shall not apply to urgent amendments to the Technical Rules which have the purpose of safeguarding the proper functioning of the PCE. Any such amendment determined by GME shall have effect as of the date of its publication on GME's website and shall be promptly submitted to AEEGSI for approval. In case of non-approval, the amendment shall cease to have effect as of the date of notification of AEEGSI's decision to GME. GME shall timely notify Participants of the outcome of the approval procedure by posting it on its website.
- 4.5 GME may also make draft versions of the Technical Rules available to interested parties, by publishing them on its website or by other suitable means, setting a time limit for submission of comments, if any.

## **Article 5**

### ***Units of Measurement and Rounding off***

- 5.1 For the purposes of the PCE:
- a) for electricity, the unit of measurement shall be the MWh, specified with three decimals;
  - b) for monetary quantities, the unit of measurement shall be the Euro, specified with two decimals;
  - c) for unit prices of electricity, the unit of measurement shall be the Euro/MWh, specified with two decimals.
- 5.2 For the purposes of the PCE, figures shall be rounded off according to the mathematical criterion. In particular, figures shall be rounded up or down to the nearest last decimal allowed and, if the result is halfway, they shall be rounded up.

**Article 6**  
**Access to Information System**

- 6.1 Access to the PCE information system shall take place:
- a) through the Internet;
  - b) by any other means as defined in the Technical Rules.
- 6.2 The modalities for submission of requests for registration, as set forth in Articles 33 and 41 below, are defined in the Technical Rules.

**Article 7**  
**Fees for the Service Provided by GME**

- 7.1 For the service provided by GME on the PCE, Participants shall pay GME the following fees:
- a) access fee;
  - b) yearly fixed fee;
  - c) fee for the MWh underlying the registered transactions.
- 7.2 A Participant that is also an Electricity Market Participant shall not pay GME the fees referred to in para. 7.1 a) and b) above.
- 7.3 The amount of the fees referred to in para. 7.1 above shall be proposed by GME, approved by AEEGSI and posted on GME's website.

**Article 8**  
**Information about the PCE**

- 8.1 The aggregate data and results of the PCE shall be of public domain and published on GME's website.
- 8.2 Except in circumstances where disclosure is mandated by laws, regulations or other decisions by authorities, GME shall keep confidentiality about the information pertaining to the transactions and schedules that have been registered on the PCE.
- 8.3 GME shall transmit to Terna the information that Terna requires for performing the activities falling under its responsibility, as per AEEGSI's Decision 111/06, as amended.

**Article 9**  
**Information to Participants**

- 9.1 Participants shall have access to the data and results of the PCE which directly concern them.

**Article 10**  
**Communication and Publication of Data and Information**

- 10.1 Unless otherwise specified, the data and information covered hereby shall be communicated and published in electronic form. In particular:
- a) communication to a Participant shall be made by posting data and information in the section of GME's information system whose access is restricted to such Participant;
  - b) publication shall be made by posting data and information in the section of GME's information system whose access is non-restricted.
- 10.2 The requests for registration that are submitted by Participants shall be deemed to have been received on the date and at the time recorded by GME's information system. Any other communication shall be deemed to have been received:
- a) on the day and at the time of receipt, if received between 08:00 and 17:00 of a working day;
  - b) at 08:00 of the first working day following the one of receipt, if received between 17:00 and 24:00 of a working day, or between 00:00 and 24:00 of a non-working day;
  - c) at 08:00 of the day of receipt, if received between 00:00 and 08:00 of a working day.
- 10.3 For the purpose of determining the time of receipt, the time shall be obtained from GME's records. For electronic communications, the time shall be obtained from GME's information system.

**Article 11**  
**Security of Access**

- 11.1 Participants shall have access to the PCE via special procedures (defined in the Technical Rules), which shall guarantee their identification and authenticate their registrations.
- 11.2 Participants shall keep confidentiality about their access codes and any other data or device required to access the PCE information system.

**Article 12**  
**Unavailability of Power Grid Assets**

- 12.1 Participants shall retain the rights and obligations that they have acquired on the PCE, even in the event of power grid asset unavailability due to actions of the grid operator, owner or third parties or due to orders of public authorities or *force majeure*.

**Article 13**  
**Suspension of the PCE**

- 13.1 In the event of any exceptional circumstance as defined in the Dispatching Rules, GME shall, at the request of Terna, suspend the PCE.
- 13.2 GME shall notify AEEGSI of any suspension of the PCE.

**Article 14**  
**Emergency Procedure**

- 14.1 Emergency conditions are defined as follows:
- a) GME is unable to receive the requests for registration submitted by Participants under the modalities referred to in Article 33, para. 33.3, Article 36, para. 36.2 and Article 41, para. 41.3 below, due to malfunctioning of its telecommunications systems;
  - b) GME is unable to notify Participants of the completed registrations or of any information related thereto owing to, *inter alia*, malfunctioning of the PCE information system or of GME's telecommunication systems.

- 14.2 GME shall notify Participants of the occurrence of the cases mentioned in para. 14.1 above in accordance with the procedures stated in the Technical Rules.

### ***Article 15***

#### ***Operation of the PCE Information System***

- 15.1 In case of technical failures of the PCE information system, GME shall not be liable for civil damages possibly caused to Participants.
- 15.2 With a view to ensuring the good technical functioning, as well as the efficient use of the PCE information system and, in general, the proper operation of the PCE, GME may impose limits to submission, cancellation and change of requests for registration and limit the number of connections of each Participant or of specific categories of Participants to the PCE information system.

**SECTION II PARTICIPATION  
IN THE PCE**

***Article 16***

**Participants**

- 16.1 The parties referred to in Article 18, para. 18.1 of Annex A to AEEGSI Decision 111/06, as amended, may participate in the PCE.

***Article 17***

***Requirements for Participation in the PCE***

- 17.1 The parties mentioned in para. 16 above may be admitted to the PCE, provided that they are proficient and competent in the use of information technology or information communication technology systems and related security systems, or have employees or assistants with such proficiency and competency.

***Article 18***

***PCE Participation Application and Participation Agreement***

- 18.1 Parties wishing to participate in the PCE shall submit to GME:
- a) PCE participation application according to the format enclosed hereto (Annex 1), together with the documentation indicated in Article 19 below;
  - b) signed copy of the PCE participation agreement according to the format enclosed hereto (Annex 2).

***Article 19***

***Documents to Be Enclosed to the PCE Participation Application***

- 19.1 If the party applying for participation in the PCE is a legal person, the participation application shall be signed by the legal representative or other duly authorised person, and accompanied by a declaration in compliance with Decree no. 445 of the President of the Republic of 28 December 2000, certifying his/her powers of representation.
- 19.2 Instead of the documentation mentioned in para. 19.1 above, non-EU citizens not residing in Italy shall produce a certificate issued by the competent authority of their



country and certifying their powers of representation. If such certificate is issued in a foreign language, it shall be accompanied by an Italian translation certified as true by the appropriate Italian consular authority of the country where the certificate has been issued. If the foreign country does not issue the above-mentioned certificate, the applicant shall produce a self-declaration as per Law no. 1253 of 20 December 1966, accompanied by a legal opinion issued by a person qualified to exercise the legal profession in that same foreign country, confirming that the required certificate is not provided for by law. If the declaration of the applicant and the legal opinion are issued in a foreign language, they must be accompanied by an Italian translation certified as true by the appropriate Italian consular authority of the country where they have been issued.

- 19.3 If the documentation referred to in paras. 19.1 and 19.2 above is already held by GME, the applicant shall be exempted from submitting it. The application must indicate such fact and specify the date when such documentation was originally submitted to GME.

## ***Article 20***

### ***Admission Procedure***

- 20.1 Within fifteen calendar days from receipt of the application, after verifying the validity of the submitted documentation, GME shall notify the applicant of the acceptance or rejection (and the reasons therefor) of its application for participation in the PCE. The notification shall be given by registered letter with acknowledgement of receipt and preceded by a fax notification.
- 20.2 For the purpose of verifying fulfilment of the requirements referred to in Article 17 above, GME may ask the applicant to provide appropriate documentation.
- 20.3 If the submitted documentation is irregular or incomplete, GME shall notify the applicant of the requirements for submitting regular documentation or for completing the already submitted documentation, as well as of the time limit within which the applicant is to fulfil said requirements. The notification shall suspend the time period referred to in para. 20.1 above, which shall run from the date of receipt of the regular or complete documentation by GME.
- 20.4 Upon admission, the applicant shall acquire the status of Participant.

**Article 21**  
**By-Right Participants**

- 21.1 As an exception to Article 20 above and in compliance with Article 18, paras. 18.5 and 18.6 of Annex A to AEEGSI's Decision 111/06, as amended, *Acquirente Unico* and *Gestore dei Servizi Energetici - GSE SpA* are by right attributed the status of Participants, respectively.
- 21.2 The status of Participant is also by right attributed to Terna.
- 21.3 Appropriate agreements between Acquirente Unico and GME, between Gestore dei Servizi Energetici – GSE SpA and GME and between Terna and GME may provide for specific modalities to guarantee the fulfilment of obligations arising from participation of Gestore dei Servizi Energetici – GSE SpA, Acquirente Unico and Terna in the PCE, as alternatives to the guarantees set forth in Section V hereof.

**Article 22**  
**Qualified Market Participant**

- 22.1 The status of Qualified Market Participant shall be attributed by AEEGSI pursuant to its Decision 111/06, as amended.

**Article 23**  
**List of Participants**

- 23.1 The parties admitted to the PCE as per Article 20 above shall be entered into an appropriate List of Participants (*Elenco degli operatori ammessi alla PCE*), to be created and administered by GME in compliance with EU Regulation 679/2016, as amended.
- 23.2 For each Participant, the List shall include:
- a) identification code of the Participant;
  - b) full name or registered name, place of residence and place of domicile (if different from the place of residence) or registered office, tax payer's number, VAT number, telephone number, fax number, e-mail address and contact persons for communications, if any, and their addresses and numbers;

- c) status of the Participant: admitted, active, suspended or pending request for exclusion;
- d) identification codes of the electricity accounts owned by the Participant and on which it is entitled to register electricity purchase and sale transactions, as well as injection and/or withdrawal schedules in respect of the offer points that are associated with such accounts;
- e) identification codes of the electricity accounts not owned by the Participant, but on which it may register electricity purchase and sale transactions under an appropriate authorisation that it has received - as per Article 24, para. 24.2 below - from the electricity account holder;
- f) identification codes of the offer points for which the Participant is a dispatching user;
- g) identification codes of the offer points for which the Participant is not a dispatching user, but is entitled to register electricity injection and/or withdrawal schedules under an appropriate authorisation that it has received - as per Article 24, para. 24.3 below - from the dispatching user of such points, as well as the share of capacity of the offer point for which such authorisation has been granted;
- h) bank details of the Participant;
- i) taxation scheme applicable to the Participant.

23.3 Each Participant may access its own data and information in the List of Participants.

23.4 For each Participant, GME shall publish the following data and information: full name or registered name, identification code of the Participant, place of residence or registered office.

**Article 24**  
**Requests for Entry of Data and Information**  
**into the List of Participants**

24.1 For the purpose of registering transactions and schedules on the PCE, each Participant shall ask GME to enter the data and information referred to in Article 23 para. 23.2 e), g), h) and i) above into the List of Participants.

- 24.2 The request for entry of the data and information referred to in Article 23, para. 23.2 e) above shall be accompanied by a declaration made by the electricity account holder, certifying that the requesting Participant is entitled to register transactions on such account. The declaration shall include at least the following data:
- a) identification code of the electricity account;
  - b) day of flow from which the requesting Participant is entitled to register transactions on such account;
  - c) day of flow up to which the requesting Participant is entitled to register transactions on such account.
- 24.3 The request for entry of the data and information referred to in Article 23, para. 23.2 g) above must be accompanied by a declaration made by the dispatching user of the offer point involved, certifying that the requesting Participant is authorised to register schedules in respect of such point. The declaration shall include at least the following data:
- a) identification code of the offer point;
  - b) day of flow from which the requesting Participant is authorised to register schedules in respect of such offer point;
  - c) day of flow up to which the requesting Participant is authorised to register schedules in respect of such offer point;
  - d) only for the purpose of determining the electricity account margin under Article 31 below, share of the margin (from zero to one) of the offer point for which the authorisation has been granted.
- 24.4 The sum of the shares of capacity that a dispatching user may specify under para. 24.3 d) above, in respect of a same offer point, may not be greater than one, under penalty of inadmissibility of the authorisation exceeding such limit.
- 24.5 The declarations referred to in paras. 24.2 and 24.3 above shall be valid from one of the following dates, whichever is later:
- a) day of flow referred to in para. 24.2 b) or para. 24.3 b) above;
  - b) second working day following the one on which GME has received the declaration.
- 24.6 The Participant holding an electricity account or the dispatching user of an offer point may change one of the dates referred to in paras. 24.2 b) and c) and 24.3 b) and c) above, or the share referred to in para. 24.3 d) above, by submitting a

declaration to GME specifying the new dates or the new share. Such declaration shall include at least the following data:

- a) identification code of the electricity account or of the offer point for which the declaration is made;
- b) new day of flow from which the Participant is authorised to register transactions on the electricity account or to submit schedules for the offer point for which the declaration is made; and/or
- c) new day of flow up to which the Participant is authorised to register transactions on the electricity account or to submit schedules for the offer point for which the declaration is made; and/or
- d) new share of the margin of the offer point for which the authorisation has been granted.

24.7 The notification mentioned in para. 24.6 above shall be valid from one of the following dates, whichever is later:

- a) day of flow referred to in para. 24.6 b) above;
- b) day of flow following the latest day of flow for which transactions have been registered on the electricity account for which the notification mentioned in para. 24.6 above is given, or in respect of the electricity account associated with the offer point for which the notification mentioned in para. 24.6 above is given;
- c) second working day following the one on which GME has received the notification referred to in para. 24.6 above.

24.8 The request for entry of data and information referred to in Article 23, para. 23.2 i) above must be accompanied by a declaration of the VAT taxation scheme applicable to the Participant involved.

24.9 Upon request of data and information entry, referred to in Article 23, para. 23.2 h), the Participant shall enclose a declaration authorizing GME to withdraw directly the amounts due by the same Participant to GME, directly from the Participant 's bank account, held with financial institutions enabled to the SEPA Business to Business Direct Debit payment scheme, as provided in the Technical Rules.

**Article 25**  
**Verifications**

- 25.1 GME shall monitor and enforce compliance with the Rules governing the PCE and the Technical Rules, in order to ensure the proper functioning of the PCE under criteria of neutrality, transparency, objectivity and competition between Participants. For this purpose, GME may require Participants to submit any information or document giving evidence of the transactions that they have made in the PCE and also convene them for a hearing.
- 25.2 GME shall verify, within the time limits and the procedure defined by GME, whether Participants still meet the requirements for admission to the market. To this end, GME may require additional documents or the updating of the already submitted ones.

**Article 26**  
**Notification Obligations**

- 26.1 Participants shall notify GME promptly and, in any case, within three working days, of the occurrence of any change in circumstances which may involve the loss or change of any of their qualifications for admission to the PCE or which may alter the data and information referred to in Article 23, para. 23.2 above, that they have declared and have been entered into the List of Participants.
- 26.2 As a result of the notifications given in accordance with para. 26.1 above, GME shall update the List of Participants.

**Article 27**  
**Exclusion from the PCE**

- 27.1 On-demand exclusion from the PCE shall have effect only if the Participant involved has fulfilled all obligations arising from the registrations that it has made on the PCE.
- 27.2 For exclusion from the PCE, Participants shall submit to GME's registered office, or send by registered letter with acknowledgement of receipt, an appropriate written request, indicating the date from which exclusion is requested.

- 27.3 On-demand exclusion from the PCE shall run from one of the following dates, whichever is later:
- a) second working day following the date of receipt by GME of the request referred to in para. 27.2 above;
  - b) date indicated on the request referred to in para. 27.2 above.
- 27.4 If, upon the date identified under para. 27.3 above, the Participant has a physical balance of its forward electricity account that is different from zero or if the Participant has not yet fulfilled some of the obligations arising from the registrations that it has made on the PCE, then the date of exclusion shall run from the working day following the one of the latest registration of transactions or of schedules whose quantities are equal and whose sign is opposite to those appearing on the same accounts upon submission of the request for exclusion, or upon the latest fulfilment.
- 27.5. During the period of suspension of the PCE, the Participant cannot request exclusion under this Article.

**SECTION III OPERATION  
OF THE PCE**

***SUBSECTION I REGISTRATION OF  
TRANSACTIONS***

***Article 28***

***Electricity Accounts (Conti Energia)***

- 28.1 Each dispatching user or its agent (authorised in compliance with Article 24, para 24.3 above) that is admitted to trade on the PCE shall hold the following electricity accounts:
- a) one electricity injection account - this account shall be associated with all the injection and mixed offer points for which the Participant is a dispatching user;
  - b) one electricity injection account - this account shall be associated with all the injection and mixed offer points for which the Participant has been authorised under Article 24, para. 24.3 above by each dispatching user;
  - c) one electricity withdrawal account - this account shall be associated with all the withdrawal and mixed offer points for which the Participant is a dispatching user;
  - d) one electricity withdrawal account - this account shall be associated with all the withdrawal and mixed offer points for which the Participant has been authorised under Article 24, para. 24.3 by each dispatching user.
- 28.2 The Participant holding an electricity account may register purchase and sale transactions on such account, as well as injection or withdrawal schedules in respect of offer points associated with the same account.
- 28.3 If a Participant has been authorised by a Participant holding an electricity account as set forth in Article 24, para. 24.2 above, the Participant so authorised may only register purchase and sale transactions on the electricity account for which it has been authorised.



## **Article 28 bis**

### **Assignment of an Electricity Withdrawal Account to Electricity Market Participants**

28 bis.1 Parties qualifying as Electricity Market Participants may request GME to provide them with an electricity withdrawal account that is not associated with any offer point. No withdrawal schedules may be registered in respect of such withdrawal account.

28 bis.2 With exception to the provisions of Article 31 below, the step-up margin of the electricity account referred to in para. 28 bis.1 above shall be equal to zero and the corresponding step-down margin shall not be limited.

28 bis.3 The validity and technical adequacy verifications applicable to the electricity accounts referred to in Article 28 above shall apply to the registration of forward purchase and sale transactions in respect of the account referred to in para. 28 bis.1.

## **Article 29**

### **Net Position of the Electricity Account**

29.1 For determining the net position referred to in this Article, as well as for the technical adequacy verifications referred to in Article 39 below, the following conventions shall be used:

- a) purchase transactions and injection schedules shall be deemed to have a positive sign;
- b) sale transactions and withdrawal schedules shall be deemed to have a negative sign.

29.2 For each applicable period, the net position of an electricity account shall be given by the algebraic sum of purchase transactions and of sale transactions registered on the same account.

**Article 30**  
**Margins of Offer Points**

- 30.1 By convention, these Rules shall consider the step-down margins to have a negative sign and the step-up margins to have a positive sign.
- 30.2 Terna shall notify GME of:
- a) the step-up margins of all injection offer points. The step-down margins of such points shall be equal to zero;
  - b) the step-up margins and the step-down margins of mixed offer points;
  - c) the step-down margins of all withdrawal offer points. The step-up margins of such points shall be equal to zero.
- 30.3 Terna may specify the days of flow on which the margins covered by para. 30.1 above are valid.
- 30.4 The days of flow on which the margins are valid shall be defined in compliance with Article 49, para. 49.4 of Annex A to AEEGSI's Decision 111/06, as amended.

**Article 31**  
**Margins of Electricity Accounts**

- 31.1 Based on the margins of the offer points identified as per paras. 31.3 and 31.4 below and for each electricity injection account, GME shall identify a step-up margin; such margin shall be equal to the algebraic sum of the step-up margins of all the injection and mixed offer points that are associated with such account.
- 31.2 Based on the margins of the offer points identified as per paras. 31.3 and 31.4 below and for each electricity withdrawal account, GME shall identify a step-down margin; such margin shall be equal to the algebraic sum of the step-down margins of all the withdrawal and mixed offer points that are associated with such account.
- 31.3 Only for the purpose of determining the margin of the electricity account with which the offer point is associated, the margin of each offer point for which the account holder is a dispatching user shall be equal to the product between the margin of the point notified by Terna under Article 30, para. 30.2 above and the difference between one and the sum of the capacity shares of the same point for which authorisations may have been granted to other Participants under Article 24, para. 24.3 above.

- 31.4 Only for the purpose of determining the margin of the electricity account with which the offer point is associated, the margin of each offer point for which the account holder is not a dispatching user shall be equal to the product between the margin of the point notified by Terna under Article 30, para. 30.2 above and the capacity share of the same point for which an authorisation has been granted to the Participant holding the electricity account under Article 24, para. 24.3 above.
- 31.5 The step-down margin of the electricity injection account and the step-up margin of the electricity withdrawal account shall be equal to zero.

### ***Article 32***

#### ***Session for Registering Transactions***

- 32.1 Participants may submit requests for registration, confirmation, change or rejection of transactions into the PCE every day, within the time limits that are defined in the Technical Rules.

### ***Article 33***

#### ***Request for Registering Transactions***

- 33.1 Each Participant holding at least one electricity account or authorised for at least one electricity account as per Article 24, para. 24.2 above, may request the registration of a transaction on the PCE.
- 33.2 Upon submitting a request for registering a transaction, the Participant shall specify at least the following data:
- a) type of transaction (sale/purchase);
  - b) days of flow for which the transaction is to be registered;
  - c) applicable periods for which the transaction is to be registered;
  - d) quantity of electricity covered by the transaction, for each day of flow and each applicable period;
  - e) electricity accounts for which the Participant has been authorised and on which, for each day of flow and applicable period, the transaction is to be registered;
  - f) the counterparty Participant to the transaction;
  - g) the time limit within which the counterparty Participant shall confirm the request for registration;

h) the matching code of the request for registration.

33.3 Requests for registration may be submitted in the following ways:

- a) by filling in the appropriate forms, which are available in the PCE information system;
- b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.

#### **Article 34**

##### ***Validation of Request for Registering a Transaction***

34.1 After receiving a request for registration, GME shall validate the request by checking whether:

- a) the Participant submitting the request has not been suspended;
- b) the request contains all the data as provided for in Article 33, para. 33.2 above;
- c) the request has been submitted into the PCE within the time limit referred to in Article 32 above;
- d) the request has been submitted in accordance with the modalities referred to in Article 33, para. 33.3 above;
- e) the submitting Participant is entitled to register transactions on the specified electricity accounts.

34.2 If the request for registration is deemed to be valid, GME shall conduct the verification referred to in Article 35 below.

34.3 If the request for registration is deemed to be invalid, GME shall - with the modalities indicated in the Technical Rules - notify the result of the verification to the submitting Participant, specifying the reasons for such invalidity

#### **Article 35**

##### ***Technical Adequacy of Request for Registering a Transaction***

- 35.1 For requests that have been validated as set forth in Article 34 above, GME shall perform technical adequacy verifications, by checking:
- a) whether the net position of each electricity account in each applicable period is technically adequate with respect to the electricity account margin under Article 39 below;
  - b) in the case of a request for registering a sale transaction on an electricity injection account - whether the electricity quantity covered by the transaction (valued at the estimated transmission capacity fee referred to in Article 58 below, increased by VAT and by the penalty indicated in Article 69 below) is guaranteed as provided for in Article 60 below;
  - c) in the case of a request for registering a sale transaction pertaining to an electricity injection account - whether the electricity quantity covered by the transaction (valued at the price referred to in Article 61 below) is guaranteed as provided for in Article 63 below.
- 35.2 For the verifications covered by para. 35.1 c) above, the requests for registration that pertain to an electricity injection account shall be attributed to the dispatching user of the offer points that are associated with such account.
- 35.3 If the request for registration is deemed to be technically adequate, GME shall – with the modalities defined in the Technical Rules – notify the requesting Participant of the result of the verification and forward the request for registration to the counterparty Participant.
- 35.4 If the request for registration is deemed to be technically inadequate, GME shall – with the modalities defined in the Technical Rules – notify the requesting Participant of the result of the verification and of the reasons for such inadequacy.

### **Article 36**

#### ***Confirmation of Registration of a Transaction***

- 36.1 If a Participant has been identified as counterparty to a transaction, as laid down in in Article 33, para. 33.2 f) above, as a result of the notification mentioned in Article 35, para. 35.3 above, such Participant may - within the time limit referred to in Article 33, para. 33.2 g) above -
- a) confirm the request for registration and, at the same time, specify: the type of transaction that is complementary to the one indicated by the proposing

Participant; the same data as those mentioned in Article 33, para. 33.2 b), c), d) and h) above; and, for each applicable period, the electricity accounts for which such Participant has been authorised and on which the transaction is to be registered;

- b) reject the request for registration;
- c) change the request for registration, correcting at least one of the data listed in Article 33, para. 33.2 a), b), c) and d) above.

36.2 A confirmation, rejection and change of a request for registration may be submitted in the following ways:

- a) by filling in the appropriate forms available in the PCE information system;
- b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.

36.3 If the Participant that has been identified as counterparty to a transaction as per Article 33, para. 33.2 f) above chooses to change the request for registration, then the original request for registration shall be rejected and replaced by the new one. The latter request shall be verified as indicated in Articles 34 and 35 above.

36.4 If, within the time limit covered by Article 33, para 33.2 g) above, the Participant does not make any of the choices referred to in para. 36.1 above, then the request for registration shall be deemed to have been rejected and shall thus be cancelled from the system.

### **Article 37**

#### ***Validation of Confirmation of Registration of a Transaction***

37.1 If the counterparty Participant referred to in Article 33, para. 33.2 f) above confirms the transaction, then GME shall check whether:

- a) the Participant has not been suspended;
- b) the transaction to be confirmed corresponds to the type of request mentioned in Article 33, para. 33.2 a) above;
- c) the days of flow correspond to those mentioned in Article 33, para. 33.2 b) above;
- d) the applicable periods correspond to those mentioned in Article 33, para. 33.2 c) above;

- e) in each applicable period, the total quantity of electricity covered by the transaction is the same as the one mentioned in Article 33, para. 33.2 d) above;
- f) the specified matching code is the same as the one mentioned in Article 33, para. 33.2 h) above;
- g) the confirmation has been submitted in accordance with the modalities stated in Article 33, para. 33.3 above;
- h) the counterparty Participant is entitled to register transactions on the specified electricity accounts.

37.2 If the confirmation is deemed to be valid, GME shall make the verification referred to in Article 38 below.

37.3 If the confirmation is deemed to be invalid, GME shall - in accordance with the modalities defined in the Technical Rules - notify the result of the verification to the Participant referred to in Article 33, para. 33.2 f) above, specifying the reasons for such invalidity.

### **Article 38**

#### ***Technical Adequacy of Confirmation of Registration of a Transaction***

38.1 For the confirmations validated under Article 37 above, GME shall perform technical adequacy verifications by checking:

- a) whether the net position of each electricity account in each applicable period is technically adequate with respect to the electricity account margin under Article 39 below;
- b) in the case of a confirmation involving, for the counterparty Participant, the registration of a sale on an electricity injection account - whether such confirmation (valued at the estimated transmission capacity fee referred to in Article 58 below, increased by VAT and by the penalty mentioned in Article 69 below) is guaranteed as provided for in Article 60 below;
- c) in the case of a confirmation involving, for the counterparty Participant, the registration of a sale on an electricity injection account - whether such confirmation (valued at the price referred to in Article 61 below) is guaranteed as provided for in Article 63 below.

- 38.2 For the verifications covered by para. 38.1 c) above, the confirmation pertaining to an electricity injection account shall be attributed to the dispatching user of the offer points that are associated with such account.
- 38.3 If the confirmation is technically adequate, the transaction shall be deemed to have been registered and GME shall – with the modalities specified in the Technical Rules – notify both Participants of the result of the verification.
- 38.4 At the end of each session for registering transactions, GME shall notify Terna of the registered transactions; if such transactions refer to electricity injection accounts, they shall be valued at the price indicated in Article 61 below.
- 38.5 If the confirmation is technically inadequate, GME shall – with the modalities indicated in the Technical Rules – notify the Participant referred to in Article 33, para. 33.2 f) above of the result of the verification and of the reasons for such inadequacy.

### **Article 39**

#### ***Technical Adequacy with Respect to the Electricity Account Margin***

- 39.1 The request for registration or the confirmation of a transaction, for each electricity account and for each applicable period to which it refers, shall be deemed to be technically adequate, if:
- a) in the case of a purchase transaction referring to an electricity withdrawal account - it determines a forward net purchase calculated by taking into account also the purchase registration requests that have already been verified to be technically adequate but not yet confirmed not exceeding the absolute value of the step-down margin of the account;
  - b) in the case of a sale transaction referring to an electricity withdrawal account - it does not determine a forward net sale considering also the sale registration requests which are have already been verified to be technically adequate but not yet confirmed;
  - c) in the case of a purchase transaction referring to an electricity injection account - it does not determine a forward net purchase considering also the purchase registration requests which have already been verified to be technically adequate but not yet confirmed;



- d) in the case of a sale transaction referring to an electricity injection account - it determines a forward net sale calculated by taking into account also the sale registration requests which have already been verified to be technically adequate but not yet confirmed not exceeding, in absolute value, the step-up margin of the account.

#### **Article 40**

##### **Qualified Market Participant**

- 40.1 A single electricity account for registering purchase and sale transactions shall be assigned to each Qualified Market Participant.
- 40.2 The electricity account of each Qualified Market Participant shall not be associated with any offer point.
- 40.3 The requests for registration and the confirmations of registration of transactions in respect of an electricity account that belongs to a Qualified Market Participant shall be subject only to the technical adequacy verifications referred to in Article 35, para. 35.1 b) and Article 38, para. 38.1 b) above, respectively.
- 40.4 The verifications mentioned in para. 40.3 above shall be made by using the estimated national single price and not the estimated transmission capacity fee.

**SUBSECTION II**  
**INJECTION AND WITHDRAWAL SCHEDULES**

**Article 41**  
**Requests for Registering Schedules**

- 41.1 Each Participant holding an electricity account may request the registration of injection and withdrawal schedules in respect of the offer points associated with such account.
- 41.2 The request for registering a schedule shall be submitted into the PCE within the time limit specified in the Technical Rules for the day of flow to which the schedule refers.
- 41.3 Requests for registration may be submitted:
- a) by filling in the appropriate forms available in the PCE information system;
  - b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.
- 41.4 Requests for registering schedules shall specify at least the following data:
- a) identification code of the offer point to which they refer;
  - b) day of flow;
  - c) applicable period;
  - d) quantity of electricity covered by the schedule;
  - e) unit price.
- 41.5 Participants that are not Electricity Market Participants shall not specify a unit price, referred to in para. 41.4 e) above, equal to zero. Therefore, their injection and withdrawal schedules shall be valued as zero-priced supply offers or non-price-dependent demand bids, respectively.
- 41.6 The price referred to in para. 41.4 e) above may only have values greater than or equal to zero.
- 41.7 The maximum number of schedules that each Participant may submit for the same applicable period of a day of flow is defined in the Technical Rules.
- 41.8 Injection schedules may only refer to the injection and mixed offer points that are associated with the electricity injection account. Withdrawal schedules may only

refer to the withdrawal and mixed offer points that are associated with the electricity withdrawal account.

## **Article 42**

### ***Validation of Requests for Registering Schedules***

- 42.1 After receiving a request for registering a schedule, GME shall verify its validity. A request shall be deemed to be valid if:
- a) the Participant has not been suspended;
  - b) it contains all the data specified in Article 41, para. 41.4 above;
  - c) it has been submitted within the time limit referred to in Article 41, para. 41.2 above;
  - d) in the case of a request for registering an injection schedule – it refers to an injection offer point or to a mixed offer point that is associated with an electricity injection account;
  - e) in the case of a request for registering a withdrawal schedule – it refers to a withdrawal offer point or to a mixed offer point that is associated with an electricity withdrawal account;
  - f) the Participant is authorised - under Article 23, para. 23.2 f) and g) – for the offer point specified in the request for registration;
  - g) it has been submitted in accordance with the modalities referred to in Article 41, para. 41.3 above;
- 42.2 If the request for registering a schedule specifies a unit price greater than zero, but the requesting Participant is not an Electricity Market Participant, then GME shall correct such price by setting it to zero.
- 42.3. If the program registration is not valid, GME notifies the outcome to the Participant according the modalities defined in the Technical Rules specifying the reason for invalidity.

## **Article 43**

### ***Merit Order of Requests for Registration***

- 43.1 For the purpose of performing the validations referred to in Articles 44 and 45 below, the requests for registering schedules, which have been validated and possibly corrected under Article 42 above, shall be ranked as follows:
- a) in the case of injection schedules - by non-decreasing price from the lowest-priced ones to the highest-priced ones;
  - b) in the case of withdrawal schedules - by non-increasing price from the non-price-dependent ones to the lowest-priced ones.
- 43.2 If the schedules have the same price priority, then the priority criteria indicated in the Dispatching Rules shall be applied.
- 43.3 If, by applying paras. 43.1 and 43.2 above, the submitted schedules have the same priority, then the priority order shall be determined in accordance with the modalities set out in the Technical Rules.

#### **Article 44**

##### ***Technical Adequacy of Requests for Registering Injection Schedules***

- 44.1 Upon the expiration of the time limit referred to in Article 41, para. 41.2 above, each request for registering an injection schedule validated and possibly corrected as per Article 42 above shall be deemed to be technically adequate, in each applicable period, limited to the absolute value of the forward net sale of the electricity account associated with the offer point to which the schedule refers; such value shall be net of the other injection schedules already submitted in respect of all the offer points associated with the same account, which have a higher priority and which have already been verified to be technically adequate.

#### **Article 45**

##### ***Technical Adequacy of Requests for Registering Withdrawal Schedules***

- 45.1 Upon the expiration of the time limit referred to in Article 41, para. 41.2 above, each request for registering a withdrawal schedule, which has been validated and possibly corrected as per Article 42 above and which refers to mixed offer points or withdrawal offer points belonging to neighbouring countries' virtual zones, shall be deemed to be technically adequate in absolute value if after being valued at the

estimated transmission capacity fee mentioned in Article 58 below, increased by VAT and by the penalty mentioned in Article 69 below, it is guaranteed in compliance with Article 60 below.

- 45.2 Each request for registering a withdrawal schedule validated, possibly corrected under Article 42 above and already deemed to be technically adequate as per para. 45.1 above shall be deemed to be technically adequate, in absolute value and in each applicable period, limited to the forward net purchase of the electricity account associated with the offer point to which the schedule refers; such value shall be net of the other withdrawal schedules which have already been submitted for all the offer points associated with the same account, which have a higher priority and which have already been verified to be technically adequate.

#### ***Article 46***

##### ***Submission of Schedules into the MGP***

- 46.1 The injection and withdrawal schedules, for which registration has been requested and which have already been verified to be technically adequate, shall be submitted into the MGP as supply offers and demand bids having the quantities and prices specified in the same schedules.
- 46.2 Acceptance of the schedules referred to in para. 46.1 above in the MGP shall not imply the conclusion of purchases and sales in the MGP.
- 46.3 The schedules that have been accepted in the MGP shall be registered on the electricity account of the Participant that has requested their registration and they shall involve the right and obligation to inject or to withdraw the electricity quantities, which have been registered in each applicable period on each offer point, into or from the grid.

#### ***Article 47***

##### ***Purchases and Sales in the MGP***

- 47.1 Notwithstanding the provisions of paras. 47.2 and 47.3 below, the physical balance of the electricity account shall be given by the algebraic sum - for each applicable period and each electricity account - of the net position of the account pursuant to

Article 29, para. 29.2 above and of the schedules registered on the same account under Article 46, para. 46.3 above. Such balance shall correspond to:

- a) a purchase from the MGP by the Participant holding the account, if the physical balance is lower than zero;
- b) a sale in the MGP by the Participant holding the account, if the physical balance is greater than zero.

47.2 If the physical balance of an electricity account whose holder is not an Electricity Market Participant is different from zero, Terna shall become the counterparty of GME for the related purchase or for the related sale, as per para. 47.1.

47.3 For the purpose of attributing a sale under para. 47.1 a) above to the Participant holding the account and being an Electricity Market Participant, such sale shall be guaranteed by the same Participant as per Article 72 of the Integrated Text of the Electricity Market Rules. If the sale is not adequately guaranteed, Terna shall become the counterparty of such sale towards GME.

47.4 The purchases and sales mentioned in paras. 47.1, 47.2 and 47.3 above shall be valued at the national single price.

47.5 For the purchases and sales mentioned in paras. 47.1, 47.2 and 47.3 above, each Participant and Terna shall pay GME a fee for the MWh traded; such fee shall be equal to the one specified in Article 7, para. 7.1 of the Integrated Text of the Electricity Market Rules for transactions made in the Electricity Market.

### **Article 48**

#### ***Determination of Transmission Capacity Fee***

48.1 On a daily basis and after the MGP, GME shall determine a transmission capacity fee for each Participant holding an electricity account, in respect of injection schedules and only of withdrawal schedules pertaining to mixed offer points or to withdrawal offer points belonging to neighbouring countries' virtual zones, which have been registered hereunder on the related electricity account. Such fee shall be calculated in accordance with Article 43 of Annex A to AEEGSI's Decision 111/06, as amended.

48.2 The Participant shall pay to GME (if negative) or receive from GME (if positive) the transmission capacity fee referred to in para. 48.1 above.

48.3 For each applicable period, GME shall:

a) pay to Terna (if negative) the algebraic sum of the transmission capacity fees calculated as provided in para. 48.1 above;

b) receive from Terna (if positive) the algebraic sum of the transmission capacity fees calculated as provided in para. 48.1 above.

**SECTION IV**  
**BILLING AND INVOICING OF TRANSACTIONS**

***SUBSECTION I***  
***BILLING OF PAYABLES AND RECEIVABLES***

***Article 49***  
***Billing of Payables and Receivables***

- 49.1 On a daily basis, GME shall determine and notify each Participant of the value of the following payables and receivables in respect of:
- a) purchases concluded under Article 47, para. 47.1 a) above, increased by VAT;
  - b) transmission capacity fee that the Participant shall pay to GME under Article 48, para. 48.2 above, increased by VAT;
  - c) sales concluded under Article 47, para. 47.1 b) above, increased by VAT;
  - d) transmission capacity fee that GME shall pay to the Participant under Article 48, para. 48.1 above, increased by VAT;
  - e) fees owed to GME in accordance with Article 7, para. 7.1 c) above, increased by VAT;
  - f) fees owed to GME in accordance with Article 47, para. 47.5, increased by VAT.
- 49.2 On a daily basis, in accordance with the modalities and within the time limits defined in the Technical Rules, GME shall determine and notify Terna of the value of the following payables and receivables:



- a) purchases concluded under Article 47, paras. 47.1, 47.2 and 47.3 above, increased by VAT;
- b) transmission capacity fee that GME shall receive from Terna under Article 48, para. 48.3 b) above;
- c) sales concluded under Article 47, paras. 47.1 and 47.2 above, increased by VAT;
- d) transmission capacity fee that GME shall pay to Terna under Article 48, para. 48.3 a) above;
- e) fees owed to GME in accordance with Article 7, para. 7.1 c) above, increased by VAT;
- f) fees owed to GME in accordance with Article 47, para. 47.5 above, increased by VAT.

### **Article 50**

#### **Daily Billing**

- 50.1 For each day, based on the amounts determined as per Article 49 above, GME shall determine the following values for each Participant in respect of the applicable periods of the next day:
- a) hourly value of the amounts referred to in Article 49, para. 49.1 a) above;
  - b) hourly value of the amounts referred to in Article 49, para. 49.1 b) above;
  - c) hourly value of the amounts referred to in Article 49, para. 49.1 c) above;
  - d) hourly value of the amounts referred to in Article 49, para. 49.1 d) above;
  - e) hourly value of the amounts referred to in Article 49, para. 49.1 e) above;
  - f) hourly value of the amounts referred to in Article 49, para. 49.1 f) above.
- 50.2 For each day, based on the amounts determined as per Article 49 above, GME shall determine the following values for Terna in respect of the applicable periods of the next day:
- a) hourly value of the amounts referred to in Article 49, para. 49.2 a) above;
  - b) hourly value of the amounts referred to in Article 49, para. 49.2 b) above;
  - c) hourly value of the amounts referred to in Article 49, para. 49.2 c) above;
  - d) hourly value of the amounts referred to in Article 49, para. 49.2 d) above;
  - e) hourly value of the amounts referred to in Article 49, para. 49.2 e) above;
  - f) hourly value of the amounts referred to in Article 49, para. 49.2 f) above.

**SUBSECTION II**  
**INVOICING OF PAYABLES AND RECEIVABLES**

**Article 51**  
**Invoicing Period**

- 51.1 The invoicing period for the payables and receivables related to PCE is defined in the Technical Rules.
- 51.2 For invoicing purposes, all transactions pertaining to the applicable periods defined in the Technical Rules are considered as belonging to each invoicing period.

**Article 52**  
**Invoicing**

- 52.1 For each invoicing period, according to the modalities and within the time periods specified in the Technical Rules, GME shall:
- a) issue invoices for the amounts specified in Article 50, para. 50.1 b) above to each Participant, for all the applicable periods included in the invoicing period;
  - b) notify each Participant of the amounts referred to in Article 50, para. 50.1 d) above, for all the applicable periods included in the invoicing period;
  - c) issue invoices for the amounts specified in Article 50, para. 50.1 e) above to each Participant, for all the applicable periods included in the invoicing period.
  - d) issue invoices for the amounts specified in Article 50, para. 50.2 b) above to Terna, for all the applicable periods included in the invoicing period;
  - e) notify Terna of the amounts referred to in Article 50, para. 50.2 d) above, for all the applicable periods included in the invoicing period;
  - f) issue invoices for the amounts specified in Article 50, para. 50.2 e) above to Terna, for all the applicable periods included in the invoicing period.
- 52.2 After receiving the notifications referred to in para. 52.1 b) and e) above, Participants and Terna shall issue invoices to GME for the indicated amounts.

- 52.3 The time periods and formalities for issuing invoices to GME, as set forth in para. 52.2 above, for the purposes of the clearing referred to in Article 64 below, are specified in the Technical Rules.
- 52.4 The invoices and notifications referred to in para. 52.1 above shall be provided to Participants by electronic means, according to the modalities set forth in the Technical Rules.
- 52.5 For each invoicing period, the payables and receivables mentioned in Article 50, para. 50.1 a), c) and f) and para. 50.2 a), c) and f) shall be invoiced according to the modalities and within the limits defined in the Integrated Text of the Electricity Market Rules.

**Article 53**  
**Invoice Contents**

- 53.1 For each applicable period included in the invoicing period, the invoices and notifications referred to in Article 52 above shall include at least the following data, where applicable:
- a) quantities of electricity covered by the registered transactions and schedules;
  - b) price at which the quantities mentioned in subpara. a) above are valued;
  - c) fees as per Article 7, para. 7.1 c) above;
  - d) taxes applied;
  - e) total amount.

**Article 54**  
**Application of Fees for the Service Provided by GME**

- 54.1 The access fee referred to in Article 7, para. 7.1 a) above, where applied, shall be invoiced upon admission of the applicant to the PCE, in accordance with the modalities and within the time limits defined in the Technical Rules.

- 54.2 The yearly fixed fee referred to in Article 7, para. 7.1 b) above, where applied, shall be invoiced, for the first twelve months, as a single payment upon admission of the applicant to the PCE and, subsequently, every twelve months, in accordance with the modalities and within the time limits defined in the Technical Rules.
- 54.3 The fee for the MWh covered by the registered transactions, as laid down in Article 7, para. 7.1 c) above, shall be applied separately to each transaction that has been registered in respect of the applicable periods belonging to the invoicing period, in accordance with the modalities and within the time limits defined in the Technical Rules.

**SECTION V**  
**GUARANTEE AND PAYMENT SYSTEMS**

***SUBSECTION I***  
***GUARANTEE SYSTEMS***

***Article 55***  
***General Provisions***

55.1 GME shall entrust its treasury services to a bank or financial institution.

***Article 56***  
***Financial Guarantees of Participants***

- 56.1 For submitting requests for registering transactions and schedules into the PCE,
- a) the non-PA Participant is required to post financial guarantees in the form of first-demand bank guarantees according to the format attached hereto (Annex 3), issued by banks which are members of the professional association referred to in Article 13 of Legislative Decree no. 385 of 1 September 1993 and which have a long-term rating attributed by at least one of the following companies: Standard & Poor's, Moody's Investor Service and Fitch. The rating shall not be lower than BBB- on Standard & Poor's or Fitch's scale or BAA3 on the scale of Moody's Investor Service;
  - b) the non-PA Participant that is already an Electricity Market Participant may post the guarantee referred to in subpara. a) above or may use part of the financial guarantees already posted in accordance with Section VII of the Integrated Text of the Electricity Market Rules and notify GME thereof in accordance with the modalities defined in the Technical Rules;
  - c) the PA Participant shall post guarantees exclusively in the form of non-interest bearing cash deposit to be provided on the bank account held by GME with the bank in charge of GME's treasury services referred to in Article 55.
- 56.2 If the bank issuing the bank guarantee is subject to control as per Art. 2359, paras. 1 and 2, of the Italian Civil Code and does not meet the requirements set forth in

para. 56.1 a) above, then the bank guarantee issued by such bank shall be supported by a statement issued by its controlling company.

In such statement, the controlling company, which shall meet the requirements specified in para. 56.1 a) above, shall undertake the following obligations:

- a) if a change takes place in the structure of the company and such change is such as to involve the loss of control as per art. 2359, paras. 1 and 2, of the Italian Civil Code, then the company shall timely notify GME thereof;
- b) if, when receiving a request for redemption of the bank guarantee, the issuing bank is in default or in the position referred to in subpara. a) above, then the company shall guarantee the fulfilment of the obligation undertaken by its controlled company.

56.3 If the bank issuing the bank guarantee, or the controlling company that has issued the statement referred to in para. 56.2 above, no longer meets one or both of the requirements specified in para. 56.1 a) above, then the bank guarantees provided by the bank shall remain valid up to the end of the time period specified in the Technical Rules.

56.4 The bank guarantee and the statement indicated in para. 56.2 above must be submitted to the bank in charge of treasury services referred to in Article 55 above.

56.5 By the end of the working day following the one on which the bank guarantee and the statement referred to in para. 56.2 above are submitted, the bank in charge of treasury services shall verify: whether the guarantee is complete and conforms to the pro-forma attached to the Integrated Text of the Electricity Market Rules or to these Rules; whether it has been issued by a bank meeting the requirements specified in para. 56.1 a); and whether the statement released by the controlling company meets the requirements of para. 56.2 above.

56.6 Within the time period specified in para. 56.5 above, the bank in charge of treasury services shall notify the Participant and GME of any deficiencies identified upon the verification of the bank guarantee or of the statement referred to in para. 56.2 above.

56.7 If the verification is successful, the bank in charge of treasury services shall notify GME, within the time period specified in para. 56.5 above, of the amount covered by the bank guarantee and of its period of validity, as well as of the validity of the statement mentioned in para. 56.2 above.

- 56.8 The Participant may dispute the results of the verification carried out by the bank in charge of treasury services, suggesting forward action behind the Court of Arbitration referred to in Article 85 below.
- 56.9 For the purpose of verifying the technical adequacy of requests for registering transactions and schedules on the PCE, the amount covered by the bank guarantee and by the statement mentioned in para. 56.2 above shall be valid and effective only on the second working day following the one of receipt by GME of the notification referred to in para. 56.7 above.
- 56.10. For the purposes of verifying the technical adequacy of registration requests of transactions and schedules on the PCE presented by the PA Participant, the non-interest bearing cash deposit referred to in Article 56, para.. 56.1 c) shall be valid and effective from the second working day following the one in which such deposit has been received. The date and the time of the receiving of the non-interest bearing cash deposit shall be those recorded by the information system of the bank in charge of GME 's treasury services.

### ***Article 57***

#### ***Amount of Financial Guarantee***

- 57.1 The financial guarantee posted in compliance with Article 56 above shall cover:
- a) payment of the amounts of the invoiced transmission capacity fees resulting from the registration of transactions and schedules, as well as of the amounts owed for penalties. Such amounts shall not include the fees specified in Article 7 above;
  - b) payment of the amounts due for default interest;
  - c) payment of the fees for redeeming the bank guarantee; the amount of such fees, which is specified in the agreement between GME and the bank in charge of treasury services, shall be posted on GME's website.
- 57.2 The amount of the bank guarantee, or of the deposit where provided, posted to cover the settlement of payments, as provided for in para. 57.1 a) above and taken into consideration for the purpose of verifying the sufficiency of the guarantee as per Article 60 below, shall be determined by the Participant on the basis of the transactions and schedules to be registered.

- 57.3 The Participant may at any time request the modification of the amount covered by the bank guarantee referred to in Article 56, para. 56.1 a) or of its period of validity and effectiveness, by submitting a letter updating the guarantee to the bank in charge of treasury services (such letter shall conform to the pro-forma attached hereto - Annex 4) or by posting a new financial guarantee.
- 57.4 By the end of the working day following the one on which the letter updating the bank guarantee is submitted, the bank in charge of treasury services shall verify whether the letter conforms to the corresponding pro-forma.
- 57.5 Within the time limit specified in para. 57.4 above, the bank in charge of treasury services shall notify the Participant and GME of any deficiencies identified upon verification of the submitted letter.
- 57.6 If the result of the verification is successful, the bank in charge of treasury services shall notify GME, within the time limit referred to in para. 57.4 above, of the new guaranteed amount and of the date from which the new value shall apply.
- 57.7 The new bank guarantee as well as the updating letter shall be verified according to the provisions contained in Article 56 above.
- 57.8 The Participant that is an Electricity Market Participant may request the modification of the amount covered by the guarantee in accordance with Article 56, para. 56.1 b) according to the modalities indicated in the Technical Rules.
- 57.9 For the purpose of verifying the technical adequacy of requests for registering transactions and schedules on the PCE, the modification of the amount covered by the bank guarantee shall become effective from the later of the following dates:
- a) second working day following the one on which GME receives the notification referred to in para. 57.6 above, or the notification referred to in para. 57.8 above;
  - b) date reported in the notification referred to in para. 57.6 above.
- 57.10 If the Participant requests a reduction of the guaranteed amount or the modification of the period of validity and effectiveness of the bank guarantee, GME shall verify the amounts in respect of which the requesting Participant is in debit; if such verification is successful, GME shall - within the working day following the time limit mentioned in para. 57.4 - notify the non-PA Participant of the immediate validity of the requested modifications.
- 57.11 In exceptional and urgent circumstances, the non-PA Participant may increase the amount of financial guarantees for the purpose of submitting requests for registering



transactions and schedules into the PCE, by lodging a non-interest-bearing deposit with the bank in charge of treasury services in favour of GME. After verifying whether the Participant's payment has been credited to its bank account, GME shall modify the guaranteed amount; the modification shall be valid and have effect on the second working day following the day on which the payment has been credited to GME's bank account. The payment shall be deemed to have been received on the date and at the time recorded by the information system of the bank in charge of treasury services. The non-PA Participant may not claim for refund of the deposited amount until its position has been entirely covered by the financial guarantee.

57.12. If a PA Participant requires the amount reduction or the return of the non-interest bearing cash deposit provided under Article 56, para. 56.1 c), GME shall carry out a check on the PA Participant's commitments. GME, as a result of a positive verification, shall apply the required changes with effect on the next business day after the result of the positive verification.

#### **Article 58**

##### ***Estimated National Single Price and Estimated Transmission Capacity Fee***

58.1 For the verifications specified in Article 59, para. 59.2 and Article 60 below, GME shall determine and publish the estimated national single price and the estimated transmission capacity fee.

58.2 The criteria for determination, as well as the modalities and time periods for updating the prices referred to in para. 58.1 above, are defined in the Technical Rules. GME may use distinct estimated transmission capacity fees for the verifications covered by Article 35, para. 35.1 b) and Article 38, para. 38.1 b) above, by Article 45, para. 45.1 above in respect of mixed offer points and by Article 45, para. 45.1 above in respect of withdrawal offer points belonging to neighbouring countries' virtual zones.

#### **Article 59**

##### ***Economic Balance of Forward Electricity Accounts***

59.1 For each Participant holding an electricity account and for each settlement period for which payables and receivables have not yet been settled, GME shall determine the economic balance of the forward electricity accounts; such balance shall be calculated only for the applicable periods belonging to the same settlement period and as the algebraic sum of:

- a) in the case of requests for registering sale transactions on electricity injection accounts that have not yet been confirmed but already verified to be technically adequate - the sum of the hourly products between the electricity quantities covered by the transactions and the estimated transmission capacity fee; such sum shall be increased by VAT (at the applicable rate) and by the penalty referred to in Article 69 below;
- b) for the days for which the MGP has not yet taken place - the sum of the hourly products between the electricity quantities covered by the net sales registered on the electricity injection accounts and the estimated transmission capacity fee; such sum shall be increased by VAT (at the applicable rate) and by the penalty referred to in Article 69 below;
- c) in the case of withdrawal schedules in respect of mixed offer points and of withdrawal points belonging to neighbouring countries' virtual zones that have already been verified to be technically adequate but not yet registered the sum of the hourly products between the electricity quantities covered by the withdrawal schedules and the estimated transmission capacity fee; such sum shall be increased by VAT (at the applicable rate) and by the penalty referred to in Article 69 below;
- d) for the days for which the MGP has already taken place the value of the transmission capacity fees referred to in Article 48 above; such value shall be increased by VAT (at the applicable rate) and by the penalty referred to in Article 69 below.

59.2 For each Qualified Market Participant and for each settlement period for which payables and receivables have not yet been settled, GME shall determine the economic balance of the forward electricity accounts; such balance shall be calculated only for the applicable periods belonging to the same settlement period and as the algebraic sum of:

- a) in the case of requests for registering sale transactions not yet confirmed but already verified to be technically adequate the sum of the hourly products

between the electricity quantities covered by the transactions and the estimated national single price; such sum shall be increased by VAT (at the applicable rate) and by the penalty specified in Article 69 below;

- b) for the days for which the MGP has not yet taken place - the sum of the hourly products between the electricity quantities covered by the registered net sales and the estimated national single price; such sum shall be increased by VAT (at the applicable rate) and by the penalty specified in Article 69 below.

59.3 For the technical adequacy verification, the economic balance of each settlement period shall be further decreased by an amount equal to the negative economic balances, if any, which pertain to the other settlement period for which payments have not yet been settled.

### **Article 60**

#### ***Sufficiency of Financial Guarantee towards GME***

60.1 For each Participant and each settlement period, GME shall determine the sufficiency of the financial guarantee as the algebraic sum of the amount of the financial guarantee, or the deposit where provided, and of the economic balance of the electricity accounts referred to in Article 59 above.

60.2 Under Article 35, para. 35.1 b), Article 38, para. 38.1 b) and Article 45, para. 45.1, GME shall verify whether the amount of the financial guarantee towards GME is sufficient to cover the requests for registration and confirmation of a sale transaction on electricity injection accounts, as well as the requests for registering withdrawal schedules in respect of mixed offer points and of withdrawal points belonging to neighbouring countries' virtual zones. Each of the above transactions shall be deemed to be guaranteed if the value of the financial guarantee towards GME is higher than the absolute value of the payables and receivables resulting from the transaction, increased by VAT and by the penalty referred to in Article 69 below.

60.3 If, as a result of variations in the estimated transmission capacity fee, the value of the financial guarantee calculated in accordance with this Article is negative, GME shall notify the Participant involved thereof. In accordance with the procedures and within the time limits defined in the Technical Rules, such Participant shall either reduce its exposure or increase the amount of the posted guarantee until reaching a positive value. If such Participant fails to reduce its exposure or to increase the amount of the guarantee, GME shall suspend such Participant.

### **Article 61**

#### ***Price for Valuing Forward Purchases and Sales***

- 61.1 For the verifications referred to in Article 63 below, Terna shall notify GME of the price for valuing forward purchases and sales in each applicable period.
- 61.2 GME shall post the price referred to in para. 61.1 above on its website.

### **Article 62**

#### ***Maximum Exposure towards Terna and Economic Balance of Actual Deviation Account***

- 62.1 For the verifications referred to in Article 63 below, Terna shall – on a daily basis and in accordance with the modalities and within the time limits defined in the Technical Rules and agreed between GME and Terna – notify GME of the difference between the maximum allowed exposure towards Terna and of the cumulated exposure of each dispatching user.
- 62.2 The information referred to in para. 62.1 above shall represent the guarantee of each dispatching user towards Terna.
- 62.3 If Terna fails to provide GME with the information referred to in para. 62.1 above within the required time limit, GME shall attribute to each dispatching user a guarantee towards Terna equal to the residual guarantee towards Terna on the latest day available.

### **Article 63**

#### ***Residual Guarantee towards Terna***

- 63.1 Based on the information received as set forth in Article 62 above and for each dispatching user, GME shall determine the algebraic sum of:
- a) the guarantees towards Terna;
  - b) for requests for registering sale transactions in respect of electricity injection accounts that have not yet been confirmed but verified to be technically adequate - the sum of the hourly products between the electricity quantities covered by the transactions and the price referred to in Article 61 above;

d) for the days for which the MGP has not yet taken place - the sum of the hourly products between the electricity quantities covered by the net sales registered on the electricity injection accounts and the price referred to in Article 61 above.

63.2 The information referred to in para. 63.1 above shall represent the residual guarantee of each dispatching user towards Terna.

63.3 For the determinations covered by para. 63.1 b) and c) above, the requests for registration, or the net sales in respect of an electricity injection account, shall be attributed to the dispatching user of the offer points associated with the same account.

63.4 Under Article 35, para. 35.1 c) and Article 38 para 38.1 c) above, GME shall verify whether the residual guarantees of dispatching users towards Terna, as set forth in para. 63.3 above, are sufficient to cover the requests for registration and confirmation of a sale transaction in respect of an electricity injection account. Each of the above transactions shall be deemed to be guaranteed if the value of the residual guarantee of the dispatching user of the offer points associated with the account to which the sale transaction refers is higher than the absolute value of the payables and receivables resulting from the same transaction.

**SUBSECTION II SETTLEMENT  
OF PAYMENTS**

**Article 64  
Clearing**

- 64.1. The settlement period on the PCE is defined by GME in the Technical Rules.
- 64.2 For each Participant and for each settlement period, GME shall determine the net position of debit or credit towards GME, based on the clearing of the amounts (including VAT) referred to in Article 52, para. 52.1 a) and b) above.
- 64.3 For each settlement period, GME shall determine the net position of debit or credit of Terna towards GME, based on the clearing of the amounts (including VAT) referred to in Article 52, para. 52.1 d) and e) above.
- 64.4 The clearing referred to in para. **Errore. L'origine riferimento non è stata trovata.** and **Errore. L'origine riferimento non è stata trovata.** above shall exclude the amounts specified in Article 52, paras. 52.1 c) and f) and 52.5 above.
- 64.5 GME shall – according to the formalities and within the time periods specified in the Technical Rules – notify each Participant of the result of the determinations referred to in paras. **Errore. L'origine riferimento non è stata trovata.** and **Errore. L'origine riferimento non è stata trovata.** above, which form the basis for making payments according to the provisions and within the time periods specified in Articles 65 and 67 below.
- 64.6 The clearing and settlement of payments of the payables and receivables referred to in Article 50, par. 50.1 a), c) and f) and para. 50.2 a), c) and f) shall be made in accordance with the modalities and within the time limits defined in the Integrated Text of the Electricity Market Rules.

**Article 65  
Payments from Participants to GME**

- 65.1 As a result of the determinations referred to in Article 64:
- a) non-PA Participants, debtors of GME, shall settle with the bank in charge of GME's treasury services the amounts due to GME, notified by GME under the Article 64, para. 64.5 above, according to the procedures and within the time limits specified in the Technical Rules.
  - b) GME satisfies its receivables due by debtors PA Participants, in accordance with the procedures and within the time limits defined in the Technical Rules, utilising their available cash deposit provided as per Article 56, para. 56.1 c) above, until reaching the amount of such receivables.
- 65.2 If the payment of the amount due is non settled with the bank in charge of GME 's treasury services in accordance with the formalities and within the time limits stated in para. 65.1 above, all the Participants that are debtors towards GME shall pay the amount due to the bank in charge of treasury services, after adding to such amount the default interest and the penalty (determined under the criteria indicated in Article 69 below), in accordance with the modalities and within the time periods specified in the Technical Rules.
- 65.3 If the payment of the amount due by the non-PA Participant is not settled with the bank in charge of GME 's treasury services within the time limits and according to the modalities set forth in para. 65.2 above, GME shall suspend such non-PA Participant from the PCE, utilise the deposit referred to in Article 67, para. 57.11 above and redeem its bank guarantee.
- 65.4 The Participants mentioned in Article 21, paras. 21.1 and 21.2, are not held to pay the penalty in case of delayed payment or non-payment.

**Article 66**  
**Payment of Fees**

- 66.1 The amounts specified in Article 52, para. 52.1 c) above shall be paid in accordance with the procedures and within the time limits specified in the Technical Rules.

**Article 67**  
**Payments from GME to Participants**

- 67.1 Notwithstanding the provisions of Article 68 below, payments to Participants that qualify as creditors towards GME as a result of the determinations referred to in Article 64 above, shall be made according to the provisions of this Article.
- 67.2 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64 above; the amount of the payment shall be equal to the ratio of the amount paid by Participants that are debtors towards GME (under the modalities and within the time limit established in Article 65, para. 65.1 above) to the credits that GME has accrued towards the same debtor Participants.
- 67.3 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64; the amount of the payment shall be equal to the ratio of the amount paid by Participants that are debtors towards GME (under the modalities and within the time limit established in Article 65, para. 65.2 above) to the credits that GME has accrued towards the same debtor Participants.
- 67.4 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64 above; the amount of the payment shall be equal to the ratio of the amount paid by the banks issuing the guarantees under Article 65, para. 65.3 above, to the credits that GME has accrued towards debtor Participants.
- 67.5 If GME fails to make payments to Participants that are creditors towards GME within the time periods provided for in this Article, GME shall pay interest to such Participants at the rate indicated in the agreement between GME and the bank in charge of treasury services.

### **Article 68**

#### ***Failure to Fulfil Guarantee Obligations by the Bank Issuing the Bank Guarantee***



- 68.1 If a bank issuing the bank guarantee receives a request for redemption thereof and fails to make the consequent payment within the time period indicated therein, the bank guarantee shall remain valid until the date specified in the Technical Rules.
- 68.2 If the bank issuing the bank guarantee receives a request for redemption thereof and fails to make the consequent payment within the time period indicated therein, any new bank guarantee issued by the same bank, for the purposes specified in Article 56, para. 56.1 above, shall not be accepted by GME. If a bank issuing the bank guarantee fulfils its guaranteed obligation after the deadline indicated therein, any new bank guarantee issued by the same bank, for the purposes specified in Article 56, para. 56.1 above, may only be accepted by GME after a maximum period of twelve months from the date of late fulfilment of the obligation.
- 68.3 If the bank issuing the bank guarantee defaults on its obligations, the credits of Participants towards GME, resulting from the clearing referred to in Article 64 above, shall be proportionately reduced by an amount equal to the unpaid debit. In this case, the Participants in credit may not claim any right or make any claim towards GME for the part of the credit so utilised.
- 68.4 If the bank issuing the bank guarantee defaults on its obligations, GME shall take the necessary steps to recover the amounts owed by such bank. Any amounts so recovered shall be paid *pro quota* to the Participants in credit, for the same invoicing period for which the bank guarantee has been redeemed.

### **Article 69**

#### ***Default Interest and Penalty***

- 69.1 The amount and modalities of application of the default interest and of the penalty due in case of late payment, to be applied in the cases covered by Article 65, paras. 65.2 and 65.4, are defined in the Technical Rules.

### **Article 70**

#### ***Default***

- 70.1 A participant shall be deemed to be in default if:
- a) it is subject to bankruptcy or similar proceedings;
  - b) fails to fulfil payment obligations arising from the implementation hereof.

**Article 71**  
**Default Procedure**

71.1 If one of the cases referred to in Article 70 above arises, GME shall suspend the Participant involved, utilise the deposit, where provided, and redeem its bank guarantee.

**Article 72**  
**Insufficiency of Financial Guarantees**

72.1 If Participants default on their due payments and their bank guarantees (increased by the deposit referred to in Article 57, para. 57.11 above, or the deposit referred to in Article 56, para. 56.1 c) do not cover their debits entirely, their credits towards GME resulting from the clearing indicated in Article 64 above, shall be proportionately reduced by a total amount equal to the unpaid debits. In this case, the Participants in credit have no right and may make no claim to GME for the part of the credit so utilised.

72.2 In the cases specified in para. 72.1 above, GME shall take the necessary steps to recover the amounts due by Participants that are in debit. Any amounts so recovered shall be paid *pro quota* to Participants in credit in the same settlement period as the one to which the recovery of the credit refers.

**SECTION VI**  
**PENALTIES, COMPLAINTS AND DISPUTES**

***SUBSECTION I BREACHES***  
***AND PENALTIES***

***Article 73***  
***Breaches of the Rules and Technical Rules***

- 73.1 The following behaviours shall be considered as breaches of the Rules and of the Technical Rules:
- a) negligence, imprudence and unskilfulness in the use of the systems of communication and submission of proposals;
  - b) vexatious use of the dispute procedures defined in Subsection II of this Section;
  - c) disclosure to third parties of confidential information related to the Participant or other Participants, in particular as regards the access codes to GME's information system, any other data required for such access and the contents of requests for registration submitted by other Participants to GME, except in the fulfilment of obligations arising from laws, regulations or decisions of competent authorities;
  - d) any attempt to access restricted areas of GME's information system;
  - e) any use for fraudulent purposes of the systems of communication and submission of proposals;
  - f) any other conduct contrary to the principles referred to in Article 3, para. 3.4 above.

***Article 74***  
***Penalties and Sanctions***

- 74.1 If the breaches referred to in Article 72 above are shown to exist, GME may, respecting the principles of impartiality and equality of treatment and bearing in mind the seriousness of the breach and any recurrence, impose the following

penalties/sanctions on Participants on the basis of the scale referred to in Article 75 below:

- a) a private written notice of the violation;
- b) a financial penalty;
- c) the suspension of the Participant from the PCE;

74.1 bis If it has been implemented the disciplinary measure of financial penalty and it has not been paid by the Participant within six months from the date notice of such disciplinary measure, GME may also suspend the Participant from the PCE until the payment of the previously implemented financial penalty is performed.

74.2 In case of suspension from the PCE, the Participant may, under the supervision of GME, close any transaction still in progress and carry out any other transaction unavoidably connected to the same.

74.3 If a breach is identified, GME shall serve an appropriate notice to the Participant. Such notice shall include:

- a) a description of the alleged breach;
- b) a deadline of at least ten days for the Participant to submit documentation and any request for a hearing.

- 74.4 If the Participant requests a hearing or if GME deems required such hearing, GME shall set the date of the same and promptly notify the Participant thereof. If the Participant does not appear at the hearing and the hearing is not postponed to another date for justified reasons, GME shall make a decision on the basis of available evidence. In case of postponement of the hearing, it cannot in any case take place after the tenth day following the date originally set for it.
- 74.5 Based on available evidence, GME shall impose a penalty/sanction or dismiss the case within thirty days from the hearing or, if the latter has been not required or has not been deemed required by GME, within thirty days from the notice specified in para. 74.3 above.
- 74.6 Where the alleged breaches are such as to immediately threaten the proper operation of the PCE, GME can, on a precautionary basis, suspend the Participant from the PCE for the period of time necessary to examine the case.
- 74.7 The penalties/sanctions and the reasons therefor or the decision to dismiss the case shall be notified to the Participant involved. Any penalties/sanctions implemented shall be notified to AEEGSI and Terna.

## ***Article 75***

### ***Graduation of Penalties and Sanctions***

- 75.1 Where the breaches are due to the fault of the Participant, GME may impose the following penalties/sanctions:
- a) a private written notice of the violation;
  - b) suspension from the PCE for a minimum period of five days and a maximum period of one month. In case of recurrence of the violation, the suspension from the PCE shall be ordered for one month.
- 75.2 If the breaches mentioned in para. 75.1 above have caused disturbances to the proper functioning of the PCE, GME may suspend the Participant from the PCE for a minimum period of one month and a maximum period of one year. In case of recurrence of the violation, the suspension from the PCE shall be ordered for one year.
- 75.3 If the breach is due to the intentional wrongdoing of the Participant, GME may suspend the Participant from the PCE for a minimum period of six months and a

maximum period of eighteen months. In case of recurrence of the violation, the suspension from the PCE shall be ordered for eighteen months.

- 75.4 If the breaches mentioned in para. 75.3 above have caused disturbances to the proper functioning of the PCTE, GME may suspend the Participant from the PCE for a minimum period of eighteen months and a maximum period of three years. In case of recurrence of the violation, the suspension from the PCE shall be ordered for three years.
- 75.5 As an alternative to the suspension from the PCE referred to in paras. 75.1 c), 75.2 b), 75.3 and 75.4 above, GME may impose a financial penalty of at least zero point five per cent of the Participant's annual turnover and, in any case, of a minimum of one hundred and fifty-five thousand/00 Euro and of a maximum of one hundred million/00 Euro, determined based on the magnitude and severity of the damage resulting from the breach. If the Participant has not paid the financial penalty within six months from the notice date of such disciplinary measure, GME may also suspend the same Participant from the PCE until the payment of the financial penalty previously implemented is performed.

## **Article 76**

### ***Suspension for Non-Fulfilment of Notification Obligations and Non-Payment of Fees***

- 76.1 Apart from the cases provided for in Article 65, para. 65.3 and Article 75 above, GME shall suspend the Participant from the PCE or impose the financial penalty referred to in Article 75, para. 75.5 above or the information communicated under the Article 26, paragraph 26.1 above does not allow GME to find the Participant, or the Participant does not provide the information or documentation requested under the Article 25, paragraph 25.2 above. The suspension shall last until the date of receipt by GME of the communication referred to in Article 26, paragraph 26.1, or the information or documents referred to in Article 25, paragraph 25.2, or until the date on which the Participant becomes available again on the basis of the information communicated under the Article 26, paragraph 26.1 above.
- 76.2 Para 76.1 b) above shall not apply to the Participants referred to in Article 21, paras. 21.1 and 21.2.

## **Article 77**

### ***Suspension for Non-Fulfilment of Obligations towards Terna***

- 77.1 GME shall - at the request of Terna - suspend Participants that are in default towards Terna.
- 77.2 In the case referred to in para. 77.1 above, GME shall notify such suspension to AEEGSI.

## **Article 78**

### ***Publication of Penalties and Sanctions***

- 78.1 GME shall anonymously disclose the implementation of the sanctions/penalties referred to in Article 74, para. 74.1 b) and c) above by publishing them, excluding the reserved sections, on its website thirty days after serving the relevant communication to the Participant concerned, unless the case has been referred to the Court of Arbitration. In the latter instance, disclose the implementation of the sanctions/penalties is made public, only if confirmed by the Court of Arbitration..

**Article 79**

***Challenging Denial of Admission to the PCE and Penalties/Sanctions***

- 79.1 Within thirty days from the communication of the related denial or disciplinary measure, the Participant may file an appeal with the Court of Arbitration under penalty of forfeiture, against the denial or the admission to the PCE or against the disciplinary measures imposed under Article 74, para. 74.1 above.



**SUBSECTION II COMPLAINTS  
CONCERNING THE PCE**

**Article 80**

***Submission of and Minimum Contents of Complaints***

- 80.1 Complaints relating to the PCE shall be submitted, under penalty of inadmissibility, in electronic form and/or fax, within the time specified in this Chapter and using appropriate forms available in GME's information system.
- 80.2 All complaints shall include, under penalty of inadmissibility, the following elements:
- a) object of the complaint, as identified by the PCE information system;
  - b) decision of GME which is being disputed;
  - c) concise description of the grounds for the complaint.

**Article 80 bis**

***Disputes of the outcome of the validation process and the technical adequacy  
verification of records***

- 80bis.1 The Participant may dispute the results of inspections and checks on the records of the transactions referred to in Article 34, Article 35, Article 37 and Article 38 above, and the outcome of controls and checks on the records of programs referred to in Article 42, Article 44 and Article 45 above, by sending a notification to GME within 120 minutes from the decision of GME, subject of the dispute.

**Article 81**

***Complaints against Billing Procedures***

- 81.1 The Participant may dispute the results of the billing procedures referred to in Section IV, Subsection I above, by sending a notification to GME within 16:00 of the second working day following the one on which such results have been notified to the same Participant.

**Article 82**

***Complaints against Invoicing and Settlement Procedures***

82.1 The Participant may dispute the results of the invoicing procedures covered by Section IV, Subsection II or the settlement determinations referred to in Section V, Subsection II above by sending a notification to GME within the time limits defined in the Technical Rules.

82.2 In the case referred to in para. 82.1 above, GME shall undertake the actions in accordance with the procedures and within the time limits specified in the Technical Rules in the manner and the terms contained therein. Default interest on the amounts payable as a result of the complaint shall be calculated according to the provisions of Article 69 above.

### ***Article 83***

#### ***Complaint Resolution***

83.1 GME shall notify the Participant concerned of the outcome of the verifications of the complaints specified in Articles 80 bis, 81 and 82 above, by 16:00 of the second working day following receipt of such complaints.

83.2 Where a Participant brings a complaint as specified in Article 80 above and such complaint is upheld because GME is liable for errors or omissions, then GME shall pay to such Participant a compensation equal to a maximum of ten thousand Euro.

83.3 The acceptance of GME's compensation pursuant to para. 83.2 above shall imply the Participant's waiver of the dispute resolution procedure mentioned in Subsection II below of this Section.

83.4 The limit provided for in para. 83.2 above shall apply not only to the complaints indicated therein and to any dispute arising therefrom, but also to the results of the arbitration procedures referred to in Articles 85 and 86 below.

83.5 If a complaint brought in compliance with Articles 81 and 82 above is upheld, then GME shall make the related adjustments.

83.6 The acceptance of a complaint shall not modify the result of the PCE session to which it refers.

### ***SUBSECTION III***

#### ***DISPUTES***

##### ***Article 84***

##### ***Appeals to the Court of Arbitration***

- 84.1 If a Participant does not accept the result of the verification of complaints covered in Article 83 above, it may file an appeal with the Court of Arbitration. In such cases, as well as against the verification of the bank guarantees referred to in Article 56, paragraph 56.8 above, or against the outcome of the verification of the updating letter referred to in Article 57, paragraph 57.7 above, the arbitration procedure shall be initiated, under penalty of forfeiture, within thirty days of notification of the outcome of the checks, subject of the dispute.
- 84.2 Without prejudice to the provisions of Article 86 below, the Court of Arbitration shall have jurisdiction over any other dispute arising between GME and Participants over the interpretation and implementation of these Rules and of the Technical Rules.

##### ***Article 85***

##### ***Court of Arbitration***

- 85.1 The Court of Arbitration shall be composed of three members: one appointed by GME, one appointed by the Participant and a third member, acting as President, appointed by the members appointed by the parties or, in case of disagreement, by the President of the Court of Rome, under Article 810 of the Italian Civil Procedure Code.
- 85.2 The Court of Arbitration shall render its decisions in accordance with the applicable laws and the arbitration procedure shall be carried out in compliance with Article 806 and following Articles of the Civil Procedure Code.
- 85.3 The Court of Arbitration shall be based in Rome at GME's registered office.

##### ***Article 86***

##### ***Settlement of Disputes***

- 86.1 Without prejudice to the provisions of paragraph 86.2, on request of one of the interested parties, disputes between GME and Participants and between Participants shall be settled by arbitration as regulated by AEEGSI.
- 86.2. In addition to the cases referred to in Article 72, paragraph 72.2 above, they shall be subject to the exclusive jurisdiction of the Italian courts, the disputes concerning the failure or partial payment of:
- a) the fees referred to in Article 7, paragraph 7.1 above;
  - b) the amounts specified in the Article 74, paragraph 74.1, subpara. b) above;
  - c) the amount referred to in Article 75, paragraph 75.5 above.



## ***Annex 1***

### ***PCE Participation Application***

**Participation Application form for admission to the PCE Platform referred to in Article 18,  
paragraph 18.1, subpara. a) of the PCE Platform**

Mr./Mrs. ...., *(name and surname)*  
Place of birth ....., date of birth .....,  
residence ..... *(prov. ...)*, .....  
*(address)*  
Tax Code....., V.A.T.....,  
phone number ....., telefacsimile number.....,  
e-mail address.....,

*or*

The company/*other* .....  
*(company name)*  
With registered office in....., *(prov. ...)*, .....  
*(address)*  
Tax Code . ....., V.A.T. ....,  
phone number ....., telefacsimile number .....,  
e-mail address .....,  
represented by....., in his/her capacity as .....,  
*(legal representative or duly authorised person)*

WHEREAS

- the organization and management methods of the Forward Energy Accounts Platform (hereinafter: PCE) are defined in the PCE Regulation, prepared pursuant to Article 17 of Annex A to Resolution no. 111/06 of the Authority for Electricity, Gas and the Water, as subsequently amended and supplemented, and positively verified pursuant to Article 17, paragraph 17.5, of the same Resolution, by the AEEGSI Market Division with Resolution of 7 February 2007, as subsequently amended and supplemented (hereafter: the Regulation);
- the Technical Rules referred to in Article 4 of the Regulation are published on GME's website and enter into force on the date of publication;

Now, therefore

Mr./Mrs.....

*or*

the company/*other* .....

represented by ..... in his/her capacity as .....  
(legal representative or duly authorised person)

## REQUESTS

pursuant to Article 18 of the Regulation, admission to the PCE through the procedure referred to in Article 20 of the Regulation.

To this end, he/she/it attaches the documentation referred to in Article 19 of the Regulation, which forms an integral part of this application, as well as a signed copy of the Market Participation Agreement referred to in Article 18, paragraph 18.1, subpara b) of the Regulation, according to the form attached thereto.

Mr./Mrs.....

*or*

The company/*other* .....

represented by ..... in his/her capacity as .....  
(legal representative or duly authorised person)

## DECLARES

- 1) to comply with the rules set out in the Regulation and the Technical Rules, which declares to know and accept without any conditions or reservations.
- 2) to be endowed with adequate professionalism and competence in the use of computer systems and related security systems, or to have employees or auxiliary staff with such professionalism and competence;
- 3) that the contact person for any communication is Mr./Mrs....., whose contact information is .....

4) that the party(s) tasked with accessing the PCE information system on behalf of the Applicant is/are:

Mr./Mrs..... place of birth a.....date of birth  
..... residence ..... Tax Code....., phone number  
..... e-mail address .....

5) (if any) that the identification code assigned by Terna is: .....

6) that the Applicant is a party referred to in Article 16 of the Regulation.

\*\*\*\*

Pursuant to EU Regulation 679/2016, and subsequent amendments and additions, the personal data indicated in this participation application will be processed, for the execution of the obligations arising from it and for the fulfillment of the obligations arising from the Regulation, through IT support , in order to ensure the confidentiality and security of the data entered, as indicated in the information provided pursuant to articles 13 and 14 of the aforementioned EU Regulation 679/2016 and published on GME's website at <http://www.mercatoelettrico.org/It/GME/Info/Privacy.aspx>. The applicant acknowledges the aforementioned information and gives his/her/its consent to the processing and communication to third parties of personal data in the modalities and for the purposes indicated in the disclosure in compliance with current legislation.

*Place, date*

.....



Signature

.....

***Annex 2***  
***Forward Electricity Account Trading Platform (PCE)***  
***Participation Agreement***



transmission grid and is responsible for registering forward purchases and sales and injection and withdrawal schedules under article 16, para. 16.2 of Annex A to AEEGSI's Decision 111/06, as amended;

- C. under article 17 of Annex A to AEEGSI's Decision 111/06, as amended, GME issued the Rules (hereinafter referred to as the "Rules") Governing the Forward Electricity Account Trading Platform ("PCE");
- D. under article 17, para. 17.4 of Annex A to AEEGSI's Decision 111/06, as amended, the Director of Markets of AEEGSI has successfully verified the Rules as per resolution of 7 February 2007;
- E. under article 18, para. 18.1 b) of the Rules, a party wishing to participate in the PCE shall submit signed copy of the PCE Participation Agreement (hereinafter referred to as the "Agreement") to GME;
- F. the Technical Rules referred to in article 4 of the Rules are posted on GME's website and enter into force upon the date of their publication;
- G. under Annex A to AEEGSI's Decision 111/06, as amended, GME is the counterparty of Participants on the PCE with regard to the payables and receivables referred to in article 49, para. 49.1 b, d) and e) of the Rules;
- H. under Annex A to AEEGSI's Decision 111/06, as amended, and Article 47 of the Rules, the provisions on invoicing and settlement of the payables and receivables referred to in Article 49, para. 49.1 a), c) and f) are set out in the Integrated Text of the Electricity Market Rules approved by a Ministerial Decree of 19 December 2003, as amended;
- I. the Applicant/Participant is one of the parties referred to in Article 16 of the Rules;

NOW, THEREFORE,

the Parties have agreed as follows:

**Article 1**  
**Scope of the Agreement and Validity of the Whereas**

- 1.1 This Agreement defines:
- a) the rights and obligations of the Applicant/Participant towards GME;
  - b) the terms and conditions on which GME undertakes to provide the service related to the registrations on the PCE (hereinafter referred to as the “Service”).
- 1.2 The Whereas shall be an integral part hereof.

**Article 2**  
**Applicant/Participant’s Obligations**

- 2.1 The Applicant/Participant hereby declares that it has read, understood and unconditionally accepts to comply with the Rules, as they arise from the applicable legislation. The Applicant/Participant also declares that it is familiar with the PCE information system (hereinafter referred to as “the System”) in its current configuration or anyway that it undertakes to familiarise therewith.
- 2.2 The Applicant/Participant agrees:
- a) to comply with the Rules and the Technical Rules and to keep informed about any amendments thereto. Where the Applicant/Participant does not intend to accept any amendments to the Rules and to the Technical Rules, the Applicant/Participant may withdraw herefrom by giving notice thereof according to the modalities and to the address mentioned in article 9, para. 9.6 below. However, such withdrawal shall have effect only after the Applicant/Participant has made one or more registrations on its electricity accounts (the registrations shall be of opposite sign and for quantities equal to those appearing on the same accounts upon submission of the request for withdrawal) and anyway only after the Applicant/Participant has fulfilled the obligations arising from the registrations made on the PCE. If, fifteen days after the legal publication of such amendments, the Applicant/Participant has not given notice of its intent to withdraw herefrom, such amendments shall be deemed to have been tacitly accepted. Except for registrations that give effect to the aforesaid withdrawal, any further registration that the Applicant/Participant may make on the PCE

- pending the expiration of the above time limit shall be construed as implicit acceptance of the new terms and conditions. However, such amendments shall not be a valid reason for the Applicant/Participant's non-fulfilment of the obligations undertaken on the PCE;
- b) to acquire technological systems suitable for the performance of the registration activity and compatible with the System, and to update/upgrade them as a result of any changes that GME may make to the System;
  - c) to acquire technological systems suitable for issuing invoices for the transactions made on the PCE, compatible with the System and capable of ensuring a correct, timely and secure exchange of data and information transmitted in electronic form, under the modalities and within the time limits established in the Rules and Technical Rules;
  - d) to employ personnel with adequate professional qualifications and proficiency in the use of the technological systems covered by para. b) above;
  - e) to join the system of settlement of payments and the guarantee systems referred to in Section V of the Rules;
  - f) to timely report to GME any malfunction or abnormal operating condition due to technical problems, or any other event causing GME's failure to provide the Service or incorrect provision of the Service. The Applicant/Participant shall, to the extent possible, report such malfunction, abnormal operating condition or event within such time as to enable GME to take prompt corrective action with a view to ensuring the proper operation of the PCE. In particular, the Applicant/Participant undertakes to notify GME, with the maximum speed and according to the procedures mentioned in article 9, para. 9.6 below, of the occurrence of events that may jeopardise the integrity and security of the System (including but not limited to thefts of confidential documentation regarding access to the System, or unauthorised access to the Applicant/Participant's premises where such documentation is kept);
  - g) to co-operate with GME or with GME-designated third parties and allow their employees or assistants to access the premises of the Applicant/Participant for performing any jobs on the Applicant/Participant's hardware and software as may be required to ensure the proper operation of the PCE. It is hereby understood that, under article 2049 of the Italian Civil Code, GME shall be liable for damages which may be caused during such jobs;

- h) to respect the rights of ownership of GME on the data transmitted through the System and on trade marks or names registered or used by GME, as well the rights of ownership of GME or third-party suppliers on the software programmes used for the provision of the Service;
- i) to maintain confidentiality on the devices mentioned in article 4, para. 4.1 below, and use them - or allow their use by duly authorised persons - only for access to and for the performance of the activity of registration on the PCE. Therefore, the Applicant/Participant shall be liable for any unauthorised access to PCE by third parties and hold GME harmless from any damage or threat to the integrity or security of the System arising from negligence of the Applicant/Participant or of its personnel in the safekeeping of such devices;
- j) to timely ask GME to disable the devices referred to in para. i) above and to assign new or different devices, whenever it deems that unauthorised persons may make an improper use thereof;
- k) to hold GME harmless from any damage, cost or third-party claim arising from any action or conduct of the Applicant/Participant and of its employees, assistants and consultants which may infringe this Agreement, the Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument issued by GME or by appropriate authorities.

### ***Article 3*** **Service provided by GME**

- 3.1 GME shall provide the Service to the Applicant/Participant in compliance with this Agreement, the Rules and the Technical Rules. GME's obligations in the provision of the Service shall constitute obligations of means.
- 3.2 GME shall provide the required co-operation so that the Applicant/Participant may access the System in accordance with the Technical Rules. It is hereby understood that the performance of the activities and the provision of the means of access to the System shall be the exclusive responsibility of the Applicant/Participant and performed and provided at its own expense.

- 3.3 GME reserves the right to change the technical, functional, administrative and operational procedures for the provision of the Service, as a result of amendments to the Rules or Technical Rules.
- 3.4 Without prejudice to the Rules and Technical Rules, if the provision of the Service is interrupted, suspended, delayed or malfunctioning due to technical problems with the System, GME shall take the necessary measures to overcome such inconveniences. It is hereby understood that, if such events are due to technical problems with the hardware or software used by the Applicant/Participant for accessing the System, the Applicant/Participant shall remove the related causes with the maximum speed. GME and the Applicant/Participant, each within the scope of its responsibilities, agree to co-operate in order to identify the causes of such interruptions, suspensions, delays or malfunctions and to restore the operation of the System as soon as possible.
- 3.5 GME shall be responsible for the correct processing, reporting and transmission of any data which third parties may enter into the System or which may result from the PCE. GME and the Applicant/Participant acknowledge that GME's obligations exclude the checking of the truthfulness, accuracy and completeness of any data provided by third parties and made available to the Applicant/Participant within the scope of the provision of the Service.
- 3.6 GME and the Applicant/Participant acknowledge that GME shall not be liable for faults or malfunctions of telecommunication lines (e.g. telephone lines) and of access to the Internet.
- 3.7 The Applicant/Participant acknowledges that, for the provision of the Service, GME may resort to GME-designated third parties. Nevertheless, the contractual relationship shall be established solely between the Applicant/Participant and GME.
- 3.8 GME shall respect the Applicant/Participant's ownership rights on the data transmitted through the System and on trade marks or names registered or used by the Applicant/Participant and of which GME may become aware.

- 3.9 GME shall hold the Applicant/Participant harmless from any damage, cost or third-party claim arising from any action or conduct of GME or of its employees, assistants or consultants for the operation and provision of the Service which may infringe this Agreement, the Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument applicable hereto.

**Article 4**  
**Access to the System**

- 4.1 For access to the System, the Applicant/Participant shall use the technical security devices indicated by GME, including but not limited to: user code with password, smart card or other strong authentication tools.
- 4.2 Access to the System shall take place as set forth in the Technical Rules.

**Article 5**  
**Fees**

- 5.1 For the Service provided in compliance herewith, the Applicant/Participant shall pay the fees established by GME under article 7 of the Rules, according to the procedures defined in article 54 thereof.
- 5.2 In case of total disabling of the System, which prevents the Applicant/Participant from making registrations on the PCE, the fees referred to in para. 5.1 above shall be reduced proportionally to the period of occurrence of such disabling.
- 5.3 The provision of para. 5.2 above shall not apply if the Participant is also an Electricity Market Participant.



**Article 6**  
**Limitation of liability, force majeure and fortuitous events**

- 6.1 Unless otherwise specified in the Rules, GME shall, in the provision of the Service, be liable for contractual and non-contractual damages, to the extent that such damages are an immediate and direct consequence of its wilful misconduct or gross negligence and, in the latter case, are foreseeable upon the signature hereof. The Parties acknowledge that GME shall not be liable for damages which are an indirect or unforeseeable consequence of GME's conduct, including but not limited to damages arising from the loss of business opportunities, customers or profits.
- 6.2 The Applicant/Participant shall - under penalty of debarment - notify GME of any claim concerning the provision of the Service within fifteen working days, at the latest, from the date when the Applicant/Participant has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event, providing a detailed account of the circumstances of the event and of the resulting damages. The related supporting documentation shall be notified to GME within twenty working days, at the latest, from the date when the Applicant/Participant has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event.
- 6.3 GME and the Applicant/Participant shall not be liable for defaults due to force majeure, fortuitous events or events beyond their control, including but not limited to wars, riots, earthquakes, floods, fires, strikes, interruptions of electricity supply or of the provision of the dedicated data transmission lines making part of the System, if such interruptions are ascribable solely to third parties.
- 6.4 In cases of force majeure and fortuitous events and generally in all cases where the activity of the Applicant/Participant may jeopardise the integrity or security of the System, GME may suspend the access to the System without giving prior notice of the circumstances giving rise to the suspension.

**Article 7**  
**Duration**

- 7.1 This Agreement shall have effect from the date of submission of the PCE Participation Application.
- 7.2 This Agreement shall cease to have effect upon the occurrence of one of the following events:
- a) exclusion of the Applicant/Participant from the Market;
  - b) total disabling of the System as a result of amendments to the applicable rules;
  - c) withdrawal of the Applicant/Participant from the Agreement.
- 7.3 The dissolution of the Agreement under this Article shall not impair any other right, which either Party may have hereunder or in compliance with applicable laws, or any right or obligation of either Party arising prior to the date of dissolution.

**Article 8**  
**Termination**

- 8.1 Any loss for whatever reason of the status of Market Participant, acquired according to the provisions of article 20 of the Rules, shall represent one of the grounds for *de jure* termination of this Agreement under article 1456 of the Italian Civil Code, notwithstanding GME's right to withhold the fixed fee specified in article 54, para. 54.2 of the Rules by way of indemnity and any right to claim for additional damages, if any.

**Article 9**  
**General clauses**

- 9.1 The invalidity of one or more of the clauses hereof shall not prejudice the remaining clauses hereof, which shall continue in full force and effect.
- 9.2 This Agreement and the rights and obligations of the Parties arising herefrom shall not be assigned to third parties, except as specifically provided herein.

9.3 Notwithstanding the provisions of article 6, para. 6.2 above, the failure or delay of either Party to exercise one of the rights arising herefrom shall not be construed as a waiver thereof.

9.4 This Agreement, signed and initialled in each page by the Parties, is issued in two originals in the Italian language. Any amendment hereto shall be made in writing.

9.5 For the purposes hereof, the Parties elect domicile at the following addresses:

- Gestore del Mercato Elettrico S.p.A., Viale Maresciallo Pilsdudki, n. 92 – 00197  
Roma;

- .....

*(address)*

9.6 Any notice to be given hereunder shall be made in writing and delivered by hand, courier service, or transmitted by registered letter with return receipt, or via fax or e-mail message with return receipt to the following addresses:

- Gestore dei Mercati Energetici S.p.A., Viale Maresciallo Pilsdudki, n. 92 – 00197  
Roma, fax number +39-06-8012 4524, e-mail address  
info@mercatoelettrico.org;

- .....

*(address)*

fax number....., e-mail address.....

9.7 The notices shall be deemed to have been received upon the date of signature of the delivery receipt, if delivered by hand, or when they reach the address of the recipient, if they are sent by registered letter with return receipt, or upon the date appearing in the transmission receipt of the fax machine, if they are sent by fax, or upon the date of receipt of the return receipt of the e-mail message, if they are sent by e-mail.

**Article 10**  
**Governing law**

10.1 This Agreement shall be governed by the Italian law.

**Article 11**  
**Disputes**

11.1 Any dispute between GME and the Applicant/Participant arising under, out of or in connection with this Agreement shall be settled in accordance with Section VI of the Rules, which shall be deemed to be an integral part hereof and fully transcribed herein.

GME

the Applicant/Participant

.....

.....

For the purposes of articles 1341 and 1342 of the Italian Civil Code, the following contractual clauses are specifically approved: Article 2 (Applicant/Participant's Obligations); Article 3 (Service Provided by GME); Article 6 (Limitation of liability, force majeure and fortuitous events); Article 7 (Duration); Article 8 (Termination); Article 9 (General Clauses); Article 10 (Governing Law); Article 11 (Disputes).

The Applicant/Participant

.....

Rome, *(date)*



***Annex 3***  
***PCE Bank Guarantee Form***

**Bank Guarantee Form, as per article 56, para. 56.1 a) of the Rules  
Governing the Forward Electricity Account Trading Platform**

Gestore dei Mercati Energetici S.p.A.  
Viale Maresciallo Pilsudski, 92  
00197 Roma

(place) ....., (date) .....

Bank guarantee (ref. no. ....)

The bank ....., branch of ....., having its registered office in ....., taxpayer's number ....., VAT number ....., listed at no. ... of the Register of Companies (*Registro delle Imprese*) and at no. .... of the Register of Banks (*Albo delle Banche*)....., capital stock Euro ....., represented by its legal representatives .....(hereinafter the "Bank"),

WHEREAS

- .....  
(name and surname/company name or registered name) (date and place of birth)

.....  
(place of residence and, if different, place of domicile/registered office)

taxpayer's code/VAT number .....  
capital stock Euro ....., of which ..... (*subscribed*), of which ..... (*paid-up*), registered with .....(hereinafter the "Participant" or "Applicant") is a Participant of the Forward Electricity Account Trading Platform (hereinafter "PCE") and has been entered into the List of Participants in the PCE as per article 23 of the Rules Governing the Forward Electricity Account Trading Platform (hereinafter the "Rules"), as amended; the Rules were successfully verified by the Director of Markets of "Autorità per l'Energia Elettrica e il Gas" (electricity & gas regulator, hereinafter "AEEGSI") under resolution of 7 February 2007;

- in accordance with Article 18, para. 18.1 b) of the Rules, the Participant signed the PCE Participation Agreement, following the pro-forma defined in the Rules, on .....(date);
- for the purposes and effects of Article 57, para. 57.1 of the Rules, the Participant acquired financial obligations towards “Gestore dei Mercati Energetici S.p.A” (hereinafter GME) for the payment of transmission capacity fees (CCT), default interest and redemption fees;
- pursuant to article 56, para. 56.1 of the Rules, for the purposes of submitting requests for registering transactions and schedules on the PCE, Participants are required to post a bank guarantee issued by banks meeting the requirements referred to in the same Article 56, para. 56.1;
- the above-mentioned bank guarantee shall be submitted to the bank in charge of the Electricity Market treasury services (as set forth in Article 55 of the Rules), which shall verify the guarantee;
- the Participant has submitted a formal request for the above-mentioned bank guarantee for a maximum amount of Euro ....., of which:
  - (i) Euro ..... as a guarantee for the settlement of payments for the amounts referred to in Article 57, para. 57.1 a) of the Rules;
  - (ii) Euro ..... [*equal to 2% of the amount specified in para. (i) above*] as a guarantee for the payment of the amounts specified in Article 57, para. 57.1 b) of the Rules;
  - (iii) Euro 0.00 (zero/00) [*equal to the amount defined in the agreement between GME and the bank in charge of treasury services and published on GME’s website*] as a guarantee for the payment of the amounts referred to in Article 57, para. 57.1 c) of the Rules.

NOW, THEREFORE,

the Bank issues this guarantee in favour of GME under the terms and conditions indicated below and, anyway, in accordance with the Rules.

1. The bank guarantee shall be valid and effective from ..... to .....
2. The Bank shall irrevocably, unconditionally and formally waiving the benefit of preventative redemption as specified in Article 1944 of the Italian Civil Code, guarantee the fulfilment of the Applicant's financial obligations towards GME as a consequence of the billing of payables and receivables resulting from the confirmation of registration of transactions and schedules on the PCE in accordance with the Rules, during the period of validity and effect of this bank guarantee.
3. Notwithstanding the provisions of para. 1 above, where the Bank loses one of the qualifications required for issuing bank guarantees or, in case of redemption of the guarantee issued under Article 56, para. 56.1 of the Rules, where the Bank fails to pay the guaranteed amount, this guarantee shall be valid until the end of the invoicing period following the one in which such loss, failure or default has occurred. It is understood that the Bank shall be liable not only for the Applicant's financial obligations until such date, but also for any other obligation that may subsequently arise from this guarantee.
4. As a result of the provisions of para. 2 above, the Bank shall, irrevocably and without delay, pay any amount, without examining the grounds for the request for payment and regardless of any complaint or objection made by the Applicant in connection therewith, on the basis of a simple written request by GME, up to a maximum total of Euro ....., of which:
  - (i) Euro ..... as a guarantee for the settlement of payments for the amounts specified in Article 57, para. 57.1 a) of the Rules;



- (ii) Euro ..... [equal to 2% of the amount specified in para. (i) above] as a guarantee for the payment of the amounts specified in Article 57, para. 57.1 b) of the Rules;
- (iii) Euro 0.00 (zero/00) [equal to the amount defined in the agreement between GME and the bank in charge of treasury services and published on GME's website] as a guarantee for the payment of the amounts referred to in Article 57, para. 57.1 c) of the Rules.

5. After receiving the request referred to in para. 4 above, to be sent by fax, the Bank shall pay the amount in Euro indicated in the request for payment within ten days from the date of receipt thereof and with value date on the same day, by means of bank transfer (SEPA Credit Transfer with *Priority* former *bonifico di importo rilevante - BIR*) or equivalent procedures. Where the date of payment falls on a holiday, the deadline shall be postponed to the next working day.
6. The Bank hereby explicitly relieves GME of the obligation to act in accordance with the provisions of Article 1957 of the Italian Civil Code, notwithstanding that, by derogation from such Article, the Bank shall remain bound by its obligations, even if GME has not submitted a request to the Applicant or has not persisted in such request.
7. This guarantee may also be partially redeemed, but it shall remain valid and effective for the residual amount.
8. By way of derogation from Article 1939 of the Italian Civil Code, this guarantee shall be valid and effective even if the Applicant's principal obligation towards GME is declared invalid.
9. The Bank hereby explicitly and irrevocably waives its rights in accordance with Articles 1945, 1947 and 1955 of the Italian Civil Code.

10. The Bank explicitly waives any defence, exception, right to compensation, claim or action towards GME in connection with the obligations arising herefrom, including but not limited to any defence, exception, compensation, claim or action that the Applicant may in any way institute against GME.

11. The Bank hereby accepts that GME's rights of redemption of this guarantee be exercised by GME or by a party appropriately designated by GME.

12. All communications or notifications shall be made by registered letter with acknowledgment of receipt or by e-mail with acknowledgment of receipt, to the following addresses:

.....  
*(name and surname/company name)* *(address)*

e-mail address ..... Communications or notifications shall be deemed to be received when they arrive at the recipient's address, if sent by registered letter with acknowledgment of receipt, or on the date of acknowledgement of receipt, if sent by e-mail.

13. The Court of Rome shall have jurisdiction over any dispute arising herefrom.

Registered Name of the Bank  
Signatures of its Legal Representatives

For the purposes and effects of articles 1341 and 1342 of the Italian Civil Code, the Bank hereby specifically approves the clauses and conditions specified in paras. 2 (*waiver of preventative redemption*), 3 (*extension of Bank's liability*), 4 (*first-demand payment*), 6 (*derogation from the provisions of Article 1957 of the Italian Civil Code*), 7 (*partial redemption*), 8 (*derogation from provisions on validity*), 9 (*waiver of rights specified in Articles 1945, 1947 and 1955 of the Italian Civil Code*), 10 (*waiver of claims or actions*) and 13 (*jurisdiction*) of this bank guarantee.

The Bank

N.B.: *the signatures of the legal representatives shall be certified in accordance with the applicable legislation.*



#### ***Annex 4***

#### ***Pro-forma of Letter for Updating Bank Guarantees***

**Pro-forma of Letter for Updating Bank Guarantees, as per article 57, para. 57.3 of the Rules Governing the Forward Electricity Account Trading Platform (PCE)**

Gestore dei Mercati Energetici S.p.A.  
Viale Maresciallo Pilsudski, 92  
00197 Roma

(place) ..... (date) .....

Letter updating the bank guarantee of ..... (date), ref. no. ....

The bank ....., branch of ....., having its registered office in ....., taxpayer's number ....., VAT number ....., listed at no. .... of the Register of Companies (*Registro delle Imprese*) and at no. .... of the Register of Banks (*Albo delle banche*)....., with capital stock of Euro ....., represented by its legal representatives .....(hereinafter the "Bank"),

WHEREAS

- At the explicit formal request of .....

(Participant)

the Bank issued a guarantee (letter of ..... (date), ref. no .....) in favour of *Gestore dei Mercati Energetici S.p.A.* (hereinafter "GME"), with effect from ..... to ....., for a maximum amount of Euro....., of which:

- (i) Euro .....as a guarantee for the settlement of payments for the amounts referred to in Article 57, para. 57.1 a) of the Rules Governing the Forward Electricity Account Trading Platform (hereinafter the "Rules");
- (ii) Euro .....[equal to 2% of the amount specified in para. (i) above] as a guarantee for the payment of the amounts specified in Article 57, 57.1 b) of the Rules;
- (iii) Euro 0.00 (zero/00) [equal to the amount defined in the agreement between GME and the bank in charge of treasury services and published on GME's website] as a guarantee for the payment of the amounts referred to in Article 57, para. 57.1 c) of the Rules;

the Participant has explicitly requested a change in the maximum guaranteed amount referred to in para. 4 of the above-mentioned bank guarantee, to take effect from.....(*date*);

or

the Participant has explicitly requested a change in the period of validity and effect referred to in para. 1 of the same guarantee;

NOW, THEREFORE,

- the Bank grants to.....  
(*Participant*)

the modification of the maximum amount of the bank guarantee of .....(*date*), ref. no. ..., to take effect from .....(*date*). As a result, the amount of the aforesaid bank guarantee shall be equal to Euro ....., of which:

- (i) Euro .....as a guarantee for the settlement of payments for the amounts referred to in Article 57, para. 57.1 a) of the Rules;
- (ii) Euro ..... [*equal to 2% of the amount specified in para. (i) above*] as a guarantee for the payment of the amounts specified in Article 57, para. 57.1 b) of the Rules;
- (iii) Euro 0.00 (zero/00) [*equal to the amount defined in the agreement between GME and the bank in charge of treasury services and published on GME's website*] as a guarantee for the payment of the amounts referred to in Article 57, para. 57.1 c) of the Rules;

or

the modification of the period of validity and effect referred to in para. 1 of the same bank guarantee. As a result, the bank guarantee shall be valid and effective until ..... (*date*).

The terms and conditions stated in the bank guarantee letter of ..... (*date*), ref. no. ...., shall remain valid.

Registered Name of the Bank  
Signatures of its Legal Representatives

*N.B.: the signatures of the legal representatives shall be certified in accordance with the applicable legislation.*