



## **Notice to operators under articles 8.4 and 8.6 of AEEG's Decision ARG/elt 115/08 (TIMM)**

In its notice of 19 December 2008, GME provided clarifications about the data that Electricity Market Participants are required to report to GME in compliance with article 8, para. 8.4 or para. 8.6 of Decision ARG/elt 115/08 (hereinafter "TIMM"), adopted by the Autorità per l'Energia Elettrica e il Gas" (Italian electricity & gas regulator, hereinafter "AEEG"). In the same notice, GME also provided details about the data to be reported, stating that a subsequent notice would specify the procedure for data reporting.

In its notice of 16 March 2009, AEEG identified the requirements of the contracts to be compulsorily reported to GME, as per article 8, para. 8.4 of the TIMM.

In this notice, following up its previous notice of 19 December 2008, GME describes the operational procedure under which the obligations referred to in articles 8.4 and 8.6 of Decision ARG/elt 115/18 may be fulfilled.

### **Access to the External Data Platform (PDE)**

Operators shall report their data by uploading XML files to a special External Data Platform (PDE). The PDE will be accessible via secure connection to <https://pde.ipex.it> and entry of username and password.

All electricity operators active on either IPEX or PCE (hereinafter "electricity operators") are required to register with the PDE.

Each company shall provide GME with the details of the users to be authorised to access the PDE, by filling up the form "Application for PDE user authorisation" published on GME's website ("Reports & Statistics/Monitoring/PDE/forms" section).

The legal representative of each company shall submit the application form to GME ([monitoraggio@pec.mercatoelettrico.org](mailto:monitoraggio@pec.mercatoelettrico.org)) by certified e-mail with digital signature.

Only electricity operators that have signed the contracts referred to in article 8, para. 8.4 of the TIMM are required to register with the PDE.

All operators that have not signed contracts of this type are anyway required to notify GME ([monitoraggio@pec.mercatoelettrico.org](mailto:monitoraggio@pec.mercatoelettrico.org)) thereof by certified e-mail with digital signature. This notification shall not discharge the aforesaid operators of the obligation to report any contracts that they may subsequently sign.

### **Data referred to in article 8, para. 8.4 of the TIMM**

All the contracts meeting the following requirements (identified by AEEG in its notice of 16 March 2009) shall be subject to the reporting obligation.

For each contract, electricity operators shall report the following hourly data:

- *contract code*: unique alphanumerical code assigned by the sender and identifying the individual contract;
- *selling party*: specified through the ETSO code of the operator involved; if the operator is not an electricity operator, the VAT number must be specified;
- *registered name of the selling party*: registered name of the selling party;
- *operator counterparty*: flag taking on the value of "1" if the counterparty is an electricity operator; otherwise, the flag is "0";
- *purchasing party*: specified through the ETSO code of the operator involved; if the operator is not an electricity operator, the VAT number must be specified;
- *registered name of the purchasing party*: registered name of the purchasing party;
- *type of contract*: standard (contract traded in the regulated market), regulated OTC (over-the-counter contract for which the contracting parties have used the services provided by a regulated market), OTC (over-the-counter contract other than the previous one)<sup>1</sup>;
- *regulated market*: code of the regulated market where the contract is traded or where the services for the contract are provided;
- *contract structure*: future, forward, swap (two-way Contract-for-Difference), option (one-way Contract-for-Difference), other;
- *contract description*: this field is to be completed only if the contract structure is "other"; the contract structure must be specified and, if the contract has a mixed structure among those typified above, the percentages of the volumes pertaining to each structure must be specified;
- *date of signature of the contract*: in the *yyyymmdd* format;
- *date*: in the *yyyymmdd* format;
- *time*: in the *hh* format;
- *indexed*: flag taking on the value of "1" if the contract is indexed; otherwise, it is "0";
- *indexing*: this field must be completed only if the strike price of the contract is subject to some form of indexing; this field contains the description of the price-indexing formula;
- *hourly quantity agreed in the contract on an ex-ante basis*: in MW, with two decimals;
- *forward price established in the contract on an ex-ante basis*: expressed in €/MWh;
- *hourly quantity exercised on an ex-post basis*: in MW, with two decimals; valid only if the contract structure is "option";
- *forward price contractually calculated on an ex-post basis*: expressed in €/MWh; valid only if the contract is indexed;
- *premium specified in the contract*: expressed in €/MWh; this premium must be specified, for instance, in the case of options.

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<sup>1</sup> By way of example, a contract concluded in the MTE (Forward Electricity Market) is a standard contract; a bilateral contract registered onto the MTE is a regulated OTC contract; and a bilateral contract registered onto the PCE (Forward Electricity Account Trading Platform) is an OTC contract.

The data must be reported by uploading an XML file to the PDE within the 15<sup>th</sup> day of the month following the month of signature of the contract (the so-called "gate closure"). The XML file shall have the format described in the "PDEImplementationGuide.pdf" file posted on GME's website ("Reports & Statistics/Monitoring/PDE/manual" section).

The ex-ante hourly profile of the contract (*hourly quantity agreed in the contract on an ex-ante basis and forward price established in the contract on an ex-ante basis*) must be reported in its entirety within the above date.

In the case of "indexed" contracts, operators are also required to send a second file (in the format described in the above-mentioned "PDEImplementationGuide.pdf" file posted on GME's website, in the "Reports & Statistics/Monitoring/PDE/manual" section). The file shall only specify the contract code and the ex-post hourly profile of the contract pertaining to the previous month (*hourly quantity exercised on an ex-post basis and forward price contractually calculated on an ex-post basis*).

The operator may submit/change the contract profile hour by hour until gate closure and anyway before confirmation by the counterparty. The individual hours will be confirmed when the values submitted by the proposing party and by the counterparty coincide; after confirmation, the individual hours may not be subsequently changed.

Upon submission (based on the contract code), the system will determine whether the contract is to be processed as a "New Contract", as a "Change" to an existing contract or as a "Confirmation" of a contract. The PDE will formally validate the entered data, by checking:

- whether the username and password identifying the sender are correct;
- whether the data have been received within the gate closure;
- whether the type of character used for each field is valid (text format, numerical format, etc.);
- in the case of a "New Contract", the PDE will ensure:
  - that the mandatory fields have been completed (e.g. a contract of the type "other" must have a "Description");
  - that, in the case of an "Operator counterparty" with the value of "1", the counterparty is known to the system;
  - that the sender of the contract is specified as a selling party or as a purchasing party of the contract;
  - that the specified contract code does not correspond to an already existing code without meeting the "Change" or "Confirmation" requirements;
- in the case of a "Change", the PDE will ensure:
  - that the sender matches the original sender of the contract to be changed;
  - that the corresponding contract has not been already confirmed;
  - that the contract is sent before gate closure;
- in the case of a "Confirmation", the PDE will ensure:
  - that the sender matches the counterparty of the original sender of the message to be changed;

- that the following fields match: selling party, purchasing party, duration, type, date of signature, indexed, type of counterparty;
- that in both contracts, the "Operator counterparty" field has the value of "1";
- that the corresponding contract has not been already confirmed;
- that the confirming contract profile matches the corresponding contract profile.

Upon submission of the ex-post profiles, the system will identify the related contract through its Contract Code and then carry out the above-described validations only for the price/quantity fields of the ex-post hourly data.

#### **Data referred to in article 8.6 of the TIMM**

Electricity operators (where they exercise the right specified therein) shall report the shares of hourly available capacity for each unit in respect of which they are entitled to submit offers/bids as holders of appropriate delegations issued by the dispatching users:

- *Date*: in the *yyyymmdd* format;
- *Time*: in the *hh* format;
- *Unit*: specified through the unit code assigned by Terna;
- *Operator code*: specified through the ETSO code;
- *Share of available capacity*: value from 0 to 1.

The data shall be reported by uploading XML files to the PDE. The XML files shall have the format described in the "PDEImplementationGuide.pdf" file posted on GME's website ("Reports & Statistics/Monitoring/PDE/manual" section).

Upon submission, the PDE will formally validate the entered data, by checking:

- whether the username and password identifying the sender are correct;
- whether the data have been received within 10:00 of the day of closing of the market session pertaining to the day to which the capacity share refers;
- whether the sender is a dispatching user of the unit to which the margins refer or has been delegated to submit offers/bids in respect of such unit;
- whether the type of character used for each field is valid (text format, numerical format, etc.);
- all the data received within the above time limit will overwrite the data already received from the same operator for the same hours and the same units;
- whether the hourly data of each capacity share are lower than or equal to 1.

Upon expiration of the time limit for reporting the data, the PDE will formally validate the entered data as follows:

- for each valid "applicable period-unit" pair for which the sum of the specified capacity shares is 1, it will identify the n-tuple as valid;
- for each "applicable period-unit" pair for which no more recent valid configuration exists (the submitted data have not been updated or the sum of the updated data is other than 1), it will recover the latest valid n-tuple and specify it in the flow date;

- for each “applicable period-unit” pair for which no valid configuration exists, it will assign the value of 1 to the dispatching user and the value of 0 to any other electricity operator entitled to submit offers/bids in respect of the same unit.

All the data received within the above time limit will overwrite those already received from the same operator for the same unit and the same hour. The sender will be able to view the submitted data, corrected as necessary.

### **Time schedule**

Operators’ authorisations to access the PDE are scheduled to begin on 21 April 2009.

Operators’ tests on the PDE are scheduled to begin on 27 April 2009.

The subsequent entry into operation of the PDE (subject to results of and requirements arising from the tests) is scheduled on 1 June 2009.

During the initial stage of operation of the PDE, operators must populate it retroactively with data pertaining to a flow date equal to or later than 1 January 2009.

For any clarification, contact [monitoraggio@mercatoelettrico.org](mailto:monitoraggio@mercatoelettrico.org).

Rome, 2 April 2009