

Consultation Document 07/2014

INTEGRATION OF THE ELECTRICITY MARKET INTO THE EU MARKETS

- PAYMENT TIMEFRAMES ON THE DAY-AHEAD MARKET (MGP), THE INTRA-DAY MARKET (MI) AND THE OTC REGISTRATION PLATFORM (PCE) AND LISTING OF NEW PRODUCTS ON THE ELECTRICITY MARKET -

1. Introduction

Following on Consultation Document 04/2014, GME is launching a consultation among market participants about a final proposal for changing the payment timeframes, with a view to completing the process of integration between the Italian electricity market and the other European energy markets.

This process, to which Italy is called upon to contribute, will start with the implementation of the so-called Target Model, i.e. an internal day-ahead energy market integrated across all European borders (the so-called market coupling); the model is expected to be implemented in early 2015.

Creating an integrated EU-wide energy market unavoidably requires harmonising some distinctive features of the Italian market with the design of the other European energy markets, i.e.: i) changing the payment timeframes to ensure that prices are homogeneous and comparable on all European electricity markets, including the Italian one; and (ii) defining the typical aspects of the market, already specified in Consultation Document 04/2014 (EU-wide matching rules, price limits, harmonisation of market hours, management of decoupling).

The following proposal, evolving from the transitional proposal described in the aforesaid Consultation Document 04/2014, has the purpose of making the timing of settlement of the Italian day-ahead and intra-day markets - the second month after the closing of the market session¹ (hereafter: M+2) - closer to the one of European power exchanges, i.e. by the end of the 2nd working day after the closing of the session² (hereafter generically: D+2), i.e. on a weekly basis³ (hereafter: D+7).

The timing of and procedures for implementation of the proposal - which will replace the transitional solution adopted after Consultation Document 04/2014 - will be established after the consultation process and the date of go-live - now scheduled around mid-2016 - will be set and notified to participants with reasonable advance notice.

However, with a view to increasing the availability of products on the market and providing participants with an alternative to the management of payments within short timeframes, GME has deemed it useful to introduce a new market segment, where to trade daily base-load and peak-load products whose payment

¹ In particular, participants that qualify as debtors towards GME settle their net positions on the 15th working day of M+2, whereas GME settles its positions towards its creditor participants on the 16th working day of M+2.

² E.g.: Epex, APX, BSP.

³ This is the case of OMIE for the MIBEL market.



timeframes would be maintained within M+2. This market segment would be introduced well in advance of the application of the new payment timeframes on GME's other spot markets.

The points made in this document refer to the currently applicable guarantee system. However, with appropriate adjustments, they may also apply to the integrated guarantee system referred to in Consultation Document 05/2014.

Interested parties are invited to send in their comments about the operational procedures described in this document and, in particular, their answers to questions from S.1 to S.5.

Please send your comments in writing to GME's Institutional Relations & Communication ("Relazioni Istituzionali e Comunicazione") by 10 December at the latest (end date of the consultation) in one of the following ways:

by e-mail to: info@mercatoelettrico.org
by fax to: +39 06 8012-4519
by mail to: Gestore dei mercati energetici S.p.A.
Largo Giuseppe Tartini, 3/4
00198 – Rome (Italy)

If you want us to keep all or part of your comments confidential, please specify which parts of your document are to be kept confidential.

2. Proposed final solution for harmonising the payment timeframes

The proposed final solution would shorten the cycle of settlement of payments adopted by GME on the Day-Ahead Market (MGP), the Intra-Day market (MI) and the OTC Registration Platform (PCE)⁴, which would pass from the current M+2 to settlement on a weekly basis⁵.

The identified solution yields a significant benefit in terms of lower interest expenses, since the funding of liquidity requirements for settling foreign transactions in D+2 will be needed for a limited time, reduced from the current settlement within M+2 to the future D+7.

Furthermore, the implementation of this proposal (in line with the procedures for settlement of payments adopted by GME) involves a more efficient guarantee system. Indeed, the financial resources that participants require to post guarantees for their transactions on the market would be immobilised for a shorter time than at present, which considerably reduces the duration of GME's risk exposure as a central

⁴ With reference to the fee for assignment of rights of use of transit capacity (hereafter: CCT).

⁵ As regards transactions on the forward electricity market, the M+2 payment timeframes will be maintained. However, they will be changed according to an appropriate calendar, so that the settlement of the related transactions may also coincide with the date of settlement of transactions in D+7.

counterparty. Therefore, this solution also positively responds to the participants' need for a less burdensome guarantee system.

The settlement model that GME has assumed for the MGP, MI and PCE is based on the following principles:

- a) the balance of payables/receivables to be settled is calculated and notified on a weekly basis;
- b) consequently, the settlement of payments in respect of net debit and credit positions held towards GME takes place weekly, as the related balance to be settled becomes available;
- c) payments in respect of net debit positions towards GME are settled through the SEPA⁶ Direct Debit Business to Business scheme (hereafter: SDD B2B), whereas payments in respect of net credit positions are settled by GME through the urgent or priority SEPA Credit Transfer scheme with value date on the same date;
- d) in continuity with what currently happens, GME makes payments to net creditors only after having finally collected payments from its net debtors;
- e) invoices for the settled positions are issued monthly.

As to para. a) above, the design provides that, at the end of a calendar week (W) starting on Monday (T-6) and ending on Sunday (T), the net balance of positions to be delivered from T-6 to T is determined in the night batch (Figure 1).

In this way, in the following morning (Monday), the net buying participant may immediately receive the balance to be settled from GME and make available the liquidity necessary for the debit transaction on its bank account.

The current activity of providing participants with *pro-forma* invoices concerning the positions to be settled, during the invoicing process, will be remodulated to make it compatible with the assumed new payment timeframes. Consequently, any complaints about settlement procedures will have to be submitted on the basis of evidence of weekly balances of transactions, within a given time limit and anyway on the same day as the one of preparation of the debit transaction; conversely, complaints about invoicing procedures will have to be submitted after completion of the monthly invoicing process (para. e) above).

As to paras. b) and c) above, use will be made - only in case of payment by the net debtor participant towards GME - of the payment scheme identified by the European Union, i.e. SDD B2B⁷. This scheme makes it possible to make and receive payments within the SEPA countries⁸ under prior arrangements (the so-

⁶ Acronym of Single Euro Payments Area.

⁷ Already adopted in Europe on similar markets.

⁸ Including not only the countries of the European Union but also Switzerland, Iceland, Norway, the Principality of Monaco and Lichtenstein (provided that transactions are made in euro).



called mandate⁹) between the debtor and the creditor. Therefore, this service should be provided by the debtor's bank¹⁰.

In practice, the SDD B2B scheme implies an authorisation (mandate) that the debtor grants to the creditor to withdraw funds, through his/her/its bank (creditor's bank), directly from the account of his/her/its debtor.

To use this payment scheme, GME - as creditor - will have to:

1. archive the mandates signed and submitted by all the participants in the ME and PCE;
2. carry out a transmission test from the SDD B2B channel to the banks identified by participants in the mandate, to avoid problems upon the first deadline of the payment with weekly settlement.

In operational terms, GME supposes to test this channel ahead of the go-live of the proposed new settlement procedure, by transmitting a first symbolic debit of € 1, together with the data of the mandate, to the banks identified in the documents referred to in para. 1.

After checking the successful completion of the debit transaction with the banks of all the participants already admitted to trading on the ME and PCE:

- the channel will be considered to be open;
- GME will refund the amount used for the test to participants via the SEPA urgent Credit Transfer scheme.

The use of this method makes it possible, among others, to check the availability of the mandate with the banks involved; as a result, for subsequent debit flows, only cases of failed payments or revocations, if any, will have to be managed.

A particular feature of the SEPA direct debit scheme is the fact that the bank (bank in charge of GME's treasury services) withdraws the amount from the bank account identified by the debtor (GME's market participant) on the day specified by the requesting party (GME) with the "under reserve" clause. In particular, the bank finalises the transaction two working days after the date of debit; only at that time will the amount be credited to GME's bank account. Therefore, GME will free up the guarantees only when it considers that the risk of insolvency has been averted without any exception (Figure 2). If the debit transaction requested by GME via the SDD B2B scheme fails, GME will resort to its current default management procedures.

Conversely, GME will settle payments to its net creditor participants via the SEPA urgent or priority Credit Transfer methods, both permitting the settlement on the same day as the one of execution of the payment order (method similar to the current "urgent bank transfer").

⁹ The mandate automatically expires 36 months after the date of the last collection via the SDD B2B.

¹⁰ Indeed, the use of the SDD B2B scheme, unlike the SEPA Direct Debit Core scheme for consumers, is not mandatory for banks, although on 12 September 2014, 3,480 banking institutions had joined the SDD B2B scheme (source: <http://www.europeanpaymentscouncil.eu/>).

Each participant will have to enquire with his/her/its bank for the costs of the SDD B2B service.

S.1 Do you see any critical elements in the SDD B2B solution as a method of payment to be used by market participants? If your answer is yes, please specify which critical elements.

As to para. d) above, in continuity with what currently happens, the settlement model assumed for the MGP, MI and PCE provides that GME will collect payments from its debtors, in order to be always in the position to make payments to its creditors.

To avoid further misalignments in the settlement timing, both the debit transactions carried out by GME towards net buying participants and the credit transactions carried out by GME towards net selling participants¹¹ will take place in the same calendar week (W+1).

Hence, the banking debit transactions will be executed as soon as the supporting information systems process and make available the balance, i.e. by Monday morning of W+1. In this way, on the following day (Tuesday), the payment will be actually withdrawn from the bank account on which the debit has been authorised (Figure 1). However, as previously pointed out in connection with paras. c) and d) above, the payment will be considered to be finalised on banking channels on Friday morning. It is only at this time that GME will free up the guarantees and thus increase the market participant's available guarantee amount (Figure 2) and make payments to creditor participants.

The principle that debit payments by participants take place every Tuesday and that GME's payments to creditor participants take place every Friday will be kept constant. To this end, if the settlement week W+1 includes holidays, the settlement cycle will be postponed by one week with respect to the standard timeframes (Figure 3).

As to para. e), for all the transactions carried out on the MGP and MI and, limited to the CCT, for all the transactions registered onto the PCE that are settled in a calendar month - also through financial offsetting -, invoices will be issued monthly: the participant (and GME for its own receivables) will issue one or more deferred invoices bearing the date of the last working day of the month, as per article 21, para. 4 of Decree of the President of the Republic no. 633 of 26 October 1972.

In this way, the invoicing day will follow¹² the collection and payment of receivables and payables settled in the same month. Thus, the financial settlement will no longer follow the issuing/receipt of invoices but will take place only on the basis of a notification¹³ sent by GME on a weekly basis.

¹¹ If the debit and credit payments were intercalated by Saturdays and Sundays or further holidays in the calendar, the net selling participant would have the disadvantage of waiting for two non-working days (the day/days of the further holidays) before being able to use the liquidity resulting from the net amount of the sale; consequently, he/she/it would lose the corresponding value days on the amount of his/her/its credit.

¹² The only case in which the invoicing day does not follow but coincides with the day of collection/payment (Friday) takes place when the latter corresponds to the last working day of the month.

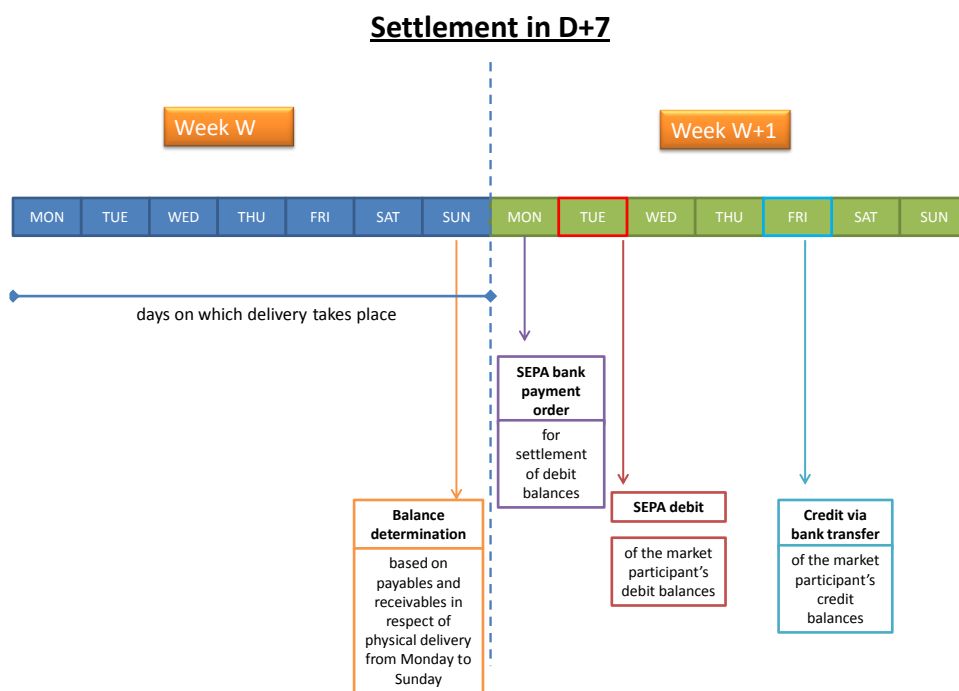
¹³ It will provide the details of the transactions concerning the balance to be settled.

The monthly invoice will be the expression of a calendar month, including full weeks in which the net debit or credit balances to be settled have been concurrently settled. Therefore, an appropriate settlement timing will be calendarised (Figure 3). In particular, if the financial cycle of collections/payments took place in a week between one month and the following one, the settlement would be postponed by one week with respect to the standard timeframes¹⁴.

S2. Do you see any critical elements in a deferred monthly invoicing process with respect to weekly settlements?

The following diagram shows the application of the above-mentioned principles:

Figure 1 Weekly settlement timing

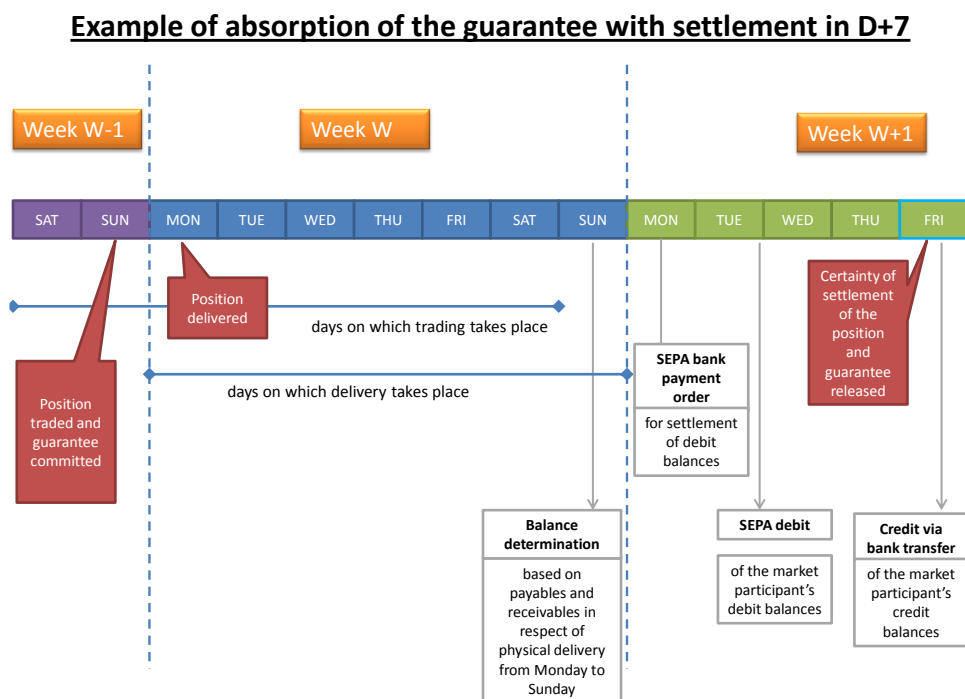


¹⁴ These cases occur when the last day of the month is a Tuesday, Wednesday or Thursday working day. Therefore, if the last day of the month were a Monday or Friday working day or a Saturday or Sunday, the settlement would take place within the standard timeframe.

The following graph exemplifies the commitment of the guarantee to be posted for trading instruments that are settled on a weekly basis.

The assumption regards the worst scenario in terms of immobilisation of the posted guarantee, i.e. trading¹⁵ - on the MGP on the Sunday of week W-1 - a position to be delivered on the Monday of week W¹⁶. By contrast, on the best scenario, i.e. trading – on the Saturday of week W - the same position to be delivered on Sunday, the market participant’s guarantee would be immobilised at GME for only 6 days.

Figure 2 Timing of the guarantee to be posted in case of weekly settlement

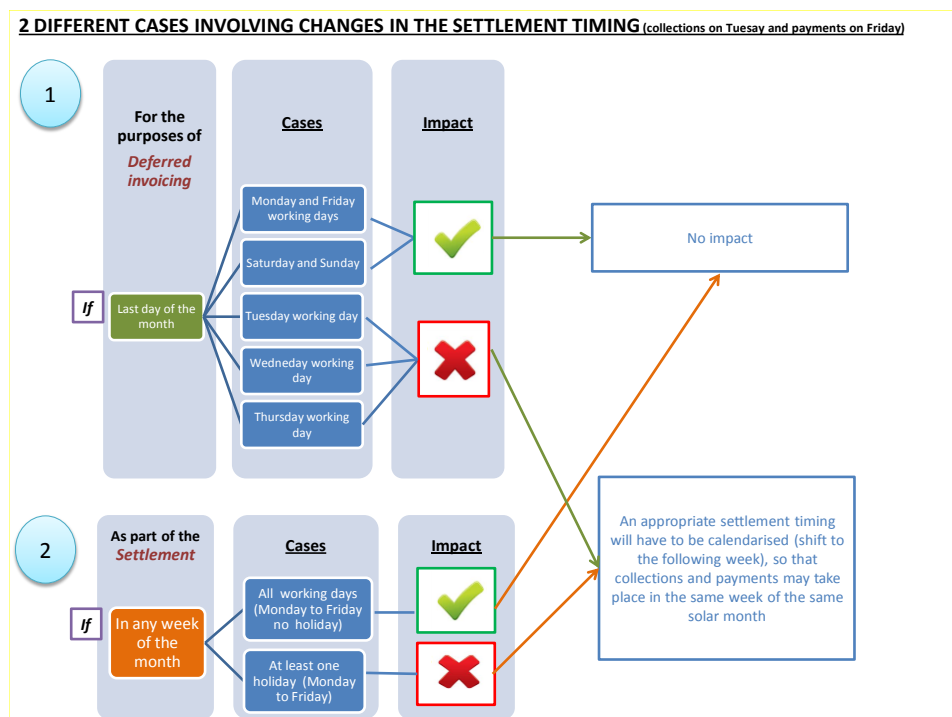


The following is a diagram showing the cases leading to a different calendarisation of the settlement timing with respect to the standard one, providing that “debit payments by participants take place every Tuesday and that GME’s payments to creditor participants take place every Friday”.

¹⁵ Reference is made to the determination of the results of the auction session, which gathers bids/offers entered as early as 8 days before.

¹⁶ The maximum timeframe of 12 days is relatively limited, if it is compared to the current one, in which the guarantee must be posted and maintained for a minimum of about 50 days and a maximum of about 80 days.

Figure 3 Extraordinary changes to the weekly settlement timing



By 31 December of each year, the settlement calendar for the following year will be posted on GME’s website.

S.3 In your opinion, which are the main advantages and disadvantages of the proposed solution to manage the misalignment between the payment timing of the Italian market and the one of other European markets?

Listing of new daily products

GME proposes the setting-up of a new segment of the Electricity Market where daily products with both base-load and peak-load profiles will be listed. These products, together with the forward products already listed on the MTE - having the same profiles but with minimum delivery periods of one month - and with the hourly products listed on the MGP and MI, would integrate the range of products tradable on the Electricity Market.

The daily products will have:

- constant profile in all the hours of the day for base-load products. These contracts will be listed for all the days of the week;

- constant profile in the hours from 8:00 to 20:00 and zero profile in the other hours only of the days from Monday to Friday for all peak-load products. These contracts will be listed only for the days from Monday to Friday.

On this segment, payments will be settled within M+2.

The following are the main features of the above-mentioned daily products.

S.4 In your opinion, does the proposed range of products, together with the current forward products listed on the MGP and MI, respond to participants' requirements?

2.1. Trading procedure and calendar

In describing the procedure for and calendar of trading these products, it is worth pointing out that they are supposed to be introduced into the following scenario: i) weekly payments on the MGP and MI, as proposed in the first part of the document; ii) closing time of the MGP sitting: 12:00.

On this scenario, as these daily products are intended for physical delivery and they should not overlap the activities carried out on the MGP and MI on the same day of delivery, the trading of these products should be as close as possible to the start of the related delivery period.

These products are proposed to be traded in auction sessions, with a view to favouring the concentration of trades and avoiding the dispersion of liquidity.

The sitting for bid/offer entry will end in the morning of D-1, well ahead of the closing of the MGP in order not to interfere with its activities. This is the reason why the auction will be closed at 10:00 of D-1 and the results will be published by 10:30. In this way, the participants involved will have an adequate margin to carry out the necessary activities after the publication of results.

The sitting for bid/offer entry is supposed to start at 10:00 of D-2.

Given the proposed trading calendar, the auctions for daily products will take place every day for the products to be delivered on the following day; for peak-load products, auctions will not be held on Friday and Saturday in respect of delivery on Saturday and Sunday.

Finally, in these auctions, GME will play the role of central counterparty, ensuring both the success of physical delivery and the financial settlement of accepted bids/offers.

S.5 In your opinion, do the proposed hours respond to operational requirements?

2.2. Delivery procedure and technical adequacy verifications

In defining the procedure for delivery of daily contracts, as well as for the technical adequacy verifications¹⁷ to be carried out before trading and delivery of the same contracts, the following points should be taken into account:

- these products are introduced with the aim of providing participants with an additional instrument, in which trading is strictly intended for subsequent delivery of the buying and selling positions and the consequent scheduling of electricity injections and withdrawals;
- the procedure for delivering these products should not interfere with the operation of the MGP and MI in respect of the same day of flow.

The above points have thus suggested that the delivery of the underlying of these daily products should be mandatory and take place on the PCE, by registering a purchase/sale transaction thereon having GME as counterparty and for a volume of electricity corresponding to the one of bids/offers accepted in the auctions. Hence, the accepted demand bids and supply offers of each participant, after the auctions of the daily products, will be associated with the registration of corresponding sale or purchase transactions on the PCE with GME acting as counterparty.

Moreover, to ensure in any case the success of both physical delivery¹⁸ and financial settlement of accepted bids/offers, GME should - at the end of the sitting for bid/offer entry - carry out technical adequacy verifications on bids/offers. By so doing, GME will reject bids/offers for which financial settlement or physical delivery cannot be guaranteed, before these bids/offers may take part in the process of determination of results.

As regards the verifications aimed at ensuring a successful financial settlement of bids/offers, it is worth stressing that “financial adequacy” verifications will be made only on demand bids¹⁹. As GME acts as counterparty to the trades, it will check, for each participant, whether the value of the entered demand bids²⁰ is entirely covered by the available amount of the financial guarantee. If the available guarantee entirely covers the value of a demand bid, the bid will be considered to be “financially adequate” and its value will decrease the available amount of the guarantee for the purposes of subsequent verifications on other demand bids entered by the same participant. The adequacy verifications will be carried out on the basis of the price/time priority order of the demand bids entered by each participant. Thus, the

¹⁷ The technical adequacy verifications are aimed at checking whether the participant wishing to trade or deliver a contract meets financial and/or technical requirements both towards GME (as market operator) and towards Terna (as transmission system operator).

¹⁸ There are no methods of settlement of the contract that are alternative to the physical delivery of the electricity traded.

¹⁹ As it happens on the MGP and MI, where physical delivery is guaranteed.

²⁰ The value of bids/offers is given by the product between the volume and the offered price (or conventional price in case of bids/offers without a specified price, where allowed), increased by VAT, where applicable.

verifications will start from the highest-price bid²¹ and, if the bids entered by the same participant have the same price, priority will be given to the earliest-received bid.

After the financial verifications at the closing of the sitting and before the determination of results, verifications will be made to guarantee that, if the entered bids/offers are accepted, they can be registered onto the PCE²². In particular, through the PCE²³, GME will check whether:

- all demand bids and supply offers specify volumes compatible with the step-up and step-down margins of the electricity accounts that the participant holds on the PCE. This involves, in the first place, that the availability of one electricity account on the PCE (and thus the admission of the participant to the same platform), is a pre-requisite for trading these products. In the second place, these verifications require the definition of a criterion to allocate the volumes of each bid/offer to the different electricity accounts that the participant holds on the PCE. With regard to the latter aspect, the participant may specify the electricity account where to register each bid/offer and have the option of specifying an order of other PCE accounts that he/she/it may hold where to register such bid/offer, if it cannot be registered on the first-specified electricity account. If the bid/offer cannot be registered onto any electricity account owing to insufficiency with respect to the margins²⁴, the bid/offer will be rejected. By contrast, if the bid/offer is compatible with the margins of at least one of the electricity accounts, the margins of this account will be decreased by the volume of electricity corresponding to the same bid/offer²⁵, for the purposes of subsequent verifications on other bids/offers that may be registered onto the same electricity account²⁶. Also in this case, the verifications of bids/offers will be based on the price/time priority²⁷;
- only for supply offers whose verification under the previous paragraph has been successful, if such offers can be registered and commit the step-up margins of an injection electricity account:
 - o the estimated values arising from the application of the estimated CCT are covered the guarantees available for such purpose that the participant has posted on the PCE. The successful verification of a bid/offer will involve the reduction of the available amount of

²¹ Bids/offers without a specified price must be considered as if they had the maximum price priority.

²² These verifications guarantee that the electricity traded may be physically made available.

²³ GME carries out the following verifications within the PCE on all the requests for registration, whether entered directly by participants or originating from deliveries of other platforms, as it currently happens in the case of the MTE/CDE.

²⁴ It is worth reiterating that, only if a bid/offer cannot be registered with respect to the margins on any electricity account of the participant, would the bid/offer be rejected as inadequate. By contrast, if the bid/offer cannot be registered onto the first account in the order specified by the participant, but it can be registered on at least one of the other electricity accounts, this bid/offer would be considered as adequate and only the residual margins of such account would be decreased. The same would occur if the bid/offer can be registered not on a single account, but on multiple accounts of the same participant.

²⁵ In line with the current PCE Regulations concerning the registration of transactions.

²⁶ As well as of requests for registration which might be simultaneously and directly entered into the PCE.

²⁷ Unlike financial adequacy verifications, in this case the time priority, price being equal, might concern bids/offers that may have been entered by different participants but that can be registered onto the same electricity account on the PCE. This would only occur when the same electricity account is held by multiple participants.

the guarantees on the PCE by the amount corresponding to the estimated value of the same bid/offer²⁸, for the purposes of the subsequent verifications on the other bids/offers²⁹;

- the estimated values of these bids/offers arising towards Terna are covered by the guarantees that the participant has posted towards Terna. The successful verification of a bid/offer will involve the reduction of the available amount of the participant's guarantees towards Terna by the amount corresponding to the estimated value of the same bid/offer³⁰, for the purposes of the subsequent verifications on the other bids/offers³¹.

Both of the above verifications will be carried out on the basis of the price/time priority of the bids/offers entered by each participant³².

To ensure more orderly activities by participants and prevent them from committing errors in coordinating the activities of their traders on different platforms, it is useful to set the time of closing of the PCE (stage of registration of commercial transactions) before the start of technical adequacy verifications and the stage of determination of results of the above daily products with base-load and peak-load profiles (e.g. at 10:00).

2.3. Determination of results and delivery onto the PCE

After the closing of the sitting and the completion of all the adequacy verifications mentioned in the previous paragraph, the market result will be determined by identifying, for each base-load and peak-load product, the corresponding demand and supply curves; the curves are built by ranking bids/offer by price³³.

As per the practice, the intersection of the demand and supply curves for each product identifies the volumes accepted and the related valuing price under the following criteria:

- the price at which bids/offers are valued is the marginal price, i.e. the price corresponding to the point of intersection between the demand and supply curves. If the curves intersect along a vertical

²⁸ In line with the current provisions of the PCE Regulations concerning requests for registration of sale transactions onto electricity injection accounts.

²⁹ As well as of requests for registration which might be simultaneously and directly entered onto the PCE.

³⁰ In line with the current provisions of the PCE Regulations concerning requests for registration of sale transactions onto electricity injection accounts.

³¹ As well as of requests for registration which might be simultaneously and directly entered onto the PCE.

³² All bids/offers entered and verified to be adequate may be submitted into the PCE as requests for registration awaiting confirmation. In this way, in the time elapsing from the adequacy verifications to the determination of results with delivery onto the PCE, PCE participants may get evidence of the operations leading to the reduction of the respective margins of the electricity accounts and guarantees on the same PCE.

³³ Unlike the adequacy verifications, in this case preference is given to the price priority criterion alone. As explained in the following paragraphs, this involves that, if the price of multiple "marginal" bids/offers were equal, these bids/offers might be accepted on a *pro-quota* basis.

segment (infinite points of intersection), the price is identified near the minimum limit of such segment;

- the accepted volumes are maximised, i.e. if the demand and supply curves intersect along a horizontal segment, all the bids/offers on such segment are accepted;
- if multiple marginal bids/offers are present, they are accepted on a *pro-quota* basis³⁴.

These criteria ensure that:

- all the supply offers having a price lower than the valuing price are accepted in their entirety;
- all the demand bids having a price higher than the valuing price are accepted in their entirety;
- supply offers and demand bids having a price equal to the valuing price are accepted for a volume equal to or lower than (in case of a *pro-quota* ratio of less than 1) the volume specified in the bid/offer;
- supply offers and demand bids having a price higher than and lower than the valuing price, respectively, are always rejected.

After determining the results of the session of each daily product, the accepted bids/offers for each participant will be registered onto the PCE according to the order of the electricity accounts specified by the same participant and in respect of which adequacy verifications have been carried out. This registration will update the margins of the accounts and the guarantees with respect to the commitments calculated upon the adequacy verifications³⁵.

Likewise, the financial guarantees that the participant has allocated to the coverage of such products will be updated to take into account the payables and receivables associated with accepted demand bids and supply offers.

These registrations onto the PCE, together with registrations made directly onto the PCE and those originating from the MTE/CDE, contribute to determining the balance of each electricity account for day D, that the participant should schedule by 11:30 of day D-1 (30 minutes before the closing of the MGP).

2.4. Invoicing and payments

The daily products described in this document will be financially settled within the M+2 timeframe, according to an appropriate calendar where the related transactions are settled on a date coinciding with the date of settlement of transactions within the D+7 timeframe, so as to benefit from a single net balance.

³⁴ The *pro-quota* is obtained from the ratio of the volume pertaining to marginal bids/offers that can be accepted to the overall volume covered by the same marginal bids/offers. This ratio, applied to the volumes covered by each bid/offer, identifies, for each bid/offer, the corresponding accepted volume.

³⁵ The requests for registration not confirmed and made during the adequacy verifications are replaced by actual registrations.

Invoices for these transactions will be issued within the timeframes currently adopted on the Electricity Market.

2.5. Timing and operational flows

The following figure summarises the timing of activities and the related operational flows.

