

NSL Access Rules and Charging Methodology

1. Preamble

- 1.1. National Grid NSL Limited (hereinafter “NGNSL”) is the Great Britain (GB) certified TSO and Interconnector Licence holder which is the joint owner and operator of an HVDC Interconnector between GB and Norway (“North Sea Link”, or “NSL”).
NSL is a 1400MW Interconnector, connecting between Blyth, Northumberland in GB and Kvilldal in Norway. NGNSL’s partner for the ownership and operation of NSL is Statnett, the Norwegian national TSO.

This document contains NGNSL’s Access Rules for Intra Day and Day Ahead NSL capacity allocation (Part 1 within this document), Long Term Allocation Rules (Part 2) and Charging Methodology (Part 3).

- 1.2. Part 1 and Part 2 of this document represent the Access Rules which NGNSL is required to prepare under Condition 11A of the Interconnector Licence (the “Licence”).
- 1.3. Part 3 of this document represents the Charging Methodology which NGNSL is required to prepare under Condition 10 of the Licence.
- 1.4. The Access Rules and/or Charging Methodology shall become effective upon such date as notified by NGNSL, following approval by the Authority in accordance with Conditions 10 and 11A of the Licence.
- 1.5. Future amendments of the Access Rules and Charging Methodologies shall follow the processes as described in Conditions 10 and 11A of the Licence.
- 1.6. Capitalised terms not otherwise defined in the Access Rules or Charging Methodology shall have the meaning used in Applicable Law.

Part 1 – NSL INTRA DAY and DAY AHEAD ACCESS RULES

2. SCOPE

This Part 1 of the Access Rules relates to Intra Day and Day Ahead capacity allocation on the NSL Interconnector. If developments to applicable law require an amendment to this part of the Access Rules, NGNSL will propose modifications in future as necessary.

3. INTRA DAY and DAY AHEAD CAPACITY ALLOCATION

- 3.1. NGNSL (and Statnett) shall make NSL Intra Day and Day Ahead capacity available for use within an implicit auction mechanism within the Intra day and Day Ahead timeframes and such mechanism will couple the Intra Day and Day Ahead markets of GB and the NO2 Bidding Zone in Norway (hereinafter often referred to as “NO2”). The implicit auction process will be run using an algorithm which will be developed and maintained by NGNSL’s appointed power exchange (as detailed on NGNSL’s website), with the design principle of matching power orders between market participants in accordance with the requirements for the algorithm as further described in Annex 1 to this Part 1. For the avoidance of doubt, this implicit auction process will allocate NSL interconnector capacity in combination with physical power orders and accordingly NSL’s Intra Day and Day Ahead capacity will not be directly accessed by or available to market participants.
- 3.2. In the event of any future implementation of shared Day Ahead order books (or other equivalent mechanism) between NGNSL’s appointed power exchange and any other power exchange NGNSL shall give not less than 28 days’ notice in writing to market participants confirming the date on which participation in the GB-NO2 implicit auctions may be possible via such other power exchange (furthermore in the event of any delays or amendments to such implementation NGNSL shall be entitled to revise or rescind such notice as appropriate). For the avoidance of doubt, such implementation is outside NGNSL’s control and so this provision should not be construed as creating any obligation for NGNSL to complete such implementation.
- 3.3. Intraday auctions shall be introduced with no less than 7 days’ notice and with results on a per half hour basis in GB and 15 minutes in NO2, both in EUR. Subject to Rule 3.11, the timings of Intra Day implicit auctions will be as follows:

- 3.3.1.ID1 will close at 14:30 UK time (15:30 CET), producing market coupling results with respect to each half hour in GB and 15 minutes in NO2 in the period starting at 23:00 UK time (00:00 CET) on D-1 and ending at 23:00 UK time (24:00 CET) on Day D.
- 3.3.2.ID2 will close at 07:30 UK time (08:30 CET), producing market coupling results with respect to each half hour in GB and 15 minutes in NO2 in the period starting 11:00 UK time (12:00 CET) on Day D and ending at 23:00 UK time (24:00 CET) on Day D.
- 3.4. Upon entry into force of these Access Rules the Day Ahead implicit auction results will be on a per hour basis. Subsequently, upon no less than 7 days' notice the Day Ahead auction results will become on a per half hour basis in GB and 15 minutes in NO2, both in EUR.
- 3.5. Subject to Rule 3.11, the Day Ahead implicit auction will close at 09:50 UK time (10:50 CET). The Day Ahead implicit auction will produce market coupling results with respect to the period starting at 23:00 UK time (00:00 CET) on D-1 and ending at 23:00 UK time (24:00 CET) on Day D.
- 3.6. In order to participate in the GB-NO2 implicit auctions, market participants will need to register as a member of NGNSL's appointed power exchange (or, following a notice pursuant to Rule 3.2, as a member of such other power exchange(s)) and will therefore be subject to such contractual terms, conditions and obligations as are required by the relevant power exchange. From a market participant perspective all aspects of the process (including legal rights, liabilities and obligations) will be managed via its interactions with the relevant power exchange, including (without limitation) collateral requirements, contractual terms and conditions, bid submission, results communication and financial settlement.
- 3.7. Given that the GB and NO2 markets operate in different currencies (GBP and Euro respectively), an external daily foreign exchange rate will be utilised within cross-border matching.
- 3.8. NSL will be subject to a loss factor representing transmission losses, a ramping constraint that limits the step-change in NSL MW flow between consecutive hours and potentially also to a flow tariff (from 1st January 2027). The application of a flow tariff will account for the Operators' compliance costs relating to the Carbon Border Adjustment Mechanism (CBAM) following the implementation and application of European Regulation 2023/956 to electricity exports from GB to Norway (from 1st January 2027). The calculation of this flow tariff shall be in accordance with a methodology approved by the Norwegian national regulatory authority.
- 3.9. The values or formulae for the loss factor, ramping constraint and flow tariff will each be published on NGNSL's website prior to their application and shall be used where required as input parameters to the Algorithm which the auction results will respect.

- 3.10. NSL Intra Day and Day Ahead capacity shall be physically firm (as between NGNSL and the power exchange(s)).
- 3.11. The power exchange(s) shall ensure that auction results shall be validated such that manifest errors will be identified in the allocation process.
- 3.12. In the event of technical problems, force majeure, or erroneous Intra Day or Day Ahead Auction results, an Intra Day or Day Ahead Auction may be modified, postponed or cancelled, whether or not it has already started, and at any time up to the notification of final results.
- 3.13. In the event of an auction postponement as referred to in Rule 3.11, the power exchange(s) will attempt to re-schedule the auction for later in the same day, unless the underlying cause of the postponement cannot be overcome in which case the auction will be cancelled.
- 3.14. All operational communications to market participants for all matters relating to Intra Day or Day Ahead auctions will be made by the power exchange(s).

4. CAPACITY CALCULATION

The value of NSL capacity that NGNSL will make available to Day Ahead and Intraday auctions will be the maximum MW capability of the interconnector that is technically available for the time period relevant to the auction, subject to already allocated capacity, and as may be reduced by either the GB or Norwegian System Operators (acting in accordance with applicable law) if necessary in order to maintain onshore system security.

5. ANCILLARY SERVICES

- 5.1. NGNSL will make available to the GB System Operator the mandatory ancillary services as set out in the Grid Code, and the ancillary services required by its Bi-lateral Connection Agreement.
- 5.2. NGNSL may consider the provision of other commercial ancillary services that may be of interest to the GB System Operator from time to time.

6. GENERAL

These Access Rules are solely intended to satisfy NGNSL's Licence obligations and shall not be construed or interpreted as creating any legal relationship or liability between NGNSL and any third party.

ANNEX 1

ALGORITHM DESCRIPTION

1. The GB-NO2 implicit auction algorithm shall produce results in a manner which:

(a) aims at maximising the combined economic surplus for the GB and NO2 Bidding Zones for the relevant timeframe for the auction;

(b) uses the marginal pricing principle according to which:

- all orders in GB accepted by the algorithm will be settled at the same price per MTU,
- all orders in NO2 accepted by the algorithm will be settled at the same price per MTU,

where MTU (Market Time Unit) is as follows:

For Intraday Auctions = 30minutes in GB / 15 minutes in NO2.

For Day Ahead Auctions

Prior to the date notified in Paragraph 3.4 = 60minutes in GB and NO2,

Following the date as notified in Paragraph 3.4, 30minutes in GB, and 15 minutes in NO2.

(c) facilitates efficient, fair and orderly price formation;

(d) respects net available NSL capacity, loss-factor, ramping constraint and flow tariff.

(e) is repeatable.

2. Following each auction the GB-NO2 implicit auction algorithm shall produce at least the following results simultaneously for each MTU:

(a) market prices (€/MWh) for the GB and NO2 bidding zones.

(b) MW Flow on NSL.

3. The implicit auction algorithm shall accommodate orders covering one MTU and/or multiple MTUs.

4. Market participant orders used in the implicit auction algorithm shall be anonymised (with respect to other market participants) and processed in a non-discriminatory way.

5. Any data utilised in or produced by the implicit auction algorithm shall be available to NGNSL, Statnett and their appointed power exchange in order to ensure the correct operation of the algorithm in accordance with these Access Rules.

Part 2 - NSL Long Term Allocation Rules

Chapter 1 – General Provisions

Article 1 - Scope

1. These Long Term Allocation Rules contain the terms and conditions for the allocation of Long Term Transmission Rights on the NSL Interconnector. The Registered Participant will accede to these rules by the signature of the Long Term Participation Agreement. In particular, these Long Term Allocation Rules set out the rights and obligations of Registered Participants as well as the requirements for participation in the corresponding explicit Auctions, they describe the process of Auction, including the determination of Marginal Price as a result of Auction, the remuneration under the terms of the Long Term Transmission Rights, as well as the conditions for transfer and return of Long Term Transmission Rights and the related remuneration, and the processes for curtailment of Long Term Transmission Rights and invoicing/payment.
2. The Auctions and transfer of Long Term Transmission Rights refer to Cross Zonal Capacity only and Registered Participants may invoke no other right in connection with the Long Term Transmission Rights allocated to them than the rights in accordance with the provisions of these Long Term Allocation Rules.
3. The Capacity Allocation of Long Term Transmission Rights pursuant to these Long Term Allocation Rules is made solely with respect to NGNSL's 50% share of the Interconnector's capacity.

Article 2 – Definitions and Interpretation

1. Capitalised terms used in these Long Term Allocation Rules shall have the meaning given to them herein.
2. For the purposes of interpretation references in the Long Term Participation Agreement to the "Allocation Rules for Forward Capacity Allocation", "Annex" and "Allocation Rules" shall be read and construed as meaning these Long Term Allocation Rules.
3. In addition, the following definitions shall apply:

Affiliate means, in relation to any person, any other person that directly or indirectly controls, is controlled by or is under direct or indirect common control with that person where control is defined as rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by:(a) ownership or the right to use all or part of the assets of an undertaking.(b) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking;

Allocation Platform means the Joint Allocation Office (JAO) appointed and commissioned by the responsible TSO to act on their behalf and on its own name for the attribution of Long

Term Cross Zonal Capacity through the Auctions as defined in the Long Term Participation Agreement;

Applicable Law means any statute, statutory instrument, licence (including any applicable Office of Gas and Electricity Markets Interconnector Licence and the Licence Standards), law (whether English or Norwegian) or order in council or directive, or any code including the GB Grid Code and the Balancing and Settlement Code and their Norwegian equivalents, or any request, requirement, instruction, direction or rule of any authority but only, where not having the force of law, if compliance with the Applicable Law is in accordance with the general practice of persons to whom the Applicable Law is addressed;

Auction means the process by which Cross Border Capacity is offered and allocated to Registered Participants who submit Bid(s);

Auction Tool means the information technology system used by the Allocation Platform to perform Auctions and to facilitate other procedures described in these Long Term Allocation Rules such as transfer or return of Long Term Transmission Rights;

Auction Specification means a list of specific characteristics of a particular Auction, including the nature of offered products and relevant dates;

Bank Guarantee means an unconditional and irrevocable standby letter of credit or letter of guarantee issued by a bank;

Bid means a pair of Bid Quantity and Bid Price offered by a Registered Participant participating in an Auction;

Bid Price means the price in Euro (€) which a Registered Participant is willing to pay for one (1) MW and hour of Long Term Transmission Rights;

Bid Value means the Bid Price multiplied with the Bid Quantity;

Bid Quantity means the amount of Long Term Transmission Rights in MW requested by a Registered Participant;

Bidding Period means the time period within which the Registered Participants wishing to participate in an Auction may submit their Bids;

Business Account means a dedicated deposit account opened at the financial institution selected by the Allocation Platform in the name of the Allocation Platform or at the discretion of the Allocation Platform opened by the Registered Participant, but with the Allocation Platform as the beneficiary of the dedicated cash deposit which may be used for payments by the Registered Participant;

Capacity Allocation means the attribution of cross zonal capacity;

Capacity Shortage has the meaning set out in Article 56A of these Long Term Allocation Rules;

Congestion Income means the revenues received as a result of Capacity Allocation;

Contestation Period means the time period starting from the notification of the Long -Term Auction Results until they become binding, including both the period during which Registered Participants can contest the Long-Term Auction Results and the following period during which the Allocation Platform will decide on the contestation;

Cross Zonal Capacity means the capability of the interconnected system to accommodate energy transfer between bidding zones;

Credit Limit means the amount of the collaterals which may be used to cover any Bid submission in subsequent Auctions and is not used for outstanding payment obligations;

EIC Code means the ENTSO-E Energy Identification Coding Scheme identifying the parties in a cross-border trade;

"Euro", "€" and "EUR" means the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

Financial Agreement means the additional agreement signed between the Registered Participant and the Allocation Platform that governs the conditions and modalities of the assignment for security purpose to, and the utilisation by, the Allocation Platform of the amounts transferred to the dedicated Business Account by the Registered Participant.

Financial Transmission Right (FTR) Option means a right entitling its holder to receive a financial remuneration based on the day-ahead allocation results between two Bidding Zones during a specified period of time in a specific direction

Firmness Deadline the point in time after which Cross Zonal Capacity becomes firm as further described in Article 58.

Force Majeure means any unforeseeable or unusual event or situation beyond the reasonable control of a Party and/or the relevant TSOs, and not due to a fault of the Party and/or the relevant TSOs, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial or economic point of view reasonably possible for the Party and/or the relevant TSOs, which has actually happened and is objectively verifiable, and which makes it impossible for the Party and/or the relevant TSOs to fulfil, temporarily or permanently, its obligations;

GB Grid Code means the document referred to as the Grid Code in the NESO Licence;

Information System Rules means the terms and conditions for access to and use of the Auction Tool by Registered Participants as published on the Allocation Platform's website;

Interconnector means the North Sea Link (NSL) Interconnector, a 1400MW HVDC interconnector connecting the British and Norwegian electricity transmission systems. NSL is owned and operated by National Grid NSL Limited (NGVLL) and Statnett. The Interconnector connects to the

GB transmission system via Blyth converter station in the UK and ;to the Norwegian transmission system via Kvildal converter station in Norway.

Long Term Allocation Rules means those rules detailed in this Part 2 of these Access Rules;

Long Term Participation Agreement means the agreement, published on the website of the Allocation Platform, by which the Parties undertake to comply with the terms and conditions for Cross Zonal Capacity Allocation as contained in these Long Term Allocation Rules;

Long-Term Transmission Rights or **LTTR** means only **FTR Option** for the purpose of these Long Term Allocation Rules.

Marginal Price means the price in Euros (€) determined at a particular Auction to be paid by all the Registered Participants for each MW and hour of acquired Long Term Transmission Right;

National Grid or **NGNSL** means National Grid NSL Limited, a company incorporated in England and Wales;

National Regulatory Authorities means the Norwegian Energy Regulatory Authority (NVE-RME) and the Office of Gas and Electricity Markets (OFGEM);

Operators shall mean National Grid NSL Ltd and Statnett;

Operational Security Limits means the limits within which the transmission system is capable of retaining a normal state or returning to a normal state as soon as possible;

Party/ Parties means the Allocation Platform and/or a Registered Participant referred to individually as Party or collectively as Parties;

Product Period means the time and date on which the Long Term Transmission Right commences and the time and date on which the Long Term Transmission Right ends;

Reduction Period means a period of time, i.e. specific calendar days and/or hours, within the Product Period in which Cross Zonal Capacities with a reduced amount of MW are offered taking into account a foreseen specific network situation (e.g. planned maintenance, long-term outages);

Registered Participant means a market participant which has entered into a Long Term Participation Agreement with the Allocation Platform;

Rights Document means a document containing the information of the maximum amount of Financial Transmission Rights that will be considered for financial remuneration, taking into account the volume of Long Term Transmission Rights initially acquired, the subsequent transfers and returns, and any possible curtailments which occurred before the issuance of the Rights Document.;

Working Day means the calendar days from Monday to Friday, with the exception of public holidays as specified on the website of the Allocation Platform;

Working Hours means the hours on Working Days specified within the Long Term Participation Agreement;

4. In these Long Term Allocation Rules, including its annexes if any, unless the context requires otherwise:
- (a) the singular also includes the plural and vice versa;
 - (b) references to one gender include all other genders;
 - (c) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Long Term Allocation Rules;
 - (d) the word “including” and its variations are to be construed without limitation;
 - (e) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
 - (f) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
 - (g) a reference to time is a reference to CET/CEST time unless otherwise specified;
 - (h) where the Allocation Platform is required to publish any information under these Long Term Allocation Rules, it shall do so by making the information or data available on its website and/or via the Auction Tool.
 - (i) any reference to Financial Transmission Rights shall mean FTR-Options.

Article 3 – Allocation Platform

1. The Allocation Platform shall undertake the allocation functions in accordance with these Long Term Allocation Rules and in accordance with applicable national legislation.
2. For the purposes of these Long Term Allocation Rules the Allocation Platform shall be the party signing the Long Term Participation Agreement with the Registered Participant.
3. For the purpose of the Long Term Participation Agreement with the Registered Participant, the Allocation Platform shall publish subsequent versions of these Long Term Allocation Rules, including the annexes thereto as they enter into force in accordance with the applicable national regulatory regimes.

Article 4 – (Not Used)

Article 5 – Effective date and application

1. These Long Term Allocation Rules shall enter into force following approval by the relevant National Regulatory Authorities and announcement by the Allocation Platform on its website, in accordance with the applicable national regulatory regimes. These Long Term Allocation Rules shall apply to Capacity Allocation for Long Term Transmission Rights for delivery periods as specified by the Allocation Platform on its website at the time of the announcement.
2. Unless expressly stated otherwise or otherwise required by the applicable governing law, these Long Term Allocation Rules shall govern all rights and obligations in connection with any Long Term Transmission Rights acquired before the entry into force of these Long Term Allocation Rules but with the delivery date after the entry into force of these Long Term Allocation Rules.

Chapter 2 – Requirements and process for participation in Auctions and Transfer

Article 6 – General Provision

1. Market participants may acquire a Long Term Transmission Right only from participation in Auctions or/and via transfer.
2. The participation both in Auctions and in transfers requires that the market participant:
 - (a) concludes a valid and effective Long Term Participation Agreement
 - (b) has access to the Auction Tool in accordance with Article 16.
3. The participation in Auctions requires that market participants, in addition to the conditions set forth in the previous paragraph, fulfil also the following conditions:
 - (a) they comply with the requirements for provision of collaterals as specified in CHAPTER 3; and
 - (b) they accept additional financial terms where needed in accordance with Article 17.
4. In any case, market participants have to fulfil the obligations as specified in the relevant Chapters of these Long Term Allocation Rules.

Article 7 – Long Term Participation Agreement Conclusion

1. In order to participate in an Auction and/or in a transfer of Long-Term Transmission rights, any market participant must request the Allocation Platform to enter into an Allocation Platform Participation Agreement. To start this process the market participant must provide the Allocation Platform with:

(a) the Allocation Platform Participation Agreement, as further specified below:

- i. One (1) digital copy of the Allocation Platform Participation Agreement signed with qualified electronic signature(s) which complies with the standard required by eIDAS Regulation No.910/2014 to be qualified as a “qualified electronic signature” (QES); or
- ii. Two (2) original signed copies of the Allocation Platform Participation Agreement signed with handwritten signature(s); and

(b) all duly completed information and documents required by Article 7 to Article 13 and Article 16 herein;

From the day of receipt of the application, the Allocation Platform shall have seven (7) Working Days to assess its completeness in accordance with Article 7 to Article 13 and Article 16 herein.

2. The Allocation Platform shall before the expiration of the seven (7) Working Days deadline ask the market participant to provide any outstanding information which the market participant has failed to submit with its Allocation Platform Participation Agreement. On receipt of the outstanding information, the Allocation Platform shall within an additional seven (7) Working Days review the information and inform the market participant if any further information is required.

3. Once the Allocation Platform has received all necessary information, it shall return one copy of the Allocation Platform Participation Agreement signed by it to the Registered Participant without undue delay. The signature of the Allocation Platform Participation Agreement by the Allocation Platform shall not itself imply compliance with the condition(s) set out in these Access Rules for the participation in the Auctions. The Allocation Platform Participation Agreement shall enter into force on the date of signature by the Allocation Platform.

4. The Allocation Platform shall make available in the allocation tool a list of Registered Participants to whom Long Term capacity has been allocated and are therefore eligible to transfer Transmission Rights

Article 8 – Form and Content of the Long Term Participation Agreement

1. The form of the Long Term Participation Agreement and the requirements for its completion shall be published by the Allocation Platform and may be amended from time to time by the Allocation Platform without changing any terms and conditions specified in these Long Term Allocation Rules unless otherwise stated in these Long Term Allocation Rules.
2. As a minimum, the Long Term Participation Agreement will require the market participant to:
 - (a) provide all necessary information in accordance with Article 9 and Article 13; and
 - (b) agree to be bound by and comply with these Long Term Allocation Rules.
3. Nothing in these Long Term Allocation Rules shall prevent the Allocation Platform and the Registered Participant from agreeing in the Long Term Participation Agreement (or any other document) additional rules, out of the scope of these Long Term Allocation Rules.
4. In the event of difficulty of interpretation, contradiction or ambiguity between these Long Term Allocation Rules and the Long Term Participation Agreement, the text of the Long Term Allocation Rules shall prevail.

Article 9 – Submission of Information

1. The market participant shall submit the following information with its completed and signed Long Term Participation Agreement:
 - (a) name and registered address of the market participant including general email and telephone number of the market participant for notifications in accordance with Article 74.
 - (b) if the market participant is a legal person, an extract of the registration of the market participant in the commercial register of the competent authority;
 - (c) details regarding the beneficial ownership of the market participant or the persons authorised to represent the market participant and their function in relation to the prevention of money laundering or terrorist financing under Applicable Law;
 - (d) EU VAT registration number or similar tax identification information where EU VAT is not applicable, corresponding to the country of the registered address of the market participant;

- (e) Taxes and levies to be considered for invoices and collateral calculations;
 - (f) Energy Identification Code (EIC) which has been registered in the Centralised European Register of Energy Market Participants (CEREMP);
 - (g) bank account information evidenced by a bank account identification document for all payments to the applicant to be used by the Allocation Platform;
 - (h) The market participant shall provide the bank account information of a credit institution based in the European Economic Area, Switzerland, the United Kingdom or a country in which the Allocation Platform performs cross border auction services. The market participant is obliged to select a financial institution for these purposes which is subject to customer due diligence standards that are not less than those laid down in Directive (EU) 2015/849 as amended and which complies with such standards accordingly;
 - (i) financial contact person for collaterals, invoicing and payment issues, and their contact details (email and telephone number) for notifications where required in these Long Term Allocation Rules in accordance with Article 74;
 - (j) commercial contact person and their contact details (email and telephone number) for notifications where required in these Long Term Allocation Rules in accordance with Article 74;
 - (k) operational contact person and their contact details (email and telephone number) for notifications where required in these Long Term Allocation Rules in accordance with Article 74;
 - (l) the interconnector(s) where the Registered Participant wants to participate in Long Term Auctions; and
 - (m) ACER Registration Code (ACER Code) assigned by the European Agency for the Cooperation of Energy Regulators (ACER) during the market participant registration process with the National Regulatory Authorities.
2. A Registered Participant shall ensure that all data and other information that it provides to the Allocation Platform pursuant to these Long Term Allocation Rules (including information in its Long Term Participation Agreement) is and remains accurate and complete in all material respects and must promptly notify the Allocation Platform of any change.
3. A Registered Participant shall notify the Allocation Platform if there is any change to the information, submitted in accordance with paragraph 1 of this Article, at least nine (9) Working Days before the change comes into effect and, where that is not possible, without delay after the Registered Participant becomes aware of the change.

4. The Allocation Platform will confirm the registration of the change or provide a refusal note of registration of the change to the Registered Participant, at the latest, seven (7) Working Days after the receipt of the relevant notification of change. The confirmation or refusal note will be provided via electronic means as specified by the Allocation Platform on its website. If the Allocation Platform refuses to register the change, the reason shall be provided in the refusal note.
5. The change becomes valid on the day of the delivery of the confirmation to the Registered Participant.
6. If additional information is required from a Registered Participant as a consequence of an amendment to these Long Term Allocation Rules, then the Registered Participant shall submit the additional information to the Allocation Platform within twelve (12) Working Days after the request for such submission by the Allocation Platform.

Article 10 – Warranties

By the signature of the Long Term Participation Agreement the market participant warrants that:

- (a) it has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
- (b) no insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the applicant;
- (c) no winding-up or liquidation proceedings have been commenced with regard to the applicant; and
- (d) it has no overdue payment obligations towards any current, previous or future Allocation Platform.

Article 11 – Declaration for Participation in Transfer Only

As part of the submission of the information in accordance with Article 7 and Article 9, the market participant shall declare to the Allocation Platform whether it intends to participate in transfer of Long Term Transmission Rights only. In such a case, it shall not be entitled to participate in any Auction.

Article 12 – Dedicated Business Account

As part of the submission of the information in accordance with Article 7 and Article 9, a dedicated Business Account is put at the disposal of the market participant for the purposes of depositing cash collaterals.

Article 13 – Acceptance of the Information System Rules

By signing the Long Term Participation Agreement, the market participant accepts the applicable Information System Rules, as amended from time to time and published on the website of the Allocation Platform.

Article 14 – Costs Related to the Long Term Participation Agreement

All applications to become a Registered Participant and any subsequent participation in Auctions and/or the notification of transfer or the return of Long Term Transmission Rights shall be at the Registered Participants' own cost, expense and risk. The Allocation Platform shall not be liable to any person for any cost, damages, or expense in connection with the Registered Participant participating in Auctions and/or transfer or return of Long Term Transmission Rights unless otherwise explicitly stated in these Long Term Allocation Rules.

Article 15 – Refusal of application

The Allocation Platform may refuse to enter into a Long Term Participation Agreement with a market participant in the following circumstances:

- (a) when the applicant has not submitted a duly completed and signed Long Term Participation Agreement in accordance with Article 7, Article 8 and Article 9; or
- (b) the Allocation Platform has previously terminated a Long Term Participation Agreement with the applicant as a result of a breach of the Long Term Participation Agreement by the Registered Participant in accordance with Article 72(3) and (4) and unless the circumstances leading to termination have ceased to exist or the Allocation Platform is reasonably satisfied that the breach will not occur again; or
- (c) if entering into a Long Term Participation Agreement with the applicant would cause the Allocation Platform to breach any condition of any mandatory legal or regulatory requirement; or

- (d) if any of the warranties of the Registered Participant under Article 10 are found to be not valid or false; or
- (e) if the market participant is subject to economic, financial and/or trade sanctions; or
- (f) if the market participant does not meet the legal requirements imposed by Article 9(1) of Regulation (EU) 1227/2011; or
- (g) if the market participant is an Affiliate of another Registered Participant which has been suspended under these Access Rules; or
- (h) If the Allocation Platform's banking partner(s) refuse to put at disposal of the market participant a dedicated Business Account.

It being understood that the market participant, once a Registered Participant, shall continue to comply with the requirements set out by this Article.

Article 16 – Access to the Auction Tool

1. The Allocation Platform shall grant access to the Auction Tool free of charge if the following requirements are satisfied:
 - (a) the Registered Participant has signed and delivered a completed form included in the Information System Rules identifying the person(s) for which the user account(s) in the Auction Tool shall be established, including any third parties authorised to act on behalf of the Registered Participant for the purposes of return and transfer of Long Term Transmission Rights in accordance with Article 39 and Article 42; and
 - (b) the Registered Participant has fulfilled the requirements on authentication as set forth by the Information System Rules published by the Allocation Platform; such requirements may include technology for authentication purposes.
2. The Allocation Platform shall confirm the creation of the user account or may provide a refusal note to the Registered Participant, at the latest, five (5) Working Days after the receipt of the relevant signed and completed form by the Registered Participant. The confirmation or refusal note shall be provided via electronic means as specified by the Allocation Platform on its website.
3. The Allocation Platform shall provide the duly justified refusal note if the requirements listed in paragraph 1 of this Article are not fulfilled and access to the Auction Tool will not be granted.

Article 17 – Conclusion of additional financial terms

The Allocation Platform may develop and publish additional standard financial terms to be accepted by the Registered Participants. These additional financial terms may include provisions to enable joint collaterals for long term and other processes organized by the Allocation Platform in accordance with the Long Term Participation Agreement, as long as these additional financial terms comply with these Long Term Allocation Rules.

Article 18 – Regulatory and legal requirements

It is the responsibility of each market participant to ensure that it complies with relevant national legislation, including requirements of any relevant competent authority, and obtained all necessary authorisations in connection with its participation in Auctions or in transfer and the use of Long Term Transmission Rights and continue to maintain the said authorisation and comply with the relevant national legislation throughout its participation in Auctions.

Chapter 3 – Collaterals

Article 19 – General provisions

1. Registered Participants shall provide collaterals in order to secure payments to the Allocation Platform resulting from Auctions of Long Term Transmission Rights and, where applicable, potential other payments falling due under the additional financial terms in accordance with Article 17.
2. Only the following forms of collaterals shall be accepted:
 - (a) a Bank Guarantee;
 - (b) a cash deposit in a dedicated Business Account.
3. Collaterals may be provided in one of the forms mentioned in paragraph 2 of this Article or a combination of these forms, provided that the Allocation Platform is entitled as beneficiary to the full collateral.
4. Credit Limit shall always be greater or equal to zero.
5. The collaterals shall be provided in Euros (€).

Article 20 – Form of cash deposit

1. For collaterals that are provided in the form of a cash deposit in a dedicated Business Account the following conditions shall apply:

- (a) the money shall be deposited in a dedicated Business Account at a financial institution selected by the Allocation Platform, and the Registered Participant shall pay all the amounts and payments to the Business Account from an account in its name with a credit institution based in the European Economic Area, Switzerland, the United Kingdom or a country in which the Allocation Platform performs cross border auction services. The Registered Participant is obliged to select a financial institution for these purposes which is subject to customer due diligence standards that are not less than those laid down in Directive (EU) 2015/849 as amended and which complies with such standards accordingly;
- (b) the dedicated Business Account shall be opened and used in accordance with additional financial terms as prescribed in the Financial Agreement as published on the Allocation Platform's website to be concluded between the Allocation Platform, or where relevant the financial institution and the Registered Participant and shall only be used for Auction purposes;
- (c) until withdrawal as permitted by the following provisions of Article 26, the cash deposit in the dedicated Business Account belongs to the Registered Participant if not stated otherwise in the additional financial terms in accordance with Article 17;
- (d) withdrawals from the dedicated Business Account pursuant to Article 24 and Article 26 may be made solely on the instruction of the Allocation Platform;
- (e) the dedicated Business Account may be used in addition for settlement as set forth in Article 65 upon request by the Allocation Platform and must in all cases be opened in the name of the Allocation Platform at a financial institution selected by the Allocation Platform ; and
- (f) interest on the amount deposited in the dedicated Business Account shall accrue for the benefit of the Registered Participant, after deduction of taxes and bank charges if any.

Article 21 – Form of Bank Guarantee

1. Collaterals that are provided in the form of a Bank Guarantee shall comply with the following specifications:

- (a) the Bank Guarantee shall be provided in the form of the template that is available on the website of the Allocation Platform and updated from time to time or in a form that substantially follows the template. Alternatively, such Bank Guarantee may be provided in the same terms via SWIFT (Society for Worldwide Interbank Financial Telecommunication) message or any successor provider of such telecommunication services and the fees of the receiving bank shall be covered by the Registered Participant;
- (b) the Bank Guarantee shall be written in English;
- (c) the Bank Guarantee covers all Auctions organized by the Allocation Platform subject to these Long Term Allocation Rules;
- (d) the Bank Guarantee shall allow partial and multiple drawing by the Allocation Platform, in total up to the maximum amount guaranteed;
- (e) the Bank Guarantee shall provide for payment upon first request of the Allocation Platform. It shall further provide that, if the Allocation Platform calls upon the Bank Guarantee, the bank shall pay automatically without any other condition than the receipt of a written demand by registered letter from the Allocation Platform.
- (f) the Bank Guarantee shall be irrevocable, unconditional and non-transferable;
- (g) the Bank Guarantee shall either include handwritten signature(s) or qualified electronic signature(s) (QES) from the issuing Bank. In the event the Bank Guarantee is signed by qualified electronic signature(s) (QES), all following amendments shall be signed by qualified electronic signature(s) (QES);
- (h) the bank issuing the Bank Guarantee shall be permanently established, including via a branch in the European Economic Area, Switzerland, the United Kingdom or a country in which the Allocation Platform performs cross border auction services;
- (i) the bank issuing the Bank Guarantee or the financial group it belongs to shall have a long term credit rating of not less than BBB+ by Standard and Poor's Corporation, BBB+ by Fitch or Baa1 by Moody's Investors Service Inc. . If the rating requirement is not fulfilled by the issuing bank itself but by the financial group to which it belongs, the issuing bank shall provide the Allocation Platform with a parental guarantee or an equivalent document issued by the financial group. If the issuing bank or the financial group, the issuing bank belongs to ceases to have the required long term credit rating, the Registered Participant shall within five (5) Working Days submit to the Allocation Platform a substitute Bank Guarantee by a bank complying with the required long term credit rating or replace the Bank Guarantee by deposit. If there are industry-wide downgrades of financial institutions, the Allocation Platform may investigate what the new standards are and, if deemed necessary, decrease the required rating for a limited period of time, informing TSOs, who shall then inform the NRAs;
- (j) the bank issuing the Bank Guarantee shall not be an Affiliate of the Registered Participant for which the Bank Guarantee is issued.

2. A Bank Guarantee shall contain the following:
 - (a) a maximum amount guaranteed;
 - (b) the Allocation Platform's identification as beneficiary, as specified on the website of the Allocation Platform;
 - (c) the Allocation Platform's bank account, as specified on the website of the Allocation Platform;
 - (d) the Allocation Platform's bank's address, as specified on the website of the Allocation Platform;
 - (e) the Registered Participant's full identification, including name, address, commercial/company register;
 - (f) full identification of the providing bank; and
 - (g) the validity time.
3. The Registered Participant shall submit the Bank Guarantee at least four (4) Working Days before the Bidding Period closure of the Auction for which it shall be used as collateral or otherwise, it shall be considered for the subsequent Auctions.
4. The Allocation Platform shall accept the Bank Guarantee provided by a Registered Participant if the Bank Guarantee is provided in line with the specifications set out in paragraph 1 to 2 of this Article and, provided that the Bank Guarantee is signed by duly authorised signatories, the original of the Bank Guarantee has been received by the Allocation Platform.
5. The Allocation Platform shall confirm the acceptance of the Bank Guarantee or provide a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the original of the Bank Guarantee. The confirmation or refusal note shall be provided via electronic means as specified by the Allocation Platform on its website. The refusal note shall include reasoning for refusal.

Article 22 – Validity and renewal of the Bank Guarantee

1. Collaterals in the form of a Bank Guarantee shall be valid for the minimum periods as follows:
 - (a) for product(s) with a duration of more than one month, until at least thirty (30) calendar days after the end of each next calendar month within the Product Period(s);
 - (b) for product(s) with a duration of one month, until at least thirty (30) calendar days after the end of the Product Period(s); and

(c) for product(s) with a duration of less than one month, until at least sixty (60) calendar days after the end of the Product Period(s).

2. The Registered Participant shall replace or renew the collaterals in form of a Bank Guarantee to fulfil the requirements of paragraph 1 of this Article at least four (4) Working Days before the expiry of the validity of the collaterals.

3. The Allocation Platform shall confirm the acceptance of the amendment to the Bank Guarantee or the new Bank Guarantee or provide a refusal note to the Registered Participant, at the latest four (4) Working Days after the receipt of the original of the amendment to the Bank Guarantee or the new Bank Guarantee. The confirmation or refusal note shall be provided via electronic means as specified by the Allocation Platform on its website. The refusal note shall include the reasoning for refusal.

Article 23 – Credit Limit

1. The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. For the purpose of calculating the Credit Limit under this Article 23, any outstanding payment obligations of the Registered Participant under any set of rules applicable to Capacity Allocation shall be taken into account. In case of a Bank Guarantee such Bank Guarantee shall be only considered if the requirements in Article 22 related to its validity for the respective Auction are fulfilled. The Allocation Platform shall make this information available to each Registered Participant individually through the Auction Tool.

2. Outstanding payment obligations are calculated according to Article 63 subject to additional rules in paragraph 3 to 5 of this Article and in Article 34.

3. For the purpose of the Credit Limit calculation, outstanding payment obligations shall be increased to include the taxes and levies in force subject to Article 64.

4. Reduction Periods are taken into consideration for the calculation of the Credit Limit as set forth in Article 63.

5. Maximum Payment Obligation(s) (MPO) for a Registered Participant resulting from its Bid(s) registered at the closure of the Bidding Period, calculated according to Article 34, shall be considered as the outstanding payment obligations. From the publication of the Auction results the due amount notified according to Article 36 paragraph 3(b) and (c) shall be considered as outstanding payment obligations for Credit Limit calculation for any concurrent Auction. The Credit Limit shall be revised based on the actual allocated Long Term Transmission Rights when the Auction results are published as described in CHAPTER 4.

Article 24 – Modifications of the collaterals

1. A Registered Participant may request in written form an increase of the collaterals in form of a Bank Guarantee, a decrease of the collaterals in form of a Bank Guarantee and/or cash deposit or change of the form of the collaterals at any time in accordance with paragraphs 2 and 3 of this Article.
2. A decrease of the collaterals of a Registered Participant shall only be allowed if the Credit Limit after applying the requested decrease of the collaterals would be greater than or equal to zero.
3. The Allocation Platform shall accept the modification of the collaterals if the request for a modification of collaterals is compliant with the condition set out in paragraph 2 of this Article in case of a decrease or with the conditions set out in Article 21 and Article 22 in case of an increase of collaterals in the form of a Bank Guarantee and in case of a change in the form of the collaterals from cash on deposit to Bank Guarantee.
4. The modification of the collaterals shall become valid and effective only when the Allocation Platform has made the requested modification of the collaterals of the Registered Participant within the Auction tool.
5. The Allocation Platform shall assess the request for modification of collaterals and confirm the acceptance or provide a refusal note to the Registered Participant, at the latest, four (4) Working Days after the receipt of the request. The confirmation or refusal note shall be provided via electronic means as specified by the Allocation Platform on its website. The refusal note shall include reasoning for refusal.
6. The Allocation Platform can make, at its discretion, changes to the form of the collateral from a Bank Guarantee to cash deposit in the event of a collateral incident or payment incident under Article 25 and 67 respectively. In such an event, the Allocation Platform shall notify the Registered Participant by electronic means, including email, to deposit the required cash in accordance with Article 20.

Article 25 – Collateral incident

1. A collateral incident occurs in the following cases:

- (a) the collaterals are insufficient to secure the amount due for the Long Term Transmission Rights held by a Registered Participant on the next payment date as set forth in Article 65 considering the amount and the validity of the collaterals; or
- (b) the collaterals are not renewed in accordance with Article 22 paragraph 2; or
- (c) the collaterals are not restored after a payment incident in accordance with Article 26 or new collateral was provided that is not compliant with the conditions specified in Article 19(3), Article 20 and Article 21.

2. The Allocation Platform shall notify the collaterals incident to the Registered Participant by electronic means as specified by the Allocation Platform on its website. The Registered Participant shall increase its collaterals within two (2) Working Days from sending of the notification if this is done during Working Hours or two (2) Working Days starting from the next Working Day if sent after Working Hours. If the collaterals provided by the Registered Participant remains insufficient after this period, the Allocation Platform may suspend or terminate the Long Term Participation Agreement in accordance with Article 71 and Article 72.

Article 26 – Calls on collaterals

- 1. The Allocation Platform is entitled to call upon collaterals of a Registered Participant in the event of a registered payment incident in accordance with Article 67 and in relation to any sum invoiced under any set of rules applicable to Capacity Allocation that a Registered Participant has failed to pay by the due date for payment.
- 2. The Registered Participant shall restore its collaterals after a payment incident or collaterals incident by following the conditions as set forth in Article 19(3), Article 20 and Article 21 unless the Long Term Participation Agreement is suspended or terminated in accordance with Article 71 and Article 72.

Chapter 4 – Auctions

Article 27 – General provisions for Auctions

- 1. The Allocation Platform shall allocate Long Term Transmission Rights to Registered Participants by way of Explicit Allocation. Prior to the Auction the Allocation Platform shall publish Auction Specifications on its website.

2. The Auctions shall be organised via the Auction Tool. Each Registered Participant fulfilling the requirements for participating in the Auction may place Bids in the Auction Tool until the relevant deadline for placing Bids in the specific Auction expires according to the respective Auction Specification.
3. After the relevant deadline for placing Bids in the specific Auction has expired, the Allocation Platform shall evaluate the Bids including against the respective Credit Limits of the Registered Participants. The results of the Auction will be notified to Registered Participants via the Auction Tool.
4. The Allocation Platform shall provide information on forthcoming Auctions by publishing on its website a provisional Auction calendar with the dates of Auctions reasonably in advance before the Auctions take place. A provisional Auction calendar for each calendar year shall be published no later than 1 December of the year preceding including provisional information on the form of the product, Product Period and Bidding Period.

Article 28 – Capacity Allocation timeframe and form of product

The Allocation Platform may offer LTTR products in one or both directions, on a range of long term timeframes up to an annual product. All LTTRs offered shall be a base product by which a fixed amount of MW throughout the Product Period is allocated, subject to applicable Reduction Periods.

Article 29 – Auction Specification

1. The Allocation Platform shall publish a provisional version of the Auction Specification and a final version of the Auction Specification as set forth in paragraphs 2 to 3 of this Article.
2. For yearly Auctions the Allocation Platform shall publish the provisional and the final Auction Specification no later than one (1) week and for any other shorter Capacity Allocation timeframe no later than two (2) Working Days before the end of the Bidding Period of an Auction. The provisional Auction Specification shall state in particular:
 - (a) the code identifying the Auction in the Auction Tool;
 - (b) type of Long Term Transmission Rights;
 - (c) the Capacity Allocation timeframe (e.g. yearly, monthly or other, as described in Article 28);

- (d) the form of product (e.g. base, peak, off-peak as described in Article 28);
 - (e) an identification of direction covered;
 - (f) the deadline for return of the Long Term Transmission Rights allocated in previous Auctions;
 - (g) the Product Period;
 - (h) the Reduction Period(s) associated with the Product Period when applicable;
 - (i) the Bidding Period;
 - (j) the deadline for the publication of the Auction results;
 - (k) the period during which Long-Term Auction results can be contested in accordance with Article 37;
 - (l) the provisional Offered Capacity which shall not include Cross Zonal Capacity released via return of Long Term Transmission Rights and Cross Zonal Capacity released in accordance with Article 71 and Article 72.
 - (m) any other relevant information or terms applicable to the product or the Auction.
3. Not earlier than four (4) hours after the publication of the provisional Auction Specification, the Allocation Platform shall publish the final Auction Specification for that Auction stating the final Offered Capacity and any other update of relevant information or terms applicable to the product or the Auction
4. The final Offered Capacity shall consist of:
- (a) the provisional Offered Capacity;
 - (b) the available Cross Zonal Capacity already allocated to Registered Participants for which a valid request for return of Long Term Transmission Rights has been submitted for this Auction in accordance with Article 38 and Article 39; and
 - (c) the available Cross Zonal Capacity already allocated to Registered Participants which will be reallocated as a result of suspension or termination in accordance with Article 71 and Article 72.
5. The Allocation Platform shall publish the format of the bids to be used.

Article 30 – Reduction Periods of Offered Capacity

1. The Allocation Platform may announce one or more Reduction Periods in the Auction Specification. In this case, the Auction Specification shall include for each Reduction Period information on the duration of the Reduction Period and the amount of Offered Capacities.
2. For the avoidance of doubt, Reduction Periods do not apply to already allocated Long Term Transmission Rights and shall not be considered for any purpose including compensation as a curtailment according to CHAPTER 9.

Article 31 – Bids submission

1. The Registered Participant shall submit a Bid or set of Bids to the Allocation Platform in accordance with following requirements:
 - (a) it shall be submitted electronically using the Auction Tool and during the Bidding Period as specified in the Auction Specification;
 - (b) it shall identify the Auction via an identification code as specified in Article 29 paragraph 2 (a);
 - (c) it shall identify the Registered Participant submitting the Bid through its EIC code;
 - (d) it shall identify the direction for which the Bid is submitted;
 - (e) it shall state the Bid Price, which shall be different for each Bid of the same Registered Participant, exclusive of taxes and levies, in Euros (€) / MW for one (1) hour of the Product Period, i.e. Euro/MW and hour, expressed to a maximum of two (2) decimal places, and equal to or greater than zero (0);
 - (f) it shall state the Bid Quantity in full MW which must be expressed without decimals.
2. The Registered Participant may modify its previously registered Bid or set of Bids at any time during the Bidding Period including its cancellation. In case the Bid has been modified only the last valid modification of the Bid or set of Bids shall be taken into account for the Auction results determination.
3. If a Bid Quantity, or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction, by a Registered Participant exceeds the Offered Capacity announced in the final Auction Specification, this Bid or these Bids shall be completely rejected. Where a modification of previously submitted Bids results in exceeding the Offered Capacity, the modification shall be rejected and the previously registered Bids will stand.

4. If a Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several Bids submitted for the same Auction by a Registered Participant exceeds the Offered Capacity announced after the Bids submission, the Bids with the lowest Bid Price will be rejected one (1) by one (1) until the total allowed Bid Quantity is lower than or equal to the Offered Capacity.
5. The above-mentioned process shall apply to all forms of an Auction product and all Forward Capacity Allocation timeframes.
6. All Bid prices are deemed to be exclusive of Taxes.

Article 32 – Bid registration

1. The Allocation Platform shall not register a Bid that:
 - (a) does not comply with the requirements of Article 31; or
 - (b) is submitted by a Registered Participant who is suspended in accordance with Article 71.
2. Provided that a Bid or a set of Bids fulfils the requirements set forth in Article 31, the Allocation Platform shall confirm to the Registered Participant that such Bid(s) have been correctly registered by an acknowledgment of receipt via the Auction Tool. If the Allocation Platform does not issue an acknowledgment of receipt for a Bid, such Bid shall be deemed not to have been registered.
3. The Allocation Platform shall notify a Registered Participant whose Bid is rejected as invalid and the reason for this rejection, without undue delay after the Bid is rejected.
4. The Allocation Platform shall maintain a record of all valid Bids received.
5. Each valid Bid registered at closure of the Bidding Period shall constitute an unconditional and irrevocable offer by the Registered Participant to buy Long Term Transmission Rights up to the Bid Quantity and at prices up to the Bid Price and under the terms and conditions of these Long Term Allocation Rules and the relevant Auction Specification.

Article 33 – Default Bid

1. The Registered Participant has the option to place default Bids for Auctions.
2. A default Bid, once identified as such by the Registered Participant, shall apply automatically to each subsequent relevant Auction as defined by the Registered Participant when placing the default Bid. At the opening of a relevant Bidding Period, the registered default Bid

shall be considered as a Bid submitted by the Registered Participant for the relevant Auction. This Bid shall be considered as a delivered when the Allocation Platform provides an acknowledgment of receipt to the Registered Participant.

3. If a default Bid Quantity or a quantity calculated as a sum of the Bid Quantity for several default Bids submitted for the same Auction by a Registered Participant exceeds the final Offered Capacity, the Bids with the lowest Bid Price shall be rejected one by one until the total allowed Bid Quantity is reached. The remaining Bids shall then be evaluated in accordance with Articles 34 and 35.

4. A Registered Participant who wants to modify a default Bid for a future Auction shall change the Bid Quantity and the Bid Price of its default Bids before the applicable Auction Bidding Period opening.

5. A Registered Participant not wishing to submit the default Bid on the Auction Tool for future Auctions can cancel its default Bids before the subsequent Auction Bidding Period opening.

Article 34 – Credit Limit verification

1. Upon submission by a Registered Participant of a Bid or set of Bids to the Auction Tool the Allocation Platform shall check whether the maximum payment obligations (MPO) connected with that Registered Participant's registered Bid(s) calculated according to paragraphs 4 and 5 of this Article at the time of Bid(s) submission exceed the Credit Limit. If the maximum payment obligation connected with such registered Bids exceed the Credit Limit, the Allocation Platform shall issue automatically via the Auction Tool a warning to the Registered Participant to modify the Credit Limit. Bids shall not be rejected automatically if the maximum payment obligation attributed to registered Bids exceeds the Credit Limit at Bid submission but only after the process described in paragraph 2 of this Article.

2. At closure of the Bidding Period the Allocation Platform shall check again whether the maximum payment obligations connected with registered Bids calculated according to paragraph 5 of this Article exceed the Credit Limit. If the maximum payment obligations connected with these Bids exceed the Credit Limit, these Bids, starting with the Bid with the lowest Bid Value, shall be one (1) by one (1) excluded, until the maximum payment obligations are less than or equal to the Credit Limit. The Allocation Platform may apply additional criteria or rules to decide which Bid shall be rejected. Such additional criteria or rules shall be included in the information System Rules and shall be one or more from the following:

(a) chronological submission (time stamp); and/or

(b) Bid identification assigned by the Auction Tool; and/or

(c) rejection of all relevant Bids with the same Bid Price.

3. The Allocation Platform shall indicate insufficient collaterals as the reason for the Bid exclusion in the Auction results notification to the Registered Participant.

4. The Allocation Platform shall continuously assess all the Bids irrespective to which Auction and with regard to which direction they are submitted. In case of Bids connected with various and overlapping Auctions the Allocation Platform shall consider all calculated maximum payment obligations as outstanding payment obligations according to Article 23

5. For the calculation of the maximum payment obligations related to one direction the Allocation Platform shall sort the registered Bids of a Registered Participant by Bid Price in descending order (merit-order). Bid 1 shall be the Bid with the highest Bid Price and Bid n shall be the Bid with the lowest Bid Price. The Allocation Platform shall calculate the maximum payment obligations according to the following equation:

$$MPO = \sum_{hours} \text{Max} [\underset{n-1}{\text{Bid Price (1) * Bid Quantity (1);}} \underset{i=1}{\text{Bid Price (2) *}} \sum_{i=1}^2 \text{Bid Quantity (i) ; ...} \underset{n}{\text{Bid Price (n - 1) *}} \sum_{i=1} \text{Bid Quantity (i) ; Bid Price (n) *} \sum_{i=1} \text{Bid Quantity (i)}]$$

6. When calculating the maximum payment obligations according to paragraph 5 of this Article, the Allocation Platform shall also take the following into account:

- (a) if applicable, for each individual hour of the Reduction Period the maximum quantity of Long Term Transmission Rights which can be allocated to the Registered Participant during the Reduction Period;
- (b) the increase of the maximum payment obligations with applicable taxes and levies in force subject to Article 64; and
- (c) in respect of Long Term Transmission Rights with a Product Period of one (1) or more months, one (1) or two (2) monthly instalments respectively should be secured in compliance with the due amount calculation according to Article 63(5).

Article 35 – Auction Results Determination

1. After the expiration of the Bidding Period for an Auction and the Credit Limit verification pursuant to Article 34, the Allocation Platform shall determine the Auction results and allocate the Long Term Transmission Rights in accordance with this Article.
2. The Auction results determination shall include the following:
 - (a) determination of the total quantity of the allocated Long Term Transmission Rights per direction;
 - (b) identification of winning Bids to be fully or partially satisfied; and
 - (c) determination of the Marginal Price per direction.
3. The Allocation Platform shall determine the Auction results using an optimisation function aiming at maximisation of the sum of the Registered Participants' surplus and the Congestion Income generated by the winning Bids while respecting the constraints of the optimisation function in form of Offered Capacities. The Allocation Platform shall publish additional explanatory information on the optimisation function of the algorithm on its website.
4. The Allocation Platform shall determine the Marginal Price at each direction based on the following criteria:
 - (a) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted is lower than or equal to the Offered Capacity for the relevant Auction, then the Marginal Price shall be zero;
 - (b) if the total quantity of Cross Zonal Capacity for which valid Bids have been submitted exceeds the Offered Capacity for the relevant Auction, the Marginal Price shall be set at the lowest Bid(s) Price(s) allocated in full or in part using the respective Offered Capacities.
5. If two (2) or more Registered Participants have submitted for one direction valid Bids with the same Bid Price, that cannot be accepted in full for the total requested quantity of Long Term Transmission Rights, the Allocation Platform shall determine the winning Bids and the quantity of the allocated Long Term Transmission Rights per Registered Participant as follows:
 - (a) the Cross Zonal Capacity available for the Bids which set the Marginal Price shall be divided equally between the number of the Registered Participants which submitted these Bids;
 - (b) in case the quantity of Long Term Transmission Rights requested by a Registered Participant at Marginal Price is lower than or equal to the share calculated according to item (a) above, the request of this Registered Participant shall be fully satisfied;

(c) in case the requested quantity of Long Term Transmission Rights by a Registered Participant at Marginal Price exceeds the share calculated according to item (a) above, the request of this Registered Participant shall be satisfied up to the amount of the share as calculated according to item (a) above;

(d) any remaining Cross Zonal Capacity after the allocation according to items (b) and (c) shall be divided by the number of the Registered Participants whose requests have not been fully satisfied and allocated to them applying the process described in items (a), (b) and (c) above.

6. Where a Reduction Period is indicated in the Auction Specification for an Auction, the Allocation Platform shall determine the Auction Results in accordance with the provisions of paragraphs 3 to 5 of this Article, modified as follows:

(a) winning Bids and Marginal Prices for respective directions are determined according to paragraphs 3 to 5 of this Article;

(b) for each Reduction Period the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants shall be calculated on a pro-rata basis taking into account the quantity of Long Term Transmission Rights corresponding to the respective winning Bids of each Registered Participant and the respective reduced Offered Capacities. The Allocation Platform shall publish on its website clarifications and examples concerning the calculation of the quantity of Long Term Transmission Rights to be allocated to individual Registered Participants in the Reduction Period.

7. Whenever the calculation set forth in paragraphs 3 to 6 of this Article does not result in a whole MW amount in accordance with Article 31 paragraph 1(f), the Long Term Transmission Rights shall be rounded down to the nearest full MW. The case when Long Term Transmission Rights allocated to individual Registered Participants are equal to zero after rounding shall not impact the Marginal Price determination.

8. The Long Term Transmission Rights are deemed to have been allocated to a Registered Participant from the moment the Registered Participant has been informed of the Results and the Contestation Period is closed in accordance with Article 37. In the event that the Auction was not successfully performed, the fallback procedures as set forth in CHAPTER 8 shall apply.

Article 36 – Notification of Auction results

1. The Allocation Platform shall publish on its website the Auction results as soon as possible but not later than specified in the final Auction Specification.

2. The publication of the Auction results for each direction shall comprise at least the following data:

- (a) total requested Long Term Transmission Rights in MW;
- (b) total allocated Long Term Transmission Rights in MW;
- (c) Marginal Price in Euros (€)/MW per hour;
- (d) number of Registered Participants participating in the Auction;
- (e) list of names and number of Registered Participants who placed at least one winning Bid in the Auction;
- (f) list of registered Bids without identification of the Registered Participants (bid curve); and
- (g) Congestion Income.

3. No later than thirty (30) minutes after the publication of the Auction results the Allocation Platform shall make available via the Auction Tool to each Registered Participant who submitted a Bid to a specific Auction at least the following data:

- (a) allocated Long Term Transmission Rights for each hour of the Product Period in MW;
- (b) Marginal Price in Euros (€)/MWh; and
- (c) due amount for allocated Long Term Transmission Rights in Euro (€), rounded to two decimal places; and
- (d) due amount for one monthly instalment for allocated Long Term Transmission Rights in Euro, rounded to two decimal places, in the event that the Product Period is longer than one month.

4. In the event that the Auction Tool is unavailable, the Allocation Platform shall inform the Registered Participants of the Auction Results in accordance with CHAPTER 8.

Article 37 – Contestation of Auction Results

1. Registered Participants shall check the Auction results and, where reasonably appropriate, may contest the Auction results within the period set out in paragraph 2 of this Article. The Allocation Platform shall only consider a contestation where the Registered Participant is able to demonstrate an error by the Allocation Platform in the Auction results.
2. The Registered Participant may contest the Auction results within the deadline set out in the relevant Auction Specification but no later than two (2) Working Days after the Auction results have been notified to the Registered Participant.
3. The contestation shall be notified to the Allocation Platform and headed as “contestation”.
4. Any contestation shall contain the following:
 - (a) Date of contestation;
 - (b) identification of contested Auction;
 - (c) identification of the Registered Participant;
 - (d) name, e-mail address and telephone number of the Registered Participant;
 - (e) detailed description of the facts and the reason for contestation; and
 - (f) evidence of erroneous Auction results.
5. The Allocation Platform shall notify its decision on the contestation to the Registered Participant no later than four (4) Working Days after the Auction results have been notified to the Registered Participant.
6. At the end of the Contestation Period, and unless an Auction is cancelled, the Auction results shall be considered binding with no further notification.

Chapter 5 – Return of Long Term Transmission Rights

Article 38 – General Provision

1. Long Term Transmission Right holder(s) may return some or all of their Long Term Transmission Rights to the Allocation Platform for reallocation at any subsequent long term Auction once the Auction results are published.

2. Returned Long Term Transmission Rights shall be either a constant band of whole MW(s) over the specific timeframe of the subsequent Auction or a constant value of whole MW(s) during the days out of the Reduction Period(s). This second case applies only if the Long Term Transmission Rights to be returned at a subsequent Auction contain exactly the same Reduction Period(s) as the ones of the subsequent Auction itself.
3. The minimum volume for a returned Long Term Transmission Right shall be one (1) MW over the specific timeframe of the subsequent Auction.
4. The Allocation Platform shall make the volumes of returned Long Term Transmission Rights available at the subsequent long term Auction, increasing the Offered Capacity announced in the provisional Auction Specification accordingly and equally for each hour of the Product Period. The same applies for where the Offered Capacity announced in the provisional Auction Specification for the subsequent long term Auction contains a Reduction Period.
5. If the returned Long Term Transmission Rights are rounded down in accordance with the process described in Article 35(7), the Allocation Platform shall remunerate the Market Participant for the full amount of the returned Long Term Transmission Rights in accordance with Article 40.

Article 39 – Process of the return

1. Long Term Transmission Right holder(s) wishing to return their Long Term Transmission Rights shall provide a notification, directly to the Allocation Platform via electronic means as specified by the Allocation Platform on its website in line with the corresponding Information System Rules no later than the deadline specified in the provisional Auction Specification for the subsequent Auction to which the Long Term Transmission Right is to be returned. For the avoidance of doubt the providing of a notification indirectly through a third party will not be accepted.
2. A valid notification of the return pursuant to paragraph 1 of this Article shall contain the following information:
 - (a) EIC code of the Long Term Transmission Right holder;
 - (b) identity of the subsequent Auction to which the Long Term Transmission Right is returned; and
 - (c) the volume of the Long Term Transmission Rights for return.
3. In order to be able to return Long Term Transmission Rights the Registered Participant shall:

- (a) have a valid and effective Long Term Participation Agreement with the Allocation Platform;
 - (b) hold the relevant Long Term Transmission Rights at the time of the notification of the return;
 - (c) provide the notification before the deadline pursuant to paragraph 1 of this Article; and
 - (d) fulfil or secure its financial obligations pursuant to these Long Term Allocation Rules.
4. If the requirements set forth in paragraph 3 of this Article are fulfilled, the Allocation Platform shall provide without undue delay a notification to the Registered Participant containing:
- (a) a message confirming the acceptance of the return subject to paragraph 7 of this Article; or
 - (b) a message rejecting the return including the reasons for rejection subject to paragraph 7.
5. If the return is accepted, the Allocation Platform shall decrease the total volume of the Long Term Transmission Rights held by the respective Long Term Transmission Right holder by the amount returned.
6. Long Term Transmission Right holder(s) wishing to modify their return as notified in accordance with paragraphs 1 and 2 of this Article, shall provide a notification with the adjusted volume of the Long Term Transmission Rights to be returned before the deadline for return of Long Term Transmission Rights pursuant to paragraph 1 expires. Where the volume of the Long Term Transmission Rights to be returned is adjusted to zero (0) MW, the related return shall be deemed as cancelled.
7. If the Allocation Platform is unable to register a return as set forth in this Chapter, the Allocation Platform may apply a fallback procedure for data exchange pursuant to Article 53. If no fallback procedure for return is technically possible, no financial compensation may be claimed by the Registered Participants.

Article 40 – Remuneration for Returns of Long Term Transmission Rights

1. Registered Participants who returned Long Term Transmission Right are entitled to receive a remuneration equal to the value of the returned Long Term Transmission Rights set during the relevant subsequent Auction(s) calculated for each hour as follows:

(a) the Marginal Price of the Auction at which the returned Long Term Transmission Right was reallocated in Euros/MW per hour multiplied by

(b) the amount of MW which was reallocated.

2. On return the Registered Participant ceases to be holder of Long Term Transmission Right for the returned amount of Long Term Transmission Right. This means that all rights and obligations of the Registered Participant connected to the returned amount of Long Term Transmission Right will cease except those connected to its payments obligations pursuant to CHAPTER 10 and the remuneration set forth in this CHAPTER 5. All rights and obligations of the Registered Participant related to the not returned proportion of Long Term Transmission Right will remain unaffected.

Chapter 6 – Transfer of Long Term Transmission Rights

Article 41 – General provisions

1. Long Term Transmission Right holder(s) may transfer some or all of their Long Term Transmission Rights to another Registered Participant once the Auction results in respect of those rights are final. Regardless of how the transfer was concluded, it shall be notified to the Allocation Platform following the process pursuant to Article 42 and via the Auction Tool according to a format specified on the Allocation Platform's website.
2. The minimum volume of Long Term Transmission Rights that may be transferred shall be one (1) MW over one (1) hour.

Article 42 – Process of the transfer

1. The transferor shall provide a notification, directly (for the avoidance of doubt the providing of a notification indirectly through a third party will not be accepted) of the transfer to the Allocation Platform via electronic means as specified by the Allocation Platform on its website with the following information:

- (a) the EIC codes of the transferor and transferee;
- (b) the time period of the transfer including the start and end dates and hours; and
- (c) the volume (MW) of the transferred Long Term Transmission Right in whole MW(s) defined per hour.

2. The notification of the transfer shall be delivered to the Allocation Platform no later than at 12:00 p.m. on the second (2nd) day preceding the day of delivery.
3. In order to be able to transfer the Long Term Transmission Rights the following requirements shall be fulfilled:
 - (a) the transferor and transferee have a valid and effective Long Term Participation Agreement with the Allocation Platform at least for transfer of Long Term Transmission Rights; the transferor holds the concerned Long Term Transmission Rights at the time of the notification of the transfer;
 - (b) the transferor has fulfilled or secured its financial obligations pursuant to these Long Term Allocation Rules regardless whether the transferor transfers all or only part of its Long Term Transmission Rights and even in the case of multiple transfers among several Registered Participants; and
 - (c) the transferor has delivered the notification of the transfer before the deadline pursuant to paragraph 2 of this Article.
4. The Allocation Platform shall issue without undue delay an acknowledgement of receipt of the notification to the transferor. Where the notification fulfils the requirements pursuant to paragraph 3 of this Article the Allocation Platform shall inform the transferee about the notification of the transfer.
5. In the event that the acknowledgement is not provided by the Allocation Platform, the concerned notification shall be deemed not to have been submitted.
6. The notification of transfer shall be confirmed by the transferee within four (4) hours upon receiving the transfer information from the Allocation Platform and no later than at 12:00 p.m. the second (2nd) day preceding the day of delivery
7. In the event that the transferee does not confirm the transfer by the deadline pursuant to paragraph 6, the Allocation Platform shall automatically cancel the process of the transfer notification.
8. The Allocation Platform shall then issue without undue delay to the transferor and the transferee a second acknowledgement via the Auction Tool stating either:
 - (a) that the transfer notification has been accepted and is effective; or
 - (b) that the transfer notification has been rejected including the reason(s).
9. If for any technical reason the acknowledgement is not provided by the Allocation Platform, the concerned transfer is deemed not to have been submitted.
10. The Transferor shall not be entitled to withdraw the transfer notification once the transferee has accepted it. The transferee may initiate another transfer to transfer the Long Term Transmission Rights further.

11. In the event of Auction Tool failure, a fallback procedure pursuant to CHAPTER 8 shall apply. If the process of the transfer notification cannot be completed in accordance with this Article due to an IT system and/or fallback procedure failure, Registered Participants shall not be entitled to claim any financial compensation from the Allocation Platform.

Article 43 – Legal consequences of the transfer

All rights and obligations resulting from these Long Term Allocation Rules, with exception of the payment obligation of the original Long Term Transmission Right holder regarding the allocation of Long Term Transmission Right pursuant to Article 62(1), shall be transferred together with the Long Term Transmission Right.

Article 44 – Notice board

1. The notice board shall facilitate only the exchange of information between the Registered Participants regarding their interest in buying and/or selling Long Term Transmission Rights. No agreements may be concluded via this notice board. Use of the notice board is free of charge.
2. Any notices published via the notice board by the Registered Participants shall not be considered as an evidence for a valid and effective contract for the transfer of Long Term Transmission Rights.
3. The Allocation Platform shall not be held liable for the accuracy and completeness of the information published by a Registered Participant on the notice board.
4. The Allocation Platform may delete from the notice board any information it considers not relevant for the purpose of the notice board. In case of such a deletion, the Allocation Platform shall provide the reasons for the deletion to the respective Registered Participant.

Chapter 7 –Remuneration of Long Term Transmission Rights

Article 45 – General principles

1. Holders of allocated Long Term Transmission Rights shall be subject to the remuneration rules in accordance with Article 48, and - according to the definition of Financial Transmission Rights Option - shall not be entitled to nominate them for physical delivery.

Article 46 – Not Used

Article 47 – Rights Document

1. The Rights Document shall contain the information about the aggregated volume in MW per direction and for hourly periods for which the holder is entitled to financial remuneration in accordance with Article 48.
2. The Allocation Platform shall provide the Rights Document daily and no later than at 13:00 on the second (2nd) day preceding the delivery day via electronic means as specified by the Allocation Platform on its website to the Registered Participant.

Article 48 – Remuneration of Long Term Transmission Rights holders

1. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for the Long Term Transmission Rights as set out in this Article 48. The Allocation Platform shall remunerate the Long Term Transmission Rights holder for all allocated MW per relevant hourly period. The remuneration for each direction shall be calculated as the volumes of Long Term Transmission Rights stated in the Rights Documents multiplied by the following price:

- (a) In case of day-ahead Implicit Allocation, the price for the Long Term Transmission Rights remuneration shall be determined for the relevant hourly period as follows:

For rights in the direction NO2 to GB and for the relevant MTU, the greater of;

- (i) $(GB_Price - (NO2_Price / (1 - LF/100)))$, and
- (ii) Zero

For rights in the direction GB to NO2 and for the relevant MTU, the greater of;

- (i) $(NO2_Price - (GB_Price / (1 - LF/100)))$, and
- (ii) zero

Where;

MTU : For the purpose of this Part 2 of these Access Rules :

- i) is a period of 1hour, prior to the date notified in Paragraph 3.4 of Part 1 of these Access Rules, and
- ii) is a period of 15minutes on and after the date notified in Paragraph 3.4 of Part 1 of these Access Rules

GB_Price : The price in EUR per MWh for GB for the MTU calculated by the GB-NO2 implicit auction algorithm as referred to in Part 1 of these Access Rules

NO2_Price : The price in EUR per MWh for NO2 for the MTU calculated by the GB-NO2 implicit auction algorithm as referred to in Part 1 of these Access Rules

LF : The transmission loss factor for NSL, as published in accordance with Part 1 of the Access Rules

If the MTU of the Day Ahead implicit allocation of NSL is less than on (1) hour, all calculated prices for the direction and for the MTUs within the same hour shall be averaged to determine the price for the relevant hourly period.

(b) In the case where no reference price is calculated in either or both of the GB and NO2 markets for the daily allocation timeframe the price for the Long Term Transmission Rights remuneration shall be the Marginal Price of initial Auction.

2. The Allocation Platform shall compensate the Long Term Transmission Rights holder in accordance with Chapter 9 for the allocated LTTR which have been the subject of Curtailment under a triggering event under Article 56, and in which case the remuneration provisions of the above paragraph 48.1 shall not apply.

Chapter 8 – Fallback Procedures

Article 49 – General provisions

1. The Allocation Platform shall, to the extent reasonably practicable, organize a fallback procedure in the following cases of failure of a standard process:
 - (a) if it is technically not possible to hold an Auction following the process set forth in CHAPTER 4;
 - (b) if it is technically not possible to register a return of Long Term Transmission Rights following the process as set forth in CHAPTER 5;
 - (c) if it is technically not possible to register a notification of transfer of Long Term Transmission Rights following the process as set forth in CHAPTER 6; and
 - (d) if it is technically not possible to register a notification of an eligible person in following the process as set forth in CHAPTER 7.

2. The Allocation Platform may use one or all of the following fallback procedures:
 - (a) introduction of a fallback procedure for data exchange according to Article 50;
 - (b) postponement of the Auction to a later date/time;
 - (c) another ad hoc fallback procedure if considered appropriate by the Allocation Platform to overcome any technical obstacles.
3. The Allocation Platform shall, to the extent practicable and without undue delay, inform Registered Participants of possible deviations from the standard processes and the application of a fallback procedure via electronic means as specified by the Allocation Platform on its website and using the Auction Tool.
4. Registered Participants shall immediately inform the Allocation Platform of any observed problems with the use of the Auction Tool and all potential consequences via electronic means as specified by the Allocation Platform on its website. In case of an urgent problem, which shall be solved immediately and which is identified during Working Hours, the Registered Participant shall immediately contact the Allocation Platform by phone at the telephone number indicated on the website of the Allocation Platform for this type of problems.

Article 50 – Fallback procedure for data exchange

1. In case of a failure at the site of the Allocation Platform of the standard processes for data exchange via the Auction Tool as described in these Long Term Allocation Rules, the Allocation Platform may inform Registered Participants that a fallback procedure for data exchange may be used as follows:
 - (a) by the applicable deadlines unless otherwise announced by the Allocation Platform the Registered Participant shall request the Allocation Platform by electronic means as specified by the Allocation Platform on its website to enter the relevant data into the Auction Tool by using this fallback procedure for data exchange;
 - (b) with the request the Registered Participant shall provide to the Allocation Platform in the format specified in the Information System Rules the relevant data to be entered in the Auction Tool;
 - (c) the Allocation Platform shall enter the submitted data into the Auction Tool;
 - (d) the Allocation Platform may set in Information System Rules an identification process for the Registered Participant at the moment when the Registered Participant submits the relevant operational or commercial data and requests the Allocation Platform to enter this data into the Auction Tool on its behalf by means of the fallback procedure. If the Registered Participant or the person authorized by the Registered Participant for this

purpose does not clearly identify itself, the Allocation Platform shall be entitled not to perform the data entry;

(e) the Registered Participant shall provide the Allocation Platform with a telephone number, which can be used in case of a necessary communication;

(f) once the Allocation Platform has entered the provided data into the Auction Tool on behalf of the Registered Participant, the Allocation Platform shall without undue delay by telephone and/or via electronic means as specified by the Allocation Platform on its website inform the Registered Participant of the entry; and

(g) the Allocation Platform shall under no circumstances be held responsible if it fails to reach the Registered Participant through the means of communication above.

2. In case of application of the fallback procedure for data exchange, all necessary information which is made available via the Auction Tool during the standard processes may be distributed to the Registered Participants by the Allocation Platform, by electronic means as specified by the Allocation Platform on its website or where appropriate published on the website of the Allocation Platform.

Article 51 – Fallback procedures for Auction

1. The postponement of the Auction shall be the default fallback procedure for Auctions before the Bidding Period has opened. The Allocation Platform may postpone an Auction by notifying Registered Participants of the revised date and/or time of the new Auction.

2. After the Bidding Period has opened, the Allocation Platform shall:

(a) where reasonably practicable postpone the end of the Bidding Period by notifying Registered Participants about the revised deadlines in the Auction Specification; or

(b) cancel the initial Auction according to Article 52 and organise a new Auction for the same Product Period.

3. If the fallback procedure described in paragraph 1 and 2 of this Article cannot be implemented for the same Product Period, the respective Cross Zonal Capacities shall be offered in subsequent Capacity Allocation process.

4. The Allocation Platform shall inform all Registered Participants, without undue delay, of the postponement by notification published in the Auction Tool and/or on the webpage of the Allocation Platform and/or by electronic means as specified by the Allocation Platform on its website.

Article 52 – Auction cancellation

1. In case the Allocation Platform cancels an Auction, all Bids already submitted, all returns already accepted and any results of the respective Auction shall be deemed null and void.
2. The Allocation Platform shall inform all Registered Participants without undue delay, of the Auction cancellation by notification published in the Auction Tool or on the webpage of Allocation Platform and by electronic means as specified by the Allocation Platform on its website.
3. An Auction cancellation may be announced in the following cases:
 - (a) before the end of the Contestation Period in case the Allocation Platform faces technical obstacles during the Auction process like a failure of standard processes and fallback procedures in the event of erroneous results due to incorrect Marginal Price calculation, incorrect offered capacity values or in the event of incorrect allocation of Long-Term Transmission Rights to Registered Participants or similar reasons;
 - (b) after the end of the Contestation Period, in the event of erroneous results due to incorrect Marginal Price calculation, incorrect offered capacity values or incorrect allocation of Long Term Transmission Rights to Registered Participants or similar reasons;
 - (c) where an unplanned event results in a Capacity Shortage during the Auction delivery period, or reduces capacity such that no capacity is available for allocation above that which has already been allocated, at any point up to the end of the Bidding Period; and/or
 - (d) prior to the publication of the final Auction Specification, the Operators reserve the right to cancel any Long Term Auction previously scheduled where no Interconnector Capacity is to be made available (irrespective of any already allocated Capacity which otherwise may have been subject to Return in accordance with Articles 38 and 39).
4. In the case of an Auction cancellation, the following shall apply:
 - (a) where the Auction cancellation is before the Contestation Period elapses, no compensation shall be paid to the Registered Participant
 - (b) where the Auction cancellation is after the Contestation Period, Registered Participant(s) holding Long-Term Transmission Rights that are affected by the cancellation shall receive a refund of any amount originally paid for any Rights with delivery date after the cancellation date, provided that such payment has already been made. For the avoidance of doubt, any Long-Term Transmission Rights with delivery date before the cancellation are not affected by such cancellation.
5. The Allocation Platform shall publish on its website, without undue delay, the reasons for the Auction cancellation.

Article 53 – Fallback procedure for return of Long Term Transmission Rights

1. In case of failure in the standard process for the registration of the return of Long Term Transmission Rights via the Auction Tool as set forth in CHAPTER 5, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights return.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the return of Long Term Transmission Rights, all requests for Long Term Transmission Rights return already submitted that cannot be registered in the Auction Tool shall be automatically cancelled.

Article 54 – Fallback procedure for transfer of Long Term Transmission Rights

1. In case of failure in the standard process for the registration of the transfer of Long Term Transmission Rights organised via the Auction Tool as set forth in CHAPTER 6 the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.
2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for Long Term Transmission Rights transfer.
3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the transfer of Long Term Transmission Rights, all requests for Long Term Transmission Rights transfer already submitted and not confirmed by transferee shall be automatically cancelled.

Article 55 – Fallback procedure for eligible person notification

1. In case of failure in the standard process of eligible person notification to the Allocation Platform via the Auction Tool as set forth in CHAPTER 6, the Allocation Platform may apply the fallback procedure for data exchange in accordance with Article 50.

2. The Allocation Platform shall publish information about the possibility to use the fallback procedure for data exchange in due time before the expiration of the deadline for eligible person notification.

3. In case the fallback procedure for data exchange cannot be executed as necessary to enable the registration of the eligible person, the eligible person shall be deemed notified as set forth in Information System Rules.

Chapter 9 - Curtailment

Article 56 – Triggering events and consequences of curtailment on Long Term Transmission Rights

1. Long Term Transmission Rights irrespective of the Product Period may be curtailed in the event of Force Majeure, or to ensure operation remains within Operational Security Limits before the Firmness Deadline specified in Article 58. For the avoidance of doubt a Capacity Shortage shall be automatically deemed by the Allocation Platform as requiring a curtailment to ensure operation remains within the applicable operational security limits to the extent it occurs before the Firmness Deadline.

2. Long Term Transmission Rights may be curtailed after the Firmness Deadline in the case of Force Majeure. Each Registered Participant affected by curtailment shall lose its right to transfer or return the concerned LTTR or to receive remuneration in accordance with Article 48.

Article 56A – Capacity Shortage

1.A Capacity Shortage occurs on the relevant interconnector for any minute in a direction if:

$$NTC_{dir} / 2 < \Sigma Capa_{dir}$$

Where:

NTC_{dir} is the lesser of the interconnector capability and the maximum transfer permitted by the onshore TSOs, for a particular direction; and $\Sigma Capa_{dir}$ is the sum of:

1) allocated LTTRs across all Registered Participants in that direction, (before curtailment of such LTTRs due to the Capacity Shortage);

PLUS

2) Bilaterally agreed hedging quantities in MW in that direction, the volumes for which, as agreed from time to time, shall be published on the TSO Message Board on the Allocation Platform's website.

And the "Curtailment Quantity" is the positive number equal to:

$\min (\text{Allocated FTRs}, (\Sigma \text{Capa}_{\text{dir}} - \text{NTC}_{\text{dir}}/2))$ in such direction

Article 57 – Process and notification of curtailment

1. In all cases curtailment shall be carried out by the Allocation Platform based on a request by NGNSL where Long Term Transmission Rights have been allocated and where a Capacity Shortage occurs.
2. The Allocation Platform shall notify the affected holders of Long Term Transmission Rights as soon as possible of a curtailment of Long Term Transmission Rights including the triggering event via electronic means as specified by the Allocation Platform on its website and on the webpage of the Allocation Platform. The notification shall identify the affected Long Term Transmission Rights, the affected volume in MW per hour for each concerned period, the triggering events for curtailment as described in Article 56 and the amount of Long Term Transmission Rights that remain after the curtailment.
3. The Allocation Platform shall publish the triggering events for curtailment in accordance with Article 56 including their estimated duration on its website as soon as possible.
4. For each affected Registered Participant, any remaining Long Term Transmission Rights which have not been curtailed shall be rounded down to the nearest MW.
5. In cases of curtailment, any transfer of Long Term Transmission Rights to be curtailed, which is not yet accepted by the transferee, shall be automatically cancelled and the transferor shall remain the holder of the Long Term Transmission Rights. If the transfer has already been notified to the Allocation Platform and accepted by the transferee, the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the transferee.
6. The Allocation Platform shall cancel all notifications for return of Long Term Transmission Rights that have been accepted for a subsequent long term Auction for which curtailment is necessary and for which the final Auction Specifications have not yet been published. By this cancellation, the Long Term Transmission Rights are given back to the Long Term Transmission Right holders that have requested the return. If the final Auction Specification has already been

published the return shall not be cancelled and the compensation or reimbursement for curtailed Long Term Transmission Rights shall be paid to the holder who returned the Long Term Transmission Rights.

Article 58 – Firmness Deadline

The Allocation Platform shall take into account for the calculation of compensation for curtailed Long Term Transmission Rights the following Firmness Deadline of : 09:00 a.m. on the first (1st) day preceding the delivery day, unless otherwise specified by the Allocation Platform on its website.

Article 58A – Curtailment of Long Term Transmission Rights to ensure operation remains within Operational Security Limits before the Firmness Deadline

1. In order to ensure operation remains within applicable Operational Security Limits in any Settlement Period, the Long Term Transmission Rights of all Registered Participants in that Settlement Period in the required direction may be curtailed at any time up to the Firmness Deadline by the Allocation Platform in accordance with these Long Term Allocation Rules.
2. Further to paragraph 1, the Long Term Transmission Rights shall be curtailed pro rata for all Registered Participants. Each relevant Registered Participant shall lose its entitlement to remuneration pursuant to Article 48 for such curtailed Long Term Transmission Rights.

Article 59 – Reimbursement for curtailments to ensure operation remains within Operational Security Limits before the Firmness Deadline

1. In cases of curtailment to ensure operation remains within Operational Security Limits before the Firmness Deadline the compensation for each affected hour and Registered Participant shall be calculated. Holders of curtailed Long Term Transmission Rights shall be entitled to receive reimbursement per hour equal to
 - a) the Marginal Price of the initial auction; multiplied by;
 - b) the amount in MW per hour corresponding to the difference between the Long Term Transmission rights held by the Registered Participant before and after the curtailment.
2. A cap shall be applied to the compensations calculated by the interconnector according to this Article. The cap shall be determined as the total amount of Congestion Income collected by the interconnector in the relevant month under these Access Rules (from all timeframes Intraday, Day Ahead, Long-Term), deducting all remunerations paid according to Article 40 and

Article 48 and compensations paid according to Article 61 for the considered month. The total amount of Congestion Income in one month is defined as the sum of a twelfth of the revenues raised at yearly Auction and the revenues generated by the monthly Auction and congestion income from other timeframes which occurred during this month.

3. If, before application of the relevant cap described in paragraph 2 of this Article, the total calculated compensations of curtailed Long Term Transmission Rights exceed the relevant cap, the compensations of curtailed Long Term Transmission Rights shall be reduced on a pro rata basis. This will be based on the proportion of uncapped compensation of allocated Long Term Transmission Rights due to each Registered Participant in the relevant period (calendar month or calendar year). The compensations due to each Registered Participant will be calculated as follows:

$$[(\text{Uncapped compensations of curtailed Long Term Transmission Rights due to Registered Participant}) / (\text{Total uncapped compensations of curtailed Long Term Transmission Rights due to all Registered Participants})] \times (\text{Relevant Cap as described in paragraph 2 of this Article})]$$

Article 60 – Curtailment due to Force Majeure

In the event of curtailment of Long Term Transmission Rights under Force Majeure circumstances, the rights will be curtailed as described under Article 58A.2.

Article 61 – Reimbursement for curtailments due to Force Majeure

In the event of Force Majeure before or after the Firmness Deadline, holders of curtailed Long Term Transmission Rights shall be entitled to receive reimbursement per hour equal to:

- a) the Marginal Price of the initial auction; multiplied by;
- b) the amount in MW per hour corresponding to the difference between the Long Term Transmission rights held by the Registered Participant before and after the curtailment.

Chapter 10 – Invoicing and Payment

Article 62 – General Principles

1. A Registered Participant shall pay the amounts due as calculated in accordance with Article 63 for all Long Term Transmission Rights allocated. This obligation shall be fulfilled

irrespective of any return or transfer or curtailment of all or some of these LongTerm Transmission Rights in accordance with these Long Term Allocation Rules.

2. Upon payment for its allocated LTTRs the Registered Participant shall be entitled to receive the associated remuneration as described in Article 48.

3. All financial information, prices and amounts due shall be expressed in Euros (€), except if deviations are required by Applicable Law or regulations.

4. The payment shall be settled on the date upon which the given amount is credited to the account of the beneficiary. Any interest for late payment shall be considered as settled on the date when the payment was credited from the account of the payer.

5. Payments shall be done in Euros (€).

6. The Allocation Platform shall consider taxes and levies at the rate and to the extent applicable when assessing payment obligations and issuing invoices under these Long Term Allocation Rules subject to Article 64.

7. The Registered Participant shall provide the Allocation Platform with relevant information for justifying whether or not respective taxes and levies are applicable when signing the Long Term Participation Agreement as well as any changes in this respect without undue delay. Therefore, the Registered Participant agrees to inform the Allocation Platform of any local, intra-community or extra-community taxes and levies which are in line with the legislation of the Registered Participant's country of establishment.

Article 63 – Calculation of due amounts

1. Registered Participants shall pay for each of the Long Term Transmission Rights allocated to them an amount equal to:

(a) the Marginal Price of the auction in which the LTTR was allocated (€ per MW per hour); multiplied by

(b) the sum of Long Term Transmission Rights in MW allocated in all individual hours of the Product Period incorporating any Reduction Period where relevant in accordance with Article 35.

2. The amount due plus any applicable taxes and levies, duties or other charges subject to Article 64, shall be rounded to two decimal places.

3. The Allocation Platform shall calculate the due payments in monthly instalments when the Cross Zonal Capacity product has a duration of more than a month.

4. Monthly instalments shall be equal for each month and determined by dividing the amount due as set forth in paragraph 1 of this Article by the duration of the Cross Zonal Capacity products expressed in months and rounded to two decimal places. The last instalment shall in addition include the balance due to the rounding down applied in the other monthly instalments.

5. If the first payment date of the Cross Zonal Capacity product with a duration of more than one (1) month occurs after the start of the Product Period, then the first payment shall include two (2) monthly instalments.

Article 64 – Tax Gross-up

1. Each Registered Participant must settle all payments with respect to the Long Term Allocation Rules without any tax deduction, unless a tax deduction is required by law.
2. If a tax deduction is required by law to be made by a Registered Participant, the amount of the payment due from the Registered Participant to the Allocation Platform will be increased to an amount which (after making the tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.
3. Paragraph 2 of this Article does not apply with respect to any tax assessed on the Allocation Platform on any payment received in connection with the Long Term Allocation Rules under the laws of the jurisdiction in which the Allocation Platform is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Allocation Platform is treated as resident for tax purposes or has or is deemed for tax purposes to have a permanent establishment or a fixed place of business to which any payment under the Long Term Allocation Rules is attributable. Paragraph 2 of this Article does not apply to value added tax as provided for under Applicable Law and/or any other applicable national legislation as amended from time to time and any other tax of a similar nature.

Article 65 – Invoicing and payment conditions

1. Payments shall be settled before the start of the Product Period if the Auction timeline allows so. If the Cross Zonal Capacity product has a duration of more than one (1) month, each monthly instalment shall be settled before the start of each respective month if the Auction timeline allows so. If the settlement of an amount due for allocated Long Term Transmission Rights is not possible before the start of the Product Period then the payment will be settled at the next fixed invoice date.
2. The Allocation Platform shall issue invoices for payments for all Long Term Transmission Rights acquired on a monthly basis and no later than the tenth (10th) Working Day of each month (M).

3. The Allocation Platform will provide via electronic means as specified by the Allocation Platform on its website (or by any other means as indicated from time to time by the Allocation Platform) to the Registered Participant an invoice and credit note stating:
- (a) the monthly instalments payable by the Registered Participant in respect of the portion related to month M+1 of Long Term Transmission Rights, the Product Period of which is equal or greater than one month, and the allocation of which will have taken place before the third (3rd) Working Day of month M;
 - (b) the monthly instalments payable by the Registered Participant in respect of the portion related to month M of Long Term Transmission Rights, the Product Period of which is equal to or greater than one month, and the allocation of which will have taken place after or on the third (3rd) Working Day of month M-1;
 - (c) the amount payable by the Registered Participant in respect of Long Term Transmission Rights, the Product Period of which is less than one (1) month and starts in month M-1;
 - (d) the monthly instalments payable by the Allocation Platform to the Registered Participant in respect of the portion related to month M+1 of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is equal or greater than one month, and the allocation of which will have taken place before the 3rd Working Day of month M;
 - (e) the monthly instalments payable by the Allocation Platform to the Registered Participant in respect of the portion related to month M of Long Term Transmission Rights reallocated in Auctions, the Product Period of which is equal to or greater than one month, and the reallocation of which will have taken place after or on the third (3rd) Working Day of month M-1;
 - (f) the amount payable by the Allocation Platform in respect of the Long Term Transmission Rights returned for reallocation in Auctions in accordance with Chapter 5 (Return of Long Term Transmission Rights), the Product Period of which is less than one (1) month and starts M-1
 - (g) the amount payable by the Allocation Platform in respect of remuneration of Long Term Transmission Rights related to month M-1 of the Long Term Transmission Rights in accordance with Article 48;
 - (h) where practicable, the notification of the portion related to month M-1 of the Long Term Transmission Rights subject to transfer in accordance with Chapter 6 (*Transfer of Long Term Transmission Rights*) by or to the Registered Participant;
 - (i) any amounts payable or credits due to the Registered Participant by the Allocation Platform under Chapter 9 (Curtailment);

- (j) any taxes payable by the Registered Participant or the Allocation Platform in respect of amounts in the invoice;
 - (k) the total amounts payable by the Registered Participant to the Allocation Platform under that invoice (or receivable by the Registered Participant from the Allocation Platform under that credit note); and
 - (l) any other information required to be included in the invoice under Applicable Law.
- 4. Where an invoice issued by the Allocation Platform does not contain full background data for the derivation of invoice summary amounts, then the Registered Participant may consult the Auction Tool to obtain such background data.
- 5. The invoice may include other payment obligations of the Registered Participant under any set of rules applicable to Capacity Allocation (this may include, but not limited to the Fallback Procedures methodology).
- 6. Payments by the Registered Participant under this Article shall be collected automatically from the dedicated Business Account of the Registered Participant on the respective due date of the invoice.
- 7. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Registered Participant to the Allocation Platform, the Registered Participant shall settle this balance within five (5) Working Days after the date of issuance of the invoice.
- 8. If the balance of the payments as set forth in paragraph 3 and 5 of this Article results in a net payment from the Allocation Platform to the Registered Participant, the Allocation Platform shall pay this balance within seven (7) Working Days after the date of issuance of the invoice to the bank account maintained with a credit institution as announced during the accession process in accordance with Article 9 paragraph 1(g) and (h) by the Registered Participant who is entitled to the payments at the due date.
- 9. Upon the collection of the payment as set forth in paragraph 8 of this Article, the Allocation Platform shall update the Credit Limit accordingly.
- 10. Erroneous invoices shall be corrected and settled as follows:
 - (a) In case of an erroneous invoice resulting in an additional payment by the Allocation Platform or the Registered Participant the Allocation Platform shall correct the invoice and any due amount shall be settled as soon as possible and at the latest within thirty (30) Working Days they have been notified to the Registered Participant or the Allocation Platform.
 - (b) In case of an erroneous invoice based on erroneous information provided by third parties, the Allocation Platform shall, correct the amount and settle the amount to the Registered Participant as soon as possible and at the latest within given ninety (90) Working Days, from the date the Registered Participant informed the Allocation Platform of the

erroneous information.

(c) In case the error in the invoice occurred due to technical constraint and if the resolution of technical constraint requires the Allocation Platform to update the Auction Tool, the Allocation Platform shall resolve the technical constraint, correct the invoice and settle the amount to the Registered Participant as soon as possible and at the latest within one hundred eighty (180) Working Days.

11. Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank shall be covered by the Registered Participant.
12. The Registered Participant shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an Auction, against any claims towards the Allocation Platform, whether or not arising out of an Auction. Nevertheless, the right to offset and the right to withhold are not excluded in case the Registered Participant's claim against Allocation Platform is established by a legally binding judgement or is uncontested.

Article 66 – Payment disputes

1. A Registered Participant may dispute the amount of an invoice, including any amounts to be credited to the Registered Participant. In this case, the Registered Participant shall notify the nature of the dispute and the amount in dispute to the Allocation Platform as soon as practicable and in any event within fifteen (15) Working Days after the date of issuance of the invoice or credit note by registered mail and electronic means as specified by the Allocation Platform on its website. Beyond this period, the invoice shall be deemed to have been accepted by the Registered Participant.

2. If the Registered Participant and the Allocation Platform are unable to resolve the difference within fifteen (15) Working days after the notification, the procedure for the dispute resolution in accordance with Article 70 shall apply.

3. A dispute shall in no way relieve the Party from the obligation to pay the amounts due as set forth in Article 65.

4. If it is agreed or determined based upon the dispute resolution procedure as set forth in Article 70 that an amount paid or received by the Registered Participant was not properly payable, the following process shall apply:

(a) the Allocation Platform shall refund any amount including interest to be calculated according Article 62(4) to the Registered Participant in case that the amount paid by the Registered Participant as set forth in Article 65(3) and (6) was higher or the

amount paid by the Allocation Platform was lower than the due amount. The Allocation Platform shall make the payment to the bank account maintained with a credit institution indicated by the Registered Participant for this reimbursement in accordance with Article 9 paragraph 1 (g) and (h) provided the Allocation Platform has received the amount due from the relevant TSOs if applicable.

(b) the Registered Participant shall pay any amount including interest to be calculated according to Article 62(4) to the Allocation Platform in case that the amount paid by the Registered Party as set forth in Article 65(3) and (6) was lower or the amount paid by the Allocation Platform was higher than the due amount. The Registered Participant shall make the payment in accordance with the procedure set forth in Article 65(8). Upon such payment the Allocation Platform shall update the Credit Limit of the Registered Participant as set forth in Article 65(10).

5. The interest paid in case of a payment in accordance with paragraph 4 of this Article shall be applied from the first (1st) day following the date on which the payment was due up to the date on which the disputed amount was refunded and it shall apply also to all taxes and levies required by law.

Article 67 – Late payment and payment incident

1. In case the Registered Participant has not fully paid an invoice by the due date specified on the invoice, the Allocation Platform shall notify the Registered Participant that a payment incident will be registered if the amount including applicable interest due is not received within three (3) Working Days upon sending of the notification. In case of no payment within the deadline, the Allocation Platform shall notify the Registered Participant that the payment incident was registered.

2. Immediately after registration of the payment incident the Allocation Platform may invoke the collaterals. After a recurring payment incident, the Allocation Platform may require from the Registered Participant to change its Bank Guarantee collateral to a cash deposit collateral as outlined in Article 24.6 above.

3. The Allocation Platform may suspend or terminate the Long Term Participation Agreement in case of registered payment incident in accordance with Article 71 and Article 72.

4. In case of late payment or refund, the Parties shall pay interest on the due amount including taxes and levies as from the first (1st) day following the date on which the payment was due until the date on which the payment is settled. The interest shall be equal to the highest amount of:

(a) a flat rate of one hundred (100) €; or

- (b) eight (8) percentage points per annum above the reference interest rate as officially published by the national authorities of the country in which the Allocation Platform is located and rounded up to the nearest half percentage point.

Chapter 11 - Miscellaneous

Article 68 – Duration and amendment of Long Term Allocation Rules

1. The Long Term Allocation Rules are of indefinite duration and are subject to amendment in accordance with this Article.
2. Subject to paragraph 7 of this Article, an amendment to these Long Term Allocation Rules shall enter into force following announcement by the Allocation Platform on its website, in accordance with the applicable national regulatory regimes. An amendment to these Long Term Allocation Rules shall apply to Capacity Allocation for Long Term Transmission Rights for delivery periods as specified by the Allocation Platform on its website at the time of the announcement.
3. Each amendment shall apply to all aspects of these Long Term Allocation Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.
4. Unless expressly stated otherwise by the Allocation Platform the amended Long Term Allocation Rules shall govern all rights and obligations in connection with these Long Term Allocation Rules including those acquired before the date of amendment but with the delivery date after the amendment takes effect.
5. Any amendment of these Long Term Allocation Rules shall apply automatically to the Long Term Participation Agreement in force between the Allocation Platform and the Registered Participant, without the need for the Registered Participant to sign a new Long Term Participation Agreement but without prejudice to the Registered Participant's right to request the termination of its Long Term Participation Agreement in accordance with Article 72(1). By participating in the Auction after the Registered Participant was informed about the changes and/or adaptations of the Long Term Allocation Rules and after these changes and/or adaptations of the Long Term Allocation Rules entered into force, it is deemed that the Registered Participant has accepted the changed, i.e. the valid and effective version of the Long Term Allocation Rules.
6. The Long Term Allocation Rules shall be periodically reviewed by the Allocation Platform and/or the relevant TSOs at least every two years involving the Registered Participants. In case the relevant TSOs consider the amendment of these Long Term Allocation Rules as a result of this review, the procedure described in this Article shall apply. This biennial review is without prejudice of the competence of National Regulatory Authorities to request at any time

amendments of the Long Term Allocation Rules and the annexes included thereto in accordance with the existing legislation and for the avoidance of doubt the biennial review shall be treated as satisfied to the extent that any such review is undertaken in accordance with the requirements of competent National Regulatory Authorities.

7. These Long Term Allocation Rules are subject to the legislation prevailing at the time at which they take effect. In the event that there is a change in legislation or any action by competent authorities at national level which have an effect on these Long Term Allocation Rules and/or their annexes then, notwithstanding any other provision of these Long Term Allocation Rules, the Long Term Allocation Rules shall be amended accordingly and pursuant to this Article.

8. Registered Participants may request in writing amendments to these Access Rules and the Allocation Platform shall consider such requested amendments as appropriate. In this event the Allocation Platform shall, within 5 Business Days, confirm receipt of the proposed amendment and provide timescales for consideration of the proposal.

Article 69 - Liability

1. The Allocation Platform and the Registered Participants are solely responsible for the fulfilment of any obligation they undertake or are subject to and which arises from or is in connection with the Long Term Allocation Rules and the Long Term Participation Agreement.

2. Subject to any other provisions of these Long Term Allocation Rules the Allocation Platform shall only be liable for damages caused by:

- (a) fraud, gross negligence or wilful misconduct;
- (b) death or personal injury arising from its negligence or that of its employees, agents or subcontractors.

3. In derogation to paragraph 2(a) of this Rule, liability for indirect, consequential damages including, but not limited to, loss of profit, loss of opportunity, loss of chance, trading losses is excluded in all cases.

4. For the avoidance of doubt, the Allocation Platform shall not be liable for damages suffered by Registered Participants as a result of technical problems unless such act or omission is a result of fraud, gross negligence or willful misconduct. The Allocation Platform shall have tested the computer systems and other technical equipment in their responsibility sufficiently before putting them into operation and shall be responsible for their adequate maintenance.

5. A Registered Participant shall indemnify and keep indemnified the Allocation Platform and its officers, employees and agents from and against any and all loss or liability (including legal

costs) related to a direct damage that it has caused, which any of them may suffer or incur by reason of any claim by any third party on account of any and all direct loss suffered by the claimant or any of the claimant's officers, agents, subcontractors or employees in connection with these Long Term Allocation Rules. Liability of Registered Participants for indirect, consequential damages is excluded in all cases.

6. The Allocation Platform and each Registered Participant acknowledges and agrees that it holds the benefit of paragraph 3 of this Article for itself and as trustee and agent for its officers, employees and agents.

7. The Registered Participant shall be solely responsible for its participation in Auctions including but not limited to the following cases:

- (a) the timely arrival of Bids and transfer and return notifications by the Registered Participant;
- (b) technical failure of the information system on the side of the Registered Participant preventing the communication via the channels foreseen in accordance with these Long Term Allocation Rules.

8. In case of remuneration in accordance with Article 48 or curtailment compensation due to Force Majeure or in order to ensure operation remains within Operational Security Limits or in Emergency Situation in accordance with Article 59 and Article 61 Registered Participants shall not be entitled to other compensation than the compensation described in these Long Term Allocation Rules.

9. The Registered Participant shall be liable with respect to any sanctions, penalties, or charges that may be imposed by financial authorities on the Allocation Platform for incorrect tax treatment due to wrong or incomplete information provided by the Registered Participant.

10. This Article survives the termination of the Registered Participant's Long Term Participation Agreement.

Article 70 – Dispute resolution

1. Without prejudice to paragraphs 6 and 8 of this Article, where there is a dispute the Allocation Platform and the Registered Participant shall first seek amicable settlement through mutual consultation pursuant to paragraph 2. For this purpose, the Party raising the dispute shall send a notification to the other party indicating:

- (a) the existence of a Long Term Participation Agreement between the Parties;
- (b) the reason for the dispute; and

(c) a proposal for a future meeting, physical or not, with a view to settle the dispute amicably.

2. The Parties shall meet within twenty (20) Working Days after the matter has been referred to them and seek to resolve the dispute. If no agreement is reached or no response received within a period of thirty (30) Working Days from the date of the aforementioned notification, either Party may refer the matter to the senior management of the Parties to resolve the dispute pursuant to paragraph 3.

3. The senior representative of each of the Allocation Platform and the Registered Participant with authority to resolve the dispute shall meet within twenty (20) Working Days of a request to meet and seek to resolve the dispute. If the representatives are unable to resolve the dispute within twenty (20) Working Days of the meeting or such longer time as may be agreed then the dispute shall be determined by arbitration in accordance with paragraph 4.

4. Where a dispute is to be referred to arbitration under paragraph 3, either the Allocation Platform or the Registered Participant may give notice to the other stating the nature of the dispute and referring the dispute to arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the Chamber of Commerce (ICC). The arbitration shall be conducted before one (1) arbitrator to be nominated upon agreement of the Parties unless a Party requests the appointment of three (3) arbitrators. In case of one (1) arbitrator, the Parties shall agree on the nomination of the arbitrator within two (2) months after the notice was given by the Party referring the dispute to arbitration. If no agreement can be found, the arbitrator shall be appointed by the ICC Court. In case of three (3) arbitrators the claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall then nominate the chairman of the arbitral tribunal within three (3) Working Days from the confirmation of the appointment of the second arbitrator by the respondent. If the arbitrators nominated by each party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court. The arbitration shall take place in the location of the Allocation Platform unless otherwise defined in the Long Term Participation Agreement and in accordance with the governing law of these Long Term Allocation Rules while the language of the arbitration proceedings shall be English. The emergency arbitrator provisions according to the Rules of Arbitration of the Chamber of Commerce shall not apply but the interim or injunctive relief measures under the governing law shall apply.

5. Arbitration awards shall be final and binding on the Allocation Platform and the relevant Registered Participant as from the date that they are made. The Allocation Platform and the Registered Participant shall carry out any award of an arbitration relating to any dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.

6. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may jointly agree to apply court proceedings instead of arbitration to settle a dispute arising in connection with these Long Term Allocation Rules.

7. In cases of late payment and notwithstanding Article 67 and paragraphs 1 to 4 of this Article, a Party may bring court proceedings against the other Party for any amount due under or in connection with these Long Term Allocation Rules and unpaid for more than twenty (20) Working Days after the date the amounts were due.
8. The Parties agree that proceedings referred to in paragraph 6 or paragraph 7 may be brought in any competent court to hear such claim. The Registered Participant irrevocably waives any objection which it may have now or hereafter regarding the venue of such proceedings in any competent court and any claim that any such proceedings have been brought in an inconvenient forum.
9. Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Article, the Allocation Platform and the Registered Participant shall continue to perform their respective obligations under these Long Term Allocation Rules and the Registered Participant's Long Term Participation Agreement.
10. This Article survives the termination of the Registered Participant's Long Term Participation Agreement.

Article 71 – Suspension of the Long Term Participation Agreement

1. The Allocation Platform may by notice to the Registered Participant suspend the Registered Participant's rights in connection with these Long Term Allocation Rules with immediate effect if the Registered Participant commits a major breach of an obligation in connection with these Long Term Allocation Rules which may have a significant impact to the Allocation Platform as follows:
 - (a) if a Registered Participant fails to pay any amount properly due and owing to the Allocation Platform pursuant to Article 67;
 - (b) if a Registered Participant fails to provide and maintain collaterals in accordance with Article 25;
 - (c) any breach which may have a significant financial impact to the Allocation Platform;
 - (d) the Allocation Platform has reasonable grounds to believe that the Registered Participant no longer satisfies one or more of any other conditions to participate in Auctions according to these Long Term Allocation Rules unless termination applies according to Article 72;
 - (e) if the Registered Participant does not meet the legal requirements imposed by Article 9(1) of Regulation (EU) 1227/2011;

(f) if the Registered Participant is an Affiliate of another Registered Participant which has been suspended under these Access Rules; and

(g) If the Registered Participant is under economic, financial and/or trade sanctions.

2. In any case of a minor breach in relation to these Long Term Allocation Rules such as but not limited to the failure of the Registered Participant to notify a change in the submitted information in accordance with Article 9, the Allocation Platform may by notice to the Registered Participant inform the Registered Participant's that its rights in connection with these Long Term Allocation Rules may be suspended unless the Registered Participant remedies the suspension event in the time period specified in the notice. The suspension shall take effect when the period specified for remedy has elapsed without that such remedy has taken place.

3. After the suspension takes effect in accordance with paragraphs 1 and 2 of this Article, the following applies:

(a) In cases of suspension in accordance with Article 71 paragraph (1)(a) to (f), the suspended Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights and unless the payment of the Long Term Transmission Right is fully settled or fully secured by collaterals by the suspended Registered Participant, the suspended Registered Participant shall not be entitled to use Long Term Transmission Rights according to CHAPTER 7.

(b) In cases of suspension in accordance with Article 71 paragraph (1)(g), the suspended Registered Participant may no longer participate in an Auction or in the transfer or return of Long-Term Transmission Rights. The suspended Registered Participant shall not be entitled to use (nominate or get remunerated) Long-term Transmission Rights according to CHAPTER 7 and/or receive reimbursement or compensation according to CHAPTER 8 and CHAPTER 9.

For the avoidance of doubt, the Long Term Transmission Rights which the Registered Participant is prohibited from using as a result of such suspension may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not remunerate those Long Term Transmission Rights in accordance with Article 48.

4. The Allocation Platform may withdraw a notice under paragraphs 1 or 2 of this Article at any time. Having given a notice under paragraphs 1 or 2 of this Article, the Allocation Platform may give a further or other notice at any time in respect of the same or a different suspension event.

5. Once the Registered Participant has fulfilled or remedied the suspension event as notified to it in the notice sent by the Allocation Platform, or if sanctions against the Registered Participant have been lifted, the Allocation Platform shall reinstate as soon as reasonably practicable the Registered Participant's rights in relation to use of its allocated Long Term Transmission Rights and its ability to participate in Auctions and/or the transfer and return of Long Term Transmission Rights by written notice to the Registered Participant. As from the date of effect of the reinstatement, the Registered Participant may participate in Auctions and/or the transfer and

return of Long Term Transmission Rights and is entitled to receive remuneration for Long Term Transmission Rights in accordance with Article 48.

6. If the Allocation Platform gives a notice to a Registered Participant under paragraph 1 or 2 of this Article, such notice of suspension does not relieve the Registered Participant from its payment obligations under CHAPTER 10, including its payment obligations in relation to the Long Term Transmission Rights for which the Registered Participant loses the right of use pursuant to paragraph 2. In the event of a suspension in accordance with Article 71 paragraph 1 (e), the Registered Participant is entitled to receive all or part of the amount paid of the original product. The Allocation Platform shall perform the return of the amount paid for the original product following the approval of the transfer by the Allocation Platform's banking partner(s).

Article 72 – Termination of the Long Term Participation Agreement

1. A Registered Participant may at any time request the Allocation Platform to terminate the Long Term Participation Agreement to which the Registered Participant is a Party. The termination shall take effect after thirty (30) Working Days upon receipt of the termination request by the Allocation Platform and if all outstanding payment obligations are settled, which for the avoidance of doubt shall include any and all remaining instalments for the entire product period of long-term transmission rights with a product period of one (1) or more months.

2. A Registered Participant may terminate the Long Term Participation Agreement to which the Registered Participant is a Party for good cause when the Allocation Platform has committed a major breach of an obligation connected with these Long Term Allocation Rules or the Long Term Participation Agreement in the following cases:

- (a) where the Allocation Platform repeatedly fails to pay any amount properly due and owing to the Registered Participant with a significant financial impact;
- (b) where there is a significant breach of the confidentiality obligations in accordance with Article 75.

3. The Registered Participant shall send a notice to the Allocation Platform stating the reason for termination and giving the Allocation Platform twenty (20) Working Days to remedy the breach. Unless the Allocation Platform remedies the breach within the abovementioned deadline, the termination shall take effect immediately upon expiration of such deadline. A holder of Long Term Transmission Rights whose Long Term Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

4. If any of the termination events in paragraph 4 occurs in relation to a Registered Participant, the Allocation Platform may by notice to the Registered Participant terminate the Long Term Participation Agreement, including the Registered Participant's rights connected with these Long Term Allocation Rules. A termination under this paragraph takes effect from the time of the notice or any later time specified in it. The Registered Participant may not at a later stage enter into the Long Term Participation Agreement with the Allocation Platform as long as the circumstances of termination continue to exist or it is not sufficiently guaranteed that the breach may not occur again.

5. The termination events referred to in paragraph 3 shall be the following:

(a) if the rights of the Registered Participant are suspended for longer than thirty (30) Working Days;

(b) if a Registered Participant does not qualify for the participation in the Auction as set forth in Article 10;

(c) if a Registered Participant received three single payment incident notifications within the same calendar year from the Allocation Platform, as described in Article 67 paragraph (3) of these Access Rules;

(d) if a Registered Participant repeatedly breaches these Long Term Allocation Rules or a Long Term Participation Agreement, whether or not the breach is capable of remedy;

(e) if a competent authority (i) determines that the Registered Participant has committed a misuse or fraudulent act and (ii) requests the Allocation Platform to terminate the Long Term Participation Agreement to which such Registered Participant is a Party or (iii) agrees that the Allocation Platform has reasonable grounds to believe that the Registered Participant has committed a misuse or fraudulent act in participating in Auctions and transfer/return of Long Term Transmission Rights;

(f) if the Registered Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Tool (it being understood that such an action is deemed to happen in case of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack).

(g) If the Registered Participant is an Affiliate of a Registered Participant suspended under these Access Rules;

(h) If the Allocation Platform's banking partner(s) refuse to put at disposal of the Registered Participant a dedicated business account (or withdraw the same having previously provided it); or

(i) If the Registered Participant has been inactive in the business relationship with the Allocation Platform for more than fifteen (15) months. For the sake of clarity, the Allocation Platform shall have notified the Registered Participant ahead of the upcoming termination.

6. After the termination takes effect in accordance with paragraphs 1 to 3 of this Article and from that time, the Registered Participant may no longer participate in an Auction or in the transfer or return of Long Term Transmission Rights it has acquired. CHAPTERS 5,6 and 7 shall not apply to such acquired Long Term Transmission Rights. For the avoidance of doubt, the Long Term Transmission Rights, which the Registered Participant is prohibited from using as a result of termination, may be offered by the Allocation Platform in subsequent Auctions and the Allocation Platform shall not return the remuneration for Long Term Transmission Rights in accordance with Article 48.

7. Termination of a Long Term Participation Agreement does not affect any rights and obligations under or in connection with the Long Term Participation Agreement and these Long Term

Allocation Rules which arose prior to that termination unless otherwise specified in this Article. Accordingly, any Registered Participant whose Long Term Participation Agreement is terminated will remain liable, subject to and in accordance with the Long Term Allocation Rules, in respect of all such rights and liabilities. This paragraph shall apply without prejudice to other remedies available to the Allocation Platform under these Long Term Allocation Rules.

Article 73 – Force Majeure

1. The Allocation Platform or a Registered Participant, which invokes Force Majeure, shall promptly send to the other Party a notification describing the nature of Force Majeure and its probable duration and shall continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The Party invoking the Force Majeure shall make every possible effort to limit the consequences of the Force Majeure.

2. The affected obligations, duties and rights of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions in accordance with Article 75.

3. Suspension under paragraph 2 is subject to the following:

(a) suspension will be of no greater scope and of no longer duration than is required by the Force Majeure;

(b) the suspension applies only for so long as the Party invoking to Force Majeure is using reasonable efforts to remedy their inability to perform.

4. The consequences of a Force Majeure event, which is not subject to any discussion or litigation between the Allocation Platform and the Registered Participant, are:

(a) the Party invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;

(b) the acquired Long Term Transmission Rights which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure in accordance with any applicable legislation and these Long Term Allocation Rules; and

(c) where the Long Term Transmission Rights' holder is the party claiming the Force Majeure event, the Allocation Platform may, for its own benefit, reallocate the holder's Long Term Transmission Rights to the subsequent Auctions and for the duration of the Force Majeure event.

5. If the Force Majeure continues for a period longer than six (6) months, the Allocation Platform or each Registered Participant may, by notice to the other given at any time while the Force Majeure continues beyond that period, unilaterally terminate the Long Term Participation Agreement. The termination shall take effect ten (10) Working Days after the notice is given or any later date specified in the notice. A holder of Long Term Transmission Rights whose Long Term Participation Agreement is terminated under this paragraph is under no obligation to pay remaining instalments for the Long Term Transmission Rights' and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

6. For avoidance of doubt this Article is without prejudice to the provisions of CHAPTER 9 regarding the curtailment of Long Term Transmission Rights.

Article 74 - Notices

1. Any notice or other communication to be given under or in connection with these Long Term Allocation Rules shall be in English.

2. Unless otherwise expressly provided in these Long Term Allocation Rules, all notices or other communications shall be in writing and shall be sent by electronic means as specified by the Allocation Platform on its website and marked for the attention of the other Party's representative as set out in the Long Term Participation Agreement or as notified by the Registered Participant from time to time in accordance with Article 9.

3. All notices or other communications shall be given by letter delivered by hand against receipt or sent by registered mail or courier in the following cases:

- (a) the conclusion of the Long Term Participation Agreement in accordance with Article 6;
 - (b) the suspension and termination according to Article 71 and Article 72; and
 - (c) the submission of the Bank Guarantee, in the event the Bank Guarantee includes handwritten signature(s), in accordance with Article 21 paragraph 3 .
- 4. All notices or other communications shall be deemed to have been received:
 - (a) in the case of delivery by hand, when delivered against receipt; or
 - (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
 - (c) in the case of sent by electronic means as specified by the Allocation Platform on its website, when delivered to the other party but only if an acknowledgement of receipt is requested and obtained by the Party sending the electronic means as specified by the Allocation Platform on its website.
- 5. If a notice or other communication has been received outside normal Working Hours on a Working Day), it is deemed to have been received at the opening of business on the next Working Day.

Article 75 - Confidentiality

- 1. The Long Term Participation Agreement and any other information exchanged relating to its preparation and the application of a market participant shall be considered as confidential.
- 2. Subject to paragraph 3 of this Article, the Allocation Platform and each Registered Participant who is a recipient of confidential information in relation to these Long Term Allocation Rules shall preserve the confidentiality of such information and shall not directly or indirectly reveal, report, publish, disclose, transfer or use any item of the confidential information otherwise than for the purpose for which it was disclosed.
- 3. Notwithstanding paragraph 2 of this Article, the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party to a third party with the other Party's prior consent expressed in writing and subject to the condition that the receiving Party has given assurance that such third party is bound by equivalent confidentiality obligations as set out in these Long Term Allocation Rules directly enforceable by the other Party.
- 4. Notwithstanding paragraph 2 of this Article the Allocation Platform or a Registered Participant may disclose confidential information of a disclosing Party:

- (a) to the extent expressly permitted or contemplated by the Long Term Allocation Rules;
 - (b) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the recipient and who needs to know the confidential information in connection with these Long Term Allocation Rules;
 - (c) as far as required in order to comply with applicable national legislation or any other relevant domestic administrative acts such as grid codes;
 - (d) as far as required by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the recipient is a Party;
 - (e) as may be required by the relevant TSOs for the proper fulfilment of their mission and their obligations in accordance with applicable laws and these Long Term Allocation Rules by themselves or through agents or advisers; or
 - (f) as far as required in order to obtain clearances or consents from a competent authority.
5. Moreover, the obligations arising from this Article shall not apply:
- (a) if the Party which receives the information can prove that at the time of disclosure, such information was already publicly available;
 - (b) if the receiving Party provides proof that, since the time of disclosure, the said information has been legally received from a third party or has become publicly available;
 - (c) to confidential information communicated, in accordance with the legal and regulatory provisions, in an incorporated form from which no item of information specific to a market participant can be deduced;
 - (d) to information whose publication is explicitly provided for by the present Long Term Allocation Rules.
6. The obligations of confidentiality in this Article shall remain valid for a period of five (5) years after termination of the Registered Participant's Long Term Participation Agreement.
7. The signature of a Long Term Participation Agreement and the exchange of confidential information do not confer any rights to patents, knowledge or any other form of intellectual property concerning information or tools made available or sent by one Party to the other under the terms of these Long Term Allocation Rules.

Article 76 – Assignment and subcontracting

1. The Allocation Platform may assign, novate or otherwise transfer any of its rights or obligations under a Long Term Participation Agreement or these Long Term Allocation Rules to another Allocation Platform. The Allocation Platform shall notify the Registered Participants of the change by electronic means as specified by the Allocation Platform on its website with acknowledgment of receipt as soon as possible and in any event at least ten (10) Working Days before the date on which the change takes effect.
2. Without prejudice to Article 41, a Registered Participant may not assign, novate or otherwise transfer any of its rights or obligations under its Long Term Participation Agreement or these Long Term Allocation Rules without the prior written consent of the Allocation Platform.
3. Nothing in this Article shall prevent an Allocation Platform or Registered Participant from entering into a subcontracting agreement in relation to these Long Term Allocation Rules. Entry into a subcontracting agreement by a Registered Participant does not relieve the Registered Participant of any obligation or liability under its Long Term Participation Agreement or these Long Term Allocation Rules.

Article 77 – Governing Law

These Long Term Allocation Rules shall be governed by and construed in all respects in accordance with the law of the location of the registered office of the Allocation Platform unless otherwise specified in the Long Term Participation Agreement.

Article 78 - Language

The applicable language for these Long Term Allocation Rules shall be English. For the avoidance of doubt, where TSOs need to translate these Long Term Allocation Rules into their national language, in the event of inconsistencies between the English version published by the Allocation Platform and any version in another language, the English version published by the Allocation Platform shall prevail.

Article 79 – Intellectual property

No Party shall acquire any right, title, licence or interest in or to any intellectual property rights of the other Party in connection with these Long Term Allocation Rules.

Article 80 – Relationship of the Parties

1. The relationship of the Allocation Platform and the Registered Participant is that of service provider and service user respectively. Except as expressly provided in these Long Term Allocation Rules, nothing contained or implied in these Long Term Allocation Rules constitutes or is deemed to constitute the Allocation Platform or a Registered Participant, the partner, agent or legal representative of the other for any purpose whatsoever including transfer of Long Term Transmission Rights or create or be deemed to create any partnership, agency or trust between the Parties.

2. The Registered Participant acknowledges that neither the Allocation Platform nor any person acting on behalf of or associated with the Allocation Platform makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Long Term Allocation Rules, the Long Term Participation Agreements or the disclosed information or otherwise in relation to or in connection with these Long Term Allocation Rules, the Long Term Participation Agreements and the disclosed information or any transaction or arrangement contemplated by these Long Term Allocation Rules, the Long Term Participation Agreements and the disclosed Information except as specifically provided in these Long Term Allocation Rules or the Long Term Participation Agreement.

Article 81 – No third party rights

The Allocation Platform and each Registered Participant acknowledge and agree that a person who is not a party to the Long Term Participation Agreement between them, including any other market participant, has no rights to enforce these Long Term Allocation Rules or the Long Term Participation Agreement as between the Allocation Platform and that Registered Participant.

Article 82 - Waiver

1. No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Long Term Allocation Rules shall impair or constitute a waiver of such or any other

right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Long Term Allocation Rules.

2. Any waiver of any right, power or remedy under these Long Term Allocation Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

Article 83 – Entire agreement

These Long Term Allocation Rules and the Long Term Participation Agreement contain or expressly refer to the entire agreement between the Allocation Platform and each Registered Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Allocation Platform and each Registered Participant with respect thereto. The Allocation Platform and each Registered Participant acknowledge and confirm that none of them accede to these Long Term Allocation Rules or the Long Term Participation Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Long Term Allocation Rules or the Long Term Participation Agreement.

Article 84 – Remedies exclusive

The rights and remedies provided by these Long Term Allocation Rules and the Long Term Participation Agreement to the Allocation Platform and each Registered Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by law or statute in respect of the subject matter of these Long Term Allocation Rules and the Long Term Participation Agreement. Accordingly, the Allocation Platform and each Registered Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Long Term Allocation Rules and the Long Term Participation Agreement and undertakes not to enforce any of the same except as expressly provided herein.

Article 85 - Severability

If any provision of these Long Term Allocation Rules or a Long Term Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Long Term Allocation Rules and the Long Term Participation Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect.

Part 3 - NSL CHARGING METHODOLOGY

1. INTRODUCTION

- 1.1. This Part 3 represents the Charging Methodology which NGNSL is required to prepare under Condition 10 of the Interconnector Licence (the “Licence”).
- 1.2. This Charging Methodology shall become effective upon such date as notified by NGNSL, following approval by the Authority in accordance with Condition 10 (Para 7) of the Licence.
- 1.3. Future amendment of this Charging Methodology shall follow the process as described in Condition 10 (Paras 11-14) of the Licence.
- 1.4. Capitalised terms not otherwise defined in this Charging Methodology shall have the meaning used in applicable law.

2. CHARGING METHODOLOGY FOR INTRADAY and DAY AHEAD CAPACITY (IMPLICIT)

- 2.1 The allocation process for NSL Intraday and Day Ahead capacity will be solely via implicit auctions and NGNSL (and its partner, Statnett) have appointed a power exchange to facilitate the implicit auction process. Market participants will not directly access NGNSL capacity but may indirectly access such capacity via NGNSL’s appointed power exchange in GB and Norway (or, following a notice pursuant to Rule 3.2 of Part 1 of the NSL Access Rules such other power exchange(s)). NGNSL will notify of such power exchange(s) via its website.
- 2.2 No charges are levied by NGNSL onto market participants for the use of NSL capacity. For any Market Time Unit (MTU) in which there is a congested result the net surplus of income resulting from the implicit allocation process, commonly termed congestion rent, shall be paid as revenue to NGNSL and Statnett. Congestion rent is calculated by reference to the clearing price (€/MWh) difference between GB and NO2 per MTU multiplied by the volume (MWh) of the flow over the interconnector in each such MTU, as adjusted by the loss factor published on the NGNSL website. As stated in the Access Rules, the Day Ahead MTU will move from an hourly basis to a half hourly basis in GB and 15 minute in NO2 upon 7-days’ notice to the market. Upon its introduction the Intraday product will also be of half hour MTU in GB and 15 minute in NO2, again to be introduced with 7 days’ notice to the market.
- 2.3 The power exchange(s) may levy charges onto market participants, based on the terms of their exchange rules. NGNSL is not party to such arrangements and does not describe them within this Charging Methodology but will publish (and keep up to date) links to such power exchange(s) terms and conditions on its website.

- 2.4 NSL ID and DA capacity allocated by the implicit auctions will be physically firm from the point at which NSL capacity is submitted to the power exchange(s), hence compensation arrangements are not applicable in the event of planned or unplanned reductions in NTC.

3. CHARGING METHODOLOGY FOR LONG TERM CAPACITY (EXPLICIT)

- 3.1. The allocation process for NSL Long Term capacity, in the form of a financial Transmission Right (FTR) Option will be via an explicit auction. FTRs will entitle its holder to receive a financial remuneration based on the Day Ahead market spread based on a specified period of time in a specific direction for the MW volume.
- 3.2. In explicit auctions, participants declare how much NSL capacity they want and how much they are willing to pay for it, and place bids accordingly. These bids are then ordered by price and, starting from the highest one until all the available capacity is allocated, whereupon the price for the capacity payable by all successful bidders is set to the bid price of the lowest allocated bid. This methodology thereby applies the principle of “marginal” pricing.
- 3.3. NSL’s capacity allocation process is conducted by the Joint Allocation Office (JAO).
- 3.4. A market participant wishing to become a Registered Participant on NSL, and thus be able to participate in explicit auctions, can apply via a non-discriminatory registration process administered jointly by JAO, and NGNSL. The eligibility requirements are set out in the relevant sections of the relevant Access Rules.
- 3.5. Parties are required to accede to the NSL Long Term Capacity Access Rules via the JAO Participation Agreement for access to JAO auction platforms (Allocation Platform Participation Agreement).

Transmission Rights

- 3.6. NSL has a maximum physical capability of 1400MW. NGNSL solely will instruct JAO to conduct explicit interconnector capacity Auctions of their share of capacity ie maximum of 700MW, on a non-discriminatory basis.
- 3.7. All access rights relate to a particular product period and direction. Advance purchase of such transmission rights will be available in a series of capacity product Auctions on a directional basis. As such, capacity is offered in units of MW/product period and a minimum of

1MW/product period, where the product period may be weekend, month, quarter, season, year in Long Term Auctions. The range of products available is reviewed periodically and changes may be made by providing notice to Registered Participants accordingly.

- 3.8. In the event of an unplanned outage, curtailment will be applied where necessary in accordance with the Access Rules.

Explicit Auctions – Access (capacity) charges

- 3.9. The Access Rules describe the basis on which transmission rights are offered and allocated to eligible Registered Participants and remunerated. Bids will be accepted by the auction operator in strict accordance with the criteria set out in the Access Rules.

- 3.10. The price which all successful Registered Participants will pay for each transmission right in a given Auction is the price bid for the last accepted unit in descending order of price.

- 3.11. The charge payable by a market participant successful in an explicit auction will be the price of capacity (expressed in €/MW/hour) multiplied by the bid quantity (MW) and the product period (converted to hours).

- 3.12. Registered Participants who acquire explicit capacity will receive invoices from JAO. Payment for capacity will be in Euros only.

Secondary Trading

- 3.13. A Registered Participant which holds Long Term transmission rights may relinquish its transmission rights for use by other eligible Registered Participants. There are two mechanisms for achieving this, namely Transfer of Transmission Rights and Return of Transmission Rights, both of which are described in the Access Rules.

- 3.14. Transfer of Transmission Rights involves the bilateral transfer of transmission rights to another eligible Registered Participant, the financial transaction for which is conducted outside of the auction platforms. The involved market participants will reflect the MW transfer and change of ownership in the auction platform; however the original Registered Participant retains the obligation to pay the auction platform operator for the originally acquired capacity.

- 3.15. Long Term capacity may also be offered for Return via a subsequent Auction, and where that capacity is resold, JAO will pass through the proceeds to the Registered Participant who made the Return, whilst retaining the obligation to pay for the original capacity purchase. There is no charge for this Return facility.

Curtailment

3.16. In situations where more capacity rights have been sold than can be fulfilled, typically in the event of an unplanned outage, a process will be applied whereby the capacity rights are reduced to limit the surplus of Capacity over interconnector capability. This process known as "Curtailment" is set out in the Access Rules.

3.17. Registered Participants will be compensated in accordance with the Access Rules for purchased capacity which NGNSL has not been able to deliver.

4. ADDITIONAL PROCESSES AND SERVICES

Licence Condition 10 requires NGNSL to set out the methodologies for charging for certain processor services, as follows:

i) Congestion Management

NGNSL makes no charges for congestion management purposes.

ii) Ancillary Services

NGNSL makes available to GB System Operator the mandatory services of Emergency Assistance, Emergency Instruction and Emergency De-Energisation Instruction.

Commercial terms for additional Ancillary Services may be agreed from time to time, including the Ancillary Service by which GB System Operator may restrict NSL's NTC for system security reasons.

There are no payments or charges made by NGNSL for the provision of ancillary services provided by users or relevant system operators.

5. GENERAL

This Charging Methodology is solely intended to satisfy NGNSL's Licence obligations and shall not be construed or interpreted as creating any legal relationship or liability between NGNSL and any third party.