
**SEE CCR TSOs' Fallback Procedures in accordance with
Article 44 of the Commission Regulation (EU) 2015/1222 of
24 July 2015
establishing a guideline on Capacity Allocation and
Congestion Management**

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Transelectrica, ESO/EAD and IPTO/ADMIE and taking into account the following:

Whereas

1. This document presents the common procedures developed by Transelectrica, ESO/EAD and IPTO/ADMIE as the Transmission System Operators of SEE CCR (hereafter referred to as SEE TSOs), which intend to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead market coupling process is unable to produce results. These procedures is required by Article 44 of Regulation (EU) 2015/1222 on Capacity Allocation and Congestion Management (the “CACM Regulation”).
2. The Fallback Procedures takes into account the general principles, goals and other methodologies reflected in Regulation 2015/1222. The goal of Regulation 2015/1222 is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday markets.
3. The Fallback Procedures shall be applied in case the single day-ahead market coupling process is unable to produce results in accordance with Articles 44 and 50 of Regulation 2015/1222.
4. According to Article 9(9) of Regulation 2015/1222, the proposed timescale for the implementation of the proposed Fallback Procedures shall be included and can be found in Article 7 of the Fallback Procedures.
5. The proposed fallback procedures across the SEE TSOs contributes to and does not in any way hinder the achievement of the objectives of Article 3 of CACM Regulation. The fallback procedures ensure a transparent and non-discriminatory approach towards facilitating cross zonal capacity allocation in the event that the single day-ahead coupling process is unable to produce results. This supports the CACM objective of ensuring and enhancing the transparency and reliability of information.
6. The proposed fallback procedures are performed through Auctions which rely on a mechanism described in public rules or public documents. The algorithm used by Shadow Auctions calculates moreover a marginal price for the offered capacity according to the bid prices of the market participants and is thus market based. Compared with others fallback procedure options, pricing of capacity allocated by Shadow Auctions reflects better its actual value, ensuring an efficient allocation.
7. If it will be the case, the proposed fallback procedure will be revised after the coupling of day-ahead markets in SEE CCR.

Article 1 - Subject matter and scope

1. The Fallback Procedures, as determined in this Fallback Procedures shall be considered as the common procedures of SEE TSOs to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead market coupling process is unable to completely or partially produce results, in accordance with Article 44 of Regulation 2015/1222. The Fallback Procedures shall cover the following:

- a) Fallback Procedure on Romania-Bulgaria (RO-BG) interconnection; and
- b) Fallback Procedure on Bulgaria-Greece (BG-GR) interconnection.

The scope of the Fallback Procedures does not extend to the assignment of roles and responsibilities to specific parties. Neither does the scope attempt to provide a governance framework for specific roles or responsibilities.

Article 2 - Definitions and interpretation

1. For the purposes of this Fallback Procedures, terms used shall have the meaning of the definitions included in Article 2 of Regulation 2015/1222, Commission Regulations (EU) 543/2013 and (EU) 1227/2011. In addition, the following definitions shall apply:

- a) ‘Shadow Auction’ means the explicit auction run by the Allocation Platform by which daily Cross Zonal Capacity is offered as fallback procedure for the single day-ahead coupling process and allocated to market participants who submit Bid(s) according to the Shadow Allocation Rules;
- b) ‘Allocation Platform’ means the entity appointed and commissioned by the TSOs to act on their behalf and on its own name for the attribution of Cross Zonal Capacity through the Shadow Auctions;
- c) ‘Shadow Allocation Rules’ means the rules for the Shadow Auctions applied by the Allocation Platform, and published on the Allocation Platform website, always in its last version;
- d) ‘SEE NEMOs’ means the NEMOs officially designated in Romania, Bulgaria and Greece in accordance with Article 4 of Regulation 2015/1222.
- e) ‘Full decoupling’ means the situation where the unavailability of single day-ahead market coupling to produce results affects the whole Bidding Zones within it leading to the application of fallback procedures at every Bidding Zone border within the single day-ahead market coupling.
- f) ‘Partial decoupling’ means as the situation where the unavailability of single day-ahead market coupling to produce results affects a subset of Bidding Zones within it leading to the application of fallback procedures only in the relevant Bidding Zone borders.
- g) ‘IPTO’ means Independent Power Transmission Operator, the Greece system operator;
- h) ‘ESO’ means Electroenergien Sistemem Operator EAD, the Bulgarian system operator;
- i) ‘Transelectrica’ means the Romanian Transmission System Operator
- j) ‘SEE Market Coupling’ means a coordinated day-ahead electricity implicit auction mechanism in the SEE CCR market areas for at least one Bidding Zone Border of SEE CCR (Greece – Bulgaria, and/or Bulgaria - Romania), performing the matching of the supply and demand curves of different power exchanges, taking into account the cross border capacity made available by the TSOs.

2. In this Fallback Procedures, unless the context requires otherwise:

- a) the singular indicates the plural and vice versa;
- b) the table of contents and headings are inserted for convenience only and do not affect the interpretation of these fallback procedures; and

- c) 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.

Article 3 - List of Information Required from Relevant NEMOs

1. SEE NEMOs performing Market Coupling Operator (MCO) function shall inform SEE TSOs in the event of risk of Full decoupling or Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection and Bulgaria-Greece (BG-GR) interconnection in accordance with Article 50(2) of Regulation 2015/1222. TSOs coordinate with NEMOs to elaborate and amend, if needed, the detailed descriptions of the Fallback Procedure. Immediately, in the event that the SEE Market Coupling process is unable to produce results for at least one bidding zone concerned within the SEE CCR, fallback procedures in form of Shadow Auctions using available transfer capacities, to be provided by respective SEE TSOs on a daily basis solely for this purpose, shall be performed by the Allocation Platform to allocate cross-zonal capacities on the concerned bidding zone border. The communication channels between NEMOs and TSOs from SEE CCR will be based by electronic messages system and will be established at the moment when the day-ahead market will be operational in the SEE CCR.
2. In order to ensure that results of the Shadow Auctions are provided to the market participants on time, the execution of Shadow Auctions on the Allocation Platform can be launched as a parallel process in the background of the single day-ahead coupling process as soon as the information given in Article 3.1 is known by the TSOs.
3. The results of the Shadow Auctions are sent to the market participants as soon as the unavailability of single day-ahead coupling results is effectively confirmed by the NEMOs.

Article 4 – Fallback Procedure for Romania-Bulgaria (RO-BG) interconnection

1. In the event that single day-ahead coupling process is unable to produce results, TSOs will initiate a day ahead Fallback Procedure and launch the execution of Shadow Auctions on the Allocation Platform.
2. Shadow Auctions are held seven days a week, including weekend and public holidays, provided that the offered capacity for Shadow Auctions is at least one MW unit per hour.
3. The auction specification of a Shadow Auction for the contract day will be published by the Allocation Platform in advance according to the Shadow Allocation Rules
4. The execution of Shadow Auctions is based on the last valid version of Shadow Allocation Rules.
5. The Allocation Platform which will perform the Shadow Auctions for the bidding zones border RO-BG is Transelectrica.
6. The Allocation Platform will not perceive any fee from the participants for performing of the Shadow Auction.
7. All NEMOs performing MCO functions, including any back-up methodology defined according to Article 36 CACM Regulation, for the bidding zone borders of the SEE CCR where capacity is allocated shall immediately inform concerned SEE TSOs via agreed between respective NEMOs and SEE TSOs communication channels (main and back-up) in the event of risk that results for at least one bidding zone concerned within the SEE CCR

- cannot be delivered within the deadline in accordance with Article 50(2) of the CACM Regulation. The communication channels (main and back-up) will be based by electronic messages system and will be established at the moment at least two bidding zones of SEE CCR will be coupled.
8. If the RO-BG Border Fallback Procedure cannot be implemented as necessary to enable a Shadow Auction to be conducted in time, based on decision of Allocation Platform, the Shadow Auction will be postponed.
 9. If none of the of the above measures is considered by the Allocation Platform as being possible, the Shadow Auction will be cancelled and all bids already submitted will automatically be deemed null and void, based on objective grounds and in compliance with Shadow Allocation Rules.
 10. When the Single Day Ahead Market Coupling Process is declared failed and the associated RO-BG Border Fallback Procedure is also cancelled, the daily offered capacity is allocated to the subsequent relevant intraday allocation processes on that border.
 11. Shadow Allocation Rules which will be applied on the border RO-BG are described in Appendix ./1
 12. Following the introduction of the Single Day Ahead Coupling process on RO-BG border any change of the Shadow Allocation Rules and/or the Allocation Platform performing the Shadow Auctions related to this border shall lead to a request for amendment of the present SEE CCR Fallback Procedure, according to Article 9(13) of the CACM Regulation.

Article 5 – Fallback Procedure for Bulgaria-Greece (BG-GR) interconnection

1. In the event that single day-ahead coupling process is unable to produce results, TSOs will initiate a day ahead Fallback Procedure and launch the execution of Shadow Auctions on the Allocation Platform.
2. Shadow Auctions are held seven days a week, including weekend and public holidays, provided that the offered capacity for Shadow Auctions is at least one MW unit per hour.
3. The auction specification of a Shadow Auction for the contract day will be published by the Allocation Platform in advance according to the Shadow Allocation Rules
4. The execution of Shadow Auctions is based on the last valid version of Shadow Allocation Rules.
5. The Allocation Platform which will perform the Shadow Auctions for the bidding zones border BG-GR is JAO.
6. The Allocation Platform will not perceive any fee by the participants for performing of Shadow Auction.
7. All NEMOs performing MCO functions, including any back-up methodology defined according to Article 36 of CACM Regulation, for the bidding zone borders of the SEE CCR where capacity is allocated shall immediately inform concerned SEE TSOs via agreed between respective NEMOs and SEE TSOs communication channels (main and back-up) in the event of risk that results for at least one bidding zone concerned within the SEE CCR cannot be delivered within the deadline in accordance with Article 50(2) of the CACM Regulation. The communication channels (main and back-up) will be based by electronic messages system and will be established at the moment at least two bidding zones of SEE CCR will be coupled.

8. If the BG-GR Border Fallback Procedure cannot be implemented as necessary to enable a Shadow Auction to be conducted in time, based on decision of Allocation Platform, the Shadow Auction will be postponed.
9. If none of the of the above measures is considered by the Allocation Platform as being possible, the Shadow Auction will be cancelled and all bids already submitted will automatically be deemed null and void, based on objective grounds and in compliance with Shadow Allocation Rules.
10. When the Single Day Ahead Market Coupling Process is declared failed and the associated BG-GR Border Fallback Procedure is also cancelled, the daily offered capacity is allocated to the subsequent relevant intraday allocation processes on that border.
11. Shadow Allocation Rules will follow the principles of the published Shadow Allocation Rules published in the website of JAO <http://www.jao.eu/support/resourcecenter/overview>
12. Following the introduction of the Single Day Ahead Coupling process on BG-GR border any change of the Shadow Allocation Rules and/or the Allocation Platform performing the Shadow Auctions related to this border shall lead to a request for amendment of the present SEE CCR Fallback Procedure, according to Article 9(13) of the CACM Regulation.

Article 6 – Decoupling scenarios

The Fallback Procedures in SEE Region shall apply for the following scenarios:

- a) Full decoupling
- b) Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection
- c) Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection

Article 6.1 Full decoupling

In the event of Full Decoupling Fallback Procedures described in Article 4 and 5 shall apply.

Article 6.2 Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection

In the event of Partial decoupling affecting Romania-Bulgaria (RO-BG) interconnection Fallback Procedure described in Article 4 shall apply.

Article 6.3 Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection

In the event of Partial decoupling affecting Bulgaria-Greece (BG-GR) interconnection Fallback Procedure described in Article 5 shall apply.

Article 6.2 Fallback procedure unable to be initiated

1. If the Fallback procedure cannot be implemented as necessary to enable an auction to be conducted in time, based on decision of Allocation Platform, the Shadow Auction will be postponed.
2. If postponement of a Shadow Auction is not considered by the Allocation Platform as being possible, based on objective grounds and in compliance with Shadow Allocation Rules, the Shadow Auction will be cancelled and all bids already submitted will automatically set to be invalid.

Article 7 - Implementation date

The arrangements described in Articles 3 to 6 shall be implemented after SEE NRAs approval and on the interconnection of the SEE CCR immediately after the day ahead market MCO function becomes operational on that respective interconnection according to Article 7(3) of the CACM Regulation

Article 8 - Language

The reference language for this Fallback Procedures shall be English. For the avoidance of doubt, where TSOs need to translate this Fallback Procedures into their national language(s), in the event of inconsistencies between the English version published by SEE TSOs in accordance with Article 9(14) of the Regulation 2015/1222 and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this Fallback Procedures to their relevant national regulatory authorities.