

# **Business Terms of OTE, a.s., for the Power Sector <sup>(\*)</sup>**

## **Revision 32 – June 2021**

<sup>(\*)</sup> Please note that this translation is provided for convenience only. In case of any discrepancies, the Czech version shall prevail.

## MARKET OPERATOR IDENTIFICATION

OTE, a.s. – a commercial company entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 7260.

- Business Registration Number (IČ) 26463318, Tax Identification Number (DIČ) CZ26463318,
- Registered office: Prague 8, Karlín, Sokolovská 192/79, postal code 186 00, (Operátor trhu – Market Operator)

Market Operator's Help Desk for the power sector:

- E-mail: [elektro@ote-cr.cz](mailto:elektro@ote-cr.cz),
- Telephone: +420 234 686 250

Market Operator's Help Desk for organized short-term markets in the power sector:

- E-mail: [market@ote-cr.cz](mailto:market@ote-cr.cz)
- Telephone: +420 234 686 150

Market Operator's Help Desk for Producers from supported and unsupported energy sources:

- E-mail: [market@ote-cr.cz](mailto:market@ote-cr.cz)
- Telephone: +420 234 686 300

Market Operator's Help Desk business hours are posted on OTE's website (<http://www.ote-cr.cz>).

Calls to Help Desk are recorded in order to improve the quality of services and ensure protection of the rights of market participants and the Market Operator.

To access the public website for the Market Operator's information regarding the power sector, go to <http://www.ote-cr.cz>.

CS OTE users can access the CS OTE secure website at <https://portal.ote-cr.cz/>.

## CONTENTS

<b>MARKET OPERATOR IDENTIFICATION .....</b>	<b>2</b>
<b>CONTENTS.....</b>	<b>3</b>
<b>1 GENERAL PROVISIONS.....</b>	<b>65</b>
1.1 LIST OF ABBREVIATIONS AND GLOSSARY OF TERMS .....	65
1.2 BILLING AND SETTLEMENT OF PRICES CHARGED FOR THE MARKET OPERATOR'S SERVICES AND OTHER PAYMENTS .....	1240
1.3 PERSONAL DATA PROCESSING AND PROTECTION .....	1543
1.4 APPENDICES TO BUSINESS TERMS .....	1543
<b>2 COMMUNICATION WITH THE MARKET OPERATOR.....</b>	<b>1543</b>
2.1 SECURE ACCESS TO CS OTE.....	1543
2.2 SECURE ACCESS TO CS OTE VIA CERTIFICATES ISSUED BY SUPPORTED CAS .....	1846
2.3 POWER SUPPLY INTERRUPTION DUE TO UNAUTHORIZED CONSUMPTION / DISTRIBUTION .....	1846
2.4 CHANGE OF SUPPLIER, CHANGE OF BALANCE RESPONSIBLE PARTY, EXTENSION OR SHORTENING OR START OF SUPPLY .....	1947
2.5 BUSINESS COMPANY TRANSFORMATION AND TRANSFER OF AN ENTERPRISE OR PART THEREOF.....	2149
<b>3 EVALUATION AND SETTLEMENT .....</b>	<b>2149</b>
3.1 STAGES OF EVALUATION OF IMBALANCES AND REGULATING ENERGY (RE) .....	2149
3.2 SETTLEMENT OF DAILY EVALUATION, INCLUDING THE SHORT-TERM ELECTRICITY MARKET .....	2321
3.3 SETTLEMENT OF MONTHLY EVALUATION, INCLUDING THE SHORT-TERM ELECTRICITY MARKET .....	2523
3.4 SETTLEMENT OF FINAL MONTHLY EVALUATION, INCLUDING THE SHORT-TERM ELECTRICITY MARKET .....	2726
3.5 SETTLEMENT OF DIFFERENCES BETWEEN METER READINGS AND LP VALUES.....	2927
3.6 DETERMINING RESIDUAL PROFILE COEFFICIENT AND TEMPERATURE COEFFICIENT .....	3129
3.7 EVALUATION IN LOCAL DISTRIBUTION SYSTEMS (DS).....	3230
3.8 PAYMENT SETTLEMENT UNDER SPECIAL BILLING REGIME.....	3331
<b>4 THE SHORT-TERM ELECTRICITY MARKET.....</b>	<b>3835</b>
4.1 GENERAL RULES .....	3835
4.2 SUBMISSION OF BIDS TO THE BLOCK MARKET (BM) AND THEIR MODIFICATION .....	4036
4.3 REVIEW OF BIDS ON BM .....	4137
4.4 MATCHING OF BIDS ON BM (INITIATION OF A TRADE) .....	4137
4.5 SUBMISSION OF BIDS TO DM AND THEIR MODIFICATION .....	4138
4.6 SUBMISSION OF FS BIDS AND THEIR MODIFICATION .....	4441
4.7 REVIEW OF BIDS ON DM .....	4541
4.8 REVIEW OF BLOCK BIDS ON DM .....	4542
4.9 REVIEW OF FS BIDS .....	4642
4.10 EVALUATION OF DM .....	4642
4.11 SUBMISSION OF BIDS TO THE INTRA-DAY ELECTRICITY MARKET (IM) AND THEIR MODIFICATION .....	4845
4.12 BIDS ON IM AND THEIR RESTRICTIONS .....	5047
4.13 REVIEW OF BIDS ON IM .....	5148
4.14 MATCHING OF BIDS ON IM (INITIATION OF A TRADE) .....	5248
4.15 CONTINUOUS BID MATCHING ON IM (INITIATION OF A TRADE).....	5249
4.16 BATCH MATCHING OF BIDS ON IM (INITIATION OF A TRADE).....	5349
4.17 SUSPENSION OF TRADING, BACKUP PROCEDURES AND TRADE CANCELLATION .....	5350
4.18 TRADING ON IM VIA THE VDTIM MOBILE APPLICATION.....	5450
<b>5 THE BALANCING MARKET WITH REGULATING ENERGY (BMR) .....</b>	<b>5451</b>
THE BALANCING MARKET IN REGULATING ENERGY WAS TERMINATED AS AT 31 JANUARY 2020.....	5451
<b>6 REGISTRATION OF LOCAL DS, PDT, OTE'S CONTRACTUAL PARTNER AND ITS CS OTE USERS .....</b>	<b>5451</b>
6.1 REGISTRATION OF LOCAL DS .....	5451
6.2 REGISTRATION OF PDT .....	5551
6.3 CANCELLATION OF PDT REGISTRATION .....	5754
6.4 REGISTRATION OF OTE'S CONTRACTUAL PARTNER .....	5854
6.5 CANCELLATION OF OTE'S CONTRACTUAL PARTNER'S REGISTRATION .....	5955
6.6 REGISTRATION OF NEW CS OTE USERS AND AUTHORIZED PERSONS OF OTE'S CONTRACTUAL PARTNER .....	6157
6.7 TRANSFER OF TOTAL IMBALANCE RESPONSIBILITY FROM ONE BALANCE RESPONSIBLE PARTY TO ANOTHER .....	6158
6.8 RESTRICTION OF ACCESS RIGHTS FOR OTE'S CONTRACTUAL PARTNER WHICH HAS CONCLUDED THE AGREEMENT ON ACCESS TO CS OTE WITH THE MARKET OPERATOR .....	6259
<b>7 FINANCIAL SECURITY .....</b>	<b>6359</b>
7.1 FINANCIAL SECURITY .....	6359
7.2 DETERMINING FINANCIAL SECURITY .....	6662
7.3 FINANCIAL SECURITY (FS) BALANCE AND FS BALANCE FOR IM .....	7167
7.4 SUFFICIENT FS BALANCE AND SUFFICIENT FS BALANCE FOR IM.....	7672

7.5	SETTLEMENT OF ACCRUALS OF FUNDS DEPOSITED WITH OTE .....	7874
7.6	LOCK-OUT OF BALANCE RESPONSIBLE PARTY .....	7975
7.7	ELECTRICITY SUPPLY BY THE LAST RESORT SUPPLIER .....	8076
<b>8</b>	<b>CLAIMS .....</b>	<b>8177</b>
8.1	CLAIM FILING PROCEDURE .....	8177
8.2	CLAIMS RELATED TO THE SHORT-TERM ELECTRICITY MARKET AND BILLING FOR OTE'S SERVICES .....	8278
8.3	CLAIMS RELATED TO EVALUATION OF IMBALANCES AND RE .....	8279
8.4	CLAIMS RELATED TO RECEIPT OF DATA FROM BILATERAL TRANSACTIONS .....	8379
8.5	CLAIMS RELATED TO RECEIPT AND PROVISION OF DATA, REGISTRATION, CHANGE OF SUPPLIER .....	8379
<b>9</b>	<b>RECEIPT AND PROVISION OF DATA .....</b>	<b>8480</b>
9.1	RECEIPT OF DATA ON BILATERAL TRADING .....	8480
9.2	RECEIPT OF METERED AND PRELIMINARY VALUES AND THEIR ADJUSTMENT, INCLUDING BILLING INFORMATION .....	8884
9.3	ALTERNATIVE METHOD OF INPUT OF METERED AND PRELIMINARY VALUES BY THE MARKET OPERATOR .....	9087
9.4	PROVISION OF DATA FROM CS OTE, INCLUDING BILLING DOCUMENTATION .....	9187
9.5	CHANGE IN PDT STATUS .....	9390
<b>10</b>	<b>TRANSPARENCY, PREVENTION OF MARKET ABUSE AND MANIPULATION .....</b>	<b>9490</b>
10.1	COMPLIANCE WITH REMIT .....	9490
10.2	GOOD BUSINESS CONDUCT .....	9591
10.3	TREATMENT OF INSIDE INFORMATION .....	9591
10.4	PROHIBITION OF MARKET MANIPULATION .....	9692
10.5	REGISTRATION AND PROVISION OF TRADE DATA FROM CS OTE .....	9692
10.6	TRADE DATA REPORTING .....	9692
10.7	REGISTRATION AND CHANGE OF ACER CODE IN CS OTE .....	9793
10.8	FEES FOR TRADE DATA REGISTRATION, PROVISION AND REPORTING .....	9793
10.9	OVERSIGHT OF THE MARKET OPERATOR .....	9894
<b>11</b>	<b>COMPENSATION TO COVER THE COSTS ASSOCIATED WITH SUPPORT FOR ELECTRICITY .....</b>	<b>9995</b>
11.1	REQUIREMENTS FOR FILING APPLICATIONS FOR ELECTRICITY PRICE COMPENSATION .....	9995
11.2	FILING APPLICATIONS FOR COMPENSATION TO COVER THE COSTS ASSOCIATED WITH SUPPORT FOR ELECTRICITY .....	9995
11.3	PROOF OF ORIGIN OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES .....	9996
11.4	EVALUATION OF APPLICATIONS FOR ELECTRICITY PRICE COMPENSATION .....	10097
11.5	SETTLEMENT AND PAYMENT OF ELECTRICITY PRICE COMPENSATION .....	10197
<b>12</b>	<b>ELECTRICITY PRODUCER AND HEAT PRODUCER .....</b>	<b>10197</b>
12.2	REGISTRATION OF NEW CS OTE USERS AND AUTHORIZED PERSONS OF THE PRODUCER .....	10298
12.3	REGISTRATION OF AN INTERMEDIARY .....	10298
12.4	SETTLEMENT PERIODS .....	10399
12.5	DUE DATES OF PAYMENT .....	104100
12.6	METHOD OF PAYMENT OF SUPPORT .....	105101
12.7	METHOD OF HANDLING COMPLAINTS CONCERNING SETTLEMENT .....	105101
<b>13</b>	<b>FINAL PROVISION .....</b>	<b>105101</b>
<b>MARKET OPERATOR IDENTIFICATION .....</b>		<b>2</b>
<b>CONTENTS .....</b>		<b>3</b>
<b>1</b>	<b>GENERAL PROVISIONS .....</b>	<b>5</b>
1.1	List of abbreviations and glossary of terms .....	5
1.2	Billing and settlement of prices charged for the Market Operator's services and other payments .....	11
1.3	Personal data processing and protection .....	13
1.4	Appendices to Business Terms .....	13
<b>2</b>	<b>COMMUNICATION WITH THE MARKET OPERATOR .....</b>	<b>13</b>
2.1	Secure access to CS OTE .....	13
2.2	Secure access to CS OTE via certificates issued by supported CAs .....	16
2.3	Power supply interruption due to unauthorized consumption / distribution .....	16
2.4	Change of supplier, change of Balance Responsible Party, extension or shortening or start of supply .....	17
2.5	Business company transformation and transfer of an enterprise or part thereof .....	19
<b>3</b>	<b>EVALUATION AND SETTLEMENT .....</b>	<b>19</b>
3.1	Stages of evaluation of imbalances and regulating energy (RE) .....	19
3.2	Settlement of daily evaluation, including the short-term electricity market .....	21
3.3	Settlement of monthly evaluation, including the short-term electricity market .....	23
3.4	Settlement of final monthly evaluation, including the short-term electricity market .....	26
3.5	Settlement of differences between meter readings and LP values .....	27

3.6	Determining residual profile coefficient and temperature coefficient .....	29
3.7	Evaluation in local distribution systems (DS) .....	30
3.8	Payment settlement under special billing regime .....	31
<b>4</b>	<b>The SHORT TERM ELECTRICITY MARKET .....</b>	<b>35</b>
4.1	General rules .....	35
4.2	Submission of bids to the block market (BM) and their modification .....	36
4.3	Review of bids on BM .....	37
4.4	Matching of bids on BM (initiation of a trade) .....	37
4.5	Submission of bids to DM and their modification .....	38
4.6	Submission of FS bids and their modification .....	41
4.7	Review of bids on DM .....	41
4.8	Review of block bids on DM .....	42
4.9	Review of FS bids .....	42
4.10	Evaluation of DM .....	42
4.11	Submission of bids to the intra-day electricity market (IM) and their modification .....	45
4.12	Bids on IM and their restrictions .....	47
4.13	Review of bids on IM .....	48
4.14	Matching of bids on IM (initiation of a trade) .....	48
4.15	Continuous bid matching on IM (initiation of a trade) .....	49
4.16	Batch matching of bids on IM (initiation of a trade) .....	49
4.17	Suspension of Trading, Backup Procedures and Trade Cancellation .....	50
4.18	Trading on IM via the VDTIM mobile application .....	50
<b>5</b>	<b>THE BALANCING MARKET WITH REGULATING ENERGY (BMR) .....</b>	<b>51</b>
	The balancing market in regulating energy was terminated as at 31 January 2020 .....	51
<b>6</b>	<b>REGISTRATION of local DS, PDT, OTE's Contractual Partner and its CS OTE USERS .....</b>	<b>51</b>
6.1	Registration of local DS .....	51
6.2	Registration of PDT .....	51
6.3	Cancellation of PDT registration .....	54
6.4	Registration of OTE's Contractual Partner .....	54
6.5	Cancellation of OTE's Contractual Partner's registration .....	55
6.6	Registration of new CS OTE users and authorized persons of OTE's Contractual Partner .....	57
6.7	Transfer of total imbalance responsibility from one Balance Responsible Party to another .....	58
6.8	Restriction of access rights for OTE's Contractual Partner which has concluded the Agreement on Access to CS OTE with the Market Operator .....	59
<b>7</b>	<b>FINANCIAL SECURITY .....</b>	<b>59</b>
7.1	Financial security .....	59
7.2	Determining financial security .....	62
7.3	Financial security (FS) balance and FS balance for IM .....	67
7.4	Sufficient FS balance and sufficient FS balance for IM .....	72
7.5	Settlement of accruals of funds deposited with OTE .....	74
7.6	Lock-out of Balance Responsible Party .....	75
7.7	Electricity supply by the last resort supplier .....	76
<b>8</b>	<b>CLAIMS .....</b>	<b>77</b>
8.1	Claim filing procedure .....	77
8.2	Claims related to the short-term electricity market and billing for OTE's services .....	78
8.3	Claims related to evaluation of imbalances and RE .....	79
8.4	Claims related to receipt of data from bilateral transactions .....	79
8.5	Claims related to receipt and provision of data, registration, change of supplier .....	79
<b>9</b>	<b>RECEIPT AND PROVISION OF DATA .....</b>	<b>80</b>
9.1	Receipt of data on bilateral trading .....	80
9.2	Receipt of metered and preliminary values and their adjustment, including billing information .....	84
9.3	Alternative method of input of metered and preliminary values by the Market Operator .....	86
9.4	Provision of data from CS OTE, including billing documentation .....	87
9.5	Change in PDT status .....	90
<b>10</b>	<b>transparency, prevention of market abuse and manipulation .....</b>	<b>90</b>
10.1	Compliance with REMIT .....	90
10.2	Good Business Conduct .....	91
10.3	Treatment of inside information .....	91
10.4	Prohibition of market manipulation .....	92
10.5	Registration and provision of trade data from CS OTE .....	92
10.6	Trade data reporting .....	92
10.7	Registration and change of ACER code in CS OTE .....	93
10.8	Fees for trade data registration, provision and reporting .....	93

<u>10.9</u>	<u>Oversight of the Market Operator</u>	<u>94</u>
<u>11</u>	<u>COMPENSATION TO COVER THE COSTS ASSOCIATED WITH SUPPORT FOR ELECTRICITY</u>	<u>95</u>
<u>11.1</u>	<u>Requirements for filing applications for electricity price compensation</u>	<u>95</u>
<u>11.2</u>	<u>Filing applications for compensation to cover the costs associated with support for electricity</u>	<u>95</u>
<u>11.3</u>	<u>Proof of origin of electricity from renewable energy sources</u>	<u>96</u>
<u>11.4</u>	<u>Evaluation of applications for electricity price compensation</u>	<u>97</u>
<u>11.5</u>	<u>Settlement and payment of electricity price compensation</u>	<u>97</u>
<u>12</u>	<u>ELECTRICITY PRODUCER AND HEAT PRODUCER</u>	<u>97</u>
<u>12.2</u>	<u>Registration of new CS-OTE Users and Authorized Persons of the Producer</u>	<u>98</u>
<u>12.3</u>	<u>Registration of an Intermediary</u>	<u>98</u>
<u>12.4</u>	<u>Settlement periods</u>	<u>99</u>
<u>12.5</u>	<u>Due dates of payment</u>	<u>100</u>
<u>12.6</u>	<u>Method of payment of support</u>	<u>101</u>
<u>12.7</u>	<u>Method of handling complaints concerning settlement</u>	<u>101</u>
<u>13</u>	<u>FINAL PROVISION</u>	<u>101</u>

## 1 GENERAL PROVISIONS

### 1.1 List of abbreviations and glossary of terms

- 1.1.1 ACER Code – registration code of the market participant issued by the ACER agency;
- 1.1.2 ACER – Agency for the Cooperation of Energy Regulators;
- 1.1.3 Accepted Bids from DM and / or IM included in calculation of imbalances, which are:
  - 1.1.3.1 in the event of DM comprised in the final solution pursuant to the provisions of Appendix 3 to the Business Terms for the Power Sector (BTP) hereof,
  - 1.1.3.2 in the event of IM accepted pursuant to the provisions of Part 4 of BTP;
- 1.1.4 Act on Payment System – Act No. 284/2009 Coll., on the Payment System, as amended;
- 1.1.5 Personal Data Processing Act – Act No. 110/2019, on Personal Data Processing;
- 1.1.6 ATS - Act on Trust Services for Electronic Transactions;
- 1.1.7 AON – execution restriction for block bids on IM;
- 1.1.8 Assuming BRP – Balance Responsible Party that has assumed another BRP's total imbalance responsibility;
- 1.1.9 ARIS – Information System of ACER;
- 1.1.10 Authorized Person – a person having access to CS OTE which is authorized to edit the central settings of email addresses in CS OTE for sending notifications and to administer user accounts of OTE's Contractual Partner/Producer. Administration of user accounts means opening new user accounts including registration of certificates, their editing and deactivation.

Authorized Person may be appointed only by a person authorized to act on behalf of OTE's Contractual Partner/Producer;

- 1.1.11 Bid – an order to buy/sell electricity on BM and/or a standard offer to buy/sell electricity on DM and/or a block offer to sell electricity on DM and/or an offer to supply electricity on IM submitted under the relevant contract;
- 1.1.12 Block – a defined time period of supply within one day pertaining to BM products, or a defined interval of hours pertaining to block bids on DM, or a defined block contract on IM;
- 1.1.13 Block Bid on DM - profile block bid for a defined period or defined periods of hours and/or a flexible hourly bid;
- 1.1.14 Block Contract - continuous interval of hourly contracts on IM defined by the short-term market participant, under which it is possible to submit block limit bids for electricity supply or consumption, and which is determined by the range of the first and last underlying hourly contract;
- 1.1.15 BM – block market with electricity organized by the Market Operator;
- 1.1.16 BRP – Balance Responsible Party – registered participant in the electricity market that has entered into a valid and effective Agreement on settlement of imbalances with the Market Operator;
- 1.1.17 BTP / Business Terms – Business Terms of OTE, a.s. for the Power Sector (this document);
- 1.1.18 CA – Certification Authority; OTE provides access to CS OTE via certificates issued by internal CAs and other supported CAs pursuant to Chapter 2 of BTP;
- 1.1.19 CDS – Centre of Data Services, an integral part of CS OTE;
- 1.1.20 Certificate – digital certificate compliant with the X.509 standard for electronic signature, encryption or authentication;
- 1.1.21 CHP – Combined Heat and Power;
- 1.1.22 Close of BM – close of trading a specific product on BM on the relevant trading day (8 p.m.) with the exception of the last trading day for the respective product where it refers to the time of closed trading the respective product in compliance with Part 4.2 of BTP;
- 1.1.23 Close of DM – close of registration of sale bids and purchase bids on DM in compliance with Part 1.1 of BTP;
- 1.1.24 Commercial Certificate – certificate issued by a supported certification authority under Article 2.2 of BTP that does not meet the requirements for a qualified certificate;
- 1.1.25 CNB – Czech National Bank;
- 1.1.26 Contract BM – the smallest tradable product unit traded on BM; one Contract equals 1 MW output in a specific time period;
- 1.1.27 Cross-Border Trade – transaction executed on the basis of an agreement on cross-border electricity exchange under the Market Rules; the TS Operator inputs the cross-border trade in CS OTE as a foreign realization diagram;
- 1.1.28 CS OTE – the central information system of the Market Operator or its individual parts. The OTE-COM user application, the POZE mobile application and the VDTIM mobile application are also parts of CS OTE;  
Central Information System of the Market Operator or parts thereof. OTE-COM user application is also a part of CS OTE;
- 1.1.29 CS OTE User – any person with access to CS OTE on behalf of OTE's Contractual Partner or OTE's Contractual Partner accessing CS OTE under an agreement with the Market Operator;
- 1.1.30 CZK – Czech currency code (Kč);
- 1.1.31 Decree on the Billing for Supply – ERO Decree no. 70/2016 Coll. on the billing for supply of energy and related services in energy industries, as amended;
- 1.1.32 Delivery Day - day on which contracts for electricity supply/consumption are executed;
- 1.1.33 DM – day-ahead spot electricity market organized by the Market Operator;
- 1.1.34 DS – distribution system/s;
- 1.1.35 DSO – distribution system operator/s;



- 1.1.36 EA / Energy Act – Act No. 458/2000 Coll., on Business Terms and Public Administration in the Energy Sectors and on amending selected acts, as amended;
- 1.1.37 EAN – European Article Number, a universal bar-coding system for identification of goods, services and organizations; EAN-18 – identification numerical code for PDT (GSRN coding), EAN-13 – identification numerical code for the electricity and/or gas market participant (GLN coding);
- 1.1.38 EDI – Electronic Data Interchange, an international format for electronic data exchange;
- 1.1.39 EIC – Economic (and Accounting) Information System Code, an alpha-numerical code for identification of electricity and gas market participants and PDT in the gas sector;
- 1.1.40 eIDAS - Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC;
- 1.1.41 Electricity Price Compensation - compensation for electricity amounting to the price paid to cover the costs associated with support for electricity consumed by final customers in the Czech Republic and produced from renewable energy sources in other Member States of the European Union, the Contracting State of the Agreement on the European Economic Area or the Swiss Confederation through the Market Operator's system;
- 1.1.42 Electricity Purchased Abroad – electricity acquired by a TS operator within the scope of an agreement on instant electricity supply from abroad to compensate for a system imbalance under the Market Rules;
- 1.1.43 Electricity Tax – tax on electricity pursuant to Act No. 261/2007 Coll., on Stabilization of Public Budgets, Part 47;
- 1.1.44 Electricity Tax Act – Act No. 261/2007 Coll., on Stabilization of Public Budgets, Part 47, as amended;
- 1.1.45 Equilibrium – cross-point of the supply and demand curve at the relevant trading hour on DM;
- 1.1.46 ERO – Energy Regulatory Office;
- 1.1.47 ES – electric power system;
- 1.1.48 EU / European Union;
- 1.1.49 EUPHEMIA – algorithm developed to match coupled day-ahead markets or separate markets;
- 1.1.50 Exchange – legal entity established pursuant to Act No. 229/92 Coll., as amended, to organize Exchange electricity transactions; subjects of settlement may place bids on DM via Power Exchange Central Europe (PXE);
- 1.1.51 Exchange rate CZK/EUR DMFs – is the CZK/EUR exchange rate determined by the Market Operator for the purposes of financial security of bids on DM under Article 7.2.13;
- 1.1.52 Exchange rate CZK/EUR IMFS- is the CZK/EUR rate determined by the Market Operator for the purposes of financial security of bids on IM under Article 7.2.14;
- 1.1.53 Exchange Transactions – trades closed at the Exchange by subjects of settlement and filed with CS OTE by the Exchange as realization diagrams;
- 1.1.54 Exclusive Group of Block Bids - a separate group of merged profile block bids, where the sum of minimum acceptance ratios must not exceed 100%;
- 1.1.55 Fixed Diagram – realization diagram of the agreement on electricity supply according to the fixed diagram under the Market Rules;
- 1.1.56 Flexible Hourly Bid – a block bid submitted by a market participant on DM under Article 4.5;
- 1.1.57 FOK – type of execution restriction for bids on IM;
- 1.1.58 FS – Financial Security;
- 1.1.59 FS Bid – a bid on DM submitted by PXE on behalf of a short-term electricity market participant for purposes of physical settlement of futures contracts with financial settlement;
- 1.1.60 FS for IM – a portion of the provided financial security designated for submitting bids on IM;
- 1.1.61 GDT - type of time restriction for bids on IM;
- 1.1.62 GFS - type of time restriction for bids on IM;
- 1.1.63 Group of Linked Block Bids – a separate group of interlinked profile block bids of one participant for the relevant delivery day, starting from the first linkage level;



- 1.1.64 Guarantee of Origin – an electronic document issued by the Market Operator in accordance with the “POZE” Act No. 165/2012 Coll., on Supported Energy Sources, in order to provide evidence to the customer that the proportion or amount of energy delivered to the customer was produced from an energy source stated in the Guarantee of Origin;
- 1.1.65 Hourly Contract – traded trade interval in the duration of 1-hour supply to IM, within which it is possible to submit hourly bids for electricity supply or consumption;
- 1.1.66 HW – hardware for secure access to CS OTE;
- 1.1.67 Iceberg Bid – type of bid used on IM defined by quantity, price and price step;
- 1.1.68 ID RMP – registration number of the electricity and/or gas market participant in CS OTE
- 1.1.69 IM – intra-day electricity market organized by the Market Operator;
- 1.1.70 IM Contract – hourly contract or block contract defined by the short-term market participant;
- 4.1.701.1.71 IM Mobile Application – a CS OTE application available for Android and iOS installed in the CS OTE User’s device, which serves as an alternative channel for trading on IM under the BTP and the manual available in CS OTE;
- 4.1.741.1.72 Imbalance – an imbalance of the Balance Responsible Party in the system imbalance direction and/or an imbalance of the Balance Responsible Party against the system imbalance direction (counterimbalance);
- 4.1.721.1.73 Implementing Regulation REMIT - Commission Implementing Regulation REMIT (EU) No 1348/2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
- 4.1.731.1.74 Implicit Capacity Allocation or Implicit Trading – market-based system of coupling short-term markets and simultaneous allocation of cross-border transmission capacities. The result is determining the flow direction and volume of electricity between market areas, electricity prices and traded volumes of electricity of individual participants on specific short-term markets.
- 4.1.741.1.75 Inactive Bid – valid bid excluded from the bid evaluation process on the short-term electricity market pursuant to the provisions of Part 4 of BTP; in the event of DM, additionally in compliance with Appendix 3 to BTP;
- 4.1.751.1.76 Indivisible Condition – a condition of indivisibility attached to the bid volume on DM, IM and BMR at a specific hour, which declares the bidder’s interest in trading the specified volume at the respective hour of the delivery day solely in its entirety (without the option of volume reduction), whereby hourly bids on DM may be indicated as indivisible only within the first standard bid segment;
- 4.1.761.1.77 Intermediary – a legal entity or a natural person that is an authorized representative of the Producer for data administration in CS OTE;
- 4.1.771.1.78 Invalid Bid – a bid that failed the review process and, in the event of BM and/or DM, shall not be included in the bid evaluation process on BM or DM; in the event of IM it shall not be offered for matching;
- 4.1.781.1.79 IOC - type of execution restriction for bids on IM;
- 4.1.791.1.80 Life Cycle - modification, cancellation, matching (partial matching) or non-matching of bids;
- 4.1.801.1.81 Limit Price – price in a purchase bid on BM that buyers are willing to pay for electricity, and/or price in a sale bid on BM that sellers are willing to accept for electricity;
- 4.1.841.1.82 Limit Time – time period during which claims can be submitted regarding the results of the Market Operator’s specific activities pursuant to the provisions of Part 8 of BTP;
- 4.1.821.1.83 LP – load profile;
- 4.1.831.1.84 LPn – standardized LP (LP adjusted to standard temperatures, relative values of average per hour consumption for the specific LP class); standardized LPs are not subject to comments of electricity market participants;
- 4.1.841.1.85 LPp – adjusted LP (LP adjusted to actual temperatures);
- 4.1.851.1.86 Market Area – territory defined under the Market Rules;

- ~~4.1.86~~1.1.87 Market Clearing Price – price of electricity on DM for separate trading hours determined by the Market Operator in compliance with Appendix 3 to BTP;
- ~~4.1.87~~1.1.88 Market Operator's Bank – Komerční banka, a.s.;
- ~~4.1.88~~1.1.89 Market Organizer – OTE a.s. or a foreign market organizer under the Market Rules;
- ~~4.1.89~~1.1.90 Market Rules – ERO Public Notice No. 408/2015 Coll., on Electricity Market Rules, as amended;
- ~~4.1.90~~1.1.91 Methodology for Determining the National Residual Mix – Methodology for determining the national residual mix, which was created in the Reliable Disclosure Systems for Europe (RE-DISS) project secured by the European Commission through the Intelligent Energy Europe (IEE) program. The document is available online on the website;
- 1.1.92 Minimum Acceptance Ratio – percentage amount of the minimal volume of the resulting accepted volume in the whole block and at all block hours;
- ~~1.1.91~~ Mobile application POZE – application CS OTE available for Android and iOS platform installed on the device of electricity producer, which serves as an alternative channel for reporting electricity according to BTP and the manual available on the OTE website
- ~~4.1.92~~1.1.93 National Residual Mix – a table showing the various sources of energy to the overall fuel mix of electricity supplied to customers in the Czech Republic, after deduction of electricity disclosed through cancelled Guarantees of Origin;
- ~~4.1.93~~1.1.94 Nested Configuration - if a power-generation installation is connected to the electric power system through another power-generation installation or if more power-generation installations are connected through a single supply point;
- ~~4.1.94~~1.1.95 NON – type of execution restriction for bids on IM;
- ~~4.1.95~~1.1.96 Observer – OTE's Contractual Partner granted access to the relevant PDT's data in CS OTE, subject to approval of the respective Supplier at the respective consumption or production PDT or, in the event of transfer points between distribution systems, subject to approval of the respective Operator; by providing consent the Supplier or the Operator of the respective PDT assume responsibility for any unauthorized provision of data to a third party;
- ~~4.1.96~~1.1.97 Operator – transmission system operator or distribution system operator;
- ~~4.1.97~~1.1.98 Orders to Trade – bids submitted by short-term market participants to BM and IM, including their lifecycles, and bids submitted by short-term market participants, including FS bids, entering the process of DM evaluation under Article 4.10.6, in the event of second auction under Article 4.10.16;
- ~~4.1.98~~1.1.99 OTE / Market Operator – OTE, a.s.;
- ~~4.1.99~~1.1.100 OTE's Website –public web pages of OTE ([www.ote-cr.cz](http://www.ote-cr.cz));
- ~~4.1.100~~1.1.101 OTE's Contractual Partner – registered electricity market participant that has entered with the Market Operator into one or more standardized agreements stipulating its position on the electricity market, or another entity that has established contractual relations with the Market Operator;
- ~~4.1.101~~1.1.102 PD/Price Decision of ERO – applicable Price Decision promulgated by the Energy Regulatory Office;
- ~~4.1.102~~1.1.103 PDT – Point of Delivery/Transfer; i.e. connection points defined in the agreement on customer points of delivery, connection points defined in the agreement on connection of electricity producer's facility, transfer points between the transmission system and regional distribution systems, transfer points between the regional and local distribution systems, transfer points between regional distribution systems, and transfer points between the Czech Republic's transmission system and the neighbouring countries' transmission systems;
- ~~4.1.103~~1.1.104 "POZE" Act – Act No. 165/2012 Coll., on Supported Energy Sources (SES) and on amendments to certain acts, as amended;
- ~~4.1.104~~1.1.105 "POZE" Mobile Application – a CS OTE application available for Android and iOS installed in the Electricity Producer's device, which serves as an alternative channel for reporting electricity under the BTP and the manual posted on OTE's website;
- ~~4.1.105~~1.1.106 "POZE" Module – a section of CS OTE for Producers;

- ~~4.1.106~~ **1.1.107** Producer - an electricity producer or a heat producer who is a registered market participant pursuant to applicable legislation;
- ~~4.1.107~~ **1.1.108** Product – a set of all types of products tradable on the markets organized by the Market Operator;
- ~~4.1.108~~ **1.1.109** Product BM – block traded on BM, characterized by the day of supply and block type;
- ~~4.1.109~~ **1.1.110** Profile Block Bid – category of a block bid submitted by a market participant, the characteristics of which are defined under Article 4.5.4.2;
- ~~4.1.110~~ **1.1.111** PXE – Power Exchange Central Europe, a.s.;
- ~~4.1.111~~ **1.1.112** Qualified Certificate – qualified certificate for electronic signatures as defined in eIDAS that is required for recognized electronic signatures of legal actions toward public law signatories pursuant to Section 6(2) of ATS
- ~~4.1.112~~ **1.1.113** Quarterly Report on Operations – Quarterly report on the systems operation in the energy sectors published by the Energy Regulatory Office pursuant to the Act No. 458/200 Coll., on business conditions and public administration in the energy sectors and on amendment to other laws (the "Energy Act"), as amended;
- ~~4.1.113~~ **1.1.114** RE – regulating energy;
- ~~4.1.114~~ **RE+** – positive regulating energy;
- ~~4.1.115~~ **RE** – negative regulating energy;
- ~~4.1.116~~ **1.1.115** RE Supplier – electricity market participant that has made an agreement with the Market Operator on RE settlement;
- ~~4.1.117~~ **1.1.116** Realization Diagram (RD) – specific values of electricity to be traded through a bilateral agreement between BRP, Exchange trade, an agreement on supply according to a fixed diagram, or cross-border trade, at every hour of the relevant delivery day, filed in CS OTE pursuant to Part 9.1 of BTP;
- ~~4.1.118~~ **1.1.117** Realization Diagram in Reporting Regime – realization diagram that the Market Operator cannot reject due to insufficient FS; this regime is applied for foreign realization diagrams that have been already matched within the scope of matching by transmission system operators;
- ~~4.1.119~~ **1.1.118** REMIT Regulation – Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
- ~~4.1.120~~ **1.1.119** RMP – registered electricity market participant/s (registered with CS OTE pursuant to the relevant provisions of the Energy Act and the Market Rules;
- ~~4.1.121~~ **1.1.120** Reporting Decree – Decree No. 145/2016 Coll., on reporting and recording of electricity and heat from supported energy sources and implementation of certain provisions of the Act on Supported Energy Sources;
- ~~4.1.122~~ **1.1.121** SANDBOX – CS OTE testing environment provided by the Market Operator to OTE's Contractual Partners;
- ~~4.1.123~~ **1.1.122** Second Auction – a DM mechanism with the objective to allow DM reopening to update bids and correct extraordinary conditions on DM and on the electricity market; these conditions are characterized by reaching or exceeding threshold values of market clearing prices defined under Article 4.10.11 of BTE at a specific trading hour; the second auction mechanism, however, does not guarantee correction of the extraordinary conditions;
- ~~4.1.124~~ **1.1.123** Settlement Rate – conversion rate for CZK/EUR determined by the Market Operator's bank (Komerční banka);
- ~~4.1.125~~ **1.1.124** Short-Term Electricity Market – the short-term electricity market organized by the Market Operator pursuant to the Energy Act (BM, DM and IM);
- ~~4.1.126~~ **1.1.125** Short-Term Electricity Market Participant – balance responsible party that has entered into a valid and effective contract with the market Operator for access to the organized short-term electricity market;
- ~~4.1.127~~ **1.1.126** SMTP (Simple Mail Transfer Protocol) - an Internet protocol for electronic (email) transmission,

- ~~4.1.128~~1.1.127 SOAP (Simple Object Access Protocol) – a protocol for exchanging network information based on XML;
- ~~4.1.129~~1.1.128 Special Regime – special regime for billing and financial settlement of imbalances under the Market Rules;
- ~~4.1.130~~1.1.129 Supplier – a supplier/consumer of electricity that has concluded an agreement on electricity supply for a relevant PDT;
- ~~4.1.131~~1.1.130 SW – software;
- ~~4.1.132~~1.1.131 Tax Documents – tax documents pursuant to Section 26 of Act No. 235/2004 Coll., on Value Added Tax, as amended, or tax documents or sale documents pursuant to Section 17, Part 47, of Electricity Tax Act, referring to Act No. 261/2007 Coll., on Stabilization of Public Budgets, as amended;
- ~~4.1.133~~1.1.132 Trade Data - data on orders for trading and transactions provided in the Implementing Regulation REMIT (Appendix Table No. 1 Data on standard contracts for electricity supplies subject to reporting) and further described in the TRUM manual;
- ~~4.1.134~~1.1.133 Trades Closed on the Short-Term Electricity Market – accepted bids comprised in the DM final solution, accepted bids on IM and matched orders on BM;
- ~~4.1.135~~1.1.134 Transaction - successfully traded bids on BM, IM and DM;
- ~~4.1.136~~1.1.135 Transferring BRP - Balance Responsible Party that has transferred its total imbalance responsibility to the assuming BRP;
- ~~4.1.137~~1.1.136 TRUM - Transaction Reporting User Manual published by ACER, available on ACER's REMIT web pages in the Documents section;
- ~~4.1.138~~1.1.137 TS – transmission system;
- ~~4.1.139~~1.1.138 TSO / TS Operator – transmission system operator;
- ~~4.1.140~~1.1.139 User Application - CS OTE system application installed at the user workstation of OTE's contractual partner, which provides access to IM market in CS OTE;
- ~~4.1.141~~1.1.140 User Interface – user interface of OTE, a.s. allowing secure interaction of CS OTE users with the CS OTE system via certificates;
- ~~4.1.142~~1.1.141 User Manual – a manual for OTE's contractual partners for the relevant CS OTE part that is saved and accessible in CS OTE;
- ~~4.1.143~~1.1.142 Valid Bid – a bid that has passed the review process and, in the event of BM and/or DM, shall be included in the bid evaluation process on BM and/or DM; in the event of IM it shall be offered for acceptance;
- ~~4.1.144~~1.1.143 Valid Claim – claim that has successfully passed all checks and reviews and, subsequently, will be processed by OTE;
- ~~4.1.145~~1.1.144 Valid Realization Diagram – realization diagram that has successfully passed all checks pursuant to the provisions of Part 9 of BTP;
- ~~4.1.146~~1.1.145 VAT - Value Added Tax, Act No. 235/2004 Coll., on Value Added Tax, as amended;
- ~~4.1.147~~1.1.146 XBID – information system for day-ahead market coupling;
- ~~4.1.148~~1.1.147 XML – eXtensible Markup Language, a data exchange protocol;
- ~~4.1.149~~1.1.148 ZSVD – Act No. 297/2016 Coll., on trust services for electronic transactions;

Other abbreviations and terms, such as the term obligation used in these Business Terms, which are not listed above, are defined pursuant to the provisions of the Energy Act and Market Rules, as amended, as at the date of publication of the Business Terms.

## 1.2 Billing and settlement of prices charged for the Market Operator's services and other payments

- 1.2.1 The Market Operator charges and settles prices for its services pursuant to the relevant ERO Price Decision in compliance with procedures set forth in the Market Rules.
- 1.2.2 Other payments settled by the Market Operator comprise:

- 1.2.2.1 settlement and payment obligations arising from the volume of electricity traded on the short-term electricity market by short-term electricity market participants,
- 1.2.2.2 settlement and payment obligations arising from supply of regulating energy by RE providers,
- 1.2.2.3 settlement and payment obligations arising from imbalances of specific BRPs,
- 1.2.2.4 settlement and payment obligations of BRPs arising from the special settlement regime,
- 1.2.2.5 settlement and payment obligations arising from settlement of differences between metered consumption values and values determined on the basis of LPs of specific BRPs,
- 1.2.2.6 settlement and payment obligations arising from electricity acquired abroad by the TS operator to compensate for system imbalances, billing of differences between total revenues from the imbalance billing system and costs of electricity acquired by the TS operator for purposes of covering imbalances in the power system, and billing of costs of electricity acquired by the TS Operator abroad under the Market Rules,
- 1.2.2.7 compensation claims and payment obligations arising from registration and provision of trade data from CS OTE under Article 10.2,
- 1.2.2.8 compensation claims and payment obligations arising from reporting of trade data under Article 10.3.
- 1.2.3 Tax documents can be issued electronically pursuant to Section 26 (43) of the Value Added Tax Act, and pursuant to Section 17(5) of the Electricity Tax Act, and submitted via an e-mail designated for communication or via an e-mail provided by the tax document recipient (OTE's e-mail address is [elfa@ote-cr.cz](mailto:elfa@ote-cr.cz)).
- 1.2.4 Billing and settlement of the price for registration of the Balance Responsible Party pursuant to the relevant PD shall be carried out after registration of the BRP with the Market Operator. The Market Operator shall issue a tax document and send it to the registered BRP.
- 1.2.5 Billing and settlement of the price for billing the registered BRP and the price for a sum of electricity volumes purchased and sold at all trading hours of the calendar month via the organized short-term market pursuant to the relevant PD shall be carried out as part of monthly evaluation and settlement.
- 1.2.6 Billing and settlement of the price for provision of metered values to electricity market participants pursuant to the relevant PD shall be carried out as part of monthly evaluation and settlement and shall serve as a basis for issuing tax documents. The Market Operator shall issue these tax documents and send them to OTE's Contractual Partners no later than by the end of the ~~nineteenth~~ business day after the end of the month to which the tax documents pertain (i.e. the month of executing the relevant taxable supply). Based on the tax documents, OTE's Contractual Partners shall make a payment of the billed price into the Market Operator's bank account through a payment order in accordance with the due date stated in the tax document.
- 1.2.7 Under the Market Rules, billing and settlement of the price charged for the Market Operator's activities and the component of the price for subsidizing electricity from supported energy sources pursuant to the relevant PD shall be carried out on behalf of the TS operator and/or specific regional DS operators based on the information included in an electronic form in CS OTE that will be filled in and signed electronically through the qualified certificate<sup>1</sup> by the authorized person of the respective TS operator and/or regional DS operator.
- 1.2.8 On receipt of data provided by the TS operator or the regional DS operator in the electronic form under Article 1.2.7, the Market Operator shall issue a tax document on account of billing of the price for the Market Operator's activities and/or a settlement document on account of billing of the component of the price for subsidizing electricity from supported energy sources pursuant to the relevant PD, and shall send the documents to the TS operator or the regional DS operator within 15 calendar days of the end of the month. Based on the tax document and/or the settlement document, the TS operator shall make the payment of the billed price for the Market



Operator's activities and/or the component of the price for covering the costs of electricity support pursuant to the PD in the Market Operator's bank account through a payment order, within five business days of the date of delivery of the tax document and/or the settlement document.

- 1.2.9 The Market Operator shall issue an amended tax document for the difference between the metered values for billing of the price for the Market Operator's activities provided by the regional DS operator and the previous estimates of these data, and shall send the amended document within five business days of the receipt of the final data; the Market Operator shall issue an amended settlement document for the difference between the metered values for billing of the component of the price for subsidizing electricity from supported energy sources provided by the regional DS operator and the previous estimates of these data, and shall send the amended settlement document within five business days of the receipt of the final data; in the event of a receivable arising from the amended tax document and/or the amended settlement document, the regional DS operator shall make the payment of the due amount into the Market Operator's bank account through a payment order within five business days after the delivery of the tax document and/or the settlement document; in the event of a liability arising from the amended tax document and/or the amended settlement document, the Market Operator shall make the payment of the due amount into the regional DS operator's bank account through a payment order within five business days of the date of issuing the tax document and/or the settlement document.
- 1.2.10 In the event of payments crediting the Market Operator made from abroad into an account maintained in the Czech currency (CZK), all fees related to the relevant payment are borne by the payer.
- 1.2.11 In the event a foreign BRP deals in with the Market Operator through its branch in the CR and is registered for VAT payment in the CR, and the foreign BRP does not notify the Market Operator in writing that the branch is not a permanent establishment pursuant to the Added Value Tax Act, the branch is deemed a permanent establishment pursuant to the Value Added Tax Act, where the place of taxable supply of electricity delivered within the scope of imbalance settlement and the short-term electricity market is in the Czech Republic.
- 1.2.12 In the event the Market Operator applies a special method of securing tax liability in connection with securing the recipient's taxable supply pursuant to the Value Added Tax Act, or if information is disclosed in a manner allowing remote access that OTE's Contractual Partner is an unreliable tax payer pursuant to the Added Value Tax Act, the Market Operator, who is the recipient of the taxable supply, is entitled to pay the value added tax on the taxable supply on behalf of the Contractual Partner that is the provider of the taxable supply, pursuant to the relevant provisions of the Value Added Tax Act. Payment of the amount corresponding to the amount of the value added tax to the tax administrator's account on behalf of OTE's Contractual Partner shall be deemed in this scope the fulfilment of the Market Operator's obligation to pay value added tax in addition to the price agreed with OTE's Contractual Partner. In the event the tax administrator initiates proceedings to declare OTE's Contractual Partner an unreliable tax payer pursuant to the Value Added Tax Act, OTE's Contractual Partner is obligated to notify the Market Operator about the proceedings within 5 days of the date when it was informed or was scheduled to be informed about launching of the proceedings. OTE's Contractual Partner shall pay the Market Operator a fine in the amount of CZK 100,000 (one hundred thousand Czech crowns) for any breach of this obligation. In the event the tax administrator decides to declare OTE's Contractual Partner an unreliable taxpayer pursuant to the Value Added Tax Act, OTE's Contractual Partner is obligated to notify the Market Operator accordingly within 3 days.
- 1.2.13 In the event at the time of taxable supply information is published in a manner allowing remote access that OTE is an unreliable tax payer pursuant to the Added Value Tax Act, the Contractual Partner, who is the recipient of the taxable supply, is entitled to pay the value added tax on the taxable supply on behalf of the Market Operator that is the provider of the taxable supply, pursuant to the relevant provisions of the Value Added Tax Act. Payment of the amount corresponding to the amount of the value added tax to the tax administrator's account on behalf of OTE shall be deemed in this scope the fulfilment of the Contractual Partner's obligation to pay value added tax in addition to the price agreed with OTE. In the event the tax administrator initiates proceedings to declare OTE an unreliable tax payer pursuant to the Value Added Tax Act, OTE is obligated to post the information about the proceedings via CS OTE within 5 days of the date when it was informed or was scheduled to be informed about launching of the

proceedings. In the event the tax administrator decides to declare OTE an unreliable tax payer pursuant to the Value Added Tax Act, OTE is obligated to post the information via CS OTE within 3 days.

- 1.2.14 The Contractual Partner of OTE, which is the provider of the taxable supply, shall be obligated to use the bank account published by the tax administrator pursuant to the provision of Section 98 of the Value Added Tax Act for the settlement of this supply.

### 1.3 Personal data processing and protection

- 1.3.1 The Market Operator processes personal data provided by the Registered Market Participants pursuant to relevant legislation and for the purposes of exercising its powers under the Energy Act, the "POZE" Act and the related applicable regulations, and also for the purposes of executing contracts with data subjects (e.g. the Agreement on Settlement of Imbalances). More detailed information on personal data processing required by applicable legislation is posted on OTE's website.<sup>2</sup> The Market Operator shall process personal data in compliance with Regulation (EU) 2016/679 (GDPR) of the European Parliament and of the Council, the Personal Data Processing Act and relevant implementing regulations.
- 1.3.2 The Market Operator is authorized to provide, in compliance with applicable legislation, the necessary information to the authorized entities, in particular the Energy Regulatory Office, the Ministry of Industry and Trade and the State Energy Inspection Authority, to exercise their powers or on the basis of a court or other decision of the state administration bodies.

### 1.4 Appendices to Business Terms

- 1.4.1 Appendix 1 to the Business Terms includes the XML Message Formats document (Appendix 1 to BTP).
- 1.4.2 Appendix 2 to the Business Terms includes Forms (Appendix 2 to BTP).
- 1.4.3 Appendix 3 to the Business Terms includes the Day-Ahead Spot Market Evaluation Algorithm document (Appendix 3 to BTP).

## 2 COMMUNICATION WITH THE MARKET OPERATOR

### 2.1 Secure access to CS OTE

- 2.1.1 CS OTE facilitates mutual communication and automated data exchange between the Market Operator and OTE's Contractual Partner/Producer, and between OTE's Contractual Partners and Producers, and between OTE's Contractual Partners. CS OTE is shut down on a regular basis due to technical maintenance and development of its functionalities. The scheduled shut-downs are posted on OTE's website. Under extraordinary circumstances, the Market Operator reserves the right to shut down CS OTE due to operational reasons for a short period of time. OTE's Contractual Partners/Producers shall be notified about any such unscheduled shut-down, if possible, one hour in advance, in a manner allowing remote access, and the notification shall comprise the expected duration of the shut-down. During the shut-down, CS OTE Users have no access to CS OTE and are not able to send data and make any changes to the data in CS OTE.

2.1.2 Communication between OTE's Contractual Partner/Producer and the Market Operator is conducted via CS OTE in a manner and formats defined by the Market Operator in Annex No. 1 of the BTP and in the relevant user manuals.

2.1.3 Access to VDTIM via the VDTIM mMobile aApplication is enabled after activating the mobile device in the CS OTE portal. Access to the mobile application is secured by a password, which also serves to encrypt user data and can be entered automatically using biometrics.



2.1.4 By using the VDTIM mMobile aApplication, the user undertakes/agrees to use a screen lock on his mobile device and not allow any other person to add biometrics to the device, not allow them to access the device, or not provide security features of the VDTIM device or application (VDTIM mMobile aApplication password, mobile device screen PIN, mobile device screen character, etc.) that could lead to misuse or improper use of the VDTIM mMobile aApplication or unintentional closing of a trade deal.

2.1.22.1.5 Data entered using the VDTIM mMobile aApplication must be provided with an electronic signature using a qualified certificate, which the user has registered in the CS OTE portal with his person. The mobile application allows secure import of this certificate into the mobile device.

2.1.32.1.6 Access to CS OTE and communication with the CS OTE system are secured in such manner that the following applies

2.1.3.12.1.6.1 the data message integrity is ensured,

2.1.3.22.1.6.2 the message cannot be purloined by a third party. Encryption is ensured for

- user access
- automated communication
- sending data via secure email,

2.1.3.32.1.6.3 identities of both communication parties are verified,

2.1.3.42.1.6.4 the sender cannot deny composing and sending the message.

2.1.42.1.7 Access to CS OTE via a website is secured with an electronic signature of the visible text, using a qualified certificate.

2.1.52.1.8 CS OTE users shall sign all actions and data sent via CS OTE with their respective certificates.

2.1.62.1.9 Electronic signature in CS OTE is secured by using a qualified certificate.

2.1.72.1.10 Access to CS OTE via user application for the IM market is secured by using commercial certificates in order to ensure authentication and secure communication with CS OTE. Electronic signature is secured by using a qualified certificate.

2.1.82.1.11 Access to CS OTE via the POZE mobile application is enabled after connecting a mobile device with CS OTE using a qualified certificate and is password protected.

2.1.92.1.12 Access to CS OTE, except for the IM market section, is permitted through automated communication, using the SOAP web services, secure email (SMTP), S/MIME protocol for messages sent to [csote@csote.ote-cr.cz](mailto:csote@csote.ote-cr.cz), and the HTTPS secure business website CS OTE, or for the IM market section, through automated communication, using AMQP. In line with the requirements of OTE's Contractual Partner/Producer, communication messages from CS OTE are sent via automated communication or secure e-mail in a format defined in Appendix 1 to BTP. The method of sending specific types of messages can be determined individually. For more details, see documents posted on OTE's website.

2.1.102.1.13 Commercial server certificates for electronic mark creation (automated signature)<sup>3</sup>, qualified system certificates or qualified certificates for electronic seals<sup>4</sup> can be used for electronic signature in automated communication (electronic mark creation) through web services or AMQP.

2.1.112.1.14 Message encryption in automated communications via web services, secure email or AMQP is secured by OTE's commercial server certificate. In case of sending a message to the web service by a participant and in case of sending a secure e-mail from CS OTE, the message is encrypted with the commercial certificate of relevant OTE's Contractual Partner/Producer.

2.1.122.1.15 Access of the CS OTE User to CS OTE is restricted by the scope of user rights.

2.1.132.1.16 CS OTE users are required to ensure that settings of the workstation designated for access to CS OTE comply with minimum requirements for HW and certified SW specified in documents posted on OTE's website.

<sup>4</sup> The use of qualified certificates for electronic seals by the Market Operator is governed by Act No. 297/2016 Coll., on Trust Services for Electronic Transactions.

- 2.1.142.1.17 CS OTE Users are responsible for complying with the Business Terms hereof and their activities shall not endanger the operation of CS OTE or the activities of other CS OTE Users.
- 2.1.152.1.18 The Market Operator is not liable for any damage arising from unauthorized use of the security features and certificates by any CS OTE User or individuals which are not holders of the relevant certificates, or any damage arising from non-compliance with the terms of secure access to CS OTE and communication with the CS OTE system under Article 2.1.62.1.3 and 2.1.7 2.1.4 of BTP, or as a result of their misuse by individuals which are not holders of the relevant certificates, except for potential misuse by the CS OTE supplier.
- 2.1.162.1.19 Formats of messages (files) for communication with CS OTE, rules for use of messages, RMP identification, PDTs, rules of recurrent data transfers, date formats, numerical data formats, time formats, details of change to the Summer Time and back, and other details are included in Appendix 1 to BTP.
- 2.1.172.1.20 In the event of Internet connection failure or failure of any other connection to CS OTE agreed upon by the contractual parties, OTE's Contractual Partner experiencing the failure shall secure an alternative connection to CS OTE. The Market Operator is not responsible for any technical failures of CS OTE Users that may hinder access to and data entry in CS OTE.
- 2.1.182.1.21 The Market Operator shall ensure that any OTE's Contractual Partner is able to use all system functionalities to which he has the right of access under the signed agreement, provided the CS OTE user complies with the Business Terms thereof and its conduct does not jeopardize CS OTE operation or activities of other OTE's Contractual Partners.
- 2.1.192.1.22 In the event of accessing the secure CS OTE trading website, users are required to avoid any automated or machine-operated access. The Market Operator has the right to restrict access of OTE's Contractual Partner/Producer to CS OTE for the duration of the breach of this requirement by OTE's Contractual Partner/Producer. Machine-operated access is any behaviour that cannot be performed by human users (e.g. short-term and multiple refresh of trading screens, multiple parallel connections).
- 2.1.202.1.23 Automated and machine-operated access is permitted only for communication with the CS OTE system through automated communication SOAP or electronic mail (SMTP) and, in the event of IM and BMR, through automated communication, using the AMQP protocol.
- 2.1.212.1.24 The Market Operator provides support for CS OTE use through Help Desk available for all CS OTE Users. The Help Desk operates during hours posted on OTE's website.
- 2.1.222.1.25 The Market Operator is not liable for any damage arising from the misuse of the simplified method of data input by individuals which are not certificate holders, except for potential misuse by the CS OTE supplier.
- 2.1.232.1.26 In the event of issuance or renewal of a certificate for vertically integrated business entities to which provisions of the Energy Act regarding separation of the distribution system operator apply, applications must be submitted for issuing / renewing one certificate for electricity distribution operations and another certificate for electricity trading operations.
- 2.1.242.1.27 Access to CS OTE and communication with the CS OTE system are permitted under the agreement which the supplier, with the exception of a Producer that does not supply electricity to customers under a contract, or the regional distribution system operator or the local distribution system operator signs with the Market Operator, and upon registration of the relevant certificates. Any future OTE's Contractual Partner shall gain secure access to CS OTE within the scope of the agreement signed with the Market Operator after the said agreement becomes effective, but no later than on the first calendar day of the month following the month in which the respective agreement came into force.
- 2.1.252.1.28 Any OTE's Contractual Partner/Producer maintains an updated list of individuals authorized to access CS OTE on its behalf. OTE is not liable for any damage arising from the failure of OTE's Contractual Partner/Producer to keep the list current.
- 2.1.262.1.29 CS OTE users shall update their certificates for access to CS OTE pursuant to Article 2.2 of BTP.
- 2.1.272.1.30 The Market Operator shall make every effort to meet its obligations with the professional care and predictability that is standard and reasonable under the terms applicable in the pertinent sector, whereas the Market Operator is not responsible for the OTE's Contractual Partner's business results. Any negligence liability of the Market Operator is assessed with regard to the processes implemented to solve system failures or technical incidents related to

the settlement of the Market Operator's operations or errors of OTE CS. The Market Operator is liable only for damage arising from the use of CS OTE as a result of gross negligence or deliberate actions of the Market Operator's employees or suppliers. Outside this framework, the Market Operator's sole responsibility is to operate CS OTE with due care pursuant to BTP. OTE's Contractual Partner/Producer acknowledges that the operation of CS OTE can be interrupted at any time for any reasons and that any suspension of activities thereof under the Business Terms does not constitute any breach of the Market Operator's obligations. If such an event occurs, the Market Operator shall make necessary effort to fix the problem in the shortest time possible.

2.1.282.1.31 The Market Operator is not liable for any damage arising from force majeure. Force majeure means any event occurring irrespective of the Market Operator's will and preventing it from meeting its obligations, provided it cannot be reasonably assumed that the Market Operator could deflect or overcome the obstacle posed. Events caused by force majeure include strike, epidemics, fire, natural disaster, mobilization, war, uprising, seized assets, embargo, terrorist attack, long-term power outage, unauthorized third-party intervention in CS OTE, etc.

2.1.292.1.32 For the purposes of compensation of damage for which the Market Operator is liable, the maximum amount of predictable damage caused as a result of the Market Operator's breach of its obligations is CZK 2,500,000 (two million and five hundred thousand Czech crowns) for the period of the year in which the damage arose. The compensation does not cover lost profits, regression claims for the payment of contractual penalties and other penalties, and indirect and subsequent damage.

## **2.2 Secure access to CS OTE via certificates issued by supported CAs**

- 2.2.1 Any future or current OTE's Contractual Partner/Producer shall obtain relevant certificates for its CS OTE Users from supported CAs. A list of supported CAs accepted in CS OTE is posted on OTE's website.
- 2.2.2 Issuance and use of certificates and price terms are governed by the applicable certification policy for issuing certificates of the relevant supported CA.
- 2.2.3 OTE's Contractual Partner/Producer is fully responsible for issuance, administration and renewal of the certificates under the agreement entered into with the supported CA.
- 2.2.4 The authorized person shall register in CS OTE the public part of the newly issued or renewed certificate for a CS OTE User. A detailed description of the procedure, including the method of exporting the certificate, is posted on OTE's website.
- 2.2.5 The validity of certificates issued by supported CAs is governed by the terms of the agreement entered into with the respective certification authority. Certificate renewal is the responsibility of the CS OTE User. The relevant CS OTE User or authorized person shall ensure the renewal prior to the expiry of the existing certificate, following a procedure described on OTE's website.
- 2.2.6 Certificates of supported CAs can be used for access to SANDBOX.
- 2.2.7 Use of the relevant certificates issued by supported CAs for electronic signatures, secure access and message encryption in CS OTE shall be published by the Market Operator via remote access system.
- 2.2.8 The use of the POZE Mobile Application requires the installation of the application in the Producer's mobile device and its activation according to the relevant manual posted on OTE's website.
- 2.2.9 The removal of certificates from CS OTE shall be carried out by the relevant CS OTE user, authorized persons of OTE's Contractual Partner, or OTE's assigned employees upon confirmed request submitted by the CS OTE user or automatically if the certificate has expired.

## **2.3 Power supply interruption due to unauthorized consumption / distribution**

- 2.3.1 In a timeframe specified in the Market Rules, the Operator notifies the Market Operator about a scheduled interruption of power supply to relevant PDTs registered in CS OTE, using one of the following methods:

- 2.3.1.1 via CS OTE user interface, or

- 2.3.1.2 a message about a scheduled disconnection, which may comprise more than one PDT, in a format defined in Appendix 1 to BTP.
- 2.3.2 The Operator shall specify reasons for the interruption of power supply to the respective PDT and the date of the scheduled interruption of power supply to the PDT.
- 2.3.3 Following the interruption of power supply to the PDT, the Operator shall notify the Market Operator, in timeframes specified under the Market Rules, about the interruption in a message about the executed disconnection and, in the event of uninstalling the metering device, provides meter readings of power consumption as at the date of power supply suspension. The Market Operator distributes the data to the respective suppliers and BRPs pertaining to the relevant PDT. After sending the executed disconnection notification, the "suspension of data transmission" indicator is activated in CS OTE for the relevant PDT and, subsequently, the relevant PDT shall not be included in the imbalance settlement calculation as of the date specified by the Operator in the executed disconnection notification, unless the relevant variant of the imbalance evaluation under Article 3.1.1. has been performed. If, after sending the scheduled disconnection notification, the executed disconnection notification indicates as the reason for disconnecting power supply "disconnection not executed", no meter reading shall be required and the "suspension of data transmission" indicator shall not be activated.
- 2.3.4 Following the restoration of power supply to the PDT, the Operator shall notify the Market Operator, in timeframes specified under the Market Rules, about reconnecting the PDT, stating the date of reconnection and reasons for reconnection. Based on this data, the "suspension of data transmission" indicator shall be terminated for the relevant PDT.
- 2.3.5 In the event the Market Operator identifies in the scheduled disconnection notification or the executed disconnection notification erroneous or incomplete information, it shall notify the Operator of the declined registration of such notifications in CS OTE.

## **2.4 Change of supplier, change of Balance Responsible Party, extension or shortening or start of supply**

- 2.4.1 The supplier submits an application to CS OTE for change of supplier, change of Balance Responsible Party, extension or shortening or start of supply (hereinafter also "change request") under the agreement entered into with the Market Operator and in compliance with the procedure specified under the Market Rules, using one of the following methods:
  - 2.4.1.1 an on-line form via CS OTE user interface, or
  - 2.4.1.2 a message for change of supplier in a format defined in Appendix 1 to BTP.
- 2.4.2 The Market Operator reviews the change request, in particular whether
  - 2.4.2.1 the new supplier has been assigned an ID RMP,
  - 2.4.2.2 the effective date of change of supplier / date of start of supply is later than the date of submitting the request,
  - 2.4.2.3 all data has been filled in pursuant to the relevant provisions of the Market Rules,
  - 2.4.2.4 A BRP assuming imbalance responsibility at the relevant PDT has been appointed.
- 2.4.3 In the event of an error in the change request, CS OTE shall assign it an "erroneous document" status and shall return the result of the review to the supplier that submitted the change request.
- 2.4.4 In the event the Market Operator finds no discrepancies in the course of reviewing the change request, it shall notify about the receipt of the request for change of supplier the current supplier, current Balance Responsible Party, new supplier, new Balance Responsible Party or, if applicable, other relevant subjects and transmission system operators, or the relevant operator of the distribution system to which the electricity market participant's points of delivery/transfer are connected.
- 2.4.5 In the event the Balance Responsible Party has transferred total imbalances to another (assuming) BRP, the assuming BRP does not receive the change request.
- 2.4.6 Within timeframes specified under the Market Rules, the transmission system operator or the distribution system operator
  - 2.4.6.1 registers in CS OTE points of delivery/transfer that are scheduled for change of

- supplier and have not been registered in the Market Operator's system,
- 2.4.6.2 sends the Market Operator information about the outcome of processing an application for signing an agreement on electricity transmission or an agreement on electricity distribution, or an application for negotiating an amendment to the current agreement on electricity transmission or an agreement on electricity distribution; in the event the application is rejected, the relevant numbered reason is stated.
  - 2.4.7 In the event the Balance Responsible Party's consent with assigning imbalance responsibility at a point of delivery/transfer has not been registered in the Market Operator's system within timeframes specified under the Market Rules, the Market Operator shall terminate the change process.
  - 2.4.8 The new supplier may submit a request for terminating the change of supplier process within timeframes specified under the Market Rules; in such event the Market Operator shall terminate the change of supplier process.
  - 2.4.9 The current supplier may submit a request for suspending the change of supplier process within the timeframes and under the terms of the Market Rules. If the new supplier within the timeframes and under the terms pursuant to Section 37(3) of the Market Rules
    - 2.4.9.1 confirms in the Market Operator's information system the request for change of supplier, the Market Operator continues the change of supplier process,
    - 2.4.9.2 does not confirm in the Market Operator's information system the request for change of supplier, the Market Operator terminates the change of supplier process.
  - 2.4.10 The Market Operator notifies within the timeframes specified under the Market Rules the current supplier, new supplier, all relevant subjects of settlement and transmission system operators, or the relevant operator of the distribution system to which the electricity market participant's points of delivery/transfer are connected,
    - 2.4.10.1 the outcome of processing the request under Article 2.4.6.2,
    - 2.4.10.2 termination of the change of supplier process in instances under Articles 2.4.7, 2.4.8 and 2.4.9.2,
    - 2.4.10.3 registration of change of supplier.
  - 2.4.11 In the event more suppliers submit a request for change of supplier for the same point of delivery/transfer with an identical requested date of coming into force of the change of supplier, the Market Operator shall register change of supplier in accordance with the request for change of supplier that was processed as approved the last, and shall notify about the change of supplier registration all suppliers and subjects of settlement that have been affected by the change of supplier.
  - 2.4.12 The change of BRP at PDT is executed in CS OTE upon receipt of the request for change of BRP at PDT, provided the new BRP has successfully passed verification of financial security; in the event the new BRP has transferred its total imbalance responsibility to another (assuming) BRP, the Assuming BRP's sufficient financial security is checked.
  - 2.4.13 The current supplier/current Balance Responsible Party is deemed in all cases in Part 2.4 of BTP the supplier/BRP that is registered in CS OTE at the time of receiving the request for change of supplier at PDT in the position of supplier / BRP as at the date of coming into force of the change of supplier.
  - 2.4.14 The current BRP may apply in CS OTE for a shortening of assigned imbalance responsibility at PDT by filing in CS OTE a request to change the BRP at PDT, where it indicates its position of the new BRP and specifies the new end date for the assignment of imbalance responsibility. The request for shortening of the assumption of imbalance responsibility on the part of the current BRP can be filed in CS OTE by 10:00 on the tenth day before the requested last day of registration of the current BRP at PDT. Immediately after the shortening of assigned imbalance responsibility at PDT in CS OTE, the registered supplier to the relevant PDT and the relevant DSO shall be notified. If the relevant PDT does not ensure assigned imbalance responsibility for the period in which the supplier is assigned to the PDT in CS OTE, the Market Operator shall cancel the assignment of the supplier to the PDT in CS OTE on the day following the end of the assignment of the balance responsible party to the PDT, and then proceeds in accordance with the provisions of the Market Rules.



- 2.4.15 In case the Market Operator reduces supply under Article 6.5.13, the Market Operator as at the same date shortens the assigned imbalance responsibility at PDT in CS OTE. The Market Operator shall notify about this shortening the registered supplier to PDT, the relevant BRP and the DSO. The Market Operator shall then proceed pursuant to Section 57 of the Market Rules.
- 2.4.16 The Market Operator shall notify the relevant supplier and the balance responsible party and the distribution or transmission system operators about a possible re-assignment of the supplier and the balance responsible party to the consumer point of delivery in CS OTE pursuant to Section 57(2) of the Market Rules within one calendar day prior to the date of the possible re-assignment of the supplier and the BRP to the relevant EAN PDT (i.e. one calendar day prior to the date of the anticipated coming into effect of the previously approved change of supplier).
- 2.4.17 The Market Operator shall notify the assigned supplier, the BRP and the relevant TSO or DSO about the re-assignment of the supplier and the balance responsible party to the customer point of delivery in CS OTE pursuant to Section 57(2) of the Market Rules, via a message sent on the first day of coming into effect of the previously approved change of supplier.
- 2.4.18 Change in the type of agreement on supply of electricity to PDT is executed upon a request in accordance with the Market Rules submitted to CS OTE, provided the request has been approved by the relevant Operator.
- 2.4.19 Prior to commencing the change of supplier process for a customer-type or producer-type PDT in CS OTE, it is necessary to register the relevant RMP requesting a change of supplier with the Market Operator through the Agreement on Access to CS OTE or Agreement on Settlement of Imbalances.

## **2.5 Business company transformation and transfer of an enterprise or part thereof**

- 2.5.1 The request for a multiple change of supplier or a multiple change of BRP at PDT in connection with the business corporation transformation and transfer of an enterprise or part thereof is submitted, together with written documents about the business corporation transformation and transfer of an enterprise or part thereof, by the new supplier or the new BRP to the Claims module in CS OTE; as the type of claim the submitting OTE's Contractual Partner shall state: Company transformation – multiple change at PDT.
- 2.5.2 The multiple change of supplier or multiple change of BRP shall be executed in CS OTE pursuant to Section 47 of the Market Rules provided the transferring OTE's Contractual Partner shall grant its consent through the Claims module in CS OTE.
- 2.5.3 The Market Operator shall notify about the change of supplier to PDT in connection with the business corporation transformation and transfer of an enterprise or part thereof separately for each PDT the new supplier, the new BRP, the transferring OTE's Contractual Partner and the relevant TSO or DSO.
- 2.5.4 The Market Operator shall notify about the change of BRP at PDT in connection with the business corporation transformation and transfer of an enterprise or part thereof separately for each PDT the new supplier, the new BRP and the transferring OTE's Contractual Partner.

## **3 EVALUATION AND SETTLEMENT**

### **3.1 Stages of evaluation of imbalances and regulating energy (RE)**

- 3.1.1 Evaluation of imbalances consists of the following stages:
  - 3.1.1.1 daily evaluation,
  - 3.1.1.2 monthly evaluation,
  - 3.1.1.3 final monthly evaluation.
- 3.1.2 Aside from daily, monthly and final monthly evaluation of imbalances, the Market Operator also performs evaluation of RE and electricity acquired abroad (hereinafter also "daily evaluation", "monthly evaluation" and "final monthly evaluation").

- 3.1.3 The Market Operator performs daily evaluation according to the procedure and within the timeframe specified in the Market Rules and with regard to the provisions of Article 3.1.4 hereunder.
- 3.1.4 In the event the Market Operator has not received metered and preliminary values for daily evaluation by deadlines specified in the Market Rules, the Market Operator shall perform daily evaluation within three hours after the receipt of the values, whereby provisions of Article 9.2.15 of BTP apply.
- 3.1.5 In the event the results of daily evaluation are considerably distorted due to incorrect data, and some of the BRPs may be significantly disadvantaged, OTE shall require the respective Operator to amend the provided incorrect data. If the Operator fails to amend the data within one hour after the request, the Market Operator is authorized to perform daily evaluation again, using the closest corresponding previously metered values, or to perform daily evaluation and settlement of daily evaluation the following business day.
- 3.1.6 Based on daily evaluation and, if applicable, settlement of claims related to daily evaluation and received adjustments of metered and preliminary values, including adjusted data on volumes and prices of RE and electricity acquired abroad, the Market Operator may perform preliminary monthly evaluation on the sixth business day after the end of the month subject to evaluation.
- 3.1.7 Preliminary monthly evaluation refers to an adjusted number of all days of supply for which metered values were received to replace the preliminary values, or claims or adjusted metered values, including adjusted data on volumes and prices of RE and electricity acquired abroad, and determining a new value and direction of the system imbalance, imbalances of subjects of settlement and their evaluation, and the amount of payments for RE and for electricity acquired abroad.
- 3.1.8 Following any adjustments of metered values used in the preliminary monthly evaluation, received by 6 p.m. of the seventh business day, the Market Operator shall perform monthly evaluation by 4 p.m. of the eighth business day after the end of the month subject to evaluation.
- 3.1.9 Monthly evaluation refers to an adjusted number of all days of supply for which claims or adjusted metered values were received, including adjusted data on volumes and prices of RE and electricity acquired abroad, and determining a new value and direction of the system imbalance, imbalances of subjects of settlement and their evaluation, and the amount of payments for RE and for electricity acquired abroad.
- 3.1.10 Based on monthly evaluation and, if applicable, settlement of claims arising from monthly evaluation and received adjustments of metered values, including adjusted data on volumes and prices of RE and electricity acquired abroad, the Market Operator may perform preliminary final monthly evaluation on the first business day of the fourth month after the end of the month subject to evaluation.
- 3.1.11 Following settlement of claims arising from preliminary final monthly evaluation, if applicable, the Market Operator shall perform final monthly evaluation by 4 p.m. of the fourth business day of the fourth month after the end of the month subject to evaluation.
- 3.1.12 Final monthly evaluation refers to an adjusted number of all days of supply for which claims or adjusted metered values were received, including adjusted data on volumes and prices of RE and electricity acquired abroad, and determining a new value and direction of the system imbalance, imbalances of subjects of settlement and their evaluation, and the amount of payments for RE and for electricity acquired abroad.
- 3.1.13 Determining a new value and direction of the system imbalance, imbalances of subjects of settlement and their evaluation, and new amounts of payments for RE and for electricity acquired abroad is performed during preliminary monthly evaluation, monthly evaluation and final monthly evaluation in the same manner as in daily evaluation.
- 3.1.14 The results of specific stages of evaluation are made available to relevant BRPs via user interface and are posted on OTE's website.
- 3.1.15 For purposes of evaluation of imbalances, metered values of BRPs regarding their obligation to offtake electricity from the electric power system and obligation to supply electricity to the electric power system are rounded to thousandths of MWh as follows:
  - 3.1.15.1 if the fourth figure after the decimal point (ten-thousandths of MWh) equals or is higher than 5, the third figure after the decimal point is increased by 1 and the fourth and following digits after the decimal point are dropped,



3.1.15.2 in all other cases, all digits in the fourth and following decimal places are dropped.

- 3.1.16 In the event a BRP has assumed another (transferring) BRP's total imbalance responsibility, within daily, preliminary monthly, monthly and final monthly evaluation, the assuming BRP's imbalances (in MWh) are added to the transferring BRP's imbalances (in MWh) and the Market Operator shall charge the Balance Responsible Party that has assumed the total imbalance responsibility from the other (transferring) BRP with the pertinent the rate for the imbalances.
- 3.1.17 Determining the payment for imbalances due from the Balance Responsible Party that has assumed total imbalances of other BRPs under Article 3.1.15 for the relevant delivery day, for which the BRP assumed other BRPs' total imbalances, is based on a sum of products of the imbalance settlement price at specific hours of the delivery day, and a sum of the assuming BRP's imbalances (in MWh) and imbalances (in MWh) of all BRPs, from which it has assumed the total imbalance responsibility, at specific hours of the delivery day.

## 3.2 Settlement of daily evaluation, including the short-term electricity market

- 3.2.1 For purposes of imbalance settlement of BRPs, each BRP is required to provide the Market Operator with the right of direct debit established within the BRP's bank account, as set forth in the Agreement on Settlement of Imbalances, and maintained by a bank or its branch in the CR. Each imbalance of the BRP shall result in either its payment obligation or entitlement to a refund arising from the respective imbalance. Those BRPs that have transferred total imbalance responsibility to another BRP are not subject to any payment obligation and are not entitled to any refund arising from the respective imbalance for the delivery day on which the total imbalances were transferred to another BRP.
- 3.2.2 To settle trades closed on the short-term electricity market, the BRP (short-term market participant) is required to establish within its bank account, maintained in the CZK currency and defined in the Agreement on Access to the Short-Term Electricity Market, the right of cash collection for the Market Operator. To settle DM and IM in the EUR currency, the respective short-term electricity market participant must have an account in EUR denomination maintained by one of the banks approved by the Market Operator and listed on OTE's website, with the established right of cash collection for the Market Operator. If the short-term electricity market participant fails to open the required account, the Market Operator settles the short-term electricity market with the said participant in CZK.
- 3.2.3 Settlement of DM trades brokered by PXE is carried out by PXE, based on the results achieved for respective BRPs.
- 3.2.4 Settlement of daily evaluation, including trades closed on the short-term electricity market, (hereinafter "daily settlement"), is performed by the Market Operator by 12.00 midnight of the business day following the delivery day subject to daily evaluation. Any mutual receivables between the Market Operator and the BRP / short-term electricity market participant / RE provider / TS operator, arising from daily evaluation, including trades closed on the short-term electricity market on the relevant delivery day and the settlement currency, shall be factored in. In the event of CS OTE failure, the Market Operator is authorized to postpone execution of daily settlement for the duration of the failure.
- 3.2.5 Daily settlement does not entail settlement of differences between total revenues from the imbalance settlement system and costs of electricity acquired by the TSO for purposes of covering imbalances in the electric power system.
- 3.2.6 Daily settlement, excluding DM trades brokered by PXE, and after factoring in mutual receivables under Article 3.2.4, results in issuing payment or direct debit orders crediting or debiting the relevant BRP / RE provider / TS operator or short-term electricity market participant, whereby:
  - 3.2.6.1 the due date of a direct debit order arising from daily settlement shall be set forth on the first business day after the end of the delivery day subject to settlement, with the exception of, but not limited to, a tardy provision of metered values to the operator and failed communication with the Market Operator's bank, whereby the due date of direct debit orders is set forth on the second business day after the end of the delivery day subject to settlement, and the collected payments shall include

- the amount of value-added tax at its statutory rate,
- 3.2.6.2 the due day of the Market Operator's payment orders arising from daily settlement shall be set forth on the fourth business day after the end of the trading day subject to settlement, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of payment orders shall be set forth on the fifth business day after the end of the delivery day subject to settlement. The Market Operator has the right to make the payments without value-added tax at the statutory rate and reimburse the tax amount within settlement of monthly evaluation.
- In the event a direct debit or payment order pertaining to the BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.
- 3.2.7 Settlement of DM trades brokered by PXE is governed by the PXE Rules.
- 3.2.8 If payments crediting the Market Operator are made abroad into an account maintained in the CZK currency, all fees related to the payment shall be borne by the payer.
- 3.2.9 The procedure for rounding amounts of financial settlement of DM is as follows:
- 3.2.9.1 financially evaluated volumes of electricity supply / consumption of specific short-term electricity market participants for each trading hour, billed in EUR in three decimal places, shall be rounded down to two decimal places,
  - 3.2.9.2 the difference between the sum of financial evaluations under the preceding Article 3.2.9.1 and the previous financial evaluation of matched volumes of electricity on DM is evaluated,
  - 3.2.9.3 should the difference under the preceding Article 3.2.9.2 be other than zero, financial evaluation of short-term electricity market participants is incrementally increased by EUR 0.01 with the aim to eliminate the difference, taking the following steps
    - 3.2.9.3.1 first, financial evaluation of the short-term electricity market participant with the greatest figure of the previous financial evaluation in the third decimal place is raised
    - 3.2.9.3.2 in the event of an identical value, evaluation with the greatest figure of the second decimal place shall be increased first,
    - 3.2.9.3.3 in the event of a repeated identical value, evaluation the short-term electricity market participant, the ID RMP of which is lower, shall be increased by EUR 0.01.
- 3.2.10 **The procedure for rounding amounts of financial settlement of IM is as follows:**
- 3.2.10.1 financially evaluated volumes of electricity supply / consumption of specific short-term electricity market participants for each trading hour, billed in EUR in three decimal places, shall be rounded down to two decimal places,
  - 3.2.10.2 the difference between the sum of financial evaluations under the preceding Article 3.2.10.1 and the previous financial evaluation of traded volumes of electricity on IM is evaluated,
  - 3.2.10.3 should the difference under the preceding Article 3.2.10.2 be other than zero, financial evaluation of short-term electricity market participants is incrementally increased by EUR 0.01 with the aim to eliminate the difference, taking the following steps:
    - 3.2.10.3.1 first, financial evaluation of the short-term electricity market participant with the greatest figure of the previous financial evaluation in the third decimal place is raised,
    - 3.2.10.3.2 in the event of an identical value, evaluation with the greatest figure of the second decimal place shall be increased first,
    - 3.2.10.3.3 in the event of a repeated identical value, evaluation the short-term electricity market participant, the ID RMP of which is lower, shall be increased by EUR 0.01.

### 3.3 Settlement of monthly evaluation, including the short-term electricity market

- 3.3.1 Settlement of monthly evaluation, carried out by the Market Operator no later than the ninth business day by 12.00 midnight after the end of the month subject to evaluation, refers to settlement of the difference between:
- 3.3.1.1 made and received payments arising from daily imbalance settlement and results of monthly evaluation,
  - 3.3.1.2 made and received payments arising from daily settlement of RE and results of monthly evaluation,
  - 3.3.1.3 made and received payments arising from daily settlement of electricity acquired abroad and results of monthly evaluation.
- 3.3.2 Aside from performing monthly evaluation, the Market Operator carries out settlement of the difference between made and received payments arising from daily settlement of trades closed on the short-term electricity market and results of monthly evaluation, and also settlement of the difference between total revenues from the imbalance settlement system and costs of electricity acquired by the TSO for purposes of covering imbalances in the electric power system and settlement of costs of electricity acquired by the TSO abroad under the Market Rules, in addition to billing and settlement of the price charged for billing of the registered BRP and the price for the sum of volumes of electricity purchased and sold at all trading hours of the calendar month through the organized block market and the day-ahead spot market pursuant to the relevant PD and the price for recording, provision and reporting trade data under Article 10.5 (hereinafter "monthly settlement"). Any receivables or debts of BRPs arising from daily evaluation of the short-term electricity market include, in the event of organizing the short-term electricity market in the form of implicit capacity allocation and pursuant to the provisions of Section 24(3), Letter d) and/or Section 24(10), Letter a) of the Energy Act, a pro rata portion of receivables and/or debts of the Market Operator arising from settlement of the resultant flow on the short-term electricity market, which entails transmission of electricity to or from abroad carried out by the transmission system operator for the Market Operator.
- 3.3.3 The short-term electricity market participant shall confirm to the Market Operator adjusted values of the results of daily settlement of transactions executed on the short-term electricity market, which are instrumental for monthly settlement, no later than by 12.00 midnight of the last day of the month subject to evaluation. In the event the short-term electricity market participant does not object to the adjusted values by 12.00 midnight of the last day of the month subject to evaluation, it is assumed it agrees with the adjusted values.
- 3.3.4 The due date of the Market Operator's payment orders arising from differences between total revenues from the imbalance settlement system and costs of electricity acquired by the TSO for purposes of covering imbalances in the electric power system, and the Market Operator's payment orders arising from costs of electricity acquired by the TSO abroad, is set forth on the 21st calendar day after issuing the requisite tax document by the TS operator.
- 3.3.5 The Market Operator has the right, on behalf of both parties, to offset mutual receivables arising from the Agreement on Settlement of Imbalances and/or the Agreement on Access to the Short-Term Electricity Market and/or the Agreement on Settlement of RE. The Market Operator shall duly notify the relevant BRP / short-term market participant / RE provider and TS operator about executing the offset by a message sent to the e-mail designated for communication.
- 3.3.6 The outcome of monthly settlement shall be making out payment or direct debit orders for all BRPs / short-term electricity market participants / RE providers and the TS operator, whereby
- 3.3.6.1 the due date of direct debit orders arising from tax documents issued by the Market Operator shall be set forth on the date of performing monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of direct debit orders is set forth on the first business day after completion of monthly evaluation,
  - 3.3.6.2 the due date of payment orders arising from tax documents issued by the Market Operator shall be set forth on the fourth business day after completion of monthly evaluation,

- 3.3.6.3 the due date of the Market Operator's direct debit orders arising from tax documents issued by the BRP / short-term electricity market participant / RE provider and TS operator shall be set forth on the first business day after the receipt of the requisite tax document by the Market Operator,
- 3.3.6.4 the due date of the Market Operator's payment orders arising from tax documents issued by the BRP / short-term electricity market participant / RE provider and TS operator shall be set forth on the fourth business day after the receipt of the requisite tax document by the Market Operator.

In the event a direct debit or payment order pertaining to a BRP's bank account is made out outside the Market Operator's Bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.

- 3.3.7 In the event of debts of the BRP / short-term electricity market participant / RE provider and TS operator due to the Market Operator, the Market Operator shall issue tax documents and send them to the BRP / short-term electricity market participant / RE provider and TS operator before the end of the eighth business day after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed).
- 3.3.8 In the event of the Market Operator's debts due to the BRP / short-term electricity market participant / RE provider and TS operator
  - 3.3.8.1 the Market Operator shall issue and make available via user interface documentation for issuing tax documents by the BRP / short-term electricity market participant / RE provider and TS operator within eight business days after the end of the month for which the tax documents are being issued (i.e. the month in which taxable supply was executed); the documentation for issuing tax documents contains information on received payments pertaining to the month subject to evaluation,
  - 3.3.8.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP / short-term electricity market participant / RE provider and TS operator on the grounds of authorization pursuant to Section 28 (75) of the Value Added Tax Act within eight business days after the end of the month in which taxable supply was executed.
- 3.3.9 Supplies of electricity traded on the short-term electricity market and delivered on the same day (for purposes of this Article hereunder, hereinafter "Delivery Day"), pursuant to the Value Added Tax Act, are deemed recurrent supply. Solely for the purpose of the Value Added Tax Act, this recurrent supply is deemed executed as of the Delivery Day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month. For the purpose of electricity tax, the volume of supplied electricity traded on the short-term electricity market is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the volume of supplied electricity in the calendar month, a sale document or a tax document shall be issued pursuant to the Electricity Tax Act. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.
- 3.3.10 Any separate provision of services pertaining to consumption of electricity traded on the short-term market at a negative price on the same day (for purposes of this Article hereunder, hereinafter "Delivery Day") is deemed recurrent supply, pursuant to the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act, the recurrent supply is deemed executed as of the Delivery Day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month.
- 3.3.11 Supply within the scope of imbalances determined in relation to separate hours of the same day (for purposes of this Article hereunder, hereinafter "Delivery Day") is deemed recurrent supply pursuant to the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act, the recurrent supply is deemed executed as of the Delivery Day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month. For the purpose of electricity tax, the volume of electricity supplied to compensate for imbalances (positive or negative electricity) is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the extent of imbalances in the calendar month, a sale document

or a tax document shall be issued pursuant to the Electricity Tax Act. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable. In the event of additional changes made in the determined amounts in compliance with the applicable rules for settlement of imbalances, adjustments will be made through issuing an amended tax document, pursuant to the Value Added Tax Act, or issuing a tax document or a sale document. Specifics of the amended tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.

- 3.3.12 Separate supplies pertaining to regulating energy executed on the same day (for purposes of this Article hereunder, hereinafter "Delivery Day") are deemed recurrent supply pursuant to the Value Added Tax Act. Solely for the purpose of the Value Added Tax Act, the recurrent supply is deemed executed as of the Delivery Day. Pursuant to the Value Added Tax Act, an aggregate tax document shall be issued for the recurrent supply executed throughout the calendar month. For the purpose of electricity tax, the volume of electricity delivered as supply pertaining to regulating energy is determined for the period of calendar month. This determination always takes place on the last day of the calendar month. Based on the determination of the volume of supplied electricity pertaining to regulating energy over the calendar month, a sale document or a tax document shall be issued pursuant to the Electricity Tax Act. Specifics of the aggregate tax document and specifics of the sale or tax document shall be stated in a joint document, if applicable.
- 3.3.13 Tax documents pertaining to DM and IM are issued separately and in accordance with the required settlement currency. If in the course of a calendar month any short-term electricity market participant submits bids requiring settlements in both EUR and CZK, each party shall issue two tax documents for the relevant month. In the event the submitted bids warrant settlement in CZK, they are deemed agreed upon in CZK.
- 3.3.14 Should a gratuitous enrichment of the BRP / short-term electricity market participant / RE provider or TS operator occur, the respective entity is obligated to return to the Market Operator an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.3.15 Should a gratuitous enrichment of the Market Operator occur, the Market Operator is obligated to return to the BRP / short-term electricity market participant / RE provider or TS operator an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.3.16 In the event the amount of a payment order or a direct debit order made out on account of monthly settlement and issuance of a tax document and which settles the difference between payments executed as a result of daily settlement, and the results of monthly evaluation, does not exceed CZK 1 (EUR 0.10), the Market Operator is authorized to round the relevant amount and to decline to make out a payment order or a direct debit order.
- 3.3.17 Documentation for issuing tax documents of the Market Operator contains information on received payments pertaining to the month subject to evaluation, their amounts and dates of receipt of the payments into the Market Operator's account.
- 3.3.18 Documentation for issuing tax documents of the BRP / short-term electricity market participant / RE provider and TS operator contains information on executed payments pertaining to the month subject to evaluation, their amounts and dates of making out the payments from the Market Operator's account.
- 3.3.19 In the event of payments crediting the Market Operator made abroad into an account maintained in the CZK currency, all fees arising from the relevant payment are borne by the payer.

### **3.4 Settlement of final monthly evaluation, including the short-term electricity market**

- 3.4.1 Settlement of final monthly evaluation, carried out by the Market Operator by 12.00 midnight of the fourth business day of the fourth month after the end of the month subject to evaluation, refers to settlement of the difference between:

- 3.4.1.1 final monthly evaluation and monthly settlement of imbalances,



- 3.4.1.2 final monthly evaluation and monthly settlement of RE,
- 3.4.1.3 final monthly evaluation and monthly settlement of electricity acquired abroad.
- 3.4.2 Aside from performing final monthly evaluation, the Market Operator carries out settlement of the difference between monthly settlement of transactions executed on the short-term electricity market and the results of final monthly evaluation, and also settlement of the difference between payments charged for the Market Operator's services (hereinafter "final monthly settlement"). Any receivables or debts of BRPs arising from daily evaluation of the short-term electricity market include, in the event of organizing the short-term electricity market in the form of implicit capacity allocation and pursuant to the provisions of Section 24(3), Letter d) and/or Section 24(10), Letter a) of the Energy Act, a pro rata portion of receivables and/or debts of the Market Operator arising from settlement of the resultant flow on the short-term electricity market, which entails transmission of electricity to or from abroad carried out by the transmission system operator for the Market Operator.
- 3.4.3 The outcome of final monthly settlement shall be making out payment or direct debit orders for all BRP / short-term electricity market participants / RE providers and TS operator, whereby
  - 3.4.3.1 the due date of direct debit orders pertaining to tax documents issued by the Market Operator shall be set forth on the date of performing final monthly evaluation, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the due date of direct debit orders is set forth on the first business day after completion of final monthly evaluation,
  - 3.4.3.2 the due date of payment orders pertaining to tax documents issued by the Market Operator shall be set forth on the fourth business day after completion of final monthly evaluation,
  - 3.4.3.3 the due date of the Market Operator's direct debit orders pertaining to tax documents issued by the BRP / short-term electricity market participant / RE provider and TS operator shall be set forth on the first business day after the receipt of the requisite tax document by the Market Operator,
  - 3.4.3.4 the due date of the Market Operator's payment orders pertaining to tax documents issued by the BRP / short-term electricity market participant / RE provider and TS operator shall be set forth on the fourth business day after the receipt of the requisite tax document by the Market Operator.

In the event a direct debit or payment order pertaining to a BRP's bank account is made out outside the Market Operator's Bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.
- 3.4.4 In the event the difference under Articles 3.4.1.1, 3.4.1.2 or 3.4.1.3 is lower than CZK 25, the value of the relevant monthly settlement is deemed unchanged, the difference for the settlement of the final monthly evaluation is zero, and no collection or payment orders are issued.
- 3.4.5 Final monthly settlement is instrumental for issuing an amended tax document.
- 3.4.6 In the event of any debts of the BRP / short-term market electricity participant / RE provider and TS operator due to the Market Operator, the Market Operator shall issue tax documents and send them to the BRP / short-term electricity market participant / RE provider and TS operator before the end of the fourth business day of the fourth month after the end of the month subject to evaluation.
- 3.4.7 In the event of any debts of the Market Operator due to the BRP / short-term electricity market participant / RE provider and TS operator
  - 3.4.7.1 the Market Operator shall issue and make available via user interface to the BRP / short-term electricity market participant / RE provider and TS operator documentation for issuing tax documents within four business days of the fourth month after the end of the month subject to evaluation,
  - 3.4.7.2 Based on pertinent documents, the Market Operator shall issue and send tax documents on behalf of the BRP / short-term electricity market participant / RE provider and TS operator on the grounds of authorization pursuant to Section 28 (75) of the Value Added Tax Act within four business days of the fourth month after the end of the month subject to evaluation.

- 3.4.8 In the event the amount of the settlement of differences between the final monthly evaluation and monthly settlement is zero under Article 3.4.4 and no collection or payment order has been issued, it is assumed that the previously provided taxable supply determined on the basis of monthly settlement has not been adjusted and the Market Operator shall not issue any tax document.
- 3.4.9 Should a gratuitous enrichment of the BRP / short-term electricity market participant / RE provider or TS operator occur, the respective entity is obligated to return to the Market Operator an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.4.10 Should a gratuitous enrichment of the Market Operator occur, the Market Operator is obligated to return to the BRP / short-term electricity market participant / RE provider or TS Operator an amount corresponding to the amount of gratuitous enrichment within ten business days after finding out about gratuitous enrichment. This provision does not affect general provisions on damage compensation and gratuitous enrichment.
- 3.4.11 In the event of payments crediting the Market Operator made abroad into an account maintained in the CZK currency, all fees arising from the relevant payment are borne by the payer.

### **3.5 Settlement of differences between meter readings and LP values**

- 3.5.1 The method of settlement of imbalances with use of load profiles (LP) is set forth in the Market Rules.
- 3.5.2 The Market Operator posts on its website the procedure of selection and measurement of samples for creating LPs, implementing instructions for measurement that define rules of distribution of the measured data, methodology of LP adjustment to standard temperatures, and determination of regression coefficients in effect for the defined timeframe, as well as a general description of LP use, including detailed methodology of LP adjustment.
- 3.5.3 Hourly values of consumption at customer points of delivery using Type C metering, where change of supplier has been carried out in the specific LP region, used for settlement of imbalances of specific subjects of settlement, are determined by apportioning the residual load curve in the relevant LP region to consumption volumes of separate BRPs in proportion to the volume of consumption of these BRPs' customers and to aggregate consumption at the other points of delivery with Type C metering, where change of supplier has not been carried out (by separate LP classes). The aggregate consumption in the respective LP region plus losses are assigned to the Balance Responsible Party that has assumed imbalance responsibility in the respective LP region.
- 3.5.4 Under the Market Rules, upon the receipt of meter readings of electricity consumption at points of delivery with Type C metering in regional distribution systems that changed the supplier, the Market Operator shall settle differences between the values of actual energy consumption obtained from those meter readings and values determined in accordance with LPs for the same period as follows:
  - 3.5.4.1 the Market Operator shall perform monthly evaluation of these differences (hereinafter "monthly LP evaluation") on the 12<sup>th</sup> business day of the month following the month to which the meter readings of electricity consumption at the defined points of delivery pertain,
  - 3.5.4.2 following the receipt of adjusted meter readings of electricity consumption and settling any claims relating to monthly evaluation of the differences under Article 3.5.4.1, the Market Operator can carry out preliminary final monthly evaluation of the differences, which takes place on the 4<sup>th</sup> business day of the 4<sup>th</sup> month following the month subject to evaluation,
  - 3.5.4.3 Subjects of settlement may provide the Market Operator with adjusted data and file claims arising from evaluation of the differences by 12:00 midnight of the 9<sup>th</sup> business day of the 4<sup>th</sup> month following the month subject to evaluation,
  - 3.5.4.4 the Market Operator shall perform final monthly evaluation of the differences (hereinafter "final monthly LP evaluation") on the 10<sup>th</sup> business day of the 4<sup>th</sup> month following the month subject to evaluation,



- 3.5.4.5 the differences from metered values of electricity consumption are rounded in compliance with the rules applied for the aggregate of metered values of electricity consumption in settlement of imbalances.
- 3.5.5 The Market Operator shall carry out settlement of differences under Article 3.5.4.1 with the subjects of settlement that at the time of meter reading were responsible for imbalances at the respective points of delivery, or with the subjects of settlement that assumed total imbalance responsibility of the BRP thereof as at the last day of the month for which the monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, provided the total imbalances were transferred, including settlement of the differences in compliance with Article 6.7.2 of BTP, for the settlement price according to the ERO Price Decision applicable for the period for which the differences are evaluated.
- 3.5.6 The Market Operator shall settle the differences under Article 3.5.4.4 with the subjects of settlement that at the time of meter reading were responsible for imbalances at the respective points of delivery or with the subjects of settlement that assumed total imbalance responsibility of the BRP thereof as at the last day of the month for which the final monthly LP evaluation is performed, , or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, provided the total imbalances were transferred, including settlement of the differences in compliance with Article 6.7.2 of BTP, for the settlement price according to the ERO Price Decision applicable for the period for which the differences are evaluated.
- 3.5.7 Settlement of differences under Article 3.5.4.1, but with the opposite sign, is carried out with the subjects of settlement that at the time of the meter reading were responsible for imbalances in the respective LP region, or with the subjects of settlement that assumed total imbalance responsibility of the BRP thereof as at the last day of the month for which the monthly LP evaluation is performed, , or as at the day of BRP termination in the month for which the monthly LP evaluation is performed, provided the total imbalances were transferred, including settlement of the differences in compliance with Article 6.7.2 of BTP, for the settlement price according to the ERO Price Decision applicable for the period for which the differences are evaluated.
- 3.5.8 Settlement of differences under Article 3.5.4.4, but with the opposite sign, is carried out with the subjects of settlement that at the time of the meter reading were responsible for imbalances in the respective LP region, or with the subjects of settlement that assumed total imbalance responsibility of the BRP thereof as at the last day of the month for which the final monthly LP evaluation is performed, or as at the day of BRP termination in the month for which the monthly LP evaluation id performed, provided the total imbalances were transferred, including settlement of the differences in compliance with Article 6.8.3 of BTP, for the settlement price according to the ERO Price Decision applicable for the period for which the differences are evaluated.
- 3.5.9 On the day of performing the settlement of monthly LP evaluation, relevant tax documents are issued. The date of taxable supply is the date of issuing the tax documents by the Market Operator. The Market Operator shall issue tax documents pertaining to the settlement of differences also on behalf of the respective BRP based on the authorization of the Market Operator for issuing tax documents pursuant to Section 28 (75) of the Value Added Tax Act. Any mutual receivables between the Market Operator and the BRP arising from tax documents regarding monthly LP settlement shall be factored in.
- 3.5.10 On the day of performing the settlement of final monthly LP evaluation, relevant tax documents or adjusted tax documents are issued. The date of taxable supply is the date of issuing the tax documents or adjusted tax documents by the Market Operator. The Market Operator shall issue the tax documents or adjusted tax documents pertaining to the settlement of differences also on behalf of the respective BRP based on the authorization of the Market Operator for issuing tax documents pursuant to Section 28 (57) of the Value Added Tax Act. Any mutual receivables between the Market Operator and the BRP arising from the tax documents or adjusted tax documents regarding final monthly LP settlement shall be factored in. If the amount of the settlement of differences between the final monthly LP evaluation and the monthly LP settlement does not exceed CZK 25, it is assumed that the previously provided taxable supply determined on the basis of monthly settlement has not been adjusted and the Market Operator shall not issue any tax document.
- 3.5.11 For the purpose of settlement of differences under Articles 3.5.5, 3.5.6, 3.5.7 and 3.5.8, the BRP subject to settlement is required to establish within its bank account, maintained by a CR-based

bank or its branch and defined in the Agreement on Settlement of Imbalances, the right of direct debit for the Market Operator.

- 3.5.12 The due date of direct debit orders after factoring in mutual receivables under Article 3.5.9 and 3.5.10 shall be set forth on the day of issuing tax documents or adjusted tax documents by the Market Operator, with the exception of, but not limited to, failed communication with the Market Operator's bank where the due date of direct debit orders shall be set on the first business day after the date of issuance.
- 3.5.13 The due date of payment orders after factoring in mutual receivables under Article 3.5.9 and 3.5.10 shall be set forth on the fourth business day after the day of issuing tax documents or adjusted tax documents by the Market Operator. In the event a direct debit or payment order pertaining to a BRP's bank account is made out outside the Market Operator's bank, it is agreed that the due date is extended by periods stipulated by Act No. 284/2009 Coll., on the Payment System.
- 3.5.14 In the event of change of the balancing price set forth by the ERO or change in the method of price setting in the period subject to settlement of differences between values of metered consumption acquired through meter readings and values for settlement of imbalances determined in accordance with LPs, differences prior to and after the change of the balancing price are settled separately.

### 3.6 Determining residual profile coefficient and temperature coefficient

- 3.6.1 The residual load profile (ZD) of each LP region determined with regard to the plus or minus sign convention at the specific trading hour, is calculated according to the following formula:

$$ZD = D + d + o - Z$$

where

- $D$  is the supply balance at the dividing line of the specific region at the trading hour,
- $d$  is power supply to the specific LP region at the trading hour from sources within the DS with Type A, B, C, M metering,
- $o$  is power consumption of the specific LP region at the trading hour by consumers with Type A, B, M metering,
- $Z$  is the volume of losses in the specific LP region at the trading hour.

- 3.6.2 The residual profile coefficient  $K$  at the trading hour (coefficient of adjustment of load per residual profile in the specific LP region) is calculated according to the following formula:

$$K = \frac{ZD}{\sum_{i=1}^I \sum_{t=1}^T o_i^{C,t,s}} = \frac{ZD}{\sum_{t=1}^T \left( \frac{TDD_{pt}}{T_{unt}} * \sum_{i=1}^I o_i^{C,t} \right)}$$

where

- $o_i^{C,t,s}$  is consumption of the  $i$ -th consumer at the trading hour with Type C metering in the specific LP region assigned to class  $t$   $TDD_n$  for actual climatic conditions, determined by calculation from its planned annual consumption  $O_i^C$  adjusted to standard climatic conditions:

$$o_i^{C,t,s} = O_i^C * \frac{TDD_{pt}}{T_{unt}}$$

$TDD_{pt}$  is LP adjusted for class  $t$  and trading hour,

$T_{unt}$  is sum total of relative values  $TDD_n$  for class  $t$  ( $t = 1, \dots, T$ )

- 3.6.3 Temperature coefficient serves to determine LPs adjusted to actual average temperature.

- 3.6.4 The Market Operator annually updates the methodology of determining temperature coefficient posted on OTE's website, including regression coefficients needed for temperature adjustment of LPs in the relevant year.

### 3.7 Evaluation in local distribution systems (DS)

- 3.7.1 For monthly and final monthly settlement of imbalances in a local DS, hourly consumption at separate PDTs with Type C metering and hourly values of losses are determined as follows:
- 3.7.1.1 first, the monthly volume of the residual profile of the specific local DS is determined, which equals a total of monthly consumption recorded through Type C metering and a total of monthly losses in the specific local DS, and which is calculated by subtracting metered values of production PDTs with Type A, B, M and C metering and metered values of consumption PDTs with Type A, B and M metering in the respective local DS from the sum of metered values at transfer points of the respective local DS;
  - 3.7.1.2 the monthly volume of losses in the specific local DS is determined by subtracting metered monthly consumption of all consumption PDTs with Type C metering, i.e. a total of meter readings at all consumption PDTs with Type C metering, from the monthly volume of the residual profile of the respective local DS set forth under Article 3.7.1.1 (to carry out monthly evaluation of local DSs, meter readings from all consumption PDTs with Type C metering must be provided, whereby readings from the PDTs which have changed supplier must be sent to CS OTE separately for each PDT);
  - 3.7.1.3 the share of monthly consumptions of separate PDTs with Type C metering and the share of the monthly volume of losses in the specific local DS in the monthly volume of the residual profile of the specific local DS is determined; the losses are assigned to the Balance Responsible Party that has assumed imbalance responsibility in the respective local DS during its registration in the Market Operator's system;
  - 3.7.1.4 values of consumption at separate PDTs with Type C metering and values of losses in the local DS at each hour of the month are determined by apportioning the hourly residual profile of the local DS to respective PDTs and to hourly values of losses at each hour of the month, based on their monthly shares set forth under Article 3.7.1.3.
- 3.7.2 For daily settlement of imbalances in the local DS, hourly consumption at specific PDTs with Type C metering and hourly values of losses are determined as follows:
- 3.7.2.1 first, the preliminary monthly volume of the residual profile of the specific local DS is determined, which equals a total of preliminary monthly consumption recorded through Type C metering and a total of preliminary monthly losses in the specific local DS, and which is calculated as a sum of one-twelfth of planned annual consumptions of all consumption PDTs with Type C metering in the respective local DS and the volume of losses in the respective local DS in the preceding month;
  - 3.7.2.2 the preliminary monthly volume of losses in the local DS equals the volume of losses of the local DS in the preceding month, with the exception of the local DS newly registered with the Market Operator, where the preliminary monthly volume of losses in this particular local DS equals one-twelfth of the volume of the planned annual estimate of losses in this local DS made at registration of the local DS in CDS;
  - 3.7.2.3 the share of preliminary monthly consumption of separate PDTs with Type C metering and the share of the preliminary monthly volume of losses in the specific local DS in the preliminary monthly volume of the residual profile of the specific local DS is determined;
  - 3.7.2.4 values of consumption at separate PDTs with Type C metering and values of losses in the local DS at each hour of the month are determined by apportioning the hourly residual profile of the local DS to respective PDTs and to hourly values of losses at each hour of the month, based on their monthly shares set forth under Article

### 3.7.2.3.

## 3.8 Payment settlement under special billing regime

- 3.8.1 The billing procedure used during the state of emergency or in prevention of the state of emergency defined in Sections 31 and Section 32 of the Market Rules applies for hours in the special regime of settlement.
- 3.8.2 The special regime (~~ie. from announcement to completion~~) ~~will~~ shall be evaluated by individual hours and financially settled by individual days (i.e. from its commencement to its termination) ~~shall be evaluated and settled simultaneously or, in the event of the duration of the special regime beyond the end of the calendar week or the end of the calendar month, shall be evaluated and settled separately.~~
- 3.8.3 The outcome of special regime evaluation shall be, with regard to Articles ~~3.8.33-3.8.35~~ 3.8.35-3.8.357, determining metered supply to the BRP, including import to the BRP, ~~or~~ metered consumption of the BRP, including export of the BRP, and its evaluation, i.e. determining receivables or debts of the BRP, taking into account the resulting flow between the different supply zones achieved on the organized short-term electricity market-.
- 3.8.4 The outcome of special regime settlement shall be issuance of tax documents and settlement of debts.
- 3.8.5 Special regime evaluation shall be performed
- 3.8.5.1 in Version 0 for purposes of submitting claims prior to special regime settlement in Version 1; this version does not comprise settlement or issuing tax documents,
  - 3.8.5.2 in Version 1 for purposes of issuing tax documents; evaluation is followed by settlement,
  - 3.8.5.3 in Version 2 for purposes of issuing amended tax documents; evaluation is followed by settlement.
- 3.8.6 Special regime evaluation in Version 0 shall be carried out within the term according to the relevant provision of the Market Rules, and only for the business hours of the previous day for which a special regime was announced by the earliest possible of the following deadlines:
- ~~3.8.6.1 — on the first business day after the day of terminating the special regime,~~
  - ~~3.8.6.2 — on the first business day of the first calendar week following the week subject to evaluation, but only for the trading hours pertaining to the previous calendar week and for which the special regime was declared,~~
  - ~~3.8.6.3 — on the first business day of the first calendar month following the month subject to evaluation, but only for the trading hours pertaining to the previous calendar month and for which the special regime was declared.~~
- 3.8.7 In the event the Market Operator has not received metered values from operators by the deadline set forth under the foregoing Article 3.8.6, special regime evaluation in Version 0 is postponed until the metered values have been received.
- 3.8.8 Claims regarding special regime evaluation in Version 0 may be submitted by 6.00 p.m. on the first business day following the day of publishing special regime evaluation in Version 0.
- 3.8.9 Special regime evaluation in Version 1 shall be performed by the end of the third business day following the day of publishing special regime evaluation in Version 0.
- 3.8.10 Based on settled claims pertaining to special regime evaluation in Version 0 and received adjustments of metered and preliminary values, the Market Operator shall carry out special regime evaluation in Version 1. Special regime evaluation in Version 1 refers to adjustment of all evaluated trading hours, at which metered values have been received to replace preliminary values, or claims or adjusted metered values, and determining new metered supply and metered consumption of the BRP. Determining new metered supply and metered consumption of the BRP and its evaluation is performed using the same method as that used for special regime evaluation in Version 0.
- 3.8.11 Special regime evaluation in Version 1 is instrumental for issuing a tax document. These tax documents are issued and sent by the end of the 1st working business day after the evaluation of the special regime in Version 1. -The Market Operator shall issue and send to the BRP tax

documents pertaining to metered consumption of the BRP, i.e. in the event of the BRP's debts due to the Market Operator, ~~before the end of the first business day following special regime evaluation in Version 1.~~ The Market Operator shall issue and send documentation for issuing these tax documents to the respective BRP's e-mail designated for communication before the end of the first business day following special regime evaluation in Version 1. ~~The Market Operator shall also issue tax documents for actual supplies of BRP, ie in cases of debts of the Market Operator to BRP, the Market Operator shall issue tax documents for BRP on the basis of authorization in accordance with § 28 par. 57 of the Value Added Tax Act and send them together with documents for issuing BRP tax documents to e-mail for communication by the end of the 1st workingbusiness day after the evaluation of the special regime in vVersion 1~~In case of the Market Operator's debts, the Market Operator shall issue tax documents on behalf of the BRP based on authorization pursuant to Section 28 (5) of the Value Added Tax Act and send them along with documentation for issuing tax documents to the respective BRP's e-mail designated for communication before the end of the first business day following special regime evaluation regime in Version 1. Tax documents issued by the Market Operator for a proportional part of receivables and / or debts pursuant to Section 3.8.31~~3.8.34~~ will be issued jointly for individual short-term markets, but separately from tax documents for actual consumption and supplies of BRP. Mutual receivables between the Market Operator and BRP resulting from tax documents from the evaluation of the special regime in vVersion 1 for the same delivery day are included.

- 3.8.12 If the result of the offsetting of mutual receivables according to section 3.8.11~~3.8.14~~ is the debt of BRP, BRP shall pay the settled amount by a payment order to the account of the Market Operator by the 3rd workingbusiness day after receiving the tax document. ~~Based on the tax document issued and supplied by the Market Operator, the BRP shall pay the settlement amount into the Market Operator's bank account through a payment order within three calendar days after the receipt of the tax document.~~
- 3.8.13 If the result of the set-off of mutual receivables according to clause 3.8.11~~3.8.14~~ is the debt of the Market Operator, the maturity of this debt of the Market Operator shall be determined no earlier than on the 8th workingbusiness day after the evaluation of the special regime in vVersion 1~~The due date for payment of the Market Operator's debts arising from tax documents issued by the BRP and complying with the provided documentation under Article 3.8.11 shall be set forth no sooner than on the eighth business day after special regime evaluation in Version 1.~~
- 3.8.14 The Market Operator has the right to incomplete payment of its debts from the financial settlement in the special regime according to clause 3.8.13~~3.8.13~~, which for the purposes of financial settlement of the special regime means the Market Operator's right to pay only a proportion of these debts from the financial settlement of the special regime, is the share of the sum of payments according to item 3.8.12~~3.8.12~~ from the given financial settlement of the special regime and the version that were credited to the Market Operator's account no later than two calendar days before the due date of the Market Operator's debts from the given financial settlement of the special regime and the version and receivables of the Market Operator from the financial settlement the flow between individual bid zones on the organized short-term electricity market, reduced by the Market Operator's debt from the financial settlement of the resulting flow between individual bid zones on the organized short-term electricity market, and the sum of all Market Operator's debts from the given special settlement financial settlement. In the event that this share is negative, the Market Operator has the right not to temporarily pay its debts from the financial settlement in a special regime~~The Market Operator has the right of incomplete settlement of its debts arising from special regime settlement, which refers to, for purposes of special regime settlement, the Market Operator's right to settle merely a pro rata portion of its debts arising from special regime settlement, whereby this portion is derived from the ratio of a total of payments arising from the relevant special regime settlement and the Version in which they were credited to the Market Operator's account by the due date of the Market Operator's debts arising from settlement of the relevant special regime and Version, to a sum of all debts of the Market Operator arising from the relevant special regime evaluation and settlement.~~
- 3.8.15 If the Market Operator exercises the right of incomplete payment according to the previous paragraph, it must exercise the right of incomplete payment to all debts to all BRP from the given financial settlement of the special regime and version~~In the event the Market Operator has exercised the right of incomplete payment and applied it to some of its debts to the BRP arising~~



- from settlement of special regime and Version, the Market Operator must apply the right of incomplete payment to all other debts to all BRPs related to the respective settlement of special regime and Version.
- 3.8.16 If the Market Operator receives an additional payment from the same financial settlement of the special regime and version after incomplete payment of its debts, it is obliged to pay another proportional part of its outstanding debts from the given financial settlement of the special regime and version within 5 workingbusiness days. The proportional part is determined similarly as in point 3.8.143.8.14In the event the Market Operator has received, following incomplete settlement of its debts, an additional payment arising from the same settlement of special regime and Version, it is obligated to pay another pro rata portion of its as yet unsettled debts arising from the respective settlement of special regime and Version within five business days. The portion is derived from a ratio of the received additional payment and a total of all debts of the Market Operator arising from the relevant settlement of special regime and Version.
- 3.8.17 If the Market Operator exercises the right of incomplete payment, it is obliged to subsequently apply the balance of the FS for the payment of unpaid receivables from the financial settlement of the special regime and the right pursuant to Part 7 of the BTP. In the event the Market Operator has exercised the right of incomplete payment, it is obligated to exercise financial security and rights in compliance with Part 7 of BTP. Financial security and other rights in compliance with Part 7 of BTP shall be exercised primarily for all unsettled receivables arising from settlement of imbalances, settlement of BM, DM, IM and BMR, and settlement of prices of the Market Operator.
- 3.8.18 In the event the Market Operator has received cash related to exercising financial security or other rights in compliance with Part 7 of BTP for unsettled receivables arising from special regime settlement, whereby the Market Operator has exercised the right of incomplete payment, the Market Operator is obligated to pay another pro rata portion of its as yet unsettled debts arising from the respective special regime settlement within five business days. The proportional part is determined similarly as in point 3.8.143.8.14The pro rata portion is derived from a ratio of the received cash ensuing from exercising financial security or other rights in compliance with Part 7 of BTP for unsettled receivables to a total of all debts of the Market Operator arising from the respective special regime evaluation and settlement.
- 3.8.19 The Market Operator has the right of incomplete settlement of its debts arising from special regime settlement in Version 1 and Version 2. In the event of incomplete payment of its debts from the financial settlement of the special regime in vVersion 2, the Market Operator shall proceed in a similar manner as in vVersion 1.
- 3.8.20 The BRPs, on whose account the Market Operator exercises the right of incomplete payment, are not entitled to try to recover the remainder of the payment, provided the Market Operator has complied with the terms defined in Articles 3.8.143.8.14 toand 3.8.193.8.1934.
- 3.8.21 Claims regarding special regime evaluation in Version 1 and adjusted metered values can be submitted by 12.00 noon on the last calendar day of the third month following the month subject to evaluation.
- 3.8.22 The Market Operator shall perform special regime evaluation in Version 2 by 4.00 p.m. on the fourth business day of the fourth month after the month subject to evaluation. Special regime settlement in Version 2 shall be carried out no later than by 12.00 midnight on the fourth business day of the fourth month after the month subject to evaluation.
- 3.8.23 Based on settled claims arising from special regime evaluation in Version 1 and received adjustments of metered values, the Market Operator shall perform special regime evaluation in Version 2. Special regime evaluation in Version 2 refers to adjustment all evaluated trading hours for the relevant monthof all evaluated trading hours at which claims or adjusted metered values have been received, and determining new metered supply to the BRP and metered consumption of the BRP. Determining new metered supply to the BRP and metered consumption of the BRP and its evaluation is carried out using the same method as that used for special regime evaluation in Version 0 or Version 1.
- 3.8.24 Based on the difference between metered consumption of the BRP arising from Version 2 and metered consumption arising from Version 1 at the relevant month, the Market Operator shall issue and send to the respective BRP amended tax documents, before the end of the first business day following special regime evaluation in Version 2. The Market Operator shall provide the BRP with documentation for issuing the requisite tax documents via the e-mail

designated for communication before the end of the first business day following special regime evaluation in Version 2. Tax documents issued by the Market Operator for a proportional part of debts pursuant to Section 3.8.313.8.34 will be issued jointly for individual short-term markets, but separately from tax documents for actual BRP withdrawals. If the total amount of the tax document does not exceed the value of CZK 25, it is considered that the originally provided performance / taxable performance determined on the basis of the evaluation of the special regime in vVersion 1 has not been corrected and the Market Operator does not issue a tax document.

3.8.25 Based on the difference between metered supply to the BRP arising from Version 2 and metered supply arising from Version 1 for the relevant month, the Market Operator shall issue adjusted tax documents. In addition, the Market Operator shall also issue adjusted tax documents on behalf of the BRP based on authorization pursuant to Section 28 (75) of the Value Added Tax Act. Documentation for issuing amended tax documents shall be sent to the respective BRP's email designated for communication before the end of the first business day following special regime settlement in Version 2. Documents issued by the Market Operator for a proportional part of debts pursuant to Section 3.8.313.8.34 will be issued jointly for individual short-term markets, but separately from documents for actual deliveries to BRP. If the total amount of the document does not exceed the value of CZK 25, it is considered that the originally provided taxable supply determined on the basis of the evaluation of the special regime in vVersion 1 has not been corrected and the Market Operator does not issue a tax document.

3.8.253.8.26 Mutual receivables between the Market Operator and BRP resulting from tax documents from the evaluation of the special regime in vVersion 2 are included.

3.8.263.8.27 If the result of the offsetting of mutual receivables according to point 3.8.263.8.26 is the debt of BRP, BRP shall pay the settled amount by a payment order to the account of the Market Operator by the 3rd workingbusiness day after receiving the tax document. Based on the amended tax documents, issued and sent by the Market Operator, the BRP shall pay the settlement amount into the Market Operator's account through a payment order within three calendar days after the receipt of the tax document.

3.8.273.8.28 If the result of the offsetting of mutual receivables according to clause 3.8.263.8.26 is the Market Operator's debt, the Market Operator shall pay the settled amount by payment order to the account for settlement of deviations with maturity set no earlier than 8 workingbusiness days after evaluation of special regime in vVersion 2. Based on the amended tax documents, issued and sent by the Market Operator, the Market Operator shall pay the BRP the settlement amount into the account designated for settlement of imbalances through a payment order with the due day set forth on the eighth business day following special regime evaluation in Version 2.

3.8.28 The due date of settling the Market Operator's debts arising from the amended tax documents, issued by the BRP, which are in compliance with the documentation provided under Article 3.8.25, shall be set forth no sooner than on the eighth business day following special regime evaluation in Version 2.

3.8.29 The due date of settling the Market Operator's receivables arising from the amended tax documents, issued by the BRP, which are in compliance with the documentation provided under Article 3.8.25, shall be set forth no later than on the eighth business day following special regime evaluation in Version 2.

3.8.29 In the event that the offset of mutual receivables according to clause 3.8.113.8.14 results in a receivable of the Market Operator which has not been fully paid and the Market Operator has not received the full amount of the unpaid part of this receivable or funds due to the exercise of financial security and other rights according to part 7 BTP, the Market Operator has the right to unilaterally set off this unpaid part of its receivable from vVersion 1 and the unpaid part of its debt from vVersion 2, which arose as a result of mutual set-off of receivables according to clause 3.8.263.8.26 and which was not fully paid due to the exercise of the right of incomplete payment. according to paragraph 3.8.193.8.19In the event the Market Operator, based on special regime evaluation and settlement in Version 2, issues an amended tax document pertaining to the Version 1 tax document, which for the Market Operator has resulted in a receivable that has not been fully settled and the Market Operator has not received the full amount of unsettled portions of the receivable or cash arising from exercising financial security and other rights in compliance with Part 7 of BTP, the Market Operator shall execute a unilateral offset of the unsettled portion



of its receivable pertaining to Version 1 and its debt to Version 2. In the event the Market Operator's debt pertaining to Version 2 exceeds the unsettled portion of its receivable pertaining to Version 1, the relevant BRP shall pay the difference between the respective debt and receivable into the account for settlement of imbalances through a payment order with the due date set forth on the eighth business day following special regime evaluation in Version 2.

3.8.30 If by the end of the fifth calendar month following the month, to which the evaluated trading hours of special regime pertain, the Market Operator's receivables arising from both Versions of the relevant special regime settlement have not been settled, or if the Market Operator has not received cash in the full amount of unsettled portions of these receivables on account of exercising financial security and other rights in compliance with Part 7 of BTP, the Market Operator and the BRPs, with which the Market Operator exercised the right of incomplete payment, shall carry out the so-called balance close of the Market Operator comprised of the following transactions executed by the Market Operator

~~3.8.30~~

~~In the event the receivable, which has been at least partially offset under the foregoing Article 3.8.30, arose from tax documents pertaining to special regime settlement in which the Market Operator exercised the right of incomplete payment under Article 3.8.14, the Market Operator is obligated to settle another pro rata portion of its as yet unsettled debts arising from the respective special regime settlement within three business days. The pro rata portion is the ratio of the offset amount to a total of all debts of the Market Operator arising from the respective special regime evaluation and settlement in Version 1.~~

~~If the by the end of the fifth calendar month following the month, to which the evaluated trading hours of special regime pertain, the Market Operator's receivables arising from both Versions of the relevant special regime settlement have not been settled, or if the Market Operator has not received cash in the full amount of unsettled portions of these receivables on account of exercising financial security and other rights in compliance with Part 7 of BTP, the Market Operator and the BRPs, with which the Market Operator exercised the right of incomplete payment, shall carry out the so-called balance close of the Market Operator comprised of the following transactions executed by the Market Operator:~~

~~3.8.32.13.8.30.1~~ pro rata sale of the Market Operator's unsettled receivables to the BRPs, with which the Market Operator exercised the right of incomplete payment; the pro rata portion is the ratio of unsettled receivables of the Market Operator to a total of all debts of the Market Operator arising from the respective special regime settlement in Versions 1 and 2, whereby the price shall equal the nominal value of these receivables,

~~3.8.32.23.8.30.2~~ unilateral offset of the Market Operator's receivables arising from the sale of unsettled receivables under Article ~~3.8.30.13.8.30.12~~ and unsettled debts of the Market Operator arising from the relevant special regime settlement in Versions 1 and 2.

~~3.8.33.8.31~~ Receivables or debts of BRPs under Article ~~3.8.33.8.3~~ include, in the event of organizing the short-term electricity market in the form of implicit capacity allocation, a pro rata portion of receivables and/or debts pursuant to Section 32(3) of the Market Rules arising from settlement of the resultant flow on the short-term electricity market. The procedure of determining this pro rata portion of each BRP for every hour of the special regime is as follows:

~~3.8.33.13.8.31.1~~ the difference between OTE's debts and receivables is determined, including debts or receivables from the resulting flow between supply zones on the organized short-term electricity market;

~~3.8.33.23.8.31.2~~ average price is determined of 1 MWh of metered electricity supply and offtake as a ratio of a sum of OTE's debts/receivables under the foregoing Article ~~3.8.31.13.8.313.4~~ to a sum of the absolute value of the total volume of electricity consumption and the absolute value of the total volume of electricity supply to all BRPs in the market area of the Czech Republic at the respective trading hour; this value is rounded down to four decimal places,

~~3.8.33.33.8.31.3~~ a pro rata portion is determined of each BRP's receivables/debts as a multiple of the average price under the foregoing Article ~~3.8.31.23.8.313.2~~ and the absolute value of the volume of the specific BRP's electricity consumption, or the absolute value of the volume of its electricity supply; this pro rata portion is rounded

down to two decimal places.

~~3.8.33.43.8.31.4~~ so-called corrective amount is determined to compensate for an error arising from the total difference, rounded under the foregoing Articles ~~3.8.31.2~~~~3.8.313.2~~ and ~~3.8.31.33.8.313.3~~, specifically according to the relevant BRP's share in the total volume of electricity consumption / supply at the relevant trading hour,

~~3.8.33.53.8.31.5~~ the corrective amount under Article ~~3.8.31.43.8.313.4~~ shall be added to the amounts under Article ~~3.8.31.33.8.33.3~~.

~~3.8.343.8.32~~ The resultant flow achieved on the short-term electricity market organized in the form of implicit capacity allocation under Article ~~3.8.313.8.313~~ refers to the resultant transmission of electricity to or from abroad arising from the short-term electricity market organized in the form of implicit capacity allocation pursuant to the provisions of Section 31 and Section 32 of the Market Rules.

~~3.8.353.8.33~~ For the purposes of settlement of cross-border electricity exchanges under special billing regime with individual balance responsible parties, the TS Operator registers in CS OTE for each balance responsible party conducting cross-border exchanges a separate virtual PDT aimed to record the volume of electricity transmitted abroad or from abroad in the period of special billing regime. In timeframes laid down in the Market Rules the TS Operator provides the Market Operator - for each balance responsible party at a specific PDT – with the actual values of electricity volumes transmitted abroad or from abroad by the relevant balance responsible party, and for each trading hour for which imbalance settlement under special billing regime is carried out. For each trading hour for which imbalance settlement under special billing regime is not carried out, the TS Operator shall ensure that sending data to these PDTs is suspended in CS OTE, using the procedure described under Article 9.5 of BTP. If the TS Operator provides the Market Operator through these PDTs with non-zero values of electricity volumes transmitted abroad or from abroad even for the trading hours for which imbalance settlement under special billing regime is not carried out, these values will be included in the evaluation of imbalances.

~~3.8.363.8.34~~ The TS Operator performs PDT registration under Article ~~3.8.333.8.335~~, complete with stating the supplier executing cross-border exchanges of electricity. The entity executing cross-border exchanges of electricity ensures that a balance responsible party is assigned to the relevant PDT in CS OTE; the Market Operator shall perform a settlement of this balance responsible party's cross-border exchanges under special billing regime.

~~3.8.373.8.35~~ In cases where the TS Operator does not send to CS OTE actual values of electricity volumes transmitted abroad or from abroad by the relevant balance responsible party under Article ~~3.8.333.8.335~~, the calculated imbalance caused by these cross-border exchanges in the period subject to special billing regime shall be settled with the TS Operator. The same procedure shall apply in cases where no relevant balance responsible party is assigned in CS OTE to the PDT registered for recording volumes of electricity transmitted abroad or from abroad in the period subject to special billing regime under Article ~~3.8.343.8.364~~, or where such PDT is not registered in CS OTE in the period subject to special billing regime.

Evaluation and settlement of cross-border exchanges of electricity with individual balance responsible parties under special billing regime is carried out on the basis of data received from the TS Operator under Article ~~3.8.333.8.335~~ and is part of the evaluation and settlement of the special regime under Article ~~3.83.8~~ of BTP.

## 4 THE SHORT-TERM ELECTRICITY MARKET

### 4.1 General rules

4.1.1 Organized short-term markets are operated through CS OTE. Short-term market participants submit and view bids on the short-term electricity market in the market area of the Czech Republic in CS OTE in a manner described in the user manual and in formats defined in Appendix 1 ~~to BTP and the relevant user manual to BTP~~ according to the type of short-term market ~~either via OTE's website interface (BM, DM) or via CS OTE user application (IM) or, for all short-term markets, via the relevant mode of automated communication~~. Submitting and

sharing bids on the short-term electricity market, including evaluation results, may take place in accordance with Commission Regulation (EU) 2015/1222 within intraday market coupling (implicit trading) using the XBID system and/or within day-ahead market coupling (implicit trading) using the EUPHEMIA algorithm. Transmission system operators in the market areas integrated into implicit trading provide OTE with available transmission capacity allocated for organizing the short-term electricity market in the form of implicit trading (i.e. implicit capacity allocation) as set forth in the relevant contractual relationship and agreements made between market organizers and transmission system operators.

- 4.1.2 A bid submitted to DM may be a bid on DM submitted by a short-term electricity market participant for purposes of purchase/sale of electricity on DM or a FS bid submitted to DM through PXE. Each submitted bid is assigned a bid ID within CS OTE.
- 4.1.3 Any short-term electricity market participant may submit bids only if the participant has a sufficient FS balance in accordance with Part 7 of BTP and is not locked-out.
- 4.1.4 Bids may be submitted to specific short-term electricity markets until the close of the respective market. CS OTE shall not permit registration of any bid submitted later, whereby the relevant time of registration is CS OTE system time. The preceding two sentences apply to bids submitted to DM, including FS bids submitted through PXE.
- 4.1.5 Short-term electricity market participants shall be provided access to a current overview of their bids, including FS bids, if the market participants have entered the bids in CS OTE.
- 4.1.6 In the event of a failure preventing timely registration of bids, the Market Operator may move the deadline for the close of BM and/or DM for the duration of the failure. The Market Operator shall notify short-term electricity market participants about the moved close deadline in a manner allowing remote access and / or electronic means of communication via user interface.
- 4.1.7 In the event of a failure preventing timely or complete evaluation of BM and/or DM and/or IM, the Market Operator shall use an alternative method that is announced in a manner allowing remote access and / or electronic means of communication via OTE's website or otherwise without undue delay.
- 4.1.8 In the event DM evaluation fails due to technical issues, DM participants will be notified about the failure and the Market Operator shall decide on system cancellation of the submitted bids.
- 4.1.9 In the event of moving the DM close under Article 4.1.6 or a failure in CS OTE and/or on the side of the foreign day-ahead electricity market organizer, deadlines for evaluation and publishing of the results of DM evaluation shall be moved accordingly.
- 4.1.10 Both valid and invalid bids submitted to BM / DM / IM shall be saved in CS OTE for a minimum period of six months together with the requisite indicator of validity and, in the event of an invalid bid on BM / DM / IM, with reasons for rejection of the bid. The same applies for FS bids.
- 4.1.11 Any short-term electricity market participant may verify registration of the submitted bids and their review (including review of its registered valid and invalid bids on IM) via its user interface.
- 4.1.12 As regards accepted bids, the Market Operator shall not assume responsibility for correctness of the relevant accepted bid in terms of its volume and price. Short-term electricity market participants are aware of the consequences arising for them from incorrectly submitted bids on the short-term electricity market in the event they have been traded. During bid submission to the short-term electricity market it is only examined whether the relevant bid meets the required technical specifications set forth in respective sections of BTP or the user manual. The price and quantity are not considered to be technical parameters if they are within the limits set by the OPEBTP and the relevant User Manual.
- 4.1.13 Short-term electricity market participants are notified about any invalid bids (including FS bids) on BM and DM and on IM via user interface.
- 4.1.14 DM and IM may be organized through implicit capacity allocation.
- 4.1.15 For DM and IM, final prices shall be quoted in EUR/MWh and payments for contracted electricity consumption or contracted electricity supply shall be in EUR; for BM, prices and payments shall be quoted in CZK/MWh and CZK.
- 4.1.16 In cases of failure, shut-down of CS OTE or its part, jeopardizing the proper and fair functioning of the market, the state of emergency or prevention of the state of emergency, the Market Operator is entitled to suspend trading on the organized short-term markets.

## 4.2 Submission of bids to the block market (BM) and their modification

- 4.2.1 Any short-term electricity market participant may submit and view bids on BM as follows:
- 4.2.1.1 via CS OTE website user interface,
    - 4.2.1.1.1 (manually) via an on-screen form created for this purpose, or
    - 4.2.1.1.2 via an electronic format of a message (file) for submission of bids in a manner described in the user manual and in formats defined in Appendix 1 to BTP,
    - 4.2.1.2 via automated communication in a manner described in the user manual and in formats defined in Appendix 1 to BTP.
  - 4.2.2 Trading on BM is carried out in bid blocks; types of bid blocks are posted on OTE's website, including, but not limited to:
    - 4.2.2.1 Base – supply at all hours of the day of supply,
    - 4.2.2.2 Peak – supply from 8:00 a.m. to 8:00 p.m. of the day of supply, provided the day of supply is a business day,
    - 4.2.2.3 Off-peak – supply from 12:00 midnight to 8:00 a.m. and from 8:00 p.m. to 12:00 midnight of the day of supply, provided the day of supply is a business day.
  - 4.2.3 Trading products for a specific day of supply opens at 9:30 a.m. five days prior to the day of supply. The first day of trading the specific BM product ends at 8:00 p.m. On the following trading days, the BM product may be traded from 6:00 a.m. to 8:00 p.m. Trading the BM product ends at 1:30 p.m. on the day preceding the date on which the relevant supply of electricity from this product is due.
  - 4.2.4 The Market Operator is authorized to change the date of the start of trading a specific BM product; in the event of changing the date of the start of trading a specific product on BM, the Market Operator notifies short-term electricity market participants about the change via CS OTE at least one week before the scheduled standard date of the start of trading the specific BM product.
  - 4.2.5 The Market Operator is authorized to launch, change or cancel trading of a specific BM product. In such event, the Market Operator notifies short-term electricity market participants about the launch, change or cancellation of trading the specific product via CS OTE at least one week before the scheduled standard date of the launch, change or cancellation of trading the specific BM product.
  - 4.2.6 On the scheduled trading day, traded products are deemed all BM products that began to be traded under Article 4.2.3, whereby BM for the relevant BM products has not closed yet.
  - 4.2.7 Any short-term electricity market participant may
    - 4.2.7.1 access a current overview of five best-priced purchase bids and five best-priced sale bids (orders) on BM; in the event more bids (orders) show equal limit prices, the overview lists them in aggregate under this Article hereof,
    - 4.2.7.2 modify its bids (orders) on BM, provided the bids have not been partially or fully matched yet in the modification process. The short-term electricity market participant may review the outcome of such modification in the current overview of bids on BM,
    - 4.2.7.3 cancel its accepted bids on BM and remove them from the list of bids on BM in the event the full amounts of bids have not been matched yet; the short-term electricity market participant may instantly review the outcome of such bid cancellation in the current overview of bids on BM.
  - 4.2.8 Each bid on BM typically quotes the volume and limit price of electricity.
  - 4.2.9 Price does not include electricity tax and value-added tax.
  - 4.2.10 Prices of electricity are quoted in integers – CZK/MWh, whereas the minimum price is CZK 1/MWh and the maximum price is CZK 9,999/MWh.
  - 4.2.11 The volume of electricity is given in integers referring to the number of BM contracts. The minimum volume is one BM contract and the maximum volume per bid is 50 BM contracts.
  - 4.2.12 The Market Operator reserves the right to modify the specifications defined in Articles 4.2.10 and 4.2.11 of BTP, whereas it notifies short-term electricity market participants about such modification at least one month prior to the scheduled modification.

### 4.3 Review of bids on BM

- 4.3.1 Registration of a bid on BM sets off an automated review system which classifies the bid as either valid or invalid. The review includes:
- 4.3.1.1 validity of the BM participant's registration; the participant must be a registered BRP with access to the short-term electricity market that is not locked out;
  - 4.3.1.2 the last known value of the short-term electricity market participant's FS balance adjustment; for purposes of BM, FS adjustment is performed asynchronously in regular periods;
  - 4.3.1.3 acceptance of bid registration for a specific BM product and in a timeframe when the product is deemed a traded BM product;
  - 4.3.1.4 minimum and maximum limit prices of bids;
  - 4.3.1.5 minimum and maximum volumes of electricity for each trading hour of the BM product expressed in the number of BM contracts;
  - 4.3.1.6 price quoted in integers – CZK/MWh;
  - 4.3.1.7 maximum financial amount of all submitted, non-matched, valid purchase bids on BM.
- 4.3.2 Bids placed on BM that are valid, have not been cancelled, have not been traded in full and have been submitted for a BM product that is being traded are specified in user interface as active bids.

### 4.4 Matching of bids on BM (initiation of a trade)

- 4.4.1 Matching of bids on BM refers to mutual anonymous automated assignment of purchase bids (bids to buy) and sale bids (offers to sell) on BM under the terms specified in the respective bids.
- 4.4.2 Each new valid bid sets off the matching process during which it is determined whether some other active bid meets the terms of the newly submitted bid and the two can be matched.
- 4.4.3 In terms of matching volumes (BM contracts), it applies that bids are divisible and the smallest tradable unit is one BM contract, meaning that a valid bid may be accepted only partially and its unaccepted part shall continue to be included in the matching process.
- 4.4.4 In matching bids it applies that
- 4.4.4.1 a new sale bid shall be matched with an existing purchase bid with the limit price higher than or equal to that of the new sale bid;
  - 4.4.4.2 a new purchase bid shall be matched with an existing sale bid with the limit price lower than or equal to that of the new purchase bid;
  - 4.4.4.3 purchase bids quoting the highest price and sale bids with the lowest price have the priority in bid matching; in the event two or more purchase bids or sale bids quote the same limit price, the earlier registered bid comes first;
  - 4.4.4.4 in matching a new bid with limit price, the limit price of the existing matched bid is deemed the transaction price; in the event of matching more existing bids quoting different prices, the transaction prices are limit prices of separate existing matched bids with regard to the matched volumes of respective bids; in the event of two or more purchase bids or sale bids quoting the same limit price, the earlier registered bid comes first.
- 4.4.5 Short-term electricity market participant can verify each bid matching on BM by viewing its registered valid bids on BM via user interface.

### 4.5 Submission of bids to DM and their modification<sup>5</sup>

- 4.5.1 DM closes at 124:00 ap.m.
- 4.5.2 Until the close of DM, short-term electricity market participants may:
  - 4.9.2.1 submit an unlimited number of bids:



- standard bids, and
  - block bids,
- 4.5.2.2 access the current overview of bids and modify or cancel the bids
- 4.5.2.3 make inquiries about the overview of its bids for purposes of their review.
- 4.5.3 Submission and viewing of bids on DM by short-term electricity market participants is carried out:
- 4.5.3.1 on CS OTE website via user interface
- 4.5.3.1.1 (manually) via an on-screen form created for this purpose which displays the whole bid at all hours of the relevant delivery day, in a method described in the user manual, or
- 4.5.3.1.2 Via an electronic format of a message (file) for submitting bids in a method described in the user manual and in formats defined in Appendix 1 to BTP,
- 4.5.3.2 via automated communication in a method described in the user manual and in formats defined in Appendix 1 to BTP.
- 4.5.4 The short-term electricity market participant may submit to DM for the relevant delivery day in a method and under the terms described in BTP and in the user manual and in formats defined in Appendix 1 to BTP the following categories of standard purchase and sale bids, block bids for purchase and sale or their combination thereof:
- 4.5.4.1 Standard purchase and sale bids allow the short-term electricity market participant to
- offer electricity for each hour of the relevant delivery day in up to 25 segments. The user defines for each segment a specific electricity volume at a specific price,
  - mark an indivisibility condition of bids for each trading hour within the first segment of the bid.
- 4.5.4.2 A profile block bid for purchase and sale allows each short-term electricity market participant to
- define more intervals of hours in the block,
  - define a fixed price for the whole block,
  - define different volumes at each hour of the block,
  - define a minimum acceptance ratio from the level determined by the Market Operator in the whole block and at all hours of the profile block bid.
- 4.5.4.3 An exclusive group of block bids for purchase and sale allows the short-term electricity market participant to
- add profile block bids on DM to exclusive groups, whereas one exclusive group may contain a maximum number of profile block bids determined by the Market Operator,
  - create on DM a maximum number of exclusive groups of profile block bids determined by the Market Operator,
  - the sum of effective acceptance ratios of all profile block bids in the relevant exclusive group must not exceed the 100% value.
- 4.5.4.4 A linked profile block bid for purchase and sale allows the short-term electricity market participant to
- link profile block bids to a maximum linkage level determined by the Market Operator, assuming the same time of checking FS balance under Article 4.5.13 has been selected for each bid,
  - link in one group of linked block bids a maximum number of profile block bids determined by the Market Operator,
  - specify under a parent profile block bid a maximum number of child profile block bids determined by the Market Operator,
  - specify only one parent profile bid above a child profile block bid.

- 4.5.4.5 A flexible hourly bid for purchase and sale allows the short-term electricity market participant to
- define in a block only one flexible hour (the final hour in a block is assigned in the process of DM evaluation),
  - define a fixed limit price for the whole block,
  - define a fixed volume for the whole block,
  - trade only the whole block (the block cannot be traded partially).
- 4.5.5 The system assigns to each new purchase and sale bid a bid ID and a bid version.
- 4.5.6 Short-term electricity market participants may for the relevant delivery day on DM link profile block bids into groups and create linked profile block bids and change or cancel their linkages.
- 4.5.7 Short-term electricity market participants may for the relevant delivery day on DM add profile block bids to groups and create exclusive groups of profile block bids and change or cancel these additions.
- 4.5.8 Short-term electricity market participants may within linked profile block bids change or remove their linkages, whereas linkage removal must take place from the lowest linkage level in the relevant group of linked profile block bids.
- 4.5.9 Short-term electricity market participants may within added profile block bids change or remove their adding to the relevant group, whereas removal or modification of the additions may be carried out only on the basis of entering the ID of the exclusive group.
- 4.5.10 Electricity price does not include electricity tax and value-added tax. The price shows the maximum value buyers are willing to pay for electricity and the minimum value sellers are willing to receive for electricity. The selling price pertaining to specific segments of a standard bid must show a rising curve and the purchase price must show a declining curve.
- 4.5.11 Electricity price is quoted in EUR/MWh with two decimal places. The minimum and maximum price and the mechanism of their setting are posted on OTE's website. The quoted electricity price can also be zero. If required by the situation in the market area of the Czech Republic or coupled market areas, the Market Operator shall notify market participants via user interface about any change in the minimum and/or maximum price and the effective date of such change, and shall invite market participants to modify the already submitted bids at least two weeks prior to entry into effect of the change. In the event market participants fail to modify their bids, the system cancels the submissions.
- 4.5.12 Volumes of electricity are quoted in MWh with one decimal place, separated by a comma or a point. The minimum volume is 0,1 MWh and the maximum volume is 99,999 MWh. Volumes of electricity submitted for the hours that do not pertain to the relevant delivery day are not taken into account and the respective short-term electricity market participant is not notified. The short-term electricity market participant may view, modify and cancel only those bids that were registered on DM by the respective participant.
- 4.5.13 Short-term market participants may in each bid on DM select the time of checking their FS balance by performing
- 4.5.13.1 an immediate check within the scope of bid registration on DM, or
  - 4.5.13.2 a check performed after the close of domestic daily realization diagrams for the day preceding the delivery day specified in the relevant bid on DM and, at the same time, after an earlier event of the following takes place: daily evaluation of imbalances for the third day preceding the delivery day specified in the relevant bid on DM, or achieving the time 21:30 on the second day preceding the delivery day specified in the relevant bid on DM,
- whereas in the event of linked profile block bids to buy and to sell the same time of checking FS balance must be selected for each bid.
- 4.5.14 In the event of modification of bids on DM, short-term market participants are not allowed to change the selected time of checking FS balance.
- 4.5.15 Modification of bids on DM by short-term electricity market participants is based on a bid ID and a bid version. Modification of bids on DM means an adjustment to the existing bid on the basis of a numerical bid ID and the version of the existing bid (bid ID and bid version are mandatory

- data for bid modification). Bid modification may be carried out for the delivery days where DM did not close yet.
- 4.5.16 Modification of bids on DM added to an exclusive group by short-term electricity market participants is based on a bid ID and a bid version and an exclusive group ID (bid ID, bid version and exclusive group ID are mandatory data for modification of bids added to an exclusive group).
  - 4.5.17 In the event of block bid modification on DM, short-term electricity market participants are not allowed to change:
    - 4.5.17.1 category of the block bid,
    - 4.5.17.2 sale bid to purchase bid and vice versa,
    - 4.5.17.3 delivery day,
    - 4.5.17.4 exclusive group ID (including its adding or removal).
  - 4.5.18 In the event of modifying a bid on DM without entering the ID and version of the existing bid, such bid will be submitted to DM as a new bid (bid on DM with a new bid ID and bid version).
  - 4.5.19 Cancellation of bids on DM means cancelling of the existing bid on the basis of a bid ID and a bid version (bid ID and bid version are mandatory data for bid cancellation). Bid cancellation may be carried out for the delivery days where DM did not close yet. Cancelling of linked profile block bids must take place from the lowest level, i.e. no active child profile bid exists. Cancelling of a bid on DM added to an exclusive group will result in its removal from the exclusive group.
  - 4.5.20 If one of the criteria for submission of bids in formats defined in Appendix 1 to BTP is not met, the relevant bid shall not be accepted in CS OTE.
  - 4.5.21 Where DM is operated in the form of implicit trading in cooperation with market operators and transmission system operators in other market areas, bids on DM with delivery to a market area other than the Czech Republic shall be submitted, modified or cancelled only via the foreign day-ahead electricity market operators and such bids may be included in the DM evaluation process.
  - 4.5.22 Each bid on DM includes an indicator of the settlement currency (EUR or CZK), which short-term electricity market participants select during the submission process. Short-term electricity market participants may select settlement in EUR only if they maintain a bank account in EUR under Article 3.2.2 of BTP.

#### **4.6 Submission of FS bids and their modification<sup>6</sup>**

- 4.6.1 FS bids on DM are submitted, modified and/or cancelled in CS OTE only by PXE on behalf of short-term electricity market participants until the close of DM set forth under Article 4.5.1 of BTP. Any short-term electricity market participant may view only FS bids submitted at its request and cannot view FS bids of other short-term electricity market participants.
- 4.6.2 On behalf of one short-term electricity market participant, PXE may submit to DM a single FS sale bid and a single FS purchase bid for the relevant delivery day. Within a FS bid on DM, it is permitted to offer for each hour of the delivery day a single segment of a bid for electricity purchase or sale defined primarily by a specific volume of electricity without a specific price.
- 4.6.3 Submission, modification and cancellation of FS bids is conducted via automated communication and messages in formats defined in Appendix 1 to BTP.
- 4.6.4 A FS bid cannot be marked as a block bid on DM.
- 4.6.5 Electricity volumes are quoted in MWh with one decimal place, separated by a comma or a point. The minimum volume is 1 MWh and the maximum volume is 99,999 MWh. Volumes of electricity submitted for the hours that do not pertain to the relevant delivery day are not taken into account and neither the respective short-term electricity market participant nor PXE are notified.
- 4.6.6 In each FS bid on DM it is possible to select the time of checking FS balance by performing
  - 4.6.6.1 an immediate check within the scope of FS bid registration on DM, or
  - 4.6.6.2 a check performed after the close of domestic daily realization diagrams for the day preceding the delivery day specified in the relevant FS bid on DM and, at the same

time, after an earlier event of the following takes place: daily evaluation of imbalances for the third day preceding the delivery day specified in the relevant FS bid on DM, or achieving the time 21:30 on the second day preceding the delivery day specified in the relevant FS bid on DM,

- 4.6.7 In the event of bid modification, the selected time of checking FS balance may not be changed.
- 4.6.8 If one of the criteria for submission of FS bids in formats defined in Appendix 1 to BTP is not met, the relevant FS bid shall not be accepted in CS OTE.

#### 4.7 Review of bids on DM

- 4.7.1 Registration of a bid on DM sets off an automated review system which classifies the market participant's bid on DM as either valid or invalid. The review includes primarily:
  - 4.7.1.1 a rising price curve for standard sale bids and a declining price curve for standard purchase bids,
  - 4.7.1.2 maximum number of 25 segments of a standard purchase bid and 25 segments of a standard sale bid for each trading hour,
  - 4.7.1.3 correct data filled in for segments of a standard bid so that no segment is omitted when filling in a segment with a number higher than 1,
  - 4.7.1.4 proper registration of the DM participant; it must be a registered BRP with access to the short-term electricity market that is not locked out, or an organizer of the day-ahead spot electricity market abroad,
  - 4.7.1.5 FS balance in compliance with Part 7 of BTP,
  - 4.7.1.6 acceptance of bid registration before the close of DM, in the event of second auction before the close of bids submission in the second DM auction,
  - 4.7.1.7 minimum and maximum purchase/sale bid prices,
  - 4.7.1.8 minimum and maximum volumes of offered and demanded electricity for each trading hour,
  - 4.7.1.9 offered volumes quoted in MWh with one decimal place,
  - 4.7.1.10 price quoted in EUR/MWh with two decimal places.

Details of bid review on DM and bid validation are included in the CS OTE user manual.
- 4.7.2 Bids on DM that are valid, have not been replaced or cancelled and have been submitted for an open session are listed in user interface as active.

#### 4.8 Review of block bids on DM

- 4.8.1 Registration of a block bid on DM sets off an automated review system which classifies the block bid on DM as either valid or invalid. The review includes primarily:
  - 4.8.1.1 linkages of block bids in a group of linked bids,
  - 4.8.1.2 maximum number of active block bids in an exclusive group of block bids and/or in a group of linked bids,
  - 4.8.1.3 maximum level of block bids in a group of linked block bids,
  - 4.8.1.4 number of groups of linked block bids and exclusive groups of added bids,
  - 4.8.1.5 proper registration of the DM participant; it must be a registered BRP with access to the short-term electricity market that is not locked out,
  - 4.8.1.6 FS balance in compliance with Part 7 of BTP,
  - 4.8.1.7 acceptance of bid registration before the close of DM, in the event of second auction before the close of bids submission in the second DM auction,
  - 4.8.1.8 minimum and maximum bid prices,
  - 4.8.1.9 minimum and maximum submitted volumes of electricity for each trading hour,
  - 4.8.1.10 submitted volumes quoted in MWh with one decimal place,
  - 4.8.1.11 price in quoted in EUR/MWh with two decimal places.

- 4.8.2 Block bids on DM that are valid, have not been replaced or cancelled and have been submitted for an open session are listed in user interface as active.

#### 4.9 Review of FS bids

- 4.9.1 Registration of a FS bid sets off an automated review system which classifies the bid as either valid or invalid. The review includes primarily:
- 4.9.1.1 FS balance in compliance with Part 7 of BTP;
  - 4.9.1.2 acceptance of FS bid registration before the close of DM;
  - 4.9.1.3 minimum and maximum submitted volumes of electricity for each trading hour;
  - 4.9.1.4 correct data filled in for segment 1 solely;
  - 4.9.1.5 price and currency indicator not filled in;
  - 4.9.1.6 submitted volumes quoted in MWh with one decimal place;
- 4.9.2 FS bids on DM that are valid, have not been replaced or cancelled and have been submitted for an open session are listed in user interface as active.

#### 4.10 Evaluation of DM

- 4.10.1 After the close of DM, an automated review takes place to ensure no state of emergency occurred or a situation immediately preventing the state of emergency, in a manner defined in the Market Rules. In the event of declaring the state of emergency or a situation immediately preventing the state of emergency, the Market Operator is authorized to reject bids on DM and FS bids and not carry out DM evaluation for the relevant hours of the declared state of emergency or a situation immediately preventing the state of emergency, for which these bids are registered, or to halt trading for the whole day of delivery, whereby the following articles do not apply.
- 4.10.2 Within the scope of the DM evaluation process, CS OTE shall assign prices to FS bids for each trading hour as follows:
- 4.10.2.1 a minimum price to FS sale bids of all valid bids on DM at the relevant trading hour,
  - 4.10.2.2 a maximum price to FS purchase bids of all valid bids on DM at the relevant trading hour,
  - 4.10.2.3 if prior to DM evaluation there are FS bids only for the relevant trading hour, FS purchase bids are assigned a substitute price equal to an arithmetic average of FS purchase bids from the previous delivery days for the relevant hour, and FS sale bids are assigned a substitute price equal to an arithmetic average of FS sale bids from the previous delivery days for the relevant hour;
- more details on assigning prices to FS bids are included in the CS OTE user manual.
- 4.10.3 After the close of DM for the relevant delivery day to which the evaluated bids and FS bids pertain, evaluation of DM is performed along with input in CS OTE of volumes of electricity agreed upon by specific short-term electricity market participants for each trading hour. In the event of technical problems during DM evaluation, short-term electricity market participants shall be notified about such case via user interface
- 4.10.4 Prior to the DM evaluation process, a review of sufficient FS balance is performed in compliance with Part 7 of BTP. In the event of insufficient FS balance pursuant to Part 7 of BTP, all already submitted bids and FS bids shall be cancelled.
- 4.10.5 In case of cancellation of a linked profiled block bid under Articles 4.5.4.2 and 4.5.4.4 the whole group of linked bids to which the cancelled/eliminated bid belongs will be automatically cancelled/eliminated.
- 4.10.6 The DM evaluation process includes bids submitted by short-term electricity market participants and FS bids that, following a review under Article 4.10.4, are valid, have not been replaced or cancelled and have been submitted for the session subject to evaluation.
- 4.10.7 The output of DM evaluation for individual trading hours is a uniform settlement price and data from which it is possible to determine the agreed amounts of electricity of individual short-term



market participants, agreed quantities of electricity of individual short-term market participants and in case of organizing DM in the form of implicit trading a single balance for the Czech market area. Specific steps of the DM evaluation process are described in Appendix 3 to BTP.

- 4.10.8 In matching DM for the relevant delivery day, market areas for which the matching and subsequent settlement were performed are taken into account.
- 4.10.9 In the event of technical or other issues resulting in performing matching and subsequent settlement for the Czech Republic market area only without the option of implicit trading, the Market Operator shall notify short-term market participants via in a manner allowing remote access and / or electronic means of communication user interface about the new close time, the time of publishing results and the form of DM evaluation.
- 4.10.10 The Market Operator may decide to reopen DM
  - 4.10.10.1 in the event of technical or procedural problems or procedural that would prevent joint evaluation of more market areas, and to provide short-term electricity market participants with an opportunity to cancel or modify bids already submitted to DM and to submit new bids to DM that will subsequently be matched solely in one (CR) or more market areas; the Market Operator shall notify short-term market participants about the new close time, the time of releasing results, and the method of DM evaluation via user interface, the notification shall be in a manner allowing remote access and / or electronic means of communication;
  - 4.10.10.2 in the event of attained or exceeded threshold values of market clearing prices after DM evaluation, and to open a second auction; details of bid submission in the second auction are described in the CS OTE user manual;
  - 4.10.10.3 in the event of organizing DM through Implicit Trading, if the threshold value of market clearing prices is attained or exceeded after DM evaluation in any market area that participates in organizing DM through Market Coupling, and to open a second auction; details of bid submission in the second auction are described in the CS OTE user manual;
- 4.10.11 Threshold values of market clearing prices for instances under Articles 4.10.10.2 and 4.10.10.3 of BTP are for the CZ market area posted on OTE's website. Where the threshold values are modified, the Market Operator shall notify market participants via user interface at least two weeks prior to the effective date of such modification. Threshold values of other market areas subject to joint evaluation are governed by the market rules applicable for the relevant areas.
- 4.10.12 If required by the situation in the market area of the Czech Republic or coupled market areas, the Market Operator shall notify market participants in a manner allowing remote access about modifying values under Article 4.10.11 and the delivery days for which this modification shall apply.
- 4.10.13 DM participants are notified about DM reopening for reasons specified under Articles 4.10.10.2 and 4.10.10.3 of BTP via CS OTE interface, in particular about
  - 4.10.13.1 the time of opening a second auction,
  - 4.10.13.2 the time of closing acceptance of bids for the second auction,
  - 4.10.13.3 determining hours at which threshold values were attained or exceeded, specifying whether the upper or lower threshold values were exceeded.
- 4.10.14 Reopened DM due to reasons specified under Article 4.10.10.1 of BTP is accessible for all DM participants at all hours.
- 4.10.15 The second auction held due to reasons specified under Articles 4.10.10.2 and 4.10.10.3 of BTP is accessible for all DM participants, but only for bid modification / submission at the hours of attaining or exceeding threshold values of market clearing prices; at all other hours the values may not be modified. Bid modification / submission for the foregoing hours is aimed at attaining the market clearing price in the interval within the scope of threshold values under Article 4.10.11. Any other procedure may be deemed market manipulation or unfair business practices.
- 4.10.16 After the close of bid acceptance for the second auction the process of DM evaluation is performed under Articles 4.10.1 to 4.10.7.
- 4.10.17 Following DM evaluation, the results are final. In instances under Articles 4.14.10.2 and 4.10.10.3 of BTP the Market Operator shall not release the results of DM evaluation; the results of DM evaluation after the second auction are final.

- 4.10.18 The final results of DM evaluation shall be made available by 2:30 p.m. of the day proceeding the delivery day via the same user interface of the short-term electricity market participant as when submitting bids to DM. In instances under Article 4.10.9 and 4.10.10 of BTP, the timeframe shall be extended accordingly. Short-term electricity market participants shall be notified about such extension via a remote access system.
- 4.10.19 The results of DM are posted on OTE's website or other publicly accessible web pages.
- 4.10.20 The amounts of payments in CZK and the CZK/EUR settlement exchange rate for settlement of bids on DM in CZK shall be made available to short-term electricity market participants via user interface at 14:30 at the earliest, after the Czech National Bank (ČNB) has published the daily exchange rates, on the business day preceding the delivery day to which the evaluated bids pertain. In the event the day preceding the delivery day falls on a non-business day, the amounts of payments in CZK and the CZK/EUR settlement exchange rate for the relevant delivery day shall be made available at 14:30 at the earliest (after ČNB has announced the exchange rates) on the following business day. The settlement exchange rate for DM shall be made available immediately after its posting by the Market Operator's bank, no later than by 15:30, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the exchange rate shall be published by 15:30 of the following day.
- 4.10.21 The Market Operator's bank shall determine the CZK/EUR settlement exchange rate for DM for the relevant business day, whereas the rate shall differ by a maximum of CZK 0.05 from the ČNB exchange rate, on the day when the Market Operator publishes amounts of payments in CZK under Article 4.10.18. In the event the total amount of the Market Operator's debts in EUR is greater than the total amount of receivables in EUR arising from settlement of the day-ahead electricity market for the relevant delivery day, the Market Operator shall convert CZK to EUR, whereby the value of the settlement exchange rate may be higher by no more than CZK 0.05 than the ČNB exchange rate. In the event the total amount of the Market Operator's debts in EUR is smaller than the total amount of receivables in EUR arising from the settlement of the day-ahead market for the relevant delivery day, the Market Operator shall convert EUR to CZK, whereby the settlement exchange rate may be lower by no more than CZK 0.05 than the ČNB exchange rate.
- 4.10.22 Payments pertaining to settlement of FS bids are settled in EUR only.

#### **4.11 Submission of bids to the intra-day electricity market (IM) and their modification**

- 4.11.1 For the relevant delivery day, IM opens at 15:00 of the preceding delivery day, for all hours of the relevant delivery day.
- 4.11.2 In the event of declaring the state of emergency or a situation immediately preventing the state of emergency, the Market Operator is in such case authorized to suspend trading on IM and accepting bids.
- 4.11.3 Trading on IM is organized in the form of:
- 4.11.3.1 implicit trading, or
  - 4.11.3.2 local market within the Czech Republic market area only and without the option of implicit trading (hereinafter also referred to as "Backup IM")
- 4.11.4 The terms and conditions of trading set forth in BTP are the same for both forms of IM organization defined under Article 4.11.2 unless otherwise expressly stated below and further specified in the user manual.
- 4.11.5 Specific hours of the delivery day represent tradable hourly contracts under which hourly bids of the following types may be submitted:
- 4.11.5.1 Limit bids,
  - 4.11.5.2 ICEBERG bids.
- 4.11.6 Tradable hourly contracts are different for implicit trading and Backup IM trading, and are available to market participants depending on the activated IM trading method.
- 4.11.7 In the event of continuous intervals, separate tradable hourly contracts may be combined into block contracts defined by short-term market participants, under which block limit bids for

electricity supply or consumption may be submitted. The maximum period of the block is limited by:

- 4.11.7.1 the number of tradable hourly contracts of the relevant delivery day for Backup IM trading, or
- 4.11.7.2 the number of 30 tradable hourly contracts for implicit trading.
- 4.11.8 In the case of implicit trading, short-term market participants may create sets of bids for which one of the following execution instructions implemented to process such set of bids may be defined:
  - 4.11.8.1 None - no execution instruction is implemented; all bids in this set are processed separately. A bid that is not validated shall not affect the other bids in that set,
  - 4.11.8.2 Linked Bids - all bids in this set are immediately traded in full. If one or more bids of the set could not be fully matched, all bids in that set shall be deleted. All bids in the set are subject to FOK execution restriction,
  - 4.11.8.3 Valid Bids - all bids in this set must be validated according to the user manual. Only in such case are the bids in the set submitted for further processing.
- 4.11.9 IM closes gradually by the trading hour. The close of bid acceptance for specific tradable contracts is 5 minutes prior to the opening hour of the delivery under the relevant contract.
- 4.11.10 The Market Operator shall facilitate for the short-term electricity market participants until the IM close for specific contracts of the relevant delivery day to which the bids pertain to
  - 4.11.10.1 submit bids,
  - 4.11.10.2 assign to bids time and execution restrictions in combinations listed in the user manual,
  - 4.11.10.3 access the current overview of their bids,
  - 4.11.10.4 modify and cancel their registered bids on the list of bids unless the relevant bid has been matched at the same time,
  - 4.11.10.5 make inquiries about the overview of their bids for purposes of reviewing them.
- 4.11.11 Submission, modification, cancellation and viewing of bids on IM is carried out in the environment of the CS OTE user application for VDTIM, the VDTIM mMobile aApplication or by means of the appropriate type of automatic communication in the manner described in the relevant user manual and in the formats defined by the mMarket eOperator in Annex 1 to BTP and the relevant user manual:
  - ~~4.11.11.1 in CS OTE via CS OTE user application~~
    - ~~4.11.11.1.1 manually via on-screen forms created for this purpose, which are available for separate tradable contracts on the relevant delivery day. Only those contracts of the delivery day shall be accessible to which the close has not applied yet, in a method described in the user manual, or~~
    - ~~4.11.11.1.2 with an electronic format of a message (file) for submitting bids which may comprise more than one complete bid, in a manner described in the user manual,~~
  - ~~4.11.11.2 automated communication.~~
- 4.11.12 Intraday market participants may submit and modify their bids only to an extent that the operation safety is not endangered and their conduct or activities do not endanger the operation of CS OTE or the activities of other OTE's Contractual Partners, and the good business conduct under Chapter 10 is not breached.
- 4.11.13 In the event of the use of automated or other machine approaches by market participants, i.e. conduct that cannot be induced by human forces (e.g. short-term and multiple refresh of trading screens and modification or submission of bids, multiple parallel connections) and that may restrict the operation of CS OTE or unduly restrict trading opportunities for other market participants, the Market Operator may proceed to prevent such approaches of the relevant participants.
- 4.11.14 The Market Operator is authorized to set for all intraday market participants the maximum possible number of new bid submissions per minute and participant for each contract, and the maximum possible number of bid modifications per minute and participant for each contract. Whenever intraday market participants exceed the set number of submissions/modifications per

minute, the system shall dismiss any other submission/modification of the respective intraday market participant at this minute.

- 4.11.15 IM bids may be entered in the system as active or inactive. Inactive bids cannot be matched. Bids may be activated and deactivated.
- 4.11.16 Electricity price is quoted in EUR/MWh with two decimal places. The minimum and maximum price and the mechanism of their setting are posted on OTE's website and the Market Operator shall notify market participants via user interface about any change in the minimum and/or maximum price at least two weeks prior to entry into effect of such change.
- 4.11.17 Volumes of electricity are quoted in MWh with one decimal place. The minimal volume of a bid per hourly contract is 0.1 MWh and the maximum volume of a bid per hourly contract is 999 MWh. The minimum and maximum volume of a block limit bid is determined by the minimum and maximum volume of the bid per hourly contract in separate hourly contracts that constitute the block contract.
- 4.11.18 Already registered (active and inactive) bids on IM may be changed until the close of bid acceptance for separate tradable contracts under Article 4.11.6. It is possible to modify the bids where no quantity has been traded yet, as well as partially traded bids, either separately or together.
- 4.11.19 Already registered (active and inactive) bids on IM may be cancelled only until the close of bid acceptance for separate tradable contracts under Article 4.11.6. It is possible to cancel the bids where no quantity has been traded yet, as well as partially traded bids, either separately or together. Both visible and hidden volumes of ICEBERG bids on IM are cancelled.
- 4.11.20 Short-term electricity market participants may modify or cancel only the bids they submitted to IM by themselves.
- 4.11.21 If modification of a bid results in changed attributes of the bid that may affect the determination of priority in the bid matching process, a new version of the modified bid with a new time stamp is created within the scope of such bid modification. In the case of implicit trading, a new bid ID is created as well.
- 4.11.22 Where IM is organized in the form of implicit trading in cooperation with market organizers and transmission system operators in other market areas, bids on IM with delivery to market areas other than the CR may be submitted, modified or cancelled solely by the system of the intraday electricity market organizer abroad and such bids may be included in the process of matching with bids submitted in the CR.
- 4.11.23 BRPs may choose the currency for the IM settlement for each delivery date in CS OTE, no later than 10 minutes before the commencement of trading for the relevant date of delivery<sup>7</sup>. If the IM settlement currency is not chosen for the given delivery date, the currency pre-set by the BRP in the data registration or change of the data registration process shall be applied for the IM settlement. BRPs may opt for settlement in EUR only if an EUR account has been established under Article 3.2.2 of BTP.

#### 4.12 Bids on IM and their restrictions

- 4.12.1 Short-term market participants determine in their IM bids in particular:
  - 4.12.1.1 the traded contract under which the short-term market participant submits a purchase bid or a sale bid on IM, or defines a new block contract,
  - 4.12.1.2 price and quantity,
  - 4.12.1.3 furthermore, In the event of an Iceberg bid under an hourly contract, only a part of the total bid volume that is published for trading. Once the displayed volume of the bid has been completely traded, the system automatically publishes another part of the remaining quantity in the amount of the displayed volume. If the remaining quantity published next is smaller than the displayed volume, the remaining quantity is published in this volume. It also applies that the price of the displayed volume may be either always the same or may be adjusted by the short-term market participant by a predefined price change during the next publishing. The

new price is determined as the sum of the original price and the price change. If the price change is not defined, its implicit default value is 0. In the event of a bid to buy, the price change may be only a negative value, including 0. In the event of an offer to sell, the price change may be only a positive value, including zero. This gradual cyclical publication continues until the total quantity of the bid has been traded, or until the deadline for the bid has expired. The Market Operator determines the minimum total quantity and the minimum displayed volume.

- 4.12.2 The price does not include electricity tax and value-added tax. The price entails the value the buyers are willing to pay for electricity or the value the sellers are willing to accept for electricity. Negative price means either the seller's willingness to pay the required price, or the buyer's requirement to accept the required price.
- 4.12.3 Execution restrictions of bids:
- 4.12.3.1 FOK (Fill or Kill) - the aim of this execution restriction is to trade the total bid quantity entirely at one time immediately after entering the bid into the system. If this condition is not met, the bid is instantly removed from trading. The FOK execution restriction is not permitted for ICEBERG bids and for block limit bids.
  - 4.12.3.2 IOC (Immediate or Cancel) - the aim of this execution restriction is to trade any bid quantity at one time immediately after entering the bid into the system. If this condition is not met, the bid is instantly removed from trading. The IOC execution restriction is not permitted for ICEBERG bids and for block limit bids.
  - 4.12.3.3 NON - None execution restriction (without limitation) - bids without a defined execution restriction; such bid can be traded immediately or incrementally against one or more bids and within the scope of one or more transactions. The NON execution restriction is not permitted for block limit bids.
  - 4.12.3.4 AON (All or None) – an execution restriction that is always set for block limit bids. This restriction allows to trade the total volume of a block limit bid against just one block limit bid with the same volume. The AON execution restriction is not permitted for hourly bids.
- 4.12.4 Time restrictions of bids
- 4.12.4.1 GFS (Good for trading session) – this time restriction applies to bids where the validity of bids is unlimited, bids can be traded until the end of contract trading at the relevant trading hour until they have been completely traded or cancelled by the market participant. The GFS time restriction is not permitted for bids in combination with the FOK and IOC execution restrictions.
  - 4.12.4.2 GTD (Good till date) - this time restriction applies to bids with a defined time validity (date and time). After the bid validity has expired, such bids are automatically removed from trading. The GTD time restriction is not permitted for bids in combination with the FOK and IOC execution restrictions.

#### **4.13 Review of bids on IM**

- 4.13.1 Registration of a bid on IM sets off an automated review process, which includes in particular:
- 4.13.1.1 formats of data and validity of data in specific boxes of the form,
  - 4.13.1.2 proper registration of the IM participant; it must be a registered IM participant that has entered into an agreement on access to the short-term electricity market and is not locked out,
  - 4.13.1.3 FS balance for IM in compliance with Part 7 of BTP,
  - 4.13.1.4 acceptance of bid registration until the close of bid acceptance;
  - 4.13.1.5 in the event of hourly bids, the validity of hourly contracts or, in the event of block limit bids, the validity of underlying hourly contracts of a user-defined block contract,
  - 4.13.1.6 minimum and maximum prices of bids,
  - 4.13.1.7 minimum and maximum submitted volumes of electricity for each trading hour;
  - 4.13.1.8 submitted volumes of electricity with variance of 0.1 MWh,
  - 4.13.1.9 price quoted in CZK/MWh with two decimal places,



4.13.1.10 permitted combination of time and execution restrictions.

- 4.13.2 In the case of implicit trading, additional checks are carried out in the system allowing intraday market coupling. Subject to checks are, in particular, the items specified under Articles 4.13.1.4 to 4.13.1.10 and the permitted values of the execution and time restriction settings, as further defined in the user manual.
- 4.13.3 Based on the performed checks, bids are assessed as valid / invalid in accordance with the user manual.
- 4.13.4 Bids on IM that have not been deactivated, have not been entered as inactive, have not been cancelled, have not been traded in full, have been submitted for open hours and, at the same time, their expiration time extends beyond the current time, are listed in user interface as active.

#### **4.14 Matching of bids on IM (initiation of a trade)**

- 4.14.1 Matching of bids on IM in accordance with Article 4.11.2 is carried out as continuous matching of purchase bids and sale bids.
- 4.14.2 In addition to the method described in Article 4.14.1, in the case of implicit trading bid matching on IM is also executed as batch matching of bids in specific situations according to the user manual.
- 4.14.3 The amounts of payments in CZK and the CZK/EUR settlement exchange rate for settlement of bids on IM in CZK shall be made available to short-term electricity market participants via user interface at 14:30 at the earliest, after the Czech National Bank (ČNB) has published the daily exchange rates, on the business day preceding the delivery day to which the evaluated bids pertain. In the event the day preceding the delivery day falls on a non-business day, the amounts of payments in CZK and the CZK/EUR settlement exchange rate for the relevant delivery day shall be made available at 14:30 p.m. at the earliest (after ČNB has announced the exchange rates) on the following business day. The settlement exchange rate for IM shall be made available immediately after its posting by the Market Operator's bank, no later than by 15:30, with the exception of, but not limited to, failed communication with the Market Operator's bank, whereby the exchange rate shall be published by 15:30 of the following day.
- 4.14.4 The Market Operator's bank shall determine the CZK/EUR settlement exchange rate for IM for the relevant business day, whereas the rate shall differ by a maximum of CZK 0.05 from the ČNB exchange rate, on the day when the Market Operator publishes amounts of payments in CZK under Article 4.14.3. In the event the total amount of the Market Operator's debts in EUR is greater than the total amount of receivables in EUR arising from the settlement of the intra-day electricity market for the relevant delivery day, the Market Operator shall convert CZK to EUR, whereby the value of the settlement exchange rate may be higher by no more than CZK 0.05 than the ČNB exchange rate. In the event the total amount of the Market Operator's debts in EUR is smaller than the total amount of receivables in EUR arising from the settlement of the intra-day electricity market for the relevant delivery day, the Market Operator shall convert EUR to CZK, whereby the settlement exchange rate may be lower by no more than CZK 0.05 than the ČNB exchange rate.

#### **4.15 Continuous bid matching on IM (initiation of a trade)**

- 4.15.1 Each new valid purchase/sale bid sets off the matching process during which it is determined whether some other active purchase/sale bid meets the terms of the new purchase/sale bid and the two can be matched.
- 4.15.2 In matching bids submitted under the relevant contract it applies that
  - 4.15.2.1 purchase bids and sale bids submitted under the same contract are always matched,
  - 4.15.2.2 a new active sale bid, the price of which is lower than or equal to that of the already existing purchase bid, shall be matched with this already existing active purchase bid,
  - 4.15.2.3 a new active purchase bid, the price of which is higher than or equal to that of the

already existing sale bid, shall be matched with this already existing sale bid,

- 4.15.2.4 matching a sale block limit bid and a purchase block limit bid submitted under the relevant block contract is conditioned by the same traded hourly volume.
- 4.15.3 Active purchase bids quoting the highest price and active sale bids with the lowest price have the priority in bid matching. Where two or more active bids quote the same price, the earlier registered active bid comes first, i.e. a bid with the lower time identification of entering the bid into the system.
- 4.15.4 In matching active bids, the transaction price is the price of an existing active bid in the opposite position, i.e. when matching an active sale bid, the transaction price is the price of an existing purchase bid, and vice versa.
- 4.15.5 In the event of matching more hourly bids with different prices, each matched pair of hourly bids has a separate price. This price is determined separately for each transaction based on an existing active hourly bid.
- 4.15.6 Time and execution restrictions selected when entering the bids are taken into account for matching bids.

#### **4.16 Batch matching of bids on IM (initiation of a trade)**

- 4.16.1 Batch matching at the moment of active bids is triggered automatically in the event of a sudden increase in cross-border capacity as described in the user manual.
- 4.16.2 All sale and purchase bids successfully matched during batch matching constitute single-price trades.
- 4.16.3 When matching bids, time and execution restrictions selected at the time of bid submission should be taken into account, with the following exceptions:
  - 4.16.3.1 bids with FOK and IOC restrictions are not included in batch matching,
  - 4.16.3.2 ICEBERG bids with zero price change enter into batch matching in their total remaining quantity,
  - 4.16.3.3 ICEBERG bids with non-zero price change enter into batch matching by matching each of its parts with a different price separately; each bid portion enters into batch matching sequentially with a different price and a different time stamp.
- 4.16.4 For the duration of the batch matching process:
  - 4.16.4.1 continuous matching is temporarily suspended,
  - 4.16.4.2 acceptance of bids is not restricted. Accepted bids are checked and processed according to the defined rules of continuous matching only after the batch matching process is completed.

#### **4.17 Suspension of Trading, Backup Procedures and Trade Cancellation**

- 4.17.1 In the event of technical or other problems, OTE is authorized to suspend trading on IM. The Market Operator shall notify the short-term market participants via user interface of further action.
- 4.17.2 In the event of technical or other issues preventing the organization of IM in the form of implicit trading, regardless of whether they occurred in the systems of OTE, XBID or other market operators or transmission system operators, the Market Operator may decide to stop trading on IM in the form of implicit trading. Furthermore, the Market Operator may use the option to activate trading on IM in the form of Backup IM. The Market Operator shall notify the short-term market participants via user interface of further action.
- 4.17.3 When launching trading on IM in the form of implicit trading or Backup IM under Article 4.11.2 and when changing the form of trading, it is proceeded according to the user manual.
- 4.17.4 The Market Operator is authorized to cancel the executed trades, assuming that:
  - 4.17.4.1 such transactions are the result of an obvious error; or

4.17.4.2 such transactions are in breach of the rules set out in OTE's Business Terms or User Manual; or

~~4.17.4.3~~ exceptional circumstances so require;

~~4.17.4.3~~

whereby the Market Operator shall notify all affected short-term market participants via CS OTE user interface of the cancellation of the trades.

#### **4.18 Trading on IM via the ~~VDTIM~~ ~~mMobile~~ ~~a~~Application**

~~4.17.54.18.1~~ The IM Mobile Application serves as an alternative channel with partially limited continuous updating of data for trading on IM in the manner described in the relevant user manual. The technological response speed of the IM Mobile Application may be lower than in the OTE-COM application or via automatic communication. The quality of use of the IM Mobile Application also depends on the speed of the user's internet connection.

~~4.17.64.18.2~~ The Market Operator may, even with regard to the use of third party platforms, suspend the use of the IM Mobile Application.

~~4.17.74.18.3~~ Data update in the IM Mobile Application takes place in the manner described in the relevant user manual, especially in the application at set time intervals, or after manual or other user interaction.

~~4.17.84.18.4~~ The Market Participant has the option to choose access to the IM via the IM Mobile Application in the form of:

~~4.17.8.14.18.4.1~~ limited passive access to the course and results of trading, but preventing work with bids (reading mode) or,

~~4.17.8.24.18.4.2~~ active approach to the course and results of trading enabling work with the offer in the manner described in the relevant user manual, in particular entering, modifying, deactivating and canceling the offer.

~~4.17.94.18.5~~ When trading via the IM Mobile Application, the conditions and rules of trading on the IM set out in sections 4.11 to 4.17 and in the relevant user manual apply, with the exception of the following actions / actions with offers given by the options of the IM Mobile Application:

~~4.17.9.14.18.5.1~~ Only a limit offer with NON execution restriction according to 4.12.3.3 and with GFS time restriction according to 4.12.4.1 can be entered.

~~4.17.9.24.18.5.2~~ You cannot enter a block bid and an Iceberg bid.

~~4.17.9.34.18.5.3~~ For the limit offer, it is possible to modify the quantity and price.

~~4.17.9.44.18.5.4~~ For existing block bids and Iceberg bids, their parameters cannot be changed

~~4.17.104.18.6~~ All its registered offers from the list of offers, if the given offer has not been paired at the same time, it is possible to activate, deactivate or cancel it via the IM Mobile Application.

## **5 THE BALANCING MARKET WITH REGULATING ENERGY (BMR)**

The balancing market in regulating energy was terminated as at 31 January 2020.

## **6 REGISTRATION OF LOCAL DS, PDT, OTE'S CONTRACTUAL PARTNER AND ITS CS OTE USERS**

### **6.1 Registration of local DS**

- 6.1.1 Prior to registration of a local DS with the Market Operator, the respective local DS operator must get registered by the Market Operator by entering into an Agreement on Submission of Data with the Market Operator. Based on the concluded Agreement on Submission of Data, following submission of a Local DS Form – technical data, as of the date of establishing a local DS, included in Appendix 2 to BTP, the respective local DS operator is allowed access to CS OTE, whereby the local DS is filed in CDS. Prior to registration of the local DS in CS OTE, the respective local DS operator is required to notify the DS Operator, to whose system its local DS is connected, about the registration.
- 6.1.2 Upon filing the local DS in CDS:
- 6.1.2.1 a unique identifier of the relevant local DS and a virtual PDT for losses or reconciliation of the local DS is generated,
  - 6.1.2.2 upon receipt of the relevant local DS's unique identifier from the Market Operator, the operator of the DS to which the registering local DS is connected, shall register in CDS the point of transfer between the DS it operates and the registering local DS (PDT type 0003) and, in the event the registering local DS had been registered before as a production or consumption PDT, the operator shall terminate validity of that PDT as of the day of registering the new local DS in CDS,
  - 6.1.2.3 the Market Operator shall establish constants for calculation of losses in the relevant local DS, methods of calculation and the supplier of last resort,
  - 6.1.2.4 the Balance Responsible Party of the supplier of electricity in the relevant local DS shall assume imbalance responsibility at respective virtual PDTs.
- 6.1.3 In the event assumption of responsibility for imbalances at a virtual PDT in CDS intended for storing values of losses or storing values of residual diagram for a local DS is not ensured, registration of such local DS in CDS shall be cancelled which also means that as at the date of cancellation of the local DS registration all points of transfer between this local DS and the DS to which the local DS is connected will be terminated in the CDS, as well as all PDTs registered in this local DS.

## 6.2 Registration of PDT

- 6.2.1 Registration of PDTs in CDS and making modifications to PDT registrations, including cancellation of the existing PDTs, is carried out by the Operator which provides metered values of supply / consumption at these PDTs. The Operator registers in CDS:
- 6.2.1.1 electricity production PDTs,
  - 6.2.1.2 customer PDTs that have changed supplier,
  - 6.2.1.3 customer PDTs that have not changed supplier in the event the Operator decided to register such PDTs in CS OTE separately,
  - 6.2.1.4 PDTs for provision of aggregated data on the sum of PDT customers within the relevant DS whose points of delivery are not separately registered in CS OTE, according to the type of metering and, for Type C metering in regional DSs, by LP classes,
  - 6.2.1.5 PDTs between the TS/DS administered by the Operator and the other DSs, or their aggregate, whereas the operator, which administers the part of the DS not connected to the Czech Republic's electric power system, but connected to a foreign EPS, complies with the relevant provisions of the Market Rules for registration of this part of the DS.
- 6.2.2 The Market Operator uses virtual PDTs primarily for:
- 6.2.2.1 reconciliation of the residual balance of the LP region (for each regional DS, the Market Operator registers one virtual PDT for reconciliation),
  - 6.2.2.2 filing values of losses or values of reconciliation of local DSs (for each local DS, the Market Operator registers one virtual PDT for losses or reconciliation),
  - 6.2.2.3 registration of a mirror point of transfer between systems,
  - 6.2.2.4 purposes of LP functionality application (aggregate PDT for each LP region,

- aggregate PDT of specific suppliers within each LP region),
- 6.2.2.5 provision of aggregate data on behalf of the other PDTs under the Market Rules (aggregate PDT to which the DSO sends aggregate data on behalf of the other points of delivery according to type of metering and, in the event of Type C metering, also LP class).
- 6.2.3 Registered data on PDTs are divided into mandatory and optional. Optional data on PDTs include mainly PDT owner and designation and address of the connected entity (House Number, Street, City/Municipality; Zip Code), maximum installed output of the largest block, type and periodicity of sending additional data for distribution billing, indicator of whether the relevant PDT is billed within an aggregated invoice (YES/NO). Mandatory data about PDTs registered in CS OTE by the relevant DSO or TSO include:
- 6.2.3.1 unique identifier of PDT (the DSO shall determine it from the EAN-18 range assigned to it by the Market Operator through a procedure defined in the Protocol on Distribution and Acceptance of the EAN-18 Code),
  - 6.2.3.2 name of PDT; the Operator that had previously registered the relevant PDT shall ensure any change in the name of the previously registered PDT,
  - 6.2.3.3 type of PDT (transfer point of the production facility, point of end consumption, DS-DS/DS-TS transfer point); production PDT's transfer point shall be used also in the event of an aggregate transfer point for the part of the DS supplied from abroad or in the event of the DS supplying a foreign consumer,
  - 6.2.3.4 system (identifier of the system to which the PDT is connected),
  - 6.2.3.5 neighbouring system in the event of DS-DS/DS-TS transfer point; identifier of the system on the other side of the transfer point,
  - 6.2.3.6 top voltage level; the Operator that had previously registered a PDT shall ensure any change in the previously registered PDT, except for a virtual PDT,
  - 6.2.3.7 indicator of RE provision in the relevant PDT (YES/NO),
  - 6.2.3.8 planned annual consumption (kWh in integers), temperature zone and LP class in the event of a consumption PDT with Type C metering,
  - 6.2.3.9 consumption category (VO, MOP, MOO, production installation) if the registration information of the PDT does not include a distribution rate<sup>8</sup>,
  - 6.2.3.10 type of metering (A; B; C),
  - 6.2.3.11 summary installed output for production PDT (in MW),
  - 6.2.3.12 date of establishing the PDT,
  - 6.2.3.13 type of source for production PDT (water, nuclear, etc.),
  - 6.2.3.14 distribution rate if the registration information of PDT does not include a consumption category<sup>9</sup>,
  - 6.2.3.15 reserved input (in kW) in production PDT with Type A or B metering.
- 6.2.4 Upon registration of the point of transfer of the production facility's connection to a TS or a DS pursuant to Section 17(2) of the Market Rules, the TS or DS operator registers two PDTs with Type A metering or Type B metering separately for electricity supply and for electricity consumption. The TS or DS operator also ensures matching of these registered PDTs in CS OTE by filling in the field "Adjacent PDT EAN" EAN-18 of the other PDT during the registration of the PDT in CS OTE.
- 6.2.5 In the event the registered PDT is being excluded from the aggregate PDT, the DS operator shall fill in the aggregate PDT's EAN-18 when registering the respective PDT. The CDS system shall run a check of the aggregate PDT's existence and shall send a notification message to the supplier and the Balance Responsible Party at the aggregate PDT. In the event the DS operator fails to fill in the aggregate PDT's EAN-18, the CDS system assumes the respective PDT is newly connected and does not send out any message.



- 6.2.6 Registration of PDTs comes into force as of the specified date, whereas the date determined by the Market Operator is binding. Notification about registration completion is sent to the respective Operator via an XML message.
- 6.2.7 The Operator shall execute registration of new PDTs in CDS within timeframes set forth in the Market Rules, either due to change of supplier at a PDT registered in its system or at the start of supply to a new PDT in the system administered by this operator or in the event the operator designates the PDTs to send data to the Market Operator separately. The operator can specify data on the relevant PDT via
- 6.2.7.1 an on-screen Web form via user interface, or
  - 6.2.7.2 a message for registration of the PDT, which can comprise of more than one PDT, in formats defined in Appendix 1 to BTP.
- 6.2.8 The Operator shall execute registration of changes in PDT master data by 23:59 on the day of the required beginning of coming into effect of the change. The Operator can execute changes in data on the consumption category, number of phases, reserved capacity, load profile class, main circuit breaker and distribution rate in PDT master data by 18:00 on the fifth business day of the month following the date of the requested registration of the change. The Operator specifies changes to PDT master data in the same manner as under Article 6.2.7 of BTP, with the proviso that for a retroactive update it provides information in the registration report about retroactive change in the PDT's master data.
- 6.2.9 The Market Operator is obligated to review whether the data supplied by the Operator for registration of a new PDT or change of registration of the existing PDT in CDS is correct and complete, in particular whether all mandatory data in provided forms is filled in.
- 6.2.10 In the event the Market Operator's review finds out shortcomings, it sends a message via CS OTE to the Operator about the reasons for rejection of the new PDT's registration or changes in the registration of the existing PDT. In the event the Market Operator's review does not find out any shortcomings, it is obligated to register the new PDT or execute change in the already registered PDT and send the Operator a notification of completed registration of the new PDT or change to registration of the PDT, including the date of coming into effect of the new PDT's registration or registration of the PDT's change.
- 6.2.11 The Market Operator shall facilitate access via CS OTE to data on the relevant PDT, including the status of change requests, for all suppliers to this PDT for the time period during which they have been suppliers at this PDT.
- 6.2.12 The Market Operator shall enable in its information system a reassignment of the Operator, Supplier and BRP to the PDT also for the period already elapsed, if requested by the Producer / Operator / Supplier / BRP. For this purpose, the Market Operator shall enable in its information system a retroactive renewal of the PDT's registration in CS OTE for this period in the event the PDT was not registered in the relevant period. The reassignment of the Operator, Supplier and BRP to the PDT in the Market Operator's information system is conditioned by the registration of the respective PDT's EAN in the Market Operator's information system as at the current day or in the future, whereby the entity requesting retroactive registration shall ensure and provide to the Market Operator written consents of the Operator with the retroactive renewal of the PDT's registration in CS OTE and of the involved parties (Operator, Supplier, BRP) to execute the reassignment of the Operator, Supplier and BRP to this PDT in the Market Operator's information system for the requested period. The involved parties' consents with the execution of the reassignment of the Operator, Supplier and BRP to the PDT must include the identification of the PDT's EAN, identification of the period to which the change pertains, and identification of the RMP that is to be assigned to the PDT as Operator, Supplier or BRP.
- 6.2.13 Data on PDTs registered under Article 6.2.3 are filed in CS OTE for a period of 10 years from the date of cancellation of PDT registration in CS OTE.

### 6.3 Cancellation of PDT registration

- 6.3.1 The Operator shall cancel PDT registration in the same manner as executing registration of a new PDT. In the request for cancellation of PDT registration the Operator shall shorten the date of the validity of PDT registration to the requested date of cancellation of PDT registration.

- 6.3.2 The TSO or DSO may specify information about the PDT registration of which shall be cancelled in CS OTE, using
- 6.3.2.1 an online form via CS OTE web interface, or
  - 6.3.2.2 a message for PDT registration

#### **6.4 Registration of OTE's Contractual Partner**

- 6.4.1 The electricity market participant (hereinafter the "market participant") that has decided to become OTE's Contractual Partner pursuant to applicable legislation and the Business Terms hereof shall send requisite data for issuing a clean copy of the contract and registration of the market participant in CS OTE in accordance with the procedure described on OTE's website.
- 6.4.2 The Market Operator shall assign the future OTE's Contractual Partner ID RMP and EAN-13 code and shall notify it accordingly via-email; the respective ID RMP and EAN-13 code shall be posted on OTE's website.
- 6.4.3 Registration of the local distribution system operator with the Market Operator is completed with registration of the local distribution systems operated by the DS operator in accordance with the Market Rules and in a manner according to Article 6.1.
- 6.4.4 Any future Balance Responsible Party – holder of electricity trading licence or ERO decision to recognize the licence for electricity trading awarded by the respective authority of another EU Member State - shall pay a fee for BRP registration. The future BRP shall pay the required fee in CZK into the Market Operator's bank account stated in the Agreement on Settlement of Imbalances, whereby the provisions of Article 1.2.10 apply.
- 6.4.5 The BRP's settlement account must be maintained by a bank or its branch based in the Czech Republic's territory.
- 6.4.6 To register a new OTE's Contractual Partner, it is required to
- 6.4.6.1 submit to the Market Operator a copy of the of the issued licence or a copy of the ERO decision to recognize the licence for electricity trading awarded by the respective authority of another EU Member State (hereinafter "decision to recognize licence"),
  - 6.4.6.2 submit to the Market Operator a copy of the Commercial Register record in Czech language; in the event of a sole licensed trader, an original copy or a certified copy of the respective Trade Licence,
  - 6.4.6.3 submit to the Market Operator a copy of the permit to acquire electricity exempt from electricity tax, or a copy of the permit to acquire electricity without electricity tax in the event of claiming the exemptions,
  - 6.4.6.4 submit to the Market Operator a copy of the document proving VAT registration; in the event the BRP is not registered for VAT in the Czech Republic, a respective type of the standard Agreement on Settlement of Imbalances and/or Agreement on Access to the Short-Term Electricity Market shall be signed,
  - 6.4.6.5 in the event of a new Contractual Partner that has concluded the Agreement on Settlement of Imbalances and is not registered for VAT in the Czech Republic, submit to the Market Operator a Certificate of Tax Residence to Avoid Double Taxation, whereas the current Certificate of Tax Residence to Avoid Double Taxation shall also be submitted to the Market Operator each calendar year by the end of January at the latest,
  - 6.4.6.6 appoint authorized individuals to manage CS OTE user accounts on behalf of the respective Contractual Partner of OTE.
- 6.4.7 OTE's contractual partner is provided access to CS OTE within the scope of the rights specified in the relevant agreement concluded with the Market Operator. A list of standard contracts is posted on OTE's website.
- 6.4.8 OTE's Contractual Partner is obligated to notify the Market Operator about any change in the registration and contractual data, including change related to licence validity or recognition of authorization to conduct business pursuant to the EA, within five business days before the said change comes into effect, or immediately if the Contractual Partner's licence or authorization to conduct business pursuant to the EA is revoked or terminated. Based on verification of the

change, the Market Operator shall make registration of the change in CS OTE within five business days. In the event of change of IČ (business registration number), OTE's Contractual Partner proves the change by submitting a copy of its listing in the Commercial Register and a copy of its licence or a copy of the decision to recognize authorization pursuant to the EA. With the exception of transmission system operators, only one market participant can be registered for one IČ.

- 6.4.9 OTE shall facilitate for the BRP to apply online for transferring its total imbalance responsibility to another BRP, using a procedure described under Article 6.7 of BTE.
- 6.4.10 Signing an agreement on RE settlement with OTE is conditioned by signing the respective agreement between the relevant Contractual Partner of OTE and the transmission system operator.
- 6.4.11 Within ten business days prior to the expiry of the licence or the decision to recognize licence, the licence holder or the holder of the decision to recognize licence submits to the Market Operator a copy of an extended or a newly awarded licence or the decision to recognize licence. If the licence holder fails to do so, OTE shall terminate all activities of the respective licence holder or the holder of the decision to recognize licence in CS OTE and related activities as at the date of the expiry of the licence or the decision to recognize licence, and shall notify relevant BRPs and operators of the TS or the DS, to which the respective points of delivery are connected, to secure electricity supply to the customer point of delivery by the last resort supplier or to not secure electricity supply to the customer point of delivery in the event the customer is not included in the last resort supplier regime, as of the first day following the last day of the validity of the licence or the decision to recognize licence.
- 6.4.12 In the event the licence for electricity trading, issued in another EU Member State and awarded to OTE's Contractual Partner by the respective authority of another EU Member State, or in the event the ERO rules to revoke the decision to recognize such licence, OTE's Contractual Partner is obligated to report to the Market Operator the cancellation of the respective licence or the revocation of the decision to recognize licence.
- 6.4.13 PXE shall provide the Market Operator with a "Statement" containing a verified consent of the Balance Responsible Party joining DM through PXE with confidentiality waiver, i.e. consent with providing confidential information to the Market Operator.
- 6.4.14 After the right to participate on PXE-organized markets ceases, PXE notifies the Market Operator by a verified "Statement of Participation Termination".

## **6.5 Cancellation of OTE's Contractual Partner's registration**

- 6.5.1 When cancelling registration of OTE's Contractual Partner in CS OTE, a check is run whether the respective Contractual Partner of OTE has assumed responsibility for imbalances at PDT or, in the event of a BRP, whether it has assumed total imbalance responsibility of other BRPs or whether it has accepted imbalance responsibility on behalf of a Contractual Partner of OTE that is not a BRP. In addition, it is checked whether BRPs have registered valid realization diagrams and/or valid bids on the short-term electricity market. In the event the results of the checks are negative, OTE shall execute registration cancellation of OTE's Contractual Partner in a manner described hereunder.
- 6.5.2 The Market Operator shall send the relevant Contractual Partner of OTE notification about the outcome of the checks to the e-mail designated for communication. In the event the checks result in findings that prevent its registration cancellation, the Market Operator shall notify the entity about the reasons for non-cancellation of registration via the same communication channel.
- 6.5.3 In the event of cancellation of a BRP's registration, the Market Operator shall return to the respective /BRP its financial security as follows:
  - 6.5.3.1 in the event of a granted bank guarantee, the Market Operator shall return to the BRP the valid guarantee certificate within five business days following the settlement of debts arising from final monthly settlement for the month in which the termination of this BRP's registration came into effect,
  - 6.5.3.2 in the event of cash received into the Market Operator's account, the relevant amount is returned to the BRP's bank account specified in the Agreement on

Settlement of Imbalances within five business days following the settlement of debts arising from final monthly settlement for the month in which the termination of this BRP's registration came into effect.

- 6.5.4 In the event of the BRP's registration cancellation, the Market Operator's direct debit right pertaining to the BRP's account must remain active for five business days following final monthly settlement for the month in which the termination of this BRP's registration came into effect. In the event of cancellation of registration of OTE's Contractual Partner's under the Agreement on Access to CS OTE, the Market Operator's direct debit right pertaining to the account of OTE's Contractual Partner must remain active for five business days following final monthly settlement for the month in which the termination of registration of OTE's Contractual Partner came into effect.
- 6.5.5 In the event of the registration cancellation of OTE's contractual partner, the last prices charged for the Market Operator's services shall be settled and billed for the month in which the termination of this OTE's contractual partner came into effect.
- 6.5.6 Settlement of gains from the deposited financial security is carried out pursuant to the provisions of Part 7.5 of BTP.
- 6.5.7 If the relevant BRP is registered as a PDT supplier and has assumed imbalance responsibility at those PDTs, change of the BRP at the respective PDTs must be executed by the said BRP in a manner pursuant to Part 2.4 of BTP within seven business days before the end of the month in which the termination of this BRP's registration came into effect.
- 6.5.8 If the relevant BRP is not registered as a PDT supplier and has assumed imbalance responsibility at those PDTs, change of the BRP at the respective PDTs must be executed by the said BRP within seven business days before the end of the month in which the termination of this BRP's registration came into effect; it must come into force at the latest as at the date of terminating the relevant BRP's activity in CS OTE.
- 6.5.9 If the relevant BRP has assumed total imbalance responsibility from other BRPs, the assumed responsibility must be terminated using the procedure under Article 6.7.3.1 within seven business days before the end of the month in which the termination of the assuming BRP's registration came into effect; termination of the assumption of total imbalance responsibility by the assuming BRP must come into force at the latest as at the date of terminating the assuming BRP's activity in CS OTE. Transferring BRPs are required to prove updated FS to the Market Operator pursuant to Part 7 of BTP, according to the chosen type of FS:
  - 6.5.9.1 in the form of standard guarantee certificate from the Market Operator's bank within three business days before the termination of the assuming BRP's activity,
  - 6.5.9.2 in the form of standard guarantee certificate from another bank than the Market Operator's bank within eight business days before the termination of the assuming BRP's activity,
  - 6.5.9.3 in the form of depositing cash into the Market Operator's bank account within three business days before the termination of the assuming BRP's activity.
- 6.5.10 OTE's Contractual Partner subject to registration cancellation is restricted from:
  - 6.5.10.1 in the event of a BRP, inputting realization diagrams and assuming imbalance responsibility at a PDT simultaneously with the close of bilateral trading for the last delivery day of the month in which the termination of this BRP's registration came into effect; as at the same date, the respective BRP is barred from assuming imbalance responsibility and from assuming total imbalance responsibility of other BRPs and transferring total imbalance responsibility to other BRPs; these provisions do not affect the provision of Article 6.5.7 of BTP,
  - 6.5.10.2 submitting bids to the short-term electricity market for delivery days of the month following the month in which the termination of registration of the relevant OTE's contractual partner came into effect,
  - 6.5.10.3 filing claims after the 15<sup>th</sup> calendar day of the month in which final monthly settlement was performed for the month in which the termination of registration of the relevant OTE's contractual partner came into effect,
  - 6.5.10.4 submitting requests for change of supplier or extension of supply to PDT with the required date of effect after the date of the termination of the relevant agreement.

- 6.5.11 For evaluation of imbalances and evaluation of the short-term electricity market, the Market Operator shall not take into account realization diagrams, bids placed on the short-term electricity market, and transfer of imbalance responsibility or assumption/transfer of total imbalance responsibility submitted by OTE's Contractual Partner, registration of which is to be cancelled after performing a review under Article 6.5.1 of BTP.
- 6.5.12 If the Market Operator carries out cancellation of OTE's Contractual Partner's registration due to the said OTE's Contractual Partner's breach of obligations under the relevant type of agreement, registration cancellation can be executed without running checks defined in Article 6.5.1 of BTP.
- 6.5.13 In the event the Market Operator terminates the agreement with OTE's Contractual Partner supplying to PDT for breach of the obligations by OTE's Contractual Partner arising from this agreement, as at the date of the agreement termination the Market Operator shall shorten the assignment of supplier to PDT in CS OTE. The Market Operator shall notify about the shortening the relevant supplier to PDT, the relevant BRP and the respective DSO. The Market Operator then shall proceed pursuant to Article 2.4.15.
- 6.5.14 OTE's Contractual Partner that has rescinded an agreement on provision of support services, signed between the relevant Contractual Partner of OTE and the transmission system operator, or whose agreement was terminated, is obligated to notify the Market Operator about the termination without undue delay.
- 6.5.15 In compliance with the Market Rules, cancellation of the BRP's registration is posted on OTE's website. In addition, all BRPs that are contractual counterparties to the relevant BRP in realization diagrams registered with the Market Operator are notified about the cancellation.
- 6.5.16 The procedure described in the foregoing Articles is specified in more detail in the Closing Protocol that the Market Operator concludes with OTE's Contractual Partner whose registration as OTE's Contractual Partner has been cancelled following a due notice of terminating the respective agreement/s received from the Contractual Partner. In the event of termination of OTE's Contractual Partner under Article 7.6.2 due to breach of its obligations, the Closing Protocol is not signed with the Contractual Partner and the Market Operator shall return the financial security in accordance with Article 6.5.3.

## **6.6 Registration of new CS OTE users and authorized persons of OTE's Contractual Partner**

- 6.6.1 OTE's Contractual Partners perform registration of their new CS OTE users through authorized persons appointed by them (holding a valid certificate).
- 6.6.2 OTE's Contractual Partners are responsible for the registered data under Article 6.6.1.
- 6.6.3 In the event of any change to the list of authorized individuals, the relevant OTE's Contractual Partner shall deliver to the Market Operator updated data about new authorized persons in writing. The Market Operator shall execute the change in CS OTE within five business days after the receipt of the update.

## **6.7 Transfer of total imbalance responsibility from one Balance Responsible Party to another**

- 6.7.1 The BRP carries out transfer of its total imbalance to another BRP in CS OTE pursuant to applicable provisions of the Market Rules via automated communication or an online form through authorized persons (holding a valid certificate).
- 6.7.2 In transferring total imbalance of the BRP (transferring BRP) to another BRP (assuming BRP) on the electricity market:
  - 6.7.2.1 the transferring BRP submits a request for transferring total imbalance in a "for approval" status, marking the period of transfer and whether it requires to transfer total imbalance including transfer of settlement of differences, or without settlement of differences determined by the Market Operator for the transferring BRP under Article 3.5 of BTP,
  - 6.7.2.2 the assuming BRP approves or rejects the transferring BRP's request for transfer of total imbalance.



- 6.7.3 To transfer total imbalance of the transferring BRP to the assuming BRP on the electricity market it applies that
- 6.7.3.1 reduction or cancellation of any once approved request for transfer of total imbalance requires to send in and verify a new request for transfer of total imbalance to the same assuming BRP, or another assuming BRP if the current assuming BRP has been locked out under Article 7.6, stating the reduced period “to”,
  - 6.7.3.2 in one moment, only one approved transfer of total imbalance to the assuming BRP may be in force for one transferring BRP,
  - 6.7.3.3 the assuming BRP cannot transfer its total imbalance to another BRP in the same period,
  - 6.7.3.4 the beginning of coming into force of transfer/assumption of total imbalance between the transferring BRP and the assuming BRP may not be filed retroactively,
  - 6.7.3.5 the expiry date of the transfer / assumption of total imbalance between the transferring and assuming BRPs must be always equal as at the last day of the month, except when the Market Operator sets a different end of coming into force of the transfer/assumption,
  - 6.7.3.6 transfer of total imbalance may be carried out only between BRPs that in relation to the Market Operator apply VAT for mutual electricity supplies pursuant to the Value Added Tax Act using the same method, i.e. for both BRPs the recipient of the taxable supply has a tax liability, or for both BRPs the provider of the taxable supply has a tax liability; transfer of the imbalance will not affect the amount of OTE’s tax liability; the Market Operator has the right to reduce the already approved request for transfer of total imbalance in the event of cancellation of the reverse charge procedure for one of the involved BRPs,
  - 6.7.3.7 the request for transfer of total imbalance between the transferring BRP and the assuming BRP must be submitted and approved at least one day prior to the date of the beginning of coming into force stated in the request,
  - 6.7.3.8 transfer of total imbalance between BRPs is not permitted if the assuming BRP has insufficient financial security under Part 7 of BTP,
  - 6.7.3.9 it is not possible to approve the request for transfer of total imbalance between BRPs if at the time of approval of this request the FS balance for IM is reduced pursuant to Article 7.3.2 by untraded IM bids of the transferring BRP, for the delivery day to which the change in the total imbalance transfer pertains. The FS balance for IM referred to in this Article applies for the assuming and transferring BRPs.
- 6.7.4 In the event OTE’s Contractual Partners transfer total imbalance under Article 6.7.2 of BTP, an alternative method may be employed consisting of submitting to the Market Operator the form “Registration of Transfer of Total Imbalance”, included in Appendix 2 to BTP, filled in and verified by both Contractual Partners. A paper copy of the form has to be delivered to the Market Operator within two days prior to requested coming into force of transfer of total imbalance. The Market Operator shall register the transfer of total imbalance between BRPs in CS OTE within one business day after the receipt of the form. In the event the BRP that has currently assumed total imbalance from another BRP is locked out, the transfer of total imbalance is voided.
- 6.7.5 Settlement of imbalances pertaining to a period preceding the transfer of the BRP’s total imbalance is not carried over to the receiving BRP.

## **6.8 Restriction of access rights for OTE's Contractual Partner which has concluded the Agreement on Access to CS OTE with the Market Operator**

- 6.8.1 If OTE's Contractual Partner which has concluded the Agreement on Access to CS OTE with the Market Operator is in default with the payment of any pecuniary debt under this Agreement, the Market Operator shall have the right to notify OTE's Contractual Partner in writing about an additional period for payment of the pecuniary debt of at least five business days, including a warning of a possible restriction of access rights of OTE's Contractual Partner in CDS.

- 6.8.2 In the event OTE's Contractual Partner fails to pay the pecuniary debt within the additional period set out under Article 6.8.1, the Market Operator shall have the right to restrict the access rights of OTE's Contractual Partner in CDS due to which:
- 6.8.2.1 OTE's Contractual Partner shall be unable to administer any change of supplier under the Agreement on Access to CS OTE,
  - 6.8.2.2 all outgoing messages from CS OTE shall be suspended, including copies of reports from CS OTE, with the exception of notifications from CS OTE and complaints,
  - 6.8.2.3 The Market Operator shall cancel registration for the position of Observer at PDTs.
- 6.8.3 In the event of restriction of access rights in CDS under Article 6.8.2, the Market Operator shall notify:
- 6.8.3.1 the respective OTE's Contractual partner about the restriction of access rights,
  - 6.8.3.2 the Energy Regulatory Office about the default of OTE's Contractual Partner regarding the payment of pecuniary debt under the Agreement on Access to CS OTE and the restriction of access rights in CDS.
- 6.8.4 The Market Operator's right to terminate the Agreement due to the defaulted payment of any pecuniary debt under the terms set out in the Agreement on Access to CS OTE is without prejudice to the restriction of access rights under Articles 6.8.1 to 6.8.3.
- 6.8.5 Upon payment of all pecuniary debts of OTE's Contractual Partner to the Market Operator arising from the Agreement on Access to CS OTE, the access rights of OTE's Contractual Partner restricted under Articles 6.8.2.1 and 6.8.2.2 shall be reactivated without undue delay. Following the activation of access rights in CDS:
- 6.8.5.1 no reports shall be transmitted from CS OTE to OTE's Contractual Partner retroactively for the period of restricted access rights of OTE's Contractual Partner in CDS under Article 6.8.2.2,
  - 6.8.5.2 OTE's Contractual Partner shall not be re-registered by the Market Operator as the Observer at PDTs from which it has been deregistered under Article 6.8.2.3.

## 7 FINANCIAL SECURITY

### 7.1 Financial security

- 7.1.1 All BRPs shall provide the Market Operator with sufficient financial security to cover their duties, notably debts to the Market Operator arising from their activity on the electricity market. For purposes of this section of Part 7 of BTP, financial debts (hereinafter "debts") to the Market Organizer, or financial receivables (hereinafter "receivables") from the Market Operator arising from activity on the electricity market refer to all the debts and receivables arising from signed agreements.
- 7.1.2 Financial security required by the Market Operator from the BRP is provided in CZK.
- 7.1.3 The Market Operator uses for coverage of debts of specific BRPs also
- 7.1.3.1 the right to defer payments of its debts to the same BRP due to insufficient FS,
  - 7.1.3.2 the right to offset mutual receivables on behalf of both parties; the Market Operator notifies the relevant BRP about the offset by sending a message to the e-mail designated for communication,
  - 7.1.3.3 the option of lock-out.
- 7.1.4 The deferred payment shall be made after the FS balance reduced by the amount corresponding to the deferred payment becomes higher than or equal to zero. Once the deferred payment has been executed, the FS balance is reduced by the amount corresponding to the deferred payment.

- 7.1.5 The Market Operator is authorized to use the relevant BRP's available FS to settle any overdue receivables that have not been paid by their due date, or their parts. The Market Operator shall notify the respective BRP about using financial security without undue delay.
- 7.1.6 Notification about using financial security, containing information on the amount of the used financial security and the current balance of FS, is sent to the BRP's e-mail designated for communication, together with a registered letter mailed to the respective BRP.
- 7.1.7 The BRP may provide FS in one of the following forms, or their combination:
  - 7.1.7.1 a bank guarantee provided by a bank or its branch based in the Czech Republic's territory with the lowest current long-term rating of BBB+ (S&P, Fitch), or Baa1 (Moody's) based on
    - 7.1.7.1.1 standardized form of a guarantee deed issued by the Market Operator's bank, or
    - 7.1.7.1.2 standardized form of a guarantee deed issued by another bank than the Market Operator's bank, or
    - 7.1.7.1.3 other than standardized form of the guarantee deed; in such event the Market Operator reserves the right, following consultation with the Market Operator's bank, to reject the guarantee and explain the rejection,
  - 7.1.7.2 depositing cash into the Market Operator's bank account established for financial security and specified in the Agreement on Settlement of Imbalances.
- 7.1.8 The minimum amount of FS that the BRP has to ensure is CZK 65,000. The minimum amount of FS that the BRP must ensure under Article 7.1.7.2 is 10% of the total FS provided by the BRP, but no more than CZK 20 million. In the event the BRP fails to ensure the minimum amount of FS defined under this Article in the form under Article 7.1.7.2, the Market Operator shall recognize only a portion of FS that meets the terms defined in the first sentence of this Article.
- 7.1.9 The Market Operator shall post on OTE's website the standardized form of the guarantee deed. The Market Operator cannot reject once accepted guarantee deed for reasons of posting a new standardized form of the guarantee deed on OTE's website, except in the event the BRP has applied for an extension of the accepted guarantee deed.
- 7.1.10 A bank guarantee shall be recognized as a form of financial security only in the event its validity period stated in the guarantee deed extends at least through the last day of the calendar month following the month to which financial security pertains, and only if the BRP submits an affidavit from the bank that has issued the guarantee deed, proving it meets the required rating under Article 7.1.7.1 of BTP. FS can be proven by subsequent bank guarantees to prevent overlapping separate bank guarantees.
- 7.1.11 The Market Operator shall determine financial institutions from which it accepts bank guarantees. In the event any financial institution, from which the Market Operator has accepted a bank guarantee, ceases to meet the terms under Articles 7.1.7.1 or 7.1.7.2 respectively, the Market Operator has the right to refuse to accept the relevant financial institution's bank guarantee and to request from the BRP that provided the FS amount through the said financial institution's guarantee to change the method of FS provision. This request must be in writing. The BRP is obligated to change the instrument or method of FS provision within 30 calendar days after the day of receipt of the request.
- 7.1.12 The BRP is required to provide financial security. If the BRP fails to provide financial security, the BRP shall not be authorized to register in CS OTE realization diagrams and/or bids on the short-term electricity market, and CS OTE shall not permit the TS operator to register foreign realization diagrams of the relevant BRP.
- 7.1.13 The provision of financial security is documented as follows:
  - 7.1.13.1 in the event of a bank guarantee, the BRP shall submit the valid wording of the guarantee deed to the Market Operator, which shall submit it for review of the valid wording and verification of signatures to the Market Operator's bank and, following to the bank's approval, shall recognize the guarantee as complying with the financial security requirement; the standardized form of the guarantee deed from the Market Operator's bank must be submitted at least three days before the Agreement on Settlement of Imbalances comes into force; the standardized form of the guarantee deed from a bank other than the Market Operator's bank and other

than the standardized form of the guarantee deed need to be submitted at least eight business days before the Agreement on Settlement of Imbalances comes into force.

- 7.1.13.2 in the event of depositing cash into the Market Operator's bank account, the amount of financial security is checked against a bank statement pertaining to the account made available to the Market Operator. The cash must be deposited into the Market Operator's account at least three calendar days before the Agreement on Settlement of Imbalances comes into force.
- 7.1.14 BRPs may freely increase the amount of FS. The BRP shall notify the Market Operator about a FS increase in writing by using the Form for Change of the Amount of Financial Security that can be downloaded from OTE's website. The Market Operator shall confirm the amended Form for Change of the Amount of Financial Security. Each FS increase comes into effect no later than on the first business day after the day of duly documenting the FS increase to the Market Operator under Articles 7.1.13 of BTP.
- 7.1.15 Any reduction in FS can be carried out only with the Market Operator's approval in order to cover potential future liabilities, notably future debts arising from evaluation of bids, from any registered and yet to be evaluated bids on the short-term electricity market, and all existing debts of the BRP due to the Market Operator arising from the Agreement on Settlement of Imbalances and the Agreement on Access to the Short-Term Electricity Market, including potential future debts of the BRP arising from monthly evaluation and final monthly evaluation for the month in which FS was reduced.
- 7.1.16 A BRP's application for a FS reduction must be submitted in writing and must contain a filled in Form for Change of the Amount of Financial Security that can be downloaded on OTE's website.
- 7.1.17 The Market Operator shall approve of the FS decrease in writing with a signed Form for Change of the Amount of Financial Security within three business days after the receipt of the application for a FS decrease and documenting a new amount of FS, unless the BRP and OTE have agreed otherwise. The approved FS decrease shall come into force on the day of executing the change in the FS amount in CS OTE by the Market Operator.
- 7.1.18 In the event the Market Operator does not approve of a FS decrease, it will send notification within three business days after the receipt of the application for a FS reduction, including reasons for rejection of the requested FS decrease.
- 7.1.19 In the event the BRP has provided FS to the Market Operator in the form of depositing cash into the Market Operator's bank account, and applies for a FS decrease in the form of returning some funds, the Market Operator is obligated to transfer the funds corresponding to the amount of FS reduction to the respective BRP's account on the day of coming into effect of the FS reduction, provided the BRP meets the requirement for the minimum amount of funds deposited into the Market Operator's bank account under Article 7.1.8. The Market Operator shall transfer the funds to the bank account registered by the relevant BRP with CS OTE.
- 7.1.20 In the event of any change to the FS amount, notification about a FS increase, or an application for a FS reduction, sent to the Market Operator by a BRP, must contain reasons for the requested changes in the FS amount.
- 7.1.21 To change the FS amount, the BRP may use any of the permitted methods of financial security under Article 7.1.7 of BTP, whereby the provisions of Article 7.1.8 must be met.
- 7.1.22 In the event of a FS drawdown, the relevant BRP is notified. In addition, the BRP is notified whenever the FS balance under Article 7.3.1 of BTP is not sufficient for registration of realization diagrams, registration of bids on the short term electricity market (in the event of BM, the last known amount of adjusted FS is insufficient, whereby FS adjustment is performed asynchronously in regular intervals), determining FS for IM, and also whenever registered bids on the short-term electricity market are cancelled due to insufficient FS.
- 7.1.23 In the case of drawdown of FS for IM when the FS balance for IM under Article 7.3.2 of BTP is not sufficient for registration of bids on IM, BRPs are notified about the insufficient FS.
- 7.1.24 In the event PDTs switch to a last resort supplier, the last resort supplier is obligated to ensure within 14 days sufficient FS to cover projected consumption at these PDTs.
- 7.1.25 Within the framework of the provided FS, the BRP determines the amount of FS for IM. The Market Operator may reduce the FS amount for IM if the current FS balance is negative. In the event the Market Operator does reduce FS for IM, the reduction shall equal the negative balance

of FS of the relevant BRP, but shall not exceed the current FS balance for IM of the relevant BRP.

- 7.1.26 Prior to signing the Agreement on Settlement of Imbalances and anytime at the Market Operator's request, the BRP is required to submit financial statements for the last two years and Balance Sheet and Income Statement for the last closed quarter of the current year.
- 7.1.27 In the event of foreign payments made into the Market Operator's bank account maintained in CZK, all fees related to the payment are borne by the payer.

## 7.2 Determining financial security

- 7.2.1 The BRP determines the initial amount of financial security through the Form for Determining the Initial Amount of Financial Security, which comprises in particular
  - 7.2.1.1 the projected daily volume of purchases of the BRP carried out by means of registered realization diagrams, purchase bids on the short-term electricity market, FS purchase bids, and the volume of BRP's production, and also the projected daily volume of sales of the BRP carried out by means of registered realization diagrams, sale bids on the short-term electricity market, FS sale bids, and the volume of BRP's production at specific trading hours of the delivery day,
  - 7.2.1.2 the projected maximum daily risk exposure in the course of the day for positive imbalances which, for the purposes of determining the required FS, refers to a maximum of a sum of purchase domestic realization diagrams, import foreign realization diagrams, traded purchase bids on the short-term electricity market, production for positive imbalances set forth by the Market Operator, reduced by sums of sale domestic realization diagrams, export foreign realization diagrams, traded sale bids on the short-term electricity market, and projected consumption for positive imbalances, set forth by the Market Operator in absolute values at separate hours of the delivery day, provided the BRP has not transferred total imbalance responsibility to another BRP, including values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP,
  - 7.2.1.3 the projected maximum daily risk exposure in the course of the day for negative imbalances which, for the purposes of determining the required FS, refers to a maximum of a sum of sale domestic realization diagrams, export foreign realization diagrams, traded sale bids on the short-term electricity market, projected consumption for negative imbalances set forth by the Market Operator, reduced by sums of purchase domestic realization diagrams, import foreign realization diagrams, traded purchase bids on the short-term electricity market, and production for negative imbalances, set forth by the Market Operator in absolute values at separate hours of the delivery day, provided the BRP has not transferred total imbalance responsibility to another BRP, including values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP,
  - 7.2.1.4 the projected maximum daily risk exposure in the course of the day for imbalances from purchase bids on IM which, for the purposes of determining the required FS, refers to a maximum of the sum of untraded purchase bids on IM set forth by the Market Operator in absolute values at separate hours of the delivery day, provided the BRP has not transferred total imbalance responsibility to another BRP, including values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP,
  - 7.2.1.5 the projected maximum daily risk exposure in the course of the day for imbalances from sale bids on IM which, for the purposes of determining the required FS, refers to a maximum of the sum of untraded sale bids on IM set forth by the Market Operator in absolute values at separate hours of the delivery day, provided the BRP has not transferred total imbalance responsibility to another BRP, including values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP,



- 7.2.1.6 projected amount of debts arising from transactions on the short-term market.
- 7.2.2 For valuation of risk exposure for positive imbalances at separate hours and determining the required amount of FS, parametric price for positive imbalances is used in CS OTE, which is set by the Market Operator based on historical imbalance prices and estimates of future imbalance prices and published on the OTE website including the beginning of its effectiveness at least 14 calendar days in advance. The Market Operator informs BRP about the change of the parametric price also through the user interface and / or by means of electronic communication set forth by the Market Operator on the basis of historical prices of imbalances and estimated future prices of imbalances for each month. The parametric price is posted on OTE's website at least 30 calendar days prior to the month for which it applies.
- 7.2.3 For valuation of risk exposure for negative imbalances at separate hours and determining the required amount of FS, parametric price for negative imbalances is used in CS OTE, set forth by the Market Operator on the basis of historical prices of imbalances and estimated future prices of imbalances for each month. The parametric price is published on the OTE website, including the beginning of its effectiveness, at least 14 calendar days in advance. The Market Operator informs BRP about the change of the parametric price also through the user interface and / or by means of electronic communication posted on OTE's website at least 30 calendar days prior to the month for which it applies.
- 7.2.4 Financial security for imbalances is determined with regard to the projected maximum daily risk exposure for positive imbalances and negative imbalances, the respective parametric price and the volume of expected debts arising from settlement of imbalances for the period corresponding to the period needed for settlement of imbalances and settlement of potential debts of the BRP to the Market Operator arising from the settlement of imbalances, and with regard to the projected maximum daily risk exposure for positive imbalances from purchase bids on IM, and negative imbalances from sale bids on IM and the respective parametric price. Settlement of debts is defined, for purposes of determining the required FS, as crediting funds to the Market Operator's bank accounts.
- 7.2.5 The BRP determines financial security for transactions executed on the short-term electricity market in proportion to the volume of its projected bids on the short-term electricity market which may, following bid matching in the event of BM and IM or evaluation in the event of DM, result in debts for the relevant BRP, and the volume of projected debts arising from settlement of the short-term electricity market for the period corresponding to the period needed for the settlement of the short-term electricity market and the settlement of debts of the BRP to the Market Operator arising from settlement of the short-term electricity market. Settlement of debts is defined, for purposes of determining the required FS, as crediting funds to the Market Operator's bank accounts.
- 7.2.6 The volume of a bid on the short-term electricity market is defined, for purposes of determining the required FS, as the largest amount of debts arising from trading the relevant bid on the short-term electricity market increased by VAT pursuant to applicable legislation.
- 7.2.7 The Market Operator has the right to reject the provided FS amount if the amount is not sufficient for securing the duties, notably financial debts arising from agreements made between the BRP and OTE. In such event, the Market Operator notifies the relevant BRP without undue delay via the e-mail designated for communication.
- 7.2.8 The Market Operator may grant the BRP a relief from the total required FS amount.
- 7.2.9 FS relief under Article 7.2.8 of BTP refers to the rate by which the Market Operator shall reduce the required FS amount based on submission of a financial report not older than six months from Creditreform and Crefoport s.r.o. stating the relevant BRP's financial standing index, a financial report not older than six months from Bisnode Česká republika, a.s, containing Bisnode's scoring of the relevant BRP, or based on submission of documents proving that the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies.
- 7.2.10 The amount of the granted relief is determined as a percentage part of the total required FS amount as per the table below, but not in excess of CZK 20 million.

Rating				Bisnode	Relief rate
S&P	Moody's	Fitch	Creditreform Crefoport		
AAA to A-	Aaa to A3	AAA to A-	100–190	AAA <del>to AA</del>	15%

BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	191–240	AA to BBBA	10%
--------------	--------------	--------------	---------	------------	-----

- 7.2.11 After the expiry of the six-month period from the date of submission of the required financial standing index from Creditreform and Crefoport s.r.o., or the required scoring from Bisnode [Česká republika, a.s.](#), the BRP must submit a new financial report from this company containing an updated financial standing index of the BRP, or an updated scoring of the BRP not older than six months under Articles 7.2.9 and 7.2.10 of BTP, or submit documents proving that the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies under Articles 7.2.9 and 7.2.10. In the event of change to the BRP's financial standing index, scoring or rating, a new rate of FS relief shall be determined for the respective BRP. If the BRP fails to submit a new financial report from Creditreform, Crefoport s.r.o. or Bisnode [Česká republika, a.s.](#) stating the BRP's financial standing index or scoring not older than six months, or fails to submit documents proving that the BRP has been rated by the Standard & Poor's, Moody's or Fitch rating agencies under Articles 7.2.9 and 7.2.10, FS relief shall no longer be granted until the relevant submissions are made. Where the BRP has been rated by Standard & Poor's, Moody's or Fitch, it is required to notify the Market Operator about any change in rating that would result in a reduction in the provided relief under Article 7.2.10.
- 7.2.12 If the BRP has been rated by Standard & Poor's, Moody's or Fitch and can also submit a financial standing index from Creditreform or Crefoport s.r.o. or a scoring from Bisnode [Česká republika, a.s.](#) under Articles 7.2.9 and 7.2.10, the amount of the provided FS relief shall be governed by the rating of Standard & Poor's, Moody's or Fitch under Articles 7.2.9, 7.2.10 and 7.2.11. Where the BRP has been rated by more than one rating agency, whereby these ratings are assigned different relief rate according to the table in Article 7.2.10, the rating generating greater relief rate shall apply.
- 7.2.13 The CZK/EUR DM<sub>FS</sub> exchange rate is determined as follows:
- 7.2.13.1 For euro prices in bids on DM that become BRPs' debts after trading that are to be settled in EUR, and for debts of BRPs from DM trades that are to be settled in EUR, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and with each subsequent update of the CNB CZK/EUR exchange rate in CS OTE it is reduced by one until the value of zero. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, from the time of the registration of bids on DM, but at most from the second calendar day prior to the delivery date, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.
- 7.2.13.2 For euro prices in bids on DM that become BRPs' debts after trading that are to be settled in CZK, and for debts of BRPs from DM trades that are to be settled in CZK, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the second calendar day prior to the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the relevant date (the first business day after the second calendar day prior to the date of delivery), the D indicator is higher by the number of business days before the relevant date, from the time of the registration of bids on DM, but at most from the second calendar day prior to the delivery date, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.
- 7.2.13.3 For BRP's receivables arising from trades on DM that are to be settled in EUR, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and with each subsequent update of the

CNB CZK/EUR exchange rate in CS OTE it is reduced by one until the value of zero. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, from the time the BRP's receivables arose, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

7.2.13.4 For BRP's receivables arising from trades on DM that are to be settled in CZK, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the second calendar day prior to the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the relevant date (the first business day after the second calendar day prior to the date of delivery), the D indicator is higher by the number of business days before the first business day after the delivery date, from the time the BRP's receivables arose, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

7.2.14 The CZK/EUR  $IM_{FS}$  exchange rate is determined as follows:

7.2.14.1 For euro prices in bids on IM that become BRPs' debts after trading that are to be settled in EUR, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate at the time of submitting the first bid on IM for the relevant date of delivery is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. The D indicator depends on the time of submitting the first bid on IM for the relevant date of delivery and on whether the delivery date and the day before the delivery date are business or non-business days. The value of the D indicator is shown in the following table:

Combination of business and non-business days				
	Date of delivery and the day before the date of delivery are business days	Date of delivery is non-business day and the day before the date of delivery is business day	Date of delivery and the day before the date of delivery are non-business days	Date of delivery is business day and the day before the date of delivery is non-business day
The moment of introducing the first offer/demand for $\sqrt{D}$ for a given delivery date	One calendar day before the date of delivery prior to entering CNB exchange rate	8	7	6
	One calendar day before the date of delivery after entering CNB exchange rate	7	6	
	On date of delivery prior to entering CNB exchange rate	7	6	7
	On date of delivery after entering CNB exchange rate	6		6

7.2.14.2 For euro prices in bids on IM that become BRPs' debts after trading that are to be settled in CZK, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. The D indicator depends on the time of submitting the first bid on IM for the relevant date of delivery and on whether the delivery date and the day before the delivery date are business or non-business days. The value of the D indicator is shown in

the following table:

Combination of business and non-business days				
	Date of delivery and the day before the date of delivery are business days	Date of delivery and the day before the date of delivery are business days	Date of delivery and the day before the date of delivery are business days	Date of delivery and the day before the date of delivery are business days
The moment of introducing the first offer/demand for $\sqrt{D+IM}$ for a given delivery date	One calendar day before the date of delivery prior to entering CNB exchange rate	3	2	1
	One calendar day before the date of delivery after entering CNB exchange rate	2	1	
	On date of delivery prior to entering CNB exchange rate	2	1	2
	On date of delivery after entering CNB exchange rate	1		1

7.2.14.3 For debts of BRPs from IM trades that are to be settled in EUR, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and with each subsequent update of the CNB CZK/EUR exchange rate in CS OTE it is reduced by one until the value of zero. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

7.2.14.4 For debts of BRPs from IM trades that are to be settled in CZK, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 + 0.0086 \times \sqrt{D}) + 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

7.2.14.5 For BRP's receivables arising from trades on IM that are to be settled in EUR, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to six and with each subsequent update of the CNB CZK/EUR exchange rate in CS OTE it is reduced by one until the value of zero. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, from the time the BRP's receivable arose, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

7.2.14.6 For BRP's receivables arising from trades on IM that are to be settled in CZK, it is calculated as the CNB CZK/EUR exchange rate  $\times (1 - 0.0086 \times \sqrt{D}) - 0.05$  where the CNB CZK/EUR exchange rate is the latest CZK/EUR exchange rate published by the Czech National Bank and entered into

CS OTE. On the first business day after the date of delivery until the entry of a new CNB CZK/EUR exchange rate into CS OTE, the D indicator is equal to one. For the days preceding the first business day after the delivery date, the D indicator is higher by the number of business days before the first business day after the delivery date, from the time the BRP's receivable arose, and at the time of the entry of the CNB exchange rate on each particular day, the D indicator is reduced by one.

### 7.3 Financial security (FS) balance and FS balance for IM

7.3.1 The FS balance of a BRP is defined, for purposes of securing current and future debts of the BRP to the Market Operator, as the total amount of provided FS reduced by:

7.3.1.1 the sum of greater values at separate hours from

7.3.1.1.1 the product of the parametric price for negative and the positive difference from

the sum of absolute values of

- the volume of electricity of registered matched sale domestic realization diagrams,
- the volume of electricity of registered export foreign realization diagrams,
- the volume of electricity of registered export foreign realization diagrams in the reporting regime,
- the offered volume of electricity of valid and yet unevaluated sale bids on BM,
- the offered volume of electricity of valid, yet unevaluated standard bids for sale of electricity on DM, FS sale bids and valid, yet unevaluated profile block bids for sale of electricity on DM, which are not added to an exclusive group,
- traded volumes of electricity of sale bids on BM, IM, DM, including FS sale bids,
- the volume of projected consumption for negative imbalances determined by the Market Operator, and

the sum of absolute values of

- the volume of electricity of registered matched purchase domestic realization diagrams,
- registered import foreign realization diagrams in the reporting regime,
- traded volumes of electricity from purchase bids on BM, IM, DM, including FS purchase bids,
- the volume of projected production for negative imbalances set forth by the Market Operator,

increased by VAT pursuant to applicable legislation, provided the BRP has not transferred total imbalance responsibility to another BRP, including the values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP, and in the event of a BRP in the role of last resort supplier, also the projected value of consumption of the PDTs that were transferred to the said last resort supplier, effective as of the 14th delivery day following the day of coming into force of the PDT's transfer to last resort supplier, and

7.3.1.1.2 the product of parametric price for positive imbalances and the positive difference from

the sum of absolute values of

- the volume of electricity of registered matched purchase domestic realization diagrams,



- the volume of electricity of registered import foreign realization diagrams,
- the volume of electricity of registered import foreign realization diagrams in the reporting regime,
- the demanded volume of electricity of valid and yet unevaluated purchase bids on BM,
- the demanded volume of electricity of valid, yet unevaluated standard bids for purchase of electricity on DM, FS purchase bids and valid, yet unevaluated profile block bids for purchase of electricity on DM, which are not added to an exclusive group,
- traded volumes of electricity from purchase bids on BM, IM, DM, including FS purchase bids,
- the volume of projected production for positive imbalances set forth by the Market Operator, and

the sum of absolute values of

- the volume of electricity of registered matched sale domestic realization diagrams,
- registered export foreign realization diagrams in the reporting regime,
- traded volumes of electricity from sale bids on BM, IM, DM, including FS bids,
- the volume of projected consumption for positive imbalances set forth by the Market Operator,

increased by VAT pursuant to applicable legislation, provided the BRP has not transferred total imbalance responsibility to another BRP, including the values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP, and in the event of a BRP in the role of last resort supplier, also the projected value of consumption of the PDTs that were transferred to the said last resort supplier, effective as of the PDT's transfer to last resort supplier,

for the current, one following and all past delivery days for which daily evaluation of imbalances has not been carried out yet, provided domestic daily realization diagrams for the next day have not been closed yet and daily evaluation of imbalances for the preceding day has not been carried out; or for the current, two following and all past delivery days for which daily evaluation has not been carried out yet, provided domestic daily realization diagrams for the next day have already been closed and daily evaluation of imbalances for the preceding day has been carried out, or if daily evaluation of imbalances for the preceding day was not carried out by 9:30 p.m.,

#### 7.3.1.2 the sum of greater values at specific hours of

##### 7.3.1.2.1 a product of the parametric price for negative and the positive difference from the sum of absolute values of

- the volume of electricity of registered export foreign realization diagrams,
- the volume of electricity of registered export foreign realization diagrams in the reporting regime,
- the offered volume of electricity of valid and yet unevaluated sale bids on BM,
- the offered volume of electricity of valid, yet unevaluated standard bids for sale of electricity on DM, FS sale bids and valid, yet unevaluated profile block bids for sale of electricity on DM, which are not added to an exclusive group, provided the short-term market participant has in these sale bids selected the time of checking the FS balance under Article 4.5.13.1

- traded volumes of electricity of sale bids on BM, and

the sum of absolute values of

  - the volume of electricity of registered import foreign realization diagrams in the reporting regime,
  - traded volumes of electricity from purchase bids on BM, increased by VAT pursuant to applicable legislation, provided the BRP has not transferred total imbalance responsibility to another BRP, including the values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP, and
- 7.3.1.2.2 the product of the parametric price for positive imbalances and the positive difference from
- the sum of absolute values of
  - the volume of electricity of registered import foreign realization diagrams,
  - the volume of electricity of registered import foreign realization diagrams in the reporting regime,
  - the demanded volume of electricity of valid and yet unevaluated purchase bids on BM,
  - the demanded volume of electricity of valid, yet unevaluated standard bids for purchase of electricity on DM, FS purchase bids and valid, yet unevaluated profile block bids for purchase of electricity on DM, which are not added to an exclusive group, provided the short-term market participant has in these purchase bids selected the time of checking the FS balance under Article 4.5.13.1
  - traded volumes of electricity of purchase bids on BM, and

the sum of absolute values of

  - the volume of electricity of registered export foreign realization diagrams in the reporting regime,
  - traded volumes of electricity from sale bids on BM, increased by VAT pursuant to applicable legislation, provided the BRP has not transferred total imbalance responsibility to another BRP, including the values for the transferring BRP in the event the BRP has assumed total imbalance responsibility from another BRP,

for all delivery days following the delivery days mentioned under Article 7.3.1.1 of BTP,
- 7.3.1.3 the sum of products of volumes of electricity and prices in registered and as yet unmatched bids on BM from which, following matching, debts may arise for the BRP, increased by VAT pursuant to applicable legislation, and
- 7.3.1.4 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of greater values at specific hours of
  - 7.3.1.4.1 the sum of the hourly highest values of products of cumulated volumes and the respective price within segments with positive prices in descending order in specific registered and yet unevaluated standard purchase bids on DM for the same delivery day, increased by VAT pursuant to applicable legislation, and
  - 7.3.1.4.2 the sum of the hourly highest values of products of cumulated volumes and the absolute value of the respective price within segments with negative prices in ascending order in specific registered and yet unevaluated standard sale bids on DM for the same delivery day, increased by VAT pursuant to applicable legislation,

with the exception of standard sale and purchase bids on DM brokered by PXE that are financially secured and settled by the Exchange, whereas prices of separate bids are subject to the application of the CZK/EUR  $DM_{FS}$  exchange rate,

- 7.3.1.5 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of products of the total volume and the respective price of registered and yet unevaluated profile block bids for purchase on DM with positive prices increased by VAT pursuant to applicable legislation and the sum of products of the total volume and the absolute value of the respective price of registered and yet unevaluated profile block bids for sale on DM with negative prices increased by VAT pursuant to applicable legislation, with the exception of profile block bids on DM added to an exclusive group and profile block bids on DM brokered by PXE that are financially secured and settled by the Exchange, whereas prices of separate profile block bids are subject to the application of the CZK/EUR DM<sub>FS</sub> exchange rate,
- 7.3.1.6 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of products of volumes and the respective price of registered and yet unevaluated flexible hourly bids for purchase on DM with positive prices increased by VAT pursuant to applicable legislation and the sum of products of volumes and the absolute value of the respective price of registered and yet unevaluated flexible hourly bids for sale on DM with negative prices increased by VAT pursuant to applicable legislation, with the exception of flexible hourly bids brokered by PXE that are financially secured and settled by the Exchange, whereas prices of separate flexible hourly bids are subject to the application of the CZK/EUR DM<sub>FS</sub> exchange rate,
- 7.3.1.7 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of the highest values of
  - 7.3.1.7.1 all products of the respective price and volume of electricity in each valid, yet unevaluated profile block bid for purchase with positive prices, added to the same exclusive group, increased by VAT pursuant to applicable legislation, and
  - 7.3.1.7.2 all products of the absolute value of the respective price and volume of electricity in each valid, yet unevaluated profile block bid for sale with negative prices, added to the same exclusive group, increased by VAT pursuant to applicable legislation

for all exclusive groups of profile block bids for purchase and sale, with the exception of profile block bids brokered by PXE that are financially secured and settled by the Exchange, whereas prices of separate profile block bids are subject to the application of the CZK/EUR DM<sub>FS</sub> exchange rate, and
- 7.3.1.8 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of the products of the parametric price for negative and the volume of electricity in valid, yet unevaluated flexible hourly bids for sale, increased by VAT pursuant to applicable legislation, including the values for the transferring BRP provided the BRP has assumed balance responsibility from another BRP,
- 7.3.1.9 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of the product of the parametric price for positive imbalances and the volume of electricity in valid, yet unevaluated flexible hourly bids for purchase, increased by VAT pursuant to applicable legislation, including the values for the transferring BRP provided the BRP has assumed balance responsibility from another BRP,
- 7.3.1.10 depending on the selected time of checking the FS balance under Article 4.5.13, the sum of the highest values of
  - 7.3.1.10.1 all products of the parametric price for negative imbalances and the volume of electricity in each valid, yet unevaluated profile block bid for sale, added to the same exclusive group, increased by VAT pursuant to applicable legislation, and
  - 7.3.1.10.2 all products of the parametric price for positive imbalances and the volume of electricity in each valid, yet unevaluated profile block bid for purchase, added to the same exclusive group, increased by VAT pursuant to applicable legislation

for all exclusive groups of profile block bids for purchase and sale, including the

- values for the transferring BRP provided the BRP has assumed imbalance responsibility from another BRP,
- 7.3.1.11 the determined amount of FS for IM, and
  - 7.3.1.12 the sum of all other and yet unsettled debts, including debts arising from trades executed on the short-term electricity market, whereby debts arising from trades executed on DM and IM to be settled in EUR, and debts arising from trades executed on DM and IM to be settled in CZK and have not yet been translated using the CZK/EUR settlement rate, are translated to CZK using the applicable CZK/EUR DM<sub>FS</sub> exchange rate for DM and the applicable CZK/EUR IM<sub>FS</sub> exchange rate for IM,
- and increased by
- 7.3.1.13 the sum of all BRP's receivables from the Market Operator arising from daily, monthly and final monthly evaluation, including evaluation of RE, from evaluation of differences between readings and values based on LP, and from evaluation of short-term markets, provided the BRP's receivables are part of a mutual offset resulting in the BRP's debt and in issuing a direct debit order. In such case the FS balance is increased until the processing of a bank statement in CS OTE confirming payment of the owed amount to the Market Operator's account. Amounts in EUR are translated using OTE's CZK/EUR settlement exchange rate for the specific transaction type. If the settlement exchange rate for the relevant amount has not yet been determined, the amounts in EUR are translated using the applicable CZK/EUR DM<sub>FS</sub> exchange rate for DM and the applicable CZK/EUR IM<sub>FS</sub> exchange rate for IM,
  - 7.3.1.14 the sum of all BRP's receivables from the Market Operator arising from daily, monthly and final monthly evaluation, including evaluation of RE, from evaluation of differences between readings and values based on LP, and from evaluation of short-term markets, provided the BRP's receivables are not part of a mutual offset resulting in the BRP's debt and in issuing a direct debit order. In such case the FS balance is increased until the results of the evaluations have been processed in CS OTE by the Market Operator for the purpose of issuing payment orders for electronic banking. Amounts in EUR are translated using OTE's CZK/EUR settlement exchange rate for the specific transaction type. If the settlement exchange rate for the relevant amount has not yet been determined, the amounts in EUR are translated using the applicable CZK/EUR DM<sub>FS</sub> exchange rate for DM and the applicable CZK/EUR IM<sub>FS</sub> exchange rate for IM,
- 7.3.2 The FS balance of a BRP for IM is defined, for purposes of securing bids on IM, as the FS amount determined for IM, reduced by:
- 7.3.2.1 the sum of the products of electricity volumes and prices in registered purchase bids on IM with a positive price, increased by VAT pursuant to applicable legislation, whereby prices of individual bids are translated using the CZK/EUR IMFS exchange rate on IM; the defined price step is not taken into account for determination of price of Iceberg bids,
  - 7.3.2.2 the sum of the products of electricity volumes and prices in registered sale bids on IM with a negative price, increased by VAT pursuant to applicable legislation, whereby prices of individual bids are translated using the CZK/EUR IMFS exchange rate on IM; the defined price step is not taken into account for determination of price of Iceberg-type sale bids,
  - 7.3.2.3 the sum of the products of electricity volumes and the parametric price for positive imbalance in registered purchase bids on IM, increased by VAT pursuant to applicable legislation, including the values for the transferring BRP provided the BRP has assumed imbalance responsibility from another BRP,
  - 7.3.2.4 the sum of the products of electricity volumes and the parametric price for negative imbalance in registered sale bids on IM, increased by VAT pursuant to applicable legislation, including the values for the transferring BRP provided the BRP has assumed imbalance responsibility from another BRP,
  - 7.3.2.5 7.3.2.5 whereby in implicit trading, in the case of modification and cancellation

of bids on IM that increase the BRP's FS balance for IM, this balance is adjusted only after the bid is validated on IM from XBID.

#### **7.4 Sufficient FS balance and sufficient FS balance for IM**

- 7.4.1 The Market Operator shall register the BRP's realization diagram as matched only in the event the BRP has a positive FS balance even after inclusion of the relevant realization diagram in the adjusted value of FS balance under Articles 7.3.1.1 and 7.3.1.2 of BTP.
- 7.4.2 The Market Operator shall register the BRP's bids on DM only in the event the BRP has a positive FS balance even after inclusion of the relevant bid in the adjusted value of FS balance under Articles 7.3.1.1 and 7.3.1.2 and Articles 7.3.1.4 to 7.3.1.10 of BTP.
- 7.4.3 The Market Operator shall register the BRP's FS bids on DM only in the event the BRP has a positive FS balance even after inclusion of the relevant FS bid in the adjusted value of FS balance under Articles 7.3.1.1 and 7.3.1.2 of BTP.
- 7.4.4 In the event the last known value of adjusted FS of the Balance Responsible Party is insufficient to register a bid on BM, the Market Operator shall not register bids on BM and, at the same time, shall cancel all bids on BM that have not been matched yet.
- 7.4.5 If after closing BM the BRP has a negative FS balance and also an unsettled debt arising from transactions executed on BM, and the BRP still has a negative FS balance at 17:00 on the day of the close of trading the relevant product in compliance with the Market Rules, the Market Operator has the right to charge the BRP a fee for supplementing financial security for each day the condition occurs. The fee for supplementing financial security amounts to CZK 10,000.
- 7.4.6 The Market Operator shall register purchase bids on BM only if the maximum financial volume under Article 7.4.14 and 7.4.15 of BTP has not been exceeded.
- 7.4.7 It is possible to increase FS for IM only if the BRP has a positive FS balance even after its reduction by the amount of the FS increase for IM,
- 7.4.8 It is possible to reduce FS for IM only if the BRP has a positive FS balance for IM after the reduction.
- 7.4.9 The Market Operator shall register a BRP's bids on IM only if the BRP has a positive FS balance for IM even after the inclusion of the bid on IM in the adjusted amount of the FS balance for IM under Article 7.3.2. whereby in implicit trading, in the case of modification and cancellation of bids on IM that increase the BRP's FS balance for IM, this balance is adjusted only after the bid is validated on IM from XBID.
- 7.4.10 If a BRP's FS balance is negative after the inclusion of a traded bid on IM in its FS balance adjusted pursuant to Articles 7.3.1.1 and 7.3.1.12, the BRP's FS balance for IM shall be automatically reduced by the amount, by which the FS balance for IM was reduced during registration of this traded bid in CS OTE.
- 7.4.11 Update of FS balance is routinely carried out after:
  - 7.4.11.1 registration of a bid on DM, including a FS bid; this applies for registration of a bid on DM, including a FS bid, through the transferring BRP in the event another BRP assumed its total imbalance,
  - 7.4.11.2 close of DM prior to evaluation of DM, with the exception of DM close during a second auction,
  - 7.4.11.3 each adjustment of debts/receivables arising from transactions on DM and IM, using OTE's CZK/EUR settlement exchange rate for the relevant market. The exception are bids placed on DM and brokered by PXE, which are financially secured and settled by PXE,
  - 7.4.11.4 each adjustment of bids on DM and debts arising from transactions on DM using the CZK/EUR DM<sub>FS</sub> exchange rate. The exception are bids placed on DM and brokered by PXE, which are financially secured and settled by PXE,
  - 7.4.11.5 each adjustment of debts/receivables arising from transactions on IM using the CZK/EUR IM<sub>FS</sub> exchange rate,
  - 7.4.11.6 cancellation and modification of a registered bid on DM; this applies for cancellation



- and modification of a registered bid on DM of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.7 evaluation of DM in compliance with Part 4 of BTP when the results are final,
- 7.4.11.8 matching of bids on BM and IM, including matching of bids on BM and IM of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.9 cancellation of trade on IM according to Article 4.17,
- 7.4.11.10 registration of foreign realization diagrams, including registration of a realization diagram of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.11 registration of domestic realization diagrams registered by the Exchange, including registration of a realization diagram of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.12 registration of other domestic realization diagrams in the event the system has already registered the counterparty's diagram and its volume is included in the value of FS balances under Articles 7.3.1.1 and 7.3.1.2. This applies for registration of realization diagrams of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.13 cancellation of a registered realization diagram, including cancellation of a registered realization diagram of the transferring BRP in the event another BRP assumed its total imbalance,
- 7.4.11.14 daily evaluation of imbalances in compliance with Part 3 of BTP,
- 7.4.11.15 close of realization diagrams for the following delivery day if daily evaluation of imbalances for the preceding delivery day has already been carried out, or at 9:30 p.m. in the event evaluation of imbalances for the preceding delivery day has not been carried out,
- 7.4.11.16 daily processing of bank statements pertaining to the Market Operator's accounts, which show crediting funds to the Market Operator's accounts,
- 7.4.11.17 processing of the Market Operator's credit and debit payments in CS OTE for the purpose of generating banking orders for electronic banking,
- 7.4.11.18 monthly evaluation in compliance with Part 3 of BTP,
- 7.4.11.19 final monthly evaluation in compliance with Part 3 of BTP,
- 7.4.11.20 change in the parametric price,
- 7.4.11.21 change in registration of imbalance responsibility and change in transfer of total imbalance responsibility,
- 7.4.11.22 adjustment of projected consumption and production for positive and negative imbalances between subjects of settlement,
- 7.4.11.23 evaluation and settlement of differences between metered consumption values acquired through meter readings and values for settlement of imbalances determined according to LPs,
- 7.4.11.24 change in the amount of FS for IM.
- 7.4.12 Updates of the FS balance for IM are executed after
  - 7.4.12.1 registration of a bid on IM; this also applies for registration of a bid on IM through the transferring BRP if another BRP has assumed its total imbalance,
  - 7.4.12.2 cancellation and modification of a registered bid on IM; this also applies for cancellation and modification of a registered bid on IM through the transferring BRP if another BRP has assumed its total imbalance,
  - 7.4.12.3 matching of bids on IM; this also applies for matching of bids on IM of the transferring BRP if another BRP has assumed its total imbalance.
  - 7.4.12.4 change in the amount of financial security for IM.
- 7.4.13 In the event of a negative FS balance after updating the FS balance under Article ~~7.4.11.157-4.11.14~~, and if realization diagrams for the next delivery day have been closed under Article ~~7.4.11.157-4.11.14~~, all valid and as yet unevaluated bids on DM of the relevant BRP are automatically cancelled.

- 7.4.14 The Market Operator shall determine the maximum financial volume of purchase bids on BM separately for each BRP.
- 7.4.15 The current value of the financial volume of purchase bids on BM submitted by a BM participant is determined as a sum of products of the BM participant's valid purchase bids on BM and their limit prices.
- 7.4.16 Update of the current value of the financial volume of purchase bids on BM submitted by a BM participant takes place after:
  - 7.4.16.1 registration of a valid purchase bid on BM,
  - 7.4.16.2 modification of a valid purchase bid on BM,
  - 7.4.16.3 cancellation of a valid purchase bid on BM,
  - 7.4.16.4 matching of a purchase bid on BM.

## 7.5 Settlement of accruals of funds deposited with OTE

- 7.5.1 Funds deposited into the Market Operator's account in terms of provision of financial security in compliance with Part 7 of BTP is in the ownership of the BRP that has deposited the funds with the Market Operator. These funds serve to secure ongoing and timely settlement of imbalances and the short-term electricity market and to secure potential future duties, notably financial debts of the relevant BRP. In administering the funds, the Market Operator is obligated to provide professional care aimed to secure best possible protection of the entrusted funds.
- 7.5.2 After the end of each calendar quarter, the Market Operator is obligated to pay out accruals related to the deposited funds under Article 7.1.7.2 of BTP. For purposes of payment of accruals related to the deposited funds, calendar quarter refers to the period from January to March inclusive, April to June inclusive, July to September inclusive, and October to December inclusive. The BRP accepts the Market Operator's options in administering the funds and agrees with an annual accrual of:

$$\sum_{m=1...3} \sum_{d=1...31} (\text{funds}_{m,d} * (\text{PRIBOR O/N}_{m,d} - 0.800 \text{ p.b.}) / 360),$$

whereas cash is defined as the balance of funds provided to the Market Operator under Article 7.1.7.2 at the end of the relevant day, and PRIBOR O/N means the PRIBOR rate for one day on the interbank deposit market determined for the relevant day. If the  $\text{PRIBOR O/N}_{m,d}$  rate is lower than or equals 0.8%, the accrued amount for that day is zero. In the event the rate of the Market Operator's Bank in the current account for legal entities is negative, the Market Operator is authorized to require payment of the accruals by the balance responsible parties and the BRPs are obliged to, subsequently, pay the accruals to the Market Operator. The total amount of the accruals for the relevant quarter is rounded up to whole crowns and shall be disbursed only if it exceeds CZK 25 per calendar quarter.

- 7.5.3 The Market Operator is obligated to issue and send to the BRP documentation for settlement of cash accruals under Article 7.5.2 within 10 business days after the end of the relevant calendar quarter. The documentation must include the variable symbol for executing payment of the accrual.
- 7.5.4 Payment of the accrual shall be made within five business days after the provision of the documentation by the Market Operator. In the event of disagreement with the calculated amount of the accrual, the BRP has the right to send by registered mail an objection to the calculated accrual within 60 calendar days after the end of the relevant calendar quarter. If such case occurs, both parties acknowledge they shall make an utmost effort to come to an agreement within 90 calendar days after the end of the respective calendar quarter. Settlement payment shall be made into the BRP's bank account within 10 calendar days after reaching an agreement.
- 7.5.5 The amount of the accrual calculated by the Market Operator is deemed agreed upon on the part of the BRP unless the BRP sends via registered mail an objection to the calculated accrual within 60 calendar days after the end of the calendar quarter.
- 7.5.6 The Market Operator undertakes to relinquish any claims toward the BRP arising from the Market Operator's costs reasonably incurred in administering the funds under Article 7.1.7.2 of BTP, with the exception of a claim to accruals paid by balance responsible parties to the Market

Operator in the event of a negative interest rate of the Market Operator's Bank in the current account for legal entities under Article 7.5.2.

## **7.6 Lock-out of Balance Responsible Party**

- 7.6.1 Lock-out of the BRP refers to restriction of the BRP's activities on the electricity market and is effected to reduce financial risk of the Market Operator and other electricity market participants.
- 7.6.2 Following lock-out of the BRP, the Market Operator is authorized to rescind the agreement signed with the respective BRP or terminate the agreement signed with the BRP. In the event of terminating or rescinding the relevant agreements, mutual receivables shall be settled no later than in final monthly settlement for the month in which the BRP was locked out. The closing protocol on the settlement of mutual receivables and liabilities under Article 6.5.16 shall not be signed with the BRP. Financial security shall be returned to the BRP in accordance with Article 6.5.3.
- 7.6.3 At the time of lock-out, access of the respective BRP (its staff) to CS OTE shall be restricted to an extent preventing registration or modification of the existing realization diagrams or new realization diagrams, including realization diagrams registered by the Exchange and foreign realization diagrams registered by the TSO, and preventing new assumption or transfer of imbalance responsibility or new assumption or transfer of total imbalance responsibility, or new bids on the short-term electricity market or new acceptances on IM and BMR. The Market Operator shall further proceed under the Market Rules.
- 7.6.4 In the event of a lock-out of the BRP that has assumed total imbalance responsibility from other BRPs, the Market Operator is authorized to cancel any such transfers. In such case, the transferring BRPs are required to provide the Market Operator with sufficient FS or transfer their total imbalance responsibility to another assuming BRP.
- 7.6.5 In the event of locking out a BRP that has assumed transferred imbalance responsibility of another Contractual Partner of OTE, the Market Operator has the right to void the transferred imbalance responsibility. The relevant Contractual Partner of OTE that is not a BRP is obligated to apply without undue delay for change in transferred responsibility for imbalance of another BRP, if necessary.
- 7.6.6 If the BRP which has assumed responsibility for imbalances at the relevant point of delivery and/or is a supplier to that point of delivery is locked out, the relevant provisions of the Market Rules and Chapter 7.7 shall apply for that point of delivery.
- 7.6.7 The Market Operator has the right to immediately lock out a Balance Responsible Party for the following reasons:
  - 7.6.7.1 insufficient amount of financial security in compliance with Part 7 of BTP,
  - 7.6.7.2 negative authorization of the BRP's payment by the BRP's bank (the BRP's bank does not confirm execution of payment debited to the BRP) and in the event the Market Operator notifies the said BRP about the negative authorization by sending a message to the e-mail designated for communication and the BRP (short-term electricity market participant) shall not secure positive authorization within three business days after the notification (i.e. the bank confirms execution of payment debited to the BRP),
  - 7.6.7.3 late settlement of the BRP's debts exceeding three business days,
  - 7.6.7.4 forfeiting the authorization or option to supply electricity pursuant to relevant provisions of the Energy Act and implementing regulations,
  - 7.6.7.5 court ruling regarding the debtor's (BRP) bankruptcy,
  - 7.6.7.6 notification about inability of the BRP to supply electricity received from this BRP by the Market Operator,
  - 7.6.7.7 ERO decision.
- 7.6.8 The Market Operator immediately notifies the respective BRP by sending a message about the lock-out to the e-mail designated for communication, including the time of lock-out and reasons for its execution. Information on the lock-out is also distributed to all relevant BRPs and relevant OTE's Contractual Partners to emails designated to communication and is posted on OTE's

website. The notification about the lock-out shall immediately be made available via user interface.

- 7.6.9 The Market Operator is obligated to unlock the BRP immediately after finding out that the lock-out was groundless. Unlocking of the BRP in this case does not affect the changes already executed pursuant to 7.7 at the point of delivery for which it has assumed responsibility for imbalances or is a supplier to that point of delivery. The Market Operator immediately notifies the relevant BRP about unlocking and the time of unlocking. Information on unlocking of the BRP is sent to e-mails designated for communication of relevant BRPs and relevant OTE's Contractual Partners and is made available via user interface. In addition, the notification about the unlocking shall immediately be made available via user interface.
- 7.6.10 In the event of locking out a BRP, the Market Operator may cancel all registered bids on short-term markets organized by the Market Operator and all data concerning bilateral contracts for supply/purchase of electricity of the locked-out BRP submitted for days following the day of the imposed lock-out.

## **7.7 Electricity supply by the last resort supplier**

- 7.7.1 The Market Operator shall transfer points of delivery to the last resort supplier pursuant to the EA in the event of
- 7.7.1.1 revocation or termination of the current supplier's licence provided the conditions set out in the Market Rules are met;
  - 7.7.1.2 locking out the BRP under Article 7.6.7 which has assumed responsibility for imbalances at the relevant point of delivery or is a supplier to that point of delivery.;
  - 7.7.1.3 court decision about bankruptcy of the debtor of OTE's Contractual Partner in the role of supplier to the relevant point of delivery;
  - 7.7.1.4 termination by the TSO or DSO of the Agreement on the provision of transmission or distribution system services for the relevant point of delivery provided the conditions set out in the Market Rules are met;
  - 7.7.1.5 failure of the electricity supplier to meet the obligations of electricity supplier to the relevant point of delivery under the Agreement on Settlement of Imbalances pursuant to the EA or termination of such agreement;
  - 7.7.1.6 failure to ensure imbalance responsibility at the relevant point of delivery if only the electricity supplier, not the balance responsible party, is registered in CS OTE for such a point of delivery.
- 7.7.2 In the case referred to under Article 7.7.1.1, the Market Operator shall, on the basis of a notification received from the ERU, disclose information about the intended transfer of the point of delivery to the last resort supplier on the last day before the date from which the relevant licence is to be revoked or terminated, indicated in the decision on the revocation or termination of the licence that has come into force or, if the relevant license has already been revoked or terminated by a final decision, on the day on which the Market Operator became aware of such facts.
- 7.7.3 In the case referred to under Article 7.7.1.4, the Market Operator shall, on the basis of a notification received from DSO or TSO, disclose information about the intended transfer of the point of delivery to the last resort supplier on the last day of the effectiveness of the applicable agreement on services provided by the transmission or distribution system operators to the point of delivery.
- 7.7.4 Transfer of the point of delivery to the last resort supplier is carried out in accordance with the relevant provisions of the Market Rules.
- 7.7.5 In the event any of the cases referred to under Article 7.7.1 occurs at an aggregate point of delivery designated to store loss values or transmit customer consumption data without changing the supplier under the Market Rules, the Market Operator shall transfer the aggregate point of delivery to the supplier ensuring last resort supply within the defined territory of the electricity distribution licence holder in accordance with the provisions of the Market Rules concerning transfer of the point of delivery to the last resort supplier.

## 8 CLAIMS

### 8.1 Claim filing procedure

- 8.1.1 Claims are filed on the CS OTE website via user interface where the CS OTE user manually inputs data referring to the claim of OTE's Contractual Partner, primarily
- 8.1.1.1 date of the delivery day to which the claim pertains,
  - 8.1.1.2 indicator of confidentiality; the "public claim" indicator allows CS OTE users of other OTE's Contractual Partners to view the claim and its settlement,
  - 8.1.1.3 class of claim (e.g. "Bid registration", "Result of evaluation of imbalances", etc.),
  - 8.1.1.4 "brief" and "detailed" description of the claim (unattached text),
  - 8.1.1.5 ID of the bid, realization diagram, or EAN-18 of the PDT to which the claim pertains (voluntary information),
  - 8.1.1.6 attached file with additional data explanation (voluntary information); only one file can be attached, in the event of more files they have to be compressed first into one ZIP file.
- 8.1.2 Prior to settlement of all types of claims, the Market Operator first checks claims and then reviews valid claims and issues an opinion.
- 8.1.3 While checking a claim, the Market Operator verifies whether the relevant CS OTE user has complied with all registration requirements and obtained user authorization to file claims; subsequently, data of the claim are being checked as follows:
- 8.1.3.1 brief description of the claim; the respective box must be filled in,
  - 8.1.3.2 detailed description of the claim; the respective box must be filled in,
  - 8.1.3.3 specified delivery day, to which the claim pertains; the date must precede the current date/hour, whereas in the event of a claim related to settlement of imbalances or results of the short-term electricity market, the specified delivery day must pertain to the delivery day that has been already evaluated and its results published,
  - 8.1.3.4 ID of the bid, realization diagram or EAN-18 of the PDT if specified (a check is run whether it corresponds to any valid code/EAN-18 and whether the bid, realization diagram or PDT pertain to OTE's Contractual Partner that submits the claim),
  - 8.1.3.5 time of filing a claim; it must precede the limit time for submitting the relevant type of claim,
  - 8.1.3.6 attached file, if available
- 8.1.4 After running the check, claims are marked as valid or invalid. The checking process includes an automatically generated electronic message sent to the e-mail designated for communication, confirming the validity of invalidity along with the reasoning for the assessment.
- 8.1.5 The Market Operator reviews valid claims related to the short-term electricity market and realization diagrams.
- 8.1.6 Valid claims related to foreign realization diagrams are reviewed by the respective TS operator.
- 8.1.7 For claims related to BM, DM and IM it applies that a valid claim does not revoke already closed trades. This provision does not affect general rules about damage compensation and gratuitous enrichment.
- 8.1.8 All claims are filed in CS OTE for a period of 10 years.
- 8.1.9 All valid claims filed by the CS OTE user of the respective OTE's Contractual Partner and valid claims with the "public claim" indicator filed by CS OTE users of other OTE's Contractual Partners may be viewed by CS OTE users of respective OTE's Contractual Partners via their CS OTE user interface.
- 8.1.10 CS OTE shall allow that
- 8.1.10.1 The Market Operator or the CS OTE user that has filed a claim may change or withdraw the claim,
  - 8.1.10.2 the CS OTE user that has filed a claim may change the confidentiality indicator



- from “Public” to “Confidential” and vice versa,
- 8.1.10.3 the Market Operator or the CS OTE user that has filed a claim may change its status from “Open” to “Closed”,
  - 8.1.10.4 the CS OTE user may state at any time in settling the claim whether it agrees with the Market Operator’s response or not.
- 8.1.11 To settle claims, OTE’s Contractual Partner is obligated to cooperate at the request of the Market Operator (provide an explanation or additional information). In the event OTE’s Contractual Partner has not responded to the Market Operator’s request for cooperation or refused to provide cooperation, the Market Operator has the right to settle the claim without the requested explanation or additional information, whereby it is obligated to notify the respective OTE’s Contractual Partner.
- 8.1.12 In the event OTE’s Contractual Partner seeks settlement, for instance in a court, of an unsuccessful claim that was filed in a timely fashion, and the Market Operator then deems the claim justified after the expiry of the limit time, all other repercussions of the settled claim shall affect solely the relevant OTE’s Contractual Partner and the Market Operator (without having any impact on other OTE’s Contractual Partners). This provision does not affect general rules concerning damage compensation and gratuitous enrichment.
- 8.1.13 In the event OTE’s Contractual Partner seeks settlement, after the expiry of the limit time, of a claim that the Market Operator then deems justified, the claim shall be settled in a manner so as to avoid any gratuitous enrichment by any OTE’s Contractual Partner. All damage including profit loss is borne by OTE’s Contractual Partner which breached obligations arising from generally binding regulations and contractual obligations. The Market Operator reserves the right to reject a claim (even a justified one) in the event it was filed later than within a three-month period after the day the relevant OTE’s Contractual Partner may have identified the reasons for filing a claim. This provision does not affect general rules about damage compensation and gratuitous enrichment.
- 8.1.14 Claims related to Article 11 filed after the end of the calendar month and the start of the evaluation process shall be deemed invalid under Article 8.1.4. An electronic message under Article 8.1.4. is not generated. Claims concerning requests for compensation for electricity have no impact and no revocation effects on other requests under evaluation and evaluated requests for compensation for electricity and the overall evaluation.

## 8.2 Claims related to the short-term electricity market and billing for OTE’s services

- 8.2.1 The BRP has the right to file a claim related to
- 8.2.1.1 rejection of registration and the right to participate in the short-term electricity market within 14 business days after notification about the registration rejection; the Market Operator is obligated to settle the claim within 14 business days after its receipt,
  - 8.2.1.2 lock-out within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim within two business days after its receipt,
  - 8.2.1.3 failure to register a bid no later than 15 minutes prior to the close of the respective market; the Market Operator is obligated to settle the claim without delay,
  - 8.2.1.4 billing for the Market Operator’s services within three business days after the receipt of the tax document; the Market Operator is obligated to settle the claim within five business days.

## 8.3 Claims related to evaluation of imbalances and RE

- 8.3.1 The BRP has the right to file a claim related to the results of evaluation of imbalances and RE, whereby claims may refer to preliminary and metered values, volume of the imbalance and its price pertaining to disputed metered values of consumption or supply, volume of RE and its price pertaining to disputed values of RE, specifically
- 8.3.1.1 daily evaluation by 4.00 p.m. of the second business day after the end of the

- respective month; OTE is obligated to settle these claims by 12.00 noon on the third business day after the end of the respective month,
- 8.3.1.2 preliminary monthly evaluation immediately after identifying the reasons for filing a claim, but no later than by 6.00 p.m. on the sixth business day after the end of the month; OTE is obligated to settle these claims by 4.00 p.m. on the seventh business day after the end of the month subject to evaluation,
- 8.3.1.3 monthly evaluation immediately after identifying the reasons for filing a claim, but no later than by 12.00 noon on the last calendar day of the third month following the month subject to evaluation; OTE is obligated to settle these claims by 4.00 p.m. on the first business day of the fourth month following the month subject to evaluation.

#### **8.4 Claims related to receipt of data from bilateral transactions**

- 8.4.1 OTE's Contractual Partner has the right to file a claim immediately after identifying reasons for filing a claim related to
  - 8.4.1.1 failure to register a foreign realization diagram; the Market Operator is obligated to pass this claim on to the respective TS operator without undue delay,
  - 8.4.1.2 rejection of registration of a realization diagram pertaining to Exchange transactions, but no later than 15 minutes prior to the close of bilateral trading; the Market Operator is obligated to settle this claim without undue delay,
  - 8.4.1.3 failure to register a domestic daily diagram in compliance with Part 9.1 of BTP, but no later than 15 minutes prior to the close under Article 9.1.9.1; the Market Operator is obligated to settle this claim without undue delay,
- 8.4.2 Respective BRPs shall file claims related to domestic daily diagrams of Exchange transactions with the Exchange as the provider of technical data. The Market Operator does not settle these claims.

#### **8.5 Claims related to receipt and provision of data, registration, change of supplier**

- 8.5.1 OTE's Contractual Partner has the right to file a claim immediately after identifying reasons for filing a claim related to
  - 8.5.1.1 rejection of change of supplier, but no later than within one business day after the respective Operator has reviewed whether the data on change of supplier is correct and complete; the Market Operator is obligated to settle this claim without undue delay,
  - 8.5.1.2 lock-out, but no later than within two business days after notification about the lock-out; the Market Operator is obligated to settle the claim within two business days after its receipt,
  - 8.5.1.3 rejection of PDT registration, but no later than by 16:30 on the first business day before the date of coming into force of the registration; the Market Operator is obligated to settle the claim without undue delay,
  - 8.5.1.4 metered values used in daily evaluation under Article 8.3.1.1, whereas assigning the claim to the operator that has provided the metered values is also deemed claim settlement,
  - 8.5.1.5 metered values used in monthly evaluation under Article 8.3.1.3, whereas assigning the claim to the operator that has provided the metered values is also deemed claim settlement,
  - 8.5.1.6 documentation for billing supply and/or distribution, but no later than within three months after the end of the month to which the claim pertains; the Market Operator is obligated to settle the claim by 4.00 p.m. on the first business day of the fourth month following the month subject to evaluation, whereas assigning the claim to the respective operator is deemed claim settlement. The operator shall provide

new documentation for billing through CS OTE. OTE's Contractual Partner has the right to ask the operator to revise documentation for billing after the deadline; the operator provides new documentation for billing supply and/or distribution via CS OTE,

- 8.5.1.7 re-assignment of the supplier or the balance responsible party in CS OTE to the customer point of delivery pursuant to Section 57(2) of the Market Rules if it occurred in breach of the relevant provisions of the EA and the Market Rules, but within 14 business days of the execution of the re-assignment in CS OTE; the Market Operator is obligated to settle this claim within 14 business days of its receipt.
- 8.5.2 The Market Operator is not responsible for accuracy and completeness of the primary data that data providers file in the system. In the event of a claim arising from this matter (accuracy and completeness of the primary data), the claim shall be assigned to the respective data provider to settle.

## 9 RECEIPT AND PROVISION OF DATA

### 9.1 Receipt of data on bilateral trading

- 9.1.1 Data on bilateral trades is provided to the Market Operator for registration in the form of domestic and foreign realization diagrams.
- 9.1.2 Realization diagrams are registered in CS OTE by balance responsible parties, the TSO and the Exchange.
- 9.1.3 Realization diagrams registered by TSOs and the Exchange are registered in the system in that the TSO and the Exchange register one realization diagram with the counterparty's identification.
- 9.1.4 Realization diagrams are divided into the following types by transmission and preparation:
  - 9.1.4.1 domestic daily diagram (DDD),
  - 9.1.4.2 foreign long-term diagram (FLD),
  - 9.1.4.3 foreign daily diagram (FDD),
  - 9.1.4.4 foreign intra-day diagram (FID).
- 9.1.5 Only one realization diagram for one pair of counterparties and one type can be registered for one specific day.
- 9.1.6 For each realization diagram, a unique realization diagram identifier and a supplementary identifier specifying the diagram version are generated through
  - 9.1.6.1 the external system for automated communication,
  - 9.1.6.2 OTE's system for using a Web form.
- 9.1.7 The document serving to input the realization diagram comprises of the following data:
  - 9.1.7.1 unique identifier of the document,
  - 9.1.7.2 unique identifier of the realization diagram and supplementary identifier specifying the realization diagram version,
  - 9.1.7.3 day of supply to which the diagram applies,
  - 9.1.7.4 type of transmission (domestic, foreign),
  - 9.1.7.5 type of preparation (long-term, daily, intra-day),
  - 9.1.7.6 start of the matching section (defines the duration of the matching section by determining the first hour to be matched; it is relevant for FID only, for other diagrams it always equals 1),
  - 9.1.7.7 EAN-13 of the realization diagram owner (purchase or sale entity),
  - 9.1.7.8 EAN-13 of the realization diagram sender, it identifies whether the realization diagram owner filed the diagram by itself or whether it was input by another entity

- (TSO, the Exchange),
- 9.1.7.9 data on purchase and sale, including
    - 9.1.7.9.1 identifier of the requirement for execution of purchase or sale,
    - 9.1.7.9.2 EAN-13 of the seller,
    - 9.1.7.9.3 EAN-13 of the buyer,
    - 9.1.7.9.4 volume of electricity for specific hours of the delivery day in MWh quoted with 3 decimal places (positive values),
  - 9.1.8 Double validation of realization diagram data is performed at the level of
    - 9.1.8.1 forms; in the event of errors in providing correct data, the realization diagram is not dispatched to CS OTE and the application attaches a brief description of the cause of the error;
    - 9.1.8.2 CS OTE; in the event of identifying errors, a "Rejected" status is attached to the relevant realization diagram and the application attaches a brief description of the cause of the error (in the opposite case, the realization diagram receives an "Accepted" or a "Matched" or "Unmatched" status).
  - 9.1.9 The domestic daily diagram (DDD) comprises data on bilateral agreements, including Exchange transactions executed in the Czech Republic. For registration of DDDs, rules apply as follows:
    - 9.1.9.1 acceptance and matching of DDDs takes place in CS OTE until the close at 1:30 p.m., one day prior to the relevant delivery day,
    - 9.1.9.2 OTE shall announce the results of DDD registration by 1:45 p.m., one day prior to the relevant delivery day,
    - 9.1.9.3 OTE shall facilitate acceptance of adjusted DDDs that were previously rejected until 14:15 p.m., one day prior to the relevant delivery day,
    - 9.1.9.4 OTE shall announce the results of adjusted DDD registration by 14:30 p.m., one day prior to the relevant delivery day,
    - 9.1.9.5 After the DDD receipt, the following steps are taken:
      - 9.1.9.5.1 validation of the DDD with subsequent announcement of the validation results;
      - 9.1.9.5.2 verification of both parties' FS balance after inclusion of the relevant realization diagram in the adjusted value of FS balance under Article 7.3.1.1 of BTP provided the counterparty's DDD has already been recorded in CS OTE; in the event the counterparty's DDD has not been recorded in CS OTE yet, the received DDD is registered without modification of the contracting parties' FS balances,
      - 9.1.9.5.3 matching, but only in the event of sufficient FS of the contracting parties or in the event of inclusion of the relevant realization diagram in the adjusted value of FS balance under Article 7.3.1.1,
    - 9.1.9.6 in the event of rejection of the DDD due to the contracting parties' insufficient FS, the amount of FS balance is not modified for any of the DDD party; both parties are notified accordingly by a message,
    - 9.1.9.7 in the event of the contracting parties' sufficient FS, continual matching of DDDs takes place, whereby it applies that
      - 9.1.9.7.1 following successful matching, both contracting parties' FS balances are adjusted in accordance with DDD values; both parties and, if applicable, the DDD sender are notified accordingly by a message,
      - 9.1.9.7.2 following unsuccessful matching, FS balance of either DDD party is not adjusted; both parties and the sender are notified about the shortcomings in DDD by a message,
    - 9.1.9.8 DDDs accepted in CS OTE before their inclusion in the calculation of FS balance under Article 7.3.1.1 are matched only after their inclusion in the calculation of FS balance, whereby the Delivery Day for which the diagram applies is deemed decisive for the inclusion into the calculation of FS balance,
    - 9.1.9.9 replacement of unmatched DDDs takes place by distributing a new, higher-version

document under Article 9.1.7; the version of modified or new DDD time lines corresponds with a new version of the document; the version of unmodified time lines remains the original version that is always lower than the new document version,

9.1.9.10 replacement of matched DDDs takes place by distributing a new, higher-version document under Article 9.1.7; the version of modified or new DDD timelines corresponds with a new version of the document, whereas

9.1.9.10.1 the new document shall replace the previous document solely in the event a new DDD version is supplied by the counterparty,

9.1.9.10.2 at the time of supplying the counterparty's DDD, these steps follow

9.1.9.10.2.1 update of both parties' FS balance according to the value of the previous DDD version,

9.1.9.10.2.2 new update of both parties' FS balance according to the values of the new DDD version

9.1.9.10.2.3 replacement of the original DDD data,

9.1.9.11 continuous acceptance and matching of DDDs takes place in the main session until the close of DDD acceptance and matching at a time specified under Article [9.1.12.19.1.11.1](#),

9.1.9.12 the process of matching all non-matched DDDs continues until announcement of the results of DDD registration in CS OTE at a time specified under Article [9.1.12.19.1.11.1](#); owners of diagrams lacking counterparties receive messages, whereby diagrams primarily financially unsecured are re-checked in terms of FS and then matched with message distribution and results,

9.1.9.13 during the adjustment phase of DDD acceptance, only those diagrams are accepted that have not passed the process of continuous matching due to discrepancies in time lines or insufficient FS, and diagrams of counterparties not submitted to the main session; acceptance and matching of adjusted DDDs closes at a time specified under Article 9.1.9.3,

9.1.9.14 the process of matching yet unmatched adjusted diagrams continues until announcement of the results of adjusted DDD registration in CS OTE at a time specified under Article 9.1.9.4.

9.1.10 In the event that a state of emergency is declared for at least part of the day of delivery, registration of DDDs or their updating and updating of submitted DDDs according to point [9.1.9.1.9](#) takes place in the period from 8.00 am to 1.30 pm on the day following the day on which the state ~~ended-of~~ emergency ended for:

9.1.10.1 the day of delivery on which the state of emergency was terminated, if the state of emergency was terminated by 11.00 am inclusive,

9.1.10.2 the day of delivery on which the state of emergency ended and the following day of delivery if the state of emergency ended after 11.00, except in the case where the state of emergency ended at 24.00,

9.1.10.3 the day of delivery following the end of the state of emergency, if the state of emergency was terminated at 24.00-hours.

9.1.10.4 If the DDD is not updated for the relevant delivery date in accordance with this paragraph, the DDD submitted before the end of the emergency shall remain in force.

9.1.10.5 When registering or updating the DDD for the relevant delivery date according to this paragraph, the procedure according to points [9.1.9.1.9](#) shall be similar, with the exception of points [9.1.9.3](#)[9.1.9.3](#), [9.1.9.4](#)[9.1.9.4](#), [9.1.9.13](#)[9.1.9.13](#) and [9.1.9.14](#)[9.1.9.14](#).

9.1.10.6 The registration of DDD or their update according to clause [9.1.10](#)[9.1.10](#) must be performed for the whole day of delivery.



9.1.109.1.11 The foreign long-term diagram (FLD) comprises data on bilateral trades carried out as cross-border transmissions, based on the results of long-term allocation of cross-border transmission capacities. The TSO registers FLDs by registering one FLD with the counterparty's identification. For registration of FDLs, rules apply as follows

9.1.10.19.1.11.1 acceptance of FLDs in CS OTE continues until the close at 8:00 p.m., two days prior to the relevant delivery day,

9.1.10.29.1.11.2 the results of FLD registration are posted in CS OTE by 8:15 p.m., two days prior to the relevant delivery day,

9.1.10.39.1.11.3 after FLD acceptance, the following steps are taken

9.1.10.3.19.1.11.3.1 validation of FLD with subsequent announcement of the validation results,

9.1.10.3.29.1.11.3.2 immediately after acceptance of the diagram, FS balance of the respective BRP is updated; the BRP and the TSO are notified about the outcome of the FS balance update via a message in the event of either insufficient FS or confirmation of contractual values,

9.1.10.49.1.11.4 FLDs are not being matched; based on the TSO's diagram and in the event of sufficient FS or in the event of non-rejection of the diagram, FLDs are registered as matched,

9.1.10.59.1.11.5 replacement of FLDs takes place by distributing a new, higher-version document under Article 9.1.7; the version of modified or new FLD time lines corresponds with the new version of the document, whereas at the time of supplying the FLD, these steps follow:

9.1.10.5.19.1.11.5.1 update of the BRP counterparty's FS balance according to the value of the previous FLD version,

9.1.10.5.29.1.11.5.2 new update of the participant's FS balance according to the values of the new FLD version, the new FS balance update is performed under Article 9.1.11.3.29.1.110.3.2,

9.1.10.5.39.1.11.5.3 replacement of the original FLD data,

9.1.10.69.1.11.6 continuous acceptance of FLDs takes place until the close of acceptance of FLDs specified under Article 9.1.12.19.1.11.1,

9.1.10.79.1.11.7 the process of confirmation of yet unconfirmed FLDs continues until announcement of the results of FLD registration in CS OTE specified under Article 9.1.12.29.1.11.2; the primarily financially unsecured FLDs are re-checked in terms of FS and the BRPs are notified about the outcome by a message.

9.1.119.1.12 The foreign daily diagram (FDD) includes data on bilateral trades carried out as cross-border transmissions, based on the results of daily auctions. The TSO registers FDDs by registering one FDD with the counterparty's identification. For FDD registration, rules apply as follows:

9.1.11.19.1.12.1 acceptance of FDDs in CS OTE continues until the close at 4.30 p.m., one day prior to the relevant delivery day,

9.1.11.29.1.12.2 OTE shall announce the results of FDD registration at 4:45 p.m., one day prior to the relevant delivery day,

9.1.11.39.1.12.3 after FDD acceptance, the following steps are taken:

9.1.11.3.19.1.12.3.1 validation of the FDD with subsequent announcement of the validation results,

9.1.11.3.29.1.12.3.2 immediately after acceptance of the diagram, FS balance of the respective BRP is updated; the BRP and the TSO are notified about the outcome of the FS balance update by a message in the event of either insufficient FS or confirmation of contractual values,

9.1.11.49.1.12.4 FDDs are not being matched; based on the TSO's diagram and in the event of sufficient FS or in the event of non-rejection of the diagram, FDDs are registered as matched,

9.1.11.59.1.12.5 replacement of FDDs takes place by distributing a new, higher-version

document under Article 9.1.7; the version of modified or new FDD time lines corresponds with the new version of the document, whereas at the time of supplying the FDD, these steps follow:

~~9.1.11.5.19.1.12.5.1~~ update of the BRP counterparty's FS balance according to the value of the previous FDD version, and

~~9.1.11.5.29.1.12.5.2~~ new update of the BRP counterparty's FS balance according to the values of the new FDD version, the new FS balance update is performed under Article ~~9.1.12.3.29.1.120.3.2~~,

~~9.1.11.5.39.1.12.5.3~~ replacement of the original ZDD data,

~~9.1.11.69.1.12.6~~ continuous acceptance of FDDs takes place until the close of acceptance of FDDs specified under Article ~~9.1.12.29.1.121.1~~,

~~9.1.11.79.1.12.7~~ the process of confirmation of yet unconfirmed FDDs continues until announcement of the results of FDD registration in CS OTE specified under Article ~~9.1.12.29.1.11.2~~; the unmatched and primarily financially unsecured FDDs are re-matched and re-checked in terms of FS and the BRPs are notified about the outcome by a message.

~~9.1.129.1.13~~ The foreign intra-day diagram (FID) comprises data on bilateral trades carried out as cross-border transmissions, based on the results of intra-day allocations of cross-border transmission capacity. The TSO registers FIDs by registering one FID with the counterparty's identification. For registration of FIDs, rules apply as follows:

~~9.1.12.19.1.13.1~~ acceptance of FIDs in CS OTE takes place until the close at 9:00 a.m. on the day following the delivery day,

~~9.1.12.29.1.13.2~~ the results of DID registration are posted in CS OTE by 9:15 a.m. on the day following the delivery day,

~~9.1.12.39.1.13.3~~ acceptance, validation and verification of financial security takes place in the same manner as described for FDDs, with the following variations:

~~9.1.12.3.19.1.13.3.1~~ the TSO registers several FIDs for one day of supply and one BRP in relation to the number of sessions of intra-day allocations of cross-border transmission capacity, whereby respective documents vary according to the start of the matching section,

~~9.1.12.3.29.1.13.3.2~~ each document contains the overall time scope for the specific day of supply,

~~9.1.12.3.39.1.13.3.3~~ documents for the respective session do not modify transmission values at hours of the previous closed intra-day session,

~~9.1.12.3.49.1.13.3.4~~ the FID transmission refers to values of previously registered FIDs at all hours increased by transmissions at respective hours that have changed during the respective intra-day session. Each new valid FID shall replace the data for the foreign realization diagram at all hours,

~~9.1.12.3.59.1.13.3.5~~ in the event of rejection of the FID due to insufficient FS, the last valid version of FID remains in effect for the relevant BRP.

## 9.2 Receipt of metered and preliminary values and their adjustment, including billing information

9.2.1 Preliminary and metered values of specific registered PDTs with interval metering are provided for separate trading hours in the vent of

9.2.1.1 a customer point of delivery for one direction of electricity flow,

9.2.1.2 a production transfer point and/or TS/DS, in the form of values for both directions of electricity flow (in the event of electricity supply to a neighbouring DS the – sign is used, and in the event of electricity consumption from a neighbouring DS the + sign is used).

9.2.2 Metered values sent to registered PDTs with non-interval metering are provided in the event of

9.2.2.1 a customer point of delivery in the form of a message containing, aside from the meter reading value, additional information for distribution billing,

- 9.2.2.2 a production transfer point and/or DS in the form of monthly values for both directions of electricity flow; in the event of electricity consumption carried out at the relevant transfer point, aside from the value of meter reading additional information for distribution billing is also provided.
- 9.2.3 The Operator or BRP are not permitted to provide metered or preliminary data of an unregistered PDT prior to the time of registration.
- 9.2.4 Deadlines for provision of metered and/or preliminary electricity values for each type of PDT by the Operator and/or BRP to the Market Operator are set forth in the relevant provisions of the Market Rules.
- 9.2.5 In compliance with the Market Rules, the TS Operator is obligated to provide to the Market Operator data on volumes and prices of electricity acquired abroad and data on volumes of electricity acquired for the needs of re-dispatching for the preceding days, broken down into separate trading hours. In addition, the TS Operator is obligated under the Market Rules to provide to the Market Operator data on volumes and prices of electricity not taken at power generating facilities during dispatching proceedings pursuant to Section 26 (5) of the Energy Act.
- 9.2.6 In the event of failure of the metering equipment, the Operator is obligated to perform calculation of substitute valid values for the duration of the failure of the metering equipment. Substitute valid values of supply/consumption at PDTs with interval metering are specified.
- 9.2.7 The Operator or Balance Responsible Party provides the Market Operator with metered or preliminary values of electricity in a file and format defined in Appendix 1 to BTP. CS OTE attaches to the delivered values a time indicator signifying that the values are deemed conventional in the event the file has been received before the end of the day on which the respective supply / transmission was executed, or metered in the event the file has been received after the end of the day on which the respective supply / transmission was executed. The files can be sent repeatedly, whereby the last received file substitutes sending a new file before the deadline defined in the relevant provisions of the Market Rules.
- 9.2.8 In the event the Market Operator does not receive the values pursuant to Section 20 (1), Letter b) of the Market Rules, and the corresponding delivery day is not a business day from Monday to Friday, it shall use for settlement of imbalances values calculated as an average of metered values at the same trading hours of individual Sundays within the period of the last four weeks that have been filed in the Market Operator's system. In the event no metered values have been filed in the Market Operator's system, the Market Operator shall use for settlement of imbalances values equalling zero.
- 9.2.9 The DS Operator provides to CS OTE additional information for distribution billing of the customer that has changed the supplier, or for billing for consumption at a production transfer point, in a message / file and format defined in Appendix 1 to BTP. The message / file can be sent repeatedly before the deadline specified in the relevant provisions of the Market Rules. The last received message substitutes the previously sent message. Additional data for invoicing (DUF) are filed in CS OTE for 5 years from the date of their receipt in CS OTE. The DS Operator whose system comprises the respective PDT is responsible for compliance of additional information for distribution billing and the metered values.
- 9.2.10 The TS Operator provides to CS OTE data on RE, on electricity acquired abroad and electricity for the needs of re-dispatching and electricity not taken at power generating facilities during dispatching proceedings pursuant to Section 26 (5) of the Energy Act in a file and format defined in Appendix 1 to BTP before the deadline defined in the relevant provisions of the Market Rules. The last received message substitutes the previously sent message.
- 9.2.11 All received data (correct and erroneous) are filed in OTE including the date and time of receipt, version and sender's identification.
- 9.2.12 Each business day by 3:00 p.m. after receipt, OTE is obligated to review metered or preliminary values and other data provided by the Operator or BRP on the specific business day, in particular:
- 9.2.12.1 whether the sender is identical with the Operator or BRP defined as the provider of metered or preliminary values for the respective PDT,
  - 9.2.12.2 compatibility of the data format, validity period, and message format,
  - 9.2.12.3 whether metered values of supply and consumption are provided in integers – kWh,

- 9.2.12.4 whether values of volumes of RE, electricity acquired abroad and electricity for the needs of re-dispatching and electricity not taken at power generating facilities during dispatching proceedings pursuant to Section 26 (5) of the Energy Act are provided in kWh,
- 9.2.12.5 proper role of profile/register in the event of providing metered / preliminary values,
- 9.2.12.6 complete set of values of the relevant PDT, whereby RE and electricity acquired abroad are checked for volume and price.
- 9.2.13 In the event of identified discrepancies or if the data sent by the Operator is not complete, OTE's system automatically generates and sends a message to the e-mail designated for communication for purposes of recording shared data and gathering metered values, or via automated communication.
- 9.2.14 The Market Operator shall notify the TS Operator which BRP has been locked out due to failure to meet its duties to the Market Operator, whereby the TS Operator shall prevent the respective BRP from closing more cross-border trades until it meets the requirements for unlocking.
- 9.2.15 Provision of data to CS OTE is governed by the following measures:
  - 9.2.15.1 when sending data to the Market Operator, on the Operator observes the rule of preferential data sending for daily evaluation of imbalances and RE for the preceding day. Operators provide adjusted data for other days and other data and messages no sooner than at 2:00 p.m. on the relevant business day,
  - 9.2.15.2 while observing the foregoing rule applying to sending data for daily evaluation of imbalances and RE, the Operator preferentially sends to the Market Operator also data for monthly evaluation of imbalances and RE on the fifth business day of the month.
- 9.2.16 In the event the Operator identifies an error in the provided data, it is obligated to send adjusted data immediately, but no later than by 12.00 noon on the last calendar day of the third month following the month subject to evaluation. In addition, the Operator is obligated to send the Market Operator adjusted data that was a cause for a claim by 6.00 p.m. on the third business day of the fourth calendar month following the end of the month to which the erroneous data pertain.
- 9.2.17 The Operator is obligated to provide the Market Operator with the adjusted data in the same manner as the original data.
- 9.2.18 The Operator may provide adjusted data repeatedly; if the Operator has access to adjusted values of the planned annual consumption at PDTs in the previous period, for which final evaluation has not been carried out, the Operator sends these values to CS OTE within timeframes specified under Article 9.2.16 in one message together with all updated information valid after that period.
- 9.2.19 In the event the Operator finds an error in the provided data after 6.00 p.m. on the third business day of the fourth calendar month following the end of the month to which the erroneous data pertain, OTE shall not register adjusted data, with the exception of data received by the Market Operator under Article 8.5.1.6 of BTP.
- 9.2.20 Damage compensation and/or gratuitous enrichment arising from erroneous data are settled in compliance with applicable general regulations after 6.00 p.m. on the third business day of the fourth calendar month after the end of the month to which the erroneous data pertain.

### **9.3 Alternative method of input of metered and preliminary values by the Market Operator**

- 9.3.1 In the event of failure of Internet connection or any other connection to CS OTE agreed upon by the parties, the Operator or BRP and/or Market Operator, on whose side the connection failed, shall secure alternative connection to CS OTE.
- 9.3.2 In the event of failure of CS OTE, which may prevent timely registration of metered values, the Market Operator must permit registration after the deadline defined in the Market Rules. The Market Operator shall notify the Operator about the extension of the deadline. The maximum period of deadline extension may not exceed 12 hours.
- 9.3.3 An alternative method of input of metered values in CS OTE is input of data by OTE's staff. Data input using an alternative method is performed solely at the request of the Operator or

- BRP and, in the event communication failure occurred on the Operator's or BRP's side, at their own risk. The Operator or BRP shall agree with the posed risk by accepting the Business Terms hereof.
- 9.3.4 In the event of communication failure on the side of the Operator or BRP, each separate alternative input of metered and/or preliminary values may be subject to a fee of CZK 500 under Article 9.3.5.1 or CZK 1,000 under Article 9.3.5.2. A separate tax document is issued for the alternative data input. VAT at the applicable rate is added to the fee of CZK 500/1,000.
- 9.3.5 Each separate alternative input of metered and/or preliminary values represents one file containing data of at least one PDT in the respective LP region or in the respective local DS and at most of all of the PDTs in the respective LP region or the respective local DS.
- 9.3.5.1 In the event files with preliminary and/or metered values are available, the Operator or BRP shall file in CS OTE a claim with a request for alternative data input by OTE's staff. The message shall include an attachment with files containing metered and/or preliminary values saved in a format complying with Appendix 1 to BTP.
- 9.3.5.2 If no file with preliminary and/or metered values is available, or its distribution to the Market Operator is impossible, the Operator or BRP shall file in CS OTE a claim with a request for alternative data input by OTE's staff. The message shall include days, type of values and PDTs, for which alternative input of metered and/or preliminary values is to be carried out.

#### 9.4 Provision of data from CS OTE, including billing documentation

- 9.4.1 Immediately after the receipt and successful input of data from metering, documentation for billing of distribution of interval-metered consumption and documentation for billing of distribution and supply of non-interval-metered consumption and data on RE, CS OTE provides the data to entities authorized to obtain it (according to the relationship between them and the respective PDT, to which the data was provided).
- 9.4.2 OTE provides documentation for electricity supply billing and documentation for distribution billing, based on the latest available metered values of electricity consumption at respective PDTs.
- 9.4.3 In addition, a request for relevant data can be sent to CDS. OTE's Contractual Partners submit the request via an online form, automated communication, or by sending a file in a format defined in Appendix 1 to BTP, attached to a signed e-mail message. The structure of messages for submitting the request is identical for all types of request, whereby the request code and period and, if applicable, the relevant PDT's EAN-18 is subject to change. OTE's Contractual Partner specifies in the request
- 9.4.3.1 date of the delivery day from-to (for period identification),
- 9.4.3.2 PDT identifier (1..n, if not stated, requested data is generated for all PDTs assigned to the respective OTE's Contractual Partner),
- 9.4.3.3 type of data,
- 9.4.3.4 indicator of request for periodical data distribution; in the event of request for periodical distribution, the applicant receives all relevant types of data pertaining to the specific data processing day after all data has been received and processed in CS OTE,
- 9.4.3.5 format of the output file.
- 9.4.4 Following receipt of the request for data and information, the Market Operator shall verify whether the sender is authorized to gain access to the requested data. In the course of the imbalance evaluation process, OTE reserves the right to postpone processing requests for data distribution delivered to CS OTE for the period until completion of the evaluation process.
- 9.4.5 Entities having access to metered data at consumption and production PDTs:
- 9.4.5.1 TSO/DSO, whose system comprises the relevant PDT
- 9.4.5.2 supplier,
- 9.4.5.3 observer,
- 9.4.5.4 BRP, except for an assuming BRP.



- 9.4.6 Entities having access to metered data at PDTs representing a transfer point between systems:
  - 9.4.6.1 DS/TS operator whose system comprises the relevant PDT, and the operator of the neighbouring DS, and
  - 9.4.6.2 observer.
- 9.4.7 Entities having access to data on RE activated in the relevant PDT:
  - 9.4.7.1 RE provider,
  - 9.4.7.2 provider of data on RE,
  - 9.4.7.3 supplier,
  - 9.4.7.4 TSO/DSO, whose system comprises the relevant PDT,
  - 9.4.7.5 observer,
  - 9.4.7.6 BRP, except for an assuming BRP.
- 9.4.8 Entities having access to documentation for billing distribution at PDTs with interval metering and/or billing supply and distribution at PDTs with non-interval metering:
  - 9.4.8.1 DSO, whose system comprises the relevant PDT
  - 9.4.8.2 supplier,
  - 9.4.8.3 observer,
  - 9.4.8.4 BRP, except for an assuming BRP.
- 9.4.9 **Entities having access to documentation for billing supply and distribution or documentation for distribution billing at reconciliation PDTs of the distribution system:**
  - 9.4.9.1 DSO whose system comprises the relevant PDT,
  - 9.4.9.2 supplier,
  - 9.4.9.3 observer,
  - 9.4.9.4 BRP, except for an assuming BRP.
- 9.4.10 Only one observer may be assigned to each PDT. Observers may be assigned to PDTs via automated communication or an online form. In the event of change in the supplier or BRP at a PDT, the observer's access to data at the relevant PDT is automatically cancelled. The observer is not authorized to submit claims related to metered data at PDTs.
- 9.4.11 Suppliers have access to their aggregate values of supply / consumption and also to subdivision according to type of metering, LP class and, in the event of Type C metering, system.
- 9.4.12 In the event the applicant has no access to data of some PDT, the Market Operator notifies the applicant about rejection of processing the request and specifies reasons for the rejection. In approved cases, the Market Operator shall dispatch a message containing the requested data within 12 hours after the receipt of the request.
- 9.4.13 In compliance with the Market Rules, the Market Operator shall facilitate electronic billing between the DSO and its contracting party; applicable procedures and terms are posted on OTE's website. Copies of the electronic invoices submitted through the Market Operator are filed in CS OTE for 5 years after receipt of the electronic invoices in CS OTE. The DS operator's electronic invoice is deemed delivered by transmitting it to the communication interface of the market participant (DS operator's contractual partner). The DS operator is notified about the delivery of the invoice to the contractual partner via a CS OTE message.
- 9.4.14 The Market Operator shall permit access to data about PDTs via CS OTE, including the outcome of evaluation of change requests, for all suppliers to respective PDTs for a specified time period.
- 9.4.15 The Market Operator shall ensure access of BRPs to their consumption and production values for purposes of positive or negative imbalances. Data serving for calculating the values shall be saved in CS OTE for 10 days.
- 9.4.16 In relation to the BRP from which it has assumed total imbalance responsibility, the assuming BRP has access to
  - 9.4.16.1 its total imbalance responsibility (in MWh) at each trading hour,
  - 9.4.16.2 its current position determined by registered contractual values and volumes of

- consumption and production set forth by the Market Operator for purposes of ensuring positive and negative imbalances; at each trading hour for business purposes,
- 9.4.16.3 its aggregated imbalance value from evaluation of the differences between values of metered consumption obtained from meter readings and values for settlement of imbalances determined on the basis of LPs (in MWh and in CZK), provided the BRP has assumed responsibility for settlement of this difference at assumption of total imbalance responsibility under Article 6.7.2 of BTP.
  - 9.4.17 The Market Operator may provide registered data on PDTs containing personal data (e.g. PDT owner and address of the connected entity (House Number; Street; Location/Municipality; Postal Code) to OTE's Contractual Partners in a format that does not allow identification of natural persons in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR).
  - 9.4.18 The Market Operator may allow the ERO's access to the processing and outcome of requests for change of supplier at PDT.
  - 9.4.19 The size of outgoing messages from CS OTE is limited by technical settings of the used communication channel. Specific limits are defined in the CDS manual for CS OTE users. These limits do not affect exchange of standard-sized messages.
  - 9.4.20 In order to allow the Market Operator to meet its obligations of urgent nature, OTE's Contractual Partner acknowledges that the Market Operator has the right to give priority to certain types of messages or, in justified cases, cancel inquiries regarding historical data or core data of PDTs.
  - 9.4.21 In the event of inquiries regarding data older than five months since the time of submitting the request to CS OTE, OTE's Contractual Partner is obligated to agree with the Market Operator on the method of handling the request within the scope of guaranteeing the provision of the requested data.
  - 9.4.22 For the purpose of the supplier's obligations set out in the Decree on the Billing for Supply, the Market Operator establishes the National Residual Mix according to relevant data available in the Quarterly Report on Operations and according to the Methodology for Determining the National Residual Mix.
  - 9.4.23 The Market Operator publishes the National Residual Mix in a manner allowing remote access on the website of OTE according to deadlines set out in the Methodology for Determining the National Residual Mix.
  - 9.4.24 Information from the National Residual Mix are used by the supplier for the purpose of determining the shares of individual energy sources in its overall mix of energy sources and putting such shares on the document (bill) pursuant to Section 6 (3) a), Section 7 (3) a) or Section 9 (6) of the Decree on the Billing for Supply for the portion of the supplied electricity to its customers, which is not disclosed through cancelled Guarantees of Origin according to relevant legislation and Standard Terms and Conditions of the Registry of Guarantees of Origin, which are available on the website of the Market Operator.
  - 9.4.25 In the event the supplier requests to increase the share of one of the energy sources in its overall mix of sources according to Article 9.4.24 above, the supplier can only do so for the supplied electricity which was disclosed through cancelled Guarantees of Origin for the benefit of its customers according to the relevant legislation and Standard Terms and Conditions of the Registry of Guarantees of Origin, which are available on the website of the Market Operator.

## 9.5 Change in PDT status

- 9.5.1 The point of delivery registered in CS OTE has an active status unless the Operator changes the current status of the PDT. The Operator maintains the PDT's status in CS OTE and makes changes within timeframes set out in the Market Rules. The Operator changes the status of the point of delivery with:
  - 9.5.1.1 an online form via CS OTE user interface, or

- 9.5.1.2 a notification of the executed disconnection of a PDT in formats defined in Appendix 1 to BTP, which may comprise more than one PDT.
- 9.5.2 Changes in the status of the point of delivery are made in connection with the reasons for disconnection indicated in the executed disconnection notification sent to CS OTE as follows:
  - 9.5.2.1 the “suspension of data transmission” status is assigned after an executed disconnection notification has been sent containing one of the following reasons for disconnection: “1 - failure to pay for electricity supply”, “2 - failure to pay for electricity supply and distribution”, “3 – failure to pay for electricity distribution”, “6 - other reason for disconnection”, “7 - unauthorized takeoff” or “8 - unauthorized distribution”,
  - 9.5.2.2 the “inactive” status is assigned after an executed disconnection notification has been sent containing the reason for disconnection “9 – deactivation”,
  - 9.5.2.3 the “without electricity meter” status is assigned after an executed disconnection notification has been sent containing the reason for disconnection “10 - without electricity meter”,
  - 9.5.2.4 the “active” status is assigned after an executed disconnection notification has been sent containing the reason for disconnection “4 – reconnection”,
- 9.5.3 The Operator shall not send data regarding the point of delivery for the period in which the “suspension of data transmission” status is assigned to the relevant PDT, and the Market Operator shall not include such point of delivery in the settlement of imbalances for the period of the assignment of this status. For the period of the assignment of the “suspension of data transmission” status, clearing of a point of delivery with non-interval metering is performed with a zero estimate of its annual consumption.
- 9.5.4 The Operator shall not send data regarding the point of delivery for the period in which the “inactive” or “without electricity meter” status is assigned to the relevant PDT, and the Market Operator shall not include such point of delivery in the settlement of imbalances for the period of the assignment of the “inactive” or “without electricity meter” status. For the period of the assignment of the “inactive” or “without electricity meter” status, a point of delivery with non-interval metering shall not be included in clearing and no data shall be transmitted regarding the PDT for distribution billing in this period.

## 10 TRANSPARENCY, PREVENTION OF MARKET ABUSE AND MANIPULATION

### 10.1 Compliance with REMIT

- 10.1.1 The REMIT regulation establishes rules prohibiting abusive practices affecting wholesale energy markets which are coherent with the rules applicable in financial markets and with the proper functioning of those wholesale energy markets whilst taking into account their specific characteristics. The defined markets comprise also the markets organized by the Market Operator. Among other, the regulation prohibits and sanctions in particular any engagement or attempt to engage in market manipulation and insider trading.
- 10.1.2 This chapter of BTP aims to enhance transparency and trust in the markets organized by the Market Operator, in their pricing mechanisms and reference prices, thus contributing to increasing the benefits for final consumers and avoiding unfair practices affecting these markets and their Products.
- 10.1.3 Orders to trade on markets organized by the Market Operator submitted by CS OTE Users must be based on equal and non-discriminatory access to the markets and good faith in executing the transactions.
- 10.1.4 When trading on the markets organized by the Market Operator, Short-term Market Participants undertake to comply with the obligations imposed by REMIT. In particular, pursuant to the

Regulation they undertake to comply with (i) the prohibition of market manipulation, including attempts to participate in market manipulation, (ii) the prohibition of insider trading (i.e. trading based on inside information), and (iii) an obligation to disclose inside information in cases where such information arises.

## **10.2 Good Business Conduct**

- 10.2.1 Short-term Market Participants act in accordance with BTP in all business activities related to the Products and seek to promote the integrity and transparency of the markets organized by the Market Operator, whilst their actions shall not endanger the operation of CS OTE or the activities of other OTE's Contractual Partners.
- 10.2.2 All orders to trade submitted by Short-term Market Participants must be based on equal and non-discriminatory access to the markets and good faith in executing the transactions.
- 10.2.3 Short-term Market Participants shall not in any way unduly affect the prices or price structure on the markets organized by the Market Operator or otherwise impede access to or participation in the markets for other market participants.
- 10.2.4 Short-term Market Participants who reasonably suspect market manipulation, attempts to manipulate the market or insider trading shall report it in accordance with the procedure set out in the REMIT.
- 10.2.5 Short-term Market Participants are authorized to disclose information about their participation in the markets organized by the Market Operator. This published information must not be misleading and must be based on true facts.

## **10.3 Treatment of inside information**

- 10.3.1 Inside information means in particular:
  - 10.3.1.1 Information which has not been made public in accordance with REMIT or in accordance with legal or regulatory provisions, which relates, directly or indirectly, to one or more Products and which, if it were made public by Short-term Market Participants, would be likely to significantly affect the prices of those Products.
  - 10.3.1.2 Information which indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of Products.
- 10.3.2 Information regarding own plans and strategies of Short-term Market Participants for trading should not be considered inside information.
- 10.3.3 In accordance with REMIT, Short-term Market Participants shall publicly disclose in an effective and timely manner inside information which they possess in respect of business or facilities which the market participant concerned, or its parent undertaking or related undertaking, owns or controls or for whose operational matters that market participant or undertaking is responsible, either in whole or in part, and which can have an impact on the Products and markets organized by the Market Operator.
- 10.3.4 Short-term Market Participants who possess inside information in relation to Products shall be prohibited from:
  - 10.3.4.1 using that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of a third party, either directly or indirectly, Products to which that information relates,
  - 10.3.4.2 disclosing that information to any other person unless such disclosure is made in the ordinary course of the exercise of their employment, profession or duties,
  - 10.3.4.3 recommending or inducing another person, on the basis of inside information, to acquire or dispose of Products to which that information relates.
- 10.3.5 This prohibition shall not apply to:
  - 10.3.5.1 transactions conducted in the discharge of an obligation that has become due to

acquire or dispose of Products where that obligation results from an agreement concluded, or an order to trade placed, before the participant concerned came into possession of inside information,

- 10.3.5.2 transactions entered into by participants for the sole purpose of covering the immediate physical loss resulting from unplanned outages of production sources or consumption, including their planned increases, where not to do so would result in the market participant not being able to meet existing contractual obligations or where such action is undertaken in agreement with the transmission system operator(s) concerned in order to ensure safe and secure operation of the system.

#### **10.4 Prohibition of market manipulation**

- 10.4.1 In accordance with REMIT, any engagement in, or attempt to engage in, market manipulation on the markets organized by the Market Operator shall be prohibited.

#### **10.5 Registration and provision of trade data from CS OTE**

- 10.5.1 Section 10.5 applies to Short-term Market Participants who have entered into an Agreement on access to the organized short-term market with the Market Operator, containing provisions on registration and provision of trade data from CS OTE or provisions on trade data reporting, regardless of whether these provisions are comprised in the newly concluded contracts or in an amendment to the Agreement on access to the organized short-term market.
- 10.5.2 The Market Operator registers and provides Short-term Market Participants trade data in the scope and terms set out in the Commission Implementing Regulation and TRUM manual via a CS OTE web interface created for this purpose.
- 10.5.3 Short-term Market Participants verify the completeness and accuracy of trade data registered in CS OTE via the CS OTE web interface. In the event Short-term Market Participants find incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings. Short-term Market Participants are not responsible for incompleteness or inaccuracy in the trade data registered in CS OTE due to errors arising on the side of the Market Operator.
- 10.5.4 Authorized persons are entitled to provide CS OTE users on behalf of Short-term Market Participants with access to the web form in CS OTE allowing to verify the completeness, accuracy and timeliness of the registered and provided trade data in CS OTE.
- 10.5.5 The Market Operator shall assign to each order for trading and transaction a unique identifier via CS OTE.

#### **10.6 Trade data reporting**

- 10.6.1 Section 10.6 applies to Short-term Market Participants who have entered into an Agreement on access to the organized short-term market with the Market Operator, containing provisions on trade data reporting, regardless of whether these provisions are comprised in the newly concluded contract or in an amendment to the Agreement on settlement of imbalances.
- 10.6.2 For the purposes of trade data reporting on behalf of Short-term Market Participants, the Market Operator registers and provides Short-term Market Participants trade data under Article 10.5.
- 10.6.3 The Market Operator reports trade data on behalf of Short-term Market Participants to ARIS in the scope and under the terms set out in the Commission Implementing Regulation and TRUM manual.
- 10.6.4 From the date of commencement of trade data reporting, the Market Operator is authorized to report also trade data recorded in CS OTE before the date of commencement of trade data reporting, if such data is necessary to fulfil the reporting obligation on behalf of Short-term Market Participants.



- 10.6.5 Trade data registered in CS OTE for Short-term Market Participants, the status of processing the data and the results of their reporting to ARIS are recorded in CS OTE by the Market Operator and made available to Short-term Market Participants via a CS OTE web interface created for this purpose.
- 10.6.6 The Market Operator notifies Short-term Market Participants about the results of reporting trade data to ARIS via a notification email sent to CS OTE users with authorized access to a web form with trade data in CS OTE.
- 10.6.7 Short-term Market Participants verify the completeness and accuracy of trade data registered in CS OTE via the CS OTE web interface. In the event Short-term Market Participants find incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings. Short-term Market Participants are not responsible for incompleteness or inaccuracy in the reported trade data registered in CS OTE due to errors arising on the side of the Market Operator.
- 10.6.8 Authorized persons are entitled to provide CS OTE users on behalf of Short-term Market Participants with access to the web form in CS OTE allowing to verify the completeness, accuracy and timeliness of trade data in CS OTE to be reported to ARIS.

## **10.7 Registration and change of ACER code in CS OTE**

- 10.7.1 The Market Operator shall always use an ACER code obtained from Short-term Market Participants for their identification in order to register and provide trade data from CS OTE under 10.5 and for trade data reporting under Article 10.6.
- 10.7.2 Short-term Market Participants shall send a request to change the ACER code in CS OTE to the Market Operator within five business days before the requested date of the change. The request shall include the existing and new ACER codes of the Short-term Market Participant and the date of the execution of the ACER code change in CS OTE. Otherwise, the Market Operator is not responsible for any rejection of reported trade data by the ARIS system.
- 10.7.3 Short-term Market Participants are responsible for coordinating the execution of changes to their ACER code with ACER.
- 10.7.4 Short-term Market Participants are responsible for checking the accuracy of trade data via a web interface after making changes to the ACER code in CS OTE. In the event Short-term Market Participants find any incorrect or incomplete trade data, they shall promptly notify the Market Operator about their findings.
- 10.7.5 From the time of the ACER code change, the new ACER code shall be used in CS OTE for registration and provision of trade data from CS OTE pursuant to Article 10.5 and trade data reporting pursuant to Article 10.6 of BTP.

## **10.8 Fees for trade data registration, provision and reporting**

- 10.8.1 The Market Operator charges Short-term Market Participants for
  - 10.8.1.1 registration and provision of trade data from CS OTE under Article 10.5 as a monthly fee for registration and provision of trade data from CS OTE,
  - 10.8.1.2 trade data reporting under Article 10.6 as
    - 10.8.1.2.1 unit fee for each order to trade carried out by the Short-term Market Participant, the execution of which the Market Operator reported to ARIS on behalf of the Short-term Market Participant;
    - 10.8.1.2.2 unit fee for each transaction carried out by the Short-term Market Participant through the Market Operator, the execution of which the Market Operator reported to ARIS on behalf of the Short-term Market Participant.
- 10.8.2 The fees specified under Article 10.8.1 are available in the pricelist posted on OTE's website ([www.ote-cr.cz](http://www.ote-cr.cz)).
- 10.8.3 The Market Operator shall charge the fees specified under Article 10.8.1.1 as of the date of commencement of registration and provision of trade data from CS OTE. Short-term Market

Participants start paying the monthly fee from the month in which registration and provision of trade data began.

- 10.8.4 The Market Operator shall charge the fees specified under Article 10.8.1.2 as of the date of commencement of trade data reporting.
- 10.8.5 The Market Operator shall charge the fees specified under Article 10.8.1 of BTP to Short-term Market Participants after the end of the calendar month within the monthly evaluation and settlement pursuant to Section 3.3 of BTP.
- 10.8.6 Should the fees be adjusted through a price decision, the fees stipulated by the relevant price decision shall apply, as of the date of coming into effect of the price decision.

## **10.9 Oversight of the Market Operator**

- 10.9.1 The Market Operator is authorized to enter into negotiations with Short-term Market Participants on all matters specified under Chapter 10 of BTP.
- 10.9.2 The Market Operator is authorized to require from Short-term Market Participants necessary and relevant information in connection with any suspected breach of the prohibition of insider trading and prohibition of market manipulation.
- 10.9.3 The Market Operator is authorized to temporarily or permanently prevent Short-term Market Participants from participating in the markets organized by the Market Operator to the full extent, or in a specific market, if they demonstrably and repeatedly breach the provisions of BTP, operation safety, and their conduct or activities endanger the operation of CS OTE or the activities of other OTE's Contractual Partners. Such conduct also includes the use of automated or other machine approaches, i.e. conduct that cannot be induced by human forces (e.g. short-term and multiple refresh of trading screens, modification or submission of bids, multiple parallel connections).
- 10.9.4 In the event the Market Operator reasonably suspects breach of REMIT by a Short-term Market Participant on the markets organized by the Market Operator, in particular where the Market Operator identifies attempts at market manipulation and insider trading, the Market Operator shall immediately notify the Energy Regulatory Office.
- 10.9.5 The Market Operator shall provide, at the request of the Energy Regulatory Office, relevant information about the Short-term Market Participant, including related trade data and other necessary facts concerning the suspected abusive practices of the Participant.
- 10.9.6 Offences and penalties for breaches of REMIT are set out in Section 91a of the Energy Act.
- 10.9.7 The Market Operator is not obligated to enter into a contractual relationship with a natural person or legal entity subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions, or if the said sanctions apply specifically to:
  - 10.9.7.1 members of the statutory body and supervisory body of that person/entity;
  - 10.9.7.2 persons from the ownership and management structure of that person/entity and, if they are legal entities, also members of the statutory and supervisory body of these legal entities;
  - 10.9.7.3 all real owners of that person/entity;
  - 10.9.7.4 persons authorized to act in a trade or business relationship on behalf of that person/entity (e.g. agents);
  - 10.9.7.5 persons acting for the benefit of that person/entity.
- 10.9.8 The Contractual Partner of OTE undertakes to immediately report to OTE in the event it is or becomes a person subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions. The reporting obligation also applies where the aforementioned sanctions concern persons/entities specified in Articles 10.9.7.1 to 10.9.7.5.
- 10.9.9 The Market Operator has the right to rescind the contract concluded with OTE's Contractual Partner, which is subject to international sanctions pursuant to Act No. 69/2006 Coll., on the Implementation of International Sanctions, or if the said sanctions apply specifically to persons/entities under Articles 10.9.7.1 to 10.9.7.5, and the contract concluded with OTE's Contractual Partner which breaches the obligation defined in Article 10.9.8.

## 11 COMPENSATION TO COVER THE COSTS ASSOCIATED WITH SUPPORT FOR ELECTRICITY

### 11.1 Requirements for filing applications for electricity price compensation

- 11.1.1 Applications for compensation for the price of electricity consumed by customers in the Czech Republic and produced from renewable energy sources in other Member States of the European Union, a Contracting State of the Agreement on the European Economic Area or the Swiss Confederation pursuant to the Act on Supported Energy Sources (POZE) may be filed with CS OTE by suppliers who have
- 11.1.1.1 concluded a valid and effective Agreement on the Settlement of Imbalances with the Market Operator,
  - 11.1.1.2 gained access to the Registry of Guarantees of Origin, using the procedure posted on the Market Operator's website
  - 11.1.1.3 set up a bank account in which the Market Operator shall pay the compensation.
- 11.1.2 An authorized person has the right to provide access to other registered users for the relevant BRP via CS OTE, allowing to perform activities under Article 11.

### 11.2 Filing applications for compensation to cover the costs associated with support for electricity

- 11.2.1 Applications for electricity price compensation for all periods, starting from 2013, are accepted as of 1 January 2016.
- 11.2.2 Applications for electricity price compensation may be filed only by means of an electronic form via CS OTE.
- 11.2.3 Electronic applications for electricity price compensation are filed by suppliers for the period associated with electricity supply within just one calendar year, or parts thereof, properly, within required timeframes and in a required structure pursuant to the POZE Act and relevant implementing regulations.
- 11.2.4 Suppliers filing applications with CS OTE are responsible for the complete and correct filling of the application for electricity price compensation.
- 11.2.5 The Market Operator notifies the supplier about the filing of the application for electricity price compensation by a message sent to the contact e-mail address that the supplier provided upon registration in the CS OTE system.
- 11.2.6 Applications for electricity price compensation are editable only within a calendar month, i.e. until 23:59:59 of the last calendar day of the month in which the application was filed with CS OTE. Any changes to the application for electricity price compensation and any complaints after this deadline shall not be accepted.
- 11.2.7 Applications for electricity price compensation filed by suppliers are archived and available for the relevant supplier to view in CS OTE.
- 11.2.8 In filing applications for electricity price compensation, suppliers acknowledge that:
- 11.2.8.1 the customer has paid the price to cover the costs associated with support for electricity for the period associated with the supply that pertains to the application for electricity price compensation.
  - 11.2.8.2 the customer's point of delivery has been connected to the electric power system of the Czech Republic in the period associated with the supply that pertains to the application for electricity price compensation.
  - 11.2.8.3 electricity for which compensation is requested is from another Member State that directly imported and delivered it to the customer in the relevant period and volume. In addition, the Member State secured the required transmission capacity for electricity imports from another Member State.

### 11.3 Proof of origin of electricity from renewable energy sources

- 11.3.1 Proving electricity origin by a guarantee of origin of electricity from other Member States of the European Union, a Contracting State of the Agreement on the European Economic Area or the Swiss Confederation is possible only if the guarantee of origin can be electronically transferred from the Registry of Guarantees of Origin in the relevant Member State to the Registry of Guarantees of Origin of the Market Operator in the Czech Republic, and the guarantee of origin has been cancelled for the benefit of the customer on behalf of which the supplier applies for electricity price compensation.
- 11.3.1.1 Cancelled guarantees of origin must prove origin for the entire supply period for which electricity price compensation is requested (e.g. an application for electricity price compensation for the period from January to March requires guarantees of origin issued for the months of January, February and March, or for the entire January - March period).
  - 11.3.1.2 Volumes of electricity stated in the cancelled guarantees of origin for the relevant period must correspond with the total volume of electricity for which electricity price compensation is requested.
  - 11.3.1.3 The supplier that files an application for electricity price compensation with CS OTE must be the entity that has cancelled the relevant guarantees of origin for the benefit of the customer on behalf of which the supplier applies for electricity price compensation.
  - 11.3.1.4 Applications for electricity price compensation supported by guarantees of origin cancelled for the so-called "Residual Mix" shall not be accepted due to the required specific purpose of electricity price compensation.
  - 11.3.1.5 Guarantees of origin must be cancelled in accordance with applicable legislation and the Business Terms of the Registry of Guarantees of Origin that are posted on the Market Operator's website.
- 11.3.2 Suppliers prove origin of electricity for which electricity price compensation is requested with an electronic copy of the supply contract between the producer of electricity from renewable energy sources in another Member State that produced electricity from renewable energy sources or the electricity trader in another Member State and the supplier in the Czech Republic that supplied the contracted electricity to a customer in the Czech Republic exercising the right to compensation, and an electronic copy of certified translation of the contract. The volume of supplied electricity specified in the supply contract must correspond with the volume stated in the application for compensation of the price of electricity generated in another Member State.
- 11.3.2.1 In the event suppliers prove origin of electricity from other Member States with a framework agreement, it is necessary to document the volume of supplied electricity and the supply period in the application.
- 11.3.3 In order to prove origin of electricity for which electricity price compensation is requested, it is required to document in CS OTE the entire supply chain from the producer in another Member State to the trader in the Czech Republic that supplied electricity to the customer in the Czech Republic. The volume of electricity for which electricity price compensation is requested must be the intersection of the volumes of electricity traded between the supply chain entities.

#### **11.4 Evaluation of applications for electricity price compensation**

- 11.4.1 After the end of the calendar month all complete and duly filed applications for electricity price compensation, i.e. applications filed with CS OTE within the timeframes specified under Article 11.2.6, shall be unavailable for editing.
- 11.4.2 OTE shall perform an evaluation of all applications for electricity price compensation within the 15th calendar day of the month following the month in which the application was filed with CS OTE. The time of filing the application in a given calendar month shall be disregarded during the evaluation.
- 11.4.3 The outcome of the evaluation of applications for electricity price compensation is contained in a message sent to the contact e-mail address and is also available for suppliers in CS OTE.

- 11.4.4 Incomplete applications for electricity price compensation shall not be included in the evaluation process and filing of such applications does not make suppliers eligible for payment of electricity price compensation.
- 11.4.5 Applications for electricity price compensation, which are evaluated as incorrectly filled, shall be excluded from further evaluation. Filing of such applications does not make suppliers eligible for payment of electricity price compensation.
- 11.4.6 Excluded, processed or already evaluated applications for electricity price compensation cannot be edited or changed.
- 11.4.7 Complaints regarding evaluation of applications for electricity price compensation are not accepted with regard to the evaluation system.
- 11.4.8 Once the total available funds pursuant to Section 28a (6) of the POZE Act have been allocated for each calendar year, this information shall be promptly posted on the Market Operator's website and receipt of new applications for electricity price compensation for the relevant calendar year shall cease.

## **11.5 Settlement and payment of electricity price compensation**

- 11.5.1 Accepted and evaluated applications for electricity price compensation shall be settled within the 25th calendar day of the month following the month of application filing. The settlement of electricity price compensation means calculating the amount of compensation based on the values specified in the accepted application for electricity price compensation and issuing an electronic document on the compensation payment by the Market Operator.
- 11.5.2 In the event the total available funds pursuant to Section 28a (6) of the POZE Act have been exceeded for the relevant calendar year, the Market Operator shall act in accordance with Section 28a (6) of the POZE Act and shall notify the supplier about a reduction in the amount of electricity price compensation in the payment document.
- 11.5.3 The final amount of compensation is always rounded down to crowns.
- 11.5.4 Payment of electricity price compensation is not taxable supply pursuant to Act No. 235/2004 Coll., on Value Added Tax, and shall be paid out without VAT. The compensation payment document issued by OTE is not a tax document pursuant to the Value Added Tax Act.
- 11.5.5 Issued documents on payment of electricity price compensation shall be made available to suppliers via CS OTE on the day of settlement.
- 11.5.6 The due date of documents on payment of electricity price compensation is within 30 days of issuing the payment document.
- 11.5.7 Payments are made by bank transfer to the supplier's bank account registered in CS OTE for that purpose.

## **12 ELECTRICITY PRODUCER AND HEAT PRODUCER**

### **12.1 Registration of the Producer**

- 12.1.1 The Producer shall access the CS OTE system on his own and/or through an Intermediary under Article 12.3.3.
- 12.1.2 The Producer shall submit the data required for registration in CS OTE according to the procedure specified on OTE's website and in compliance with applicable legislation.
- 12.1.3 Access to CS OTE is facilitated for the Producer on the basis of registration completed by the Producer through filling in and submitting a registration form which the Producer signs with a qualified certificate and explicit acceptance of the rights and obligations of the Producer under the Business Terms hereof. The registration form for the Producer is available on OTE's website.
- 12.1.4 Following a successful registration, the Producer becomes a CS OTE User and a registered market participant under the Energy Act, Section 23, Paragraph 2, m) and the Market Operator



shall assign him a RMP ID and EAN-13. The Producer receives this information via email and it is also posted on OTE's website.

- 12.1.5 The Producer shall notify the Market Operator without delay about any changes in the registration data in CS OTE, including any changes pertaining to the validity of the license. Upon notification and proof of change by the Producer, the Market Operator shall register the change in CS OTE. Cases where the registration and other data submitted to the Market Operator do not reflect the reality may be subject to an inspection performed in accordance with the authorization of the Energy Regulatory Office or the State Energy Inspection.
- 12.1.6 The Producer of energy from supported sources shall notify the Market Operator without undue delay about any change in the technology of the installation or source in cases where the technology change results in an increase in the technological and ecological level of the installation to the level comparable with new installations, since the generated revenue voids eligibility for support in the amount stipulated in applicable legislation.

## **12.2 Registration of new CS OTE Users and Authorized Persons of the Producer**

- 12.2.1 The Producer carries out the registration of his new CS OTE Users through his Authorized Persons.
- 12.2.2 Authorized Persons are registered in CS OTE on the basis of the completed form Application for Setting of Registration Rights for an Authorized Person, posted on OTE's website, which the Producer submits to the Market Operator. The aforementioned application form shall be submitted with a public part of a certificate issued for the Authorized Person by a supported CA.
- 12.2.3 Registration of new CS OTE users may be carried out via the Registration Form signed by the Producer with a qualified certificate and explicit acceptance of the rights and obligations of the Producer under the Business Terms hereof. Where at the time of registration of a new CS OTE user there is no CS OTE User with a valid certificate registered for the relevant RMP, the newly registered CS OTE User shall be assigned the tasks of managing its own RMP data and administering a bank account.
- 12.2.4 Access of CS OTE Users to CS OTE is restricted by the scope of user rights. Each CS OTE User is automatically authorized to change its contact details. The CS OTE User with an assigned role for managing his own RMP data, with the exception of CS OTE Users acting only as Intermediaries, is authorized to add other CS OTE Users to this Producer according to the procedure posted on OTE's website.
- 12.2.5 The Producer is responsible for the data he has registered under Article 12.1.2.

## **12.3 Registration of an Intermediary**

- 12.3.1 The Producer may authorize an Intermediary with the performance of selected activities of the Producer through CS OTE.
- 12.3.2 The Intermediary:
  - 12.3.2.1 accesses CS OTE in order to enter production and consumption data on behalf of another Producer, or to enter and/or change their claims for support or registration of sources,
  - 12.3.2.2 is not authorized to enter changes in the Producer's Registration (master data) on behalf of the Producer; is not authorized to change and/or add bank account numbers of the Producer.
- 12.3.3 Access to CS OTE is facilitated for the Intermediary on the basis of registration, which the Intermediary carries out:
  - 12.3.3.1 if the Intermediary is a legal entity or a natural person that is not a registered Producer with access to CS OTE, by submitting a signed application for registration and setting the function of Intermediary in CS OTE posted on OTE's website, by providing a public part of a qualified certificate issued for the Intermediary, and by

explicitly accepting the rights and obligations under the Business Terms hereof by the Intermediary,

- 12.3.3.2 if the Intermediary is already a registered Producer with access to CS OTE, by submitting an application directly in the POZE module through a complaint filed by the Intermediary.
- 12.3.4 Following a successful registration under Article 12.3.3, the Intermediary becomes a CS OTE User. The Producer is always responsible for the Intermediary's activities as if the Producer carried them out himself. OTE is not liable for any damage caused to the Producer by the Intermediary whom the Producer has authorized.
- 12.3.5 The Intermediary is obligated to comply with applicable legislation and the Business Terms hereof when performing activities in CS OTE.
- 12.3.6 The Producer has the right to withdraw at any time the authorization of the Intermediary to perform the activities on behalf of the Producer through CS OTE.

## **12.4 Settlement periods**

- 12.4.1 Settlement periods, due dates of payment and the payment method specified in the Business Terms herein are binding for the support for electricity from renewable sources, secondary sources, CHP and support for heat pursuant to the "POZE" Act with the selected form of green bonuses.
- 12.4.2 Settlement of support means calculating the amount of the support according to the relevant ERO Price Decision based on the metered and calculated values entered in CS OTE by the Producer, and issuance of a document on payment of support by the Market Operator in electronic form, which is available through CS OTE. Proof of payment of support is not a tax document pursuant to the VAT Act.
- 12.4.3 Settlement of support for installations with an installed capacity of more than 10 kW is carried out on a monthly basis.
  - 12.4.3.1 The basic period for settlement is one calendar month, i.e. the period from 00:00 on the first day to 24:00 on the last day of the calendar month.
  - 12.4.3.2 The Producer shall provide to OTE production data and other required information for the previous calendar month within the timeframe specified in Section 4, Paragraphs 2, 3 or 4 of the Reporting Decree and Section 49 (1) of the Market Rules.
  - 12.4.3.3 On the basis of the data submitted by the Producer to CS OTE under Article 12.4.3.2, OTE shall carry out a monthly settlement within 5 business days of the deadline for data submission set out in Section 4, Paragraphs 2, 3 or 4 of the Reporting Decree and Section 49 (1) of the Market Rules.
  - 12.4.3.4 In the event the data are not supplied by the Producer within the timeframe under Article 12.4.3.2, they will be included in the following monthly settlement.
- 12.4.4 Settlement of support for installations with an installed capacity of up to 10 kW is carried out on a quarterly basis.
  - 12.4.4.1 The basic period for the quarterly settlement is one calendar quarter, i.e. the period from 00:00 on the first day to 24:00 on the last day of the calendar quarter.
  - 12.4.4.2 On the basis of the data submitted by the Producer to CS OTE for all months of the quarter under Article 12.4.3.2, OTE shall carry out a quarterly settlement within 5 business days of the deadline for data submission set out in Section 4, Paragraphs 2, 3 or 4 of the Reporting Decree and Section 49 (1) of the Market Rules after the end of the calendar quarter.
  - 12.4.4.3 In the event the data are not supplied by the Producer within the timeframe under Article 12.4.3.2, and will be submitted by the Producer to CS OTE for all months of the calendar quarter later, but not later than in one month, OTE shall carry out a second quarterly settlement within 5 business days of the deadline for data submission set out in Section 4, Paragraphs 2, 3 or 4 of the Reporting Decree and

Section 49 (1) of the Market Rules in the second month after the end of the calendar quarter.

- 12.4.4.4 In the event the Producer supplies data for the previous calendar quarter to CS OTE later than specified under Articles 12.4.4.2 or 12.4.4.3, they will be included in the following quarterly settlement.
- 12.4.5 Settlement of support for heat-producing installations is carried out on a quarterly basis.
  - 12.4.5.1 The basic period for settlement is one calendar quarter, i.e. the period from 00:00 on the first day to 24:00 on the last day of the calendar quarter
  - 12.4.5.2 The Producer shall provide to OTE data for the previous calendar quarter within the timeframe specified in Section 1, Paragraph 1 of the Reporting Decree.
  - 12.4.5.3 On the basis of the data submitted by the Producer to CS OTE for all months of the quarter under Article 12.4.5.2, OTE shall carry out a quarterly settlement within 5 business days of the deadline for data submission set out in Section 5, Paragraph 1 of the Reporting Decree.
  - 12.4.5.4 In the event the data are not supplied by the Producer within the timeframe under Article 12.4.5.2, OTE shall include their settlement in the following quarterly settlement.
- 12.4.6 Settlement of support on the basis of the supplied data for the previous month shall not be carried out only in the event the Producer is late in submitting any data in connection with his statutory obligation towards the Market Operator in accordance with the relevant implementing regulations, including data related to the period preceding that month.
- 12.4.7 For nested configurations it applies that settlement is carried out only when the data are supplied within the foregoing timeframes for all sources of the relevant point of supply.

## **12.5 Due dates of payment**

- 12.5.1 Support in the form of green bonuses for electricity from renewable energy sources, secondary sources and CHP on the basis of settlement is paid in two installments with different dates of payment. Amounts to be paid and due dates are provided in the support payment document.
  - 12.5.1.1 Three-quarters of the amount of support are payable within 21 calendar days of the date of issuance of the support payment document.
  - 12.5.1.2 The remaining one-quarter of the amount of support is payable at the later of the following dates:
    - 12.5.1.3 • the last day of the second month following the end of the calendar quarter to which the submitted production data pertain, or
    - the date specified under Article 12.5.1.1.
- 12.5.2 The due date of payment with the green bonus for heat is 21 calendar days of the date of issuance of the support payment document.
- 12.5.3 The maturity of new or adjusted support payment documents related to Article 12.7 is as follows:
  - 12.5.3.1 If the payment has not yet been made according to the original support payment document, the maturity of the new document is determined in accordance with Articles 12.5.1 and 12.5.2.
  - 12.5.3.2 If the settled amount in the original document has already been paid out, the maturity of the adjusted document for the payment of support shall be due at the later of the following dates:
    - the date specified under Article 12.5.1.2 of the original document, or
    - payable within 21 calendar days of the date of issuance of the adjusted support payment document.
  - 12.5.3.3 If the amount stated in the adjusted document is to be refunded by the Producer to the Market Operator, the due date of payment shall be 14 calendar days of the date of issuance of the adjusted payment document. The Market Operator's bank account

number for payment by the Producer is included in the adjusted document.

## **12.6 Method of payment of support**

- 12.6.1 Payment is made via bank transfer to a bank account of the Producer that is registered in CS OTE for these purposes. Support is paid out in CZK. The bank account is maintained in CZK at a bank or its branch in the Czech Republic.
- 12.6.2 Payment of support for electricity and heat is not taxable pursuant to the VAT Act and the support shall be paid out without VAT.
- 12.6.3 Proof of payment of support is not a tax document pursuant to the VAT Act.
- 12.6.4 In the event of support for electricity generated from solar radiation, the levy pursuant to Sections 14 to 20 of the "POZE" Act is withheld from the total amount of support.

## **12.7 Method of handling complaints concerning settlement**

- 12.7.1 Settlement-related complaints specified in the Business Terms hereof are binding for support for electricity from renewable energy sources, secondary sources, CHP and support for heat pursuant to the "POZE" Act with the selected form of green bonuses or feed-in-tariffs.
- 12.7.2 Incorrectly entered data, or requests for data correction, are processed in the "POZE" Module upon submission of a complaint in CS OTE by the Producer via user interface.
- 12.7.3 Complaints concerning data incorrectly entered by the Producer, which pertain to a period that has already been settled, must include specification of the production source, the period subject to correction and justification of the request. If the complaint is submitted by an authorized Intermediary, identification of the Producer with the registered production source is also required.
- 12.7.4 The standard timeframe for complaint settlement is 60 business days from the date of submission of the complaint by the Producer to CS OTE, assuming all relevant documentation and information has been provided to the Market Operator.
- 12.7.5 Upon request, the Producer shall provide assistance to the Market Operator in handling the complaint. If the Producer fails to respond to the Market Operator's request to cooperate, or refuses to provide additional information, the Market Operator shall have the right to settle the complaint without explanation or additional information.
- 12.7.6 Settlement of support on the basis of corrected data in the erroneously entered Report in CS OTE by the Producer, which were submitted within timeframes specified in Articles 12.4.3.2, 12.4.4.2, 12.4.4.3 and 12.4.5.2, shall be carried out in CS OTE after notification about data correction provided by the Producer.

## **13 FINAL PROVISION**

The Business Terms hereof shall come into effect and become binding for the Market Operator's contractual parties and the Market Operator as of the date of coming into force of approval and posting on OTE's website thereof. They remain an integral part of contractual relations in electronic form or relations between OTE and the Producer based on the registration of the Producer in CS OTE pursuant to the Energy Act. The Business Terms hereof replace all the previous editions of Business Terms of OTE, a.s. for the Power Sector —~~Revision 29 (November 2019)~~ in full. The original hard copy of the Business Terms hereof is deposited at the registered office of the Market Operator.

**The Business Terms hereof have been approved by the Energy Regulatory Office.**