

## **Appendix ./1.1**

# **Yearly and Monthly Auctions Rules**

**for the Allocation of Cross-border Capacities between the  
Bidding Zone of**

**EMS AD Beograd (“EMS”)**

**and**

**Crnogorski elektroprenosni system AD – Podgorica (“CGES”)**

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## Definitions

Terms used herein shall have the following meanings unless otherwise defined.

<b>(1M EURIBOR + 3%) p.a.</b>	One-month interest rate at which euro interbank term deposits within the euro zone are offered by one prime bank to another prime bank (see <a href="http://www.euribor.org">http://www.euribor.org</a> ) increased by 3% and calculated by using pro-rata method.
<b>Agreement on Participation in Auctions for the Capacity Allocation („Contract“)</b>	Contract between the <i>Auction Office</i> and the <i>Auction Participant</i> for <i>Auctions</i> at Serbia - Montenegro border.
<b>Allocated Capacity</b>	<i>Promise of Capacity</i> notified to <i>Auction Participants</i> becomes <i>Allocated Capacity</i> when fulfilling the payment conditions stated in the Section 8. <i>Allocated Capacity</i> is guaranteed by <i>TSOs</i> , vis-à-vis <i>Auction Office</i> , in accordance with these <i>Auction Rules</i> .
<b>Announcement of Auction Capacities</b>	Document published on the <i>Auction Office</i> website specifying <i>Offered Capacities</i> , <i>Reservation Period(s)</i> , and any additional information necessary for the <i>Auction</i> process.
<b>Auction</b>	Congestion management mechanism adopted by <i>TSOs</i> in order to allocate the available <i>Capacities</i> .
<b>Auction Office</b>	Stands for <i>EMS</i> in its function as the <i>Auction Office</i> . <i>EMS</i> will be subject to all rights and responsibilities attributed to the <i>Auction Office</i> .
<b>Auction Participant</b>	<i>Market Participant</i> identified with a unique <i>EIC-Code</i> and registered at the <i>Auction Office</i> in accordance with Article 3.1.
<b>Auction Platform</b>	An electronic web-based application ( <i>DAMAS</i> system) with restricted access operated by the <i>Auction Office</i> ( <a href="https://damas.ems.rs">https://damas.ems.rs</a> ). Monthly and yearly <i>Auctions</i> provided by the <i>Auction Office</i> are carried out through the <i>Auction Platform</i> .
<b>Auction Price</b>	Price of the last accepted <i>Bid</i> (marginal price), expressed in EUR and determined for each border and direction; paid by each <i>Auction Participant</i> for each MW of <i>Promise of Capacity</i> for each hour.
<b>Auction Rules</b>	Yearly and Monthly Auctions Rules for the Allocation of transmission <i>Capacities</i> at the borders of <i>Bidding Zone</i> of <i>EMS</i> AD Belgrade (“ <i>EMS</i> ”) and Electric Transmission System of Montenegro AD – Podgorica (“ <i>CGES</i> ”).
<b>Bid</b>	Request from the <i>Auction Participant</i> for the <i>Capacity</i> reservation with a clearly defined requested <i>Capacity</i> ( <i>Bid amount</i> ) and offered price ( <i>Bid Price</i> ) for that <i>Capacity</i> in (MW, EUR / MW) per hour.
<b>Bid Amount</b>	Requested <i>Capacity</i> in MW (integral part of a <i>Bid</i> ).
<b>Bidding Zone</b>	The largest geographical area within which market participants are able to exchange energy without capacity allocation (Article 2(3) of the Regulation 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and Article 2(65) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (Electricity Market Regulation)).
<b>Bid Price</b>	Price in EUR which <i>Auction Participant</i> is willing to pay for 1MW of

	<i>Capacity</i> for each hour.
<b>Bid Sheet</b>	A form with the unambiguous and clear specifications stated in Attachment A and Attachment B of Annex 5 for submitting <i>Bids</i> to the <i>Auction Office</i> in case of alternative yearly and monthly <i>Auction</i> procedure. This form must be filled in with typed letters.
<b>Calendar of the Monthly Auction Procedure</b>	<p>Calendar of the Monthly <i>Auction</i> Procedure published on the website of the <i>Auction Office</i> with defined time deadlines for conducting the monthly <i>Auction</i> for the current calendar year:</p> <ul style="list-style-type: none"> <li>• Deadline for publication of the <i>Offered Capacity</i></li> <li>• Deadline for submission of <i>Bids</i> to the <i>Auction Platform</i></li> <li>• Deadline for publishing information on the results of the monthly <i>Auction</i></li> <li>• Date of issuing the proforma invoice based on the results of the monthly <i>Auction</i></li> <li>• Due date of the proforma invoice charging</li> <li>• Start date of <i>Capacity</i> use <ul style="list-style-type: none"> <li>• Notification of <i>Allocated Capacity</i> that has been returned and sold</li> <li>• Date for return of funds due to non-nomination of capacities</li> </ul> </li> </ul>
<b>Calendar of the Yearly Auction Procedure</b>	<p>Calendar of the Yearly <i>Auction</i> Procedure published on the website of the <i>Auction Office</i> with defined time deadlines for conducting the yearly <i>Auction</i> for the current calendar year:</p> <ul style="list-style-type: none"> <li>• Deadline for publication of the <i>Offered Capacity</i></li> <li>• Deadline for submission of <i>Bids</i> to the <i>Auction Platform</i></li> <li>• Deadline for publishing information on the results of the yearly <i>Auction</i></li> <li>• Date of issuing the proforma invoice based on the results of the yearly <i>Auction</i></li> <li>• Due date of the proforma invoice charging</li> <li>• Start date of <i>Capacity</i> use</li> <li>• Deadline for returning the right to yearly capacity <ul style="list-style-type: none"> <li>• Date for returning financial resources due to returning the right to yearly capacity</li> </ul> </li> </ul>
<b>Capacity</b>	Cross-border <i>Capacity</i> in MW.
<b>CET</b>	Central European Time
<b>CGES (Montenegrin Transmission System Operator (Crnogorski elektroprenosni sistem AD – Podgorica))</b>	Legal entity with registered office at Podgorica, Bulevar Svetog Petra Cetinjskog No.18, and incorporated in the Montenegrin business register with the company identification No. 4-0008972.
<b>Curtailment of Allocated Capacities</b>	Reduction of <i>Capacity</i> between the <i>Bidding Zone</i> of <i>EMS</i> and <i>CGES</i> in case of <i>Force Majeure</i> or <i>Emergency Situations</i> where <i>EMS</i> and <i>CGES</i> must act in an expeditious manner.
<b>EIC-Code</b>	Identification code serving to clear the identification of entities in a cross-border trade. <i>EIC-Codes</i> are issued by local issuers and a list of issued codes is published on the ENTSO-E website <a href="https://www.entsoe.eu/data/energy-identification-codes-eic/eic-approved-codes/">https://www.entsoe.eu/data/energy-identification-codes-eic/eic-approved-codes/</a> .
<b>Emergency Situation</b>	Conditions and/or events and/or circumstances which in the professional assessment of <i>EMS</i> and/or <i>CGES</i> put under risk the security of supply, provision or transmission of electricity or the technical safety of a given

	national transmission system or its significant part.
<b>EMS (EMS AD Beograd)</b>	Company with registered office at Belgrade, Kneza Miloša 11, Serbia and incorporated in the Serbian Business Register with the Company Identification No. 20054182.
<b>Energy Community Treaty</b>	Treaty establishing the Energy Community between the European Community on the one hand and Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Republic of North Macedonia, Montenegro, Romania, Serbia and UNMIK on the other hand, signed on October 25, 2005.
<b>ENTSO-E</b>	European Network of Transmission System Operators for Electricity – association of <i>TSOs</i> .
<b>EU Regulation</b>	Regulation No. 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity concerning common rules for internal market in electricity.
<b>Force Majeure</b>	Conditions and / or events and / or circumstances that are, or whose consequences are beyond the reasonable control of <i>EMS</i> and/or <i>CGES</i> , which cannot be avoided or overcome with reasonable foresight and diligence, such as, but not limited to internationally imposed free flows of electricity, atmospheric phenomena that could not have been avoided due to their cause or their extent or duration, unexpected or unavoidable breakdowns or limitations of <i>Capacity</i> generation, if <i>EMS</i> and / or <i>CGES</i> can only take measures against them that threatens security of provision and supply, and / or what cannot be addressed by measures that are technically, financially and / or economically feasible for <i>EMS</i> and / or <i>CGES</i> .
<b>ITR (Interconnection Trade Responsible)</b>	<i>Market Participant</i> recognized by the <i>TSOs</i> as responsible for registration of the <i>Allocated Capacity</i> . <i>ITR</i> must be identified by an <i>EIC-Code</i> . On <i>EMS</i> side, <i>ITR</i> is a <i>Market Participant</i> with a valid balance sheet liability agreement concluded with <i>EMS</i> . On <i>CGES</i> side, <i>ITR</i> is a legal person that owns a License for the activity of international electricity trade issued by the State Electricity Regulatory Commission in Montenegro.
<b>Market participant</b>	Legal or natural person, i.e. entrepreneur registered with the market operator and <i>TSO</i> as a participant in the Montenegrin market in accordance with the Market rules, i.e. concluded a balance liability agreement with the market operator and <i>TSO</i> or legal person or entrepreneur holding a valid license issued by the Energy Agency of the Republic of Serbia (for electricity generation, wholesale electricity supply or electricity supply) or is registered as a balance responsible party in the Republic of Serbia in accordance with the Rules on the operation of the electricity market.
<b>Offered Capacity</b>	<i>Capacity</i> offered by the concerned <i>TSOs</i> on the border and direction for the period indicated in the <i>Auction</i> procedure and guaranteed by concerned <i>TSOs</i> .
<b>Promise of Capacity</b>	The <i>Capacity</i> promised to <i>Auction Participant</i> by the <i>Auction Office</i> when publishing the <i>Auction</i> result of yearly or monthly <i>Auction</i> .
<b>Reservation Period</b>	Period for which <i>Capacity</i> is offered in the <i>Auction</i> .
<b>Time Stamp</b>	<i>Auction Platform</i> system time assigned to a message when it leaves and/or comes into the <i>Auction Platform</i> . The <i>Time Stamp</i> is definitive when settling disputes.
<b>Token</b>	Media on which the electronic certificate is stored.

<b>Transferee</b>	<i>Auction Participant</i> or <i>ITR</i> to whom the <i>Allocated Capacity</i> is transferred.
<b>Transferor</b>	<i>Auction Participant</i> or <i>ITR</i> who wishes to transfer the <i>Allocated Capacity</i> to another <i>Auction Participant</i> or <i>ITR</i> .
<b>TSO (Transmission System Operator)</b>	A legal person responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and where applicable its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.
<b>TSOs</b>	Transmission System Operators participating in this common auction procedure, i.e. <i>EMS</i> and <i>CGES</i> .
<b>User</b>	A person entitled to use the <i>Auction Platform</i> in the name of <i>Auction Participant</i> .
<b>Working Day</b>	Calendar days from Monday to Friday, with the exception of public holidays in Republic of Serbia whose list for the current year is published on the website of the <i>Auction Office</i> .

Unless context requires otherwise, any wording in the *Action Rules* denoting the singular also applies to the plural as logic requires, and vice versa. Furthermore, the same principle of inclusion applies to references of gender.

# Section 1

## Preamble

### Article 1.1 Considerations

According to *Energy Community Treaty* and the decision of the Energy Community Ministerial Council to accept the application of the *EU Regulation*, a market-based mechanism is established to allocate *Capacity* among *Market Players*.

In order to achieve maximum transparency in the allocation of *Capacity* and to avoid discrimination during allocation process, *TSOs* organize common *Auctions*, i.e. a common allocation of *Capacities*.

### Article 1.2 General Principles

*TSOs* agreed to introduce a common auctioning procedure on the Serbia-Montenegro border for the purpose of allocating the available *Capacities* to *Market Players*.

Due to technical limitations in the regional transmission network, congestion may occur on the Serbia-Montenegro border.

The *Auction Rules* are constructed in accordance with the *EU regulation*, *Energy Community Treaty*, mandatory national laws *TSOs* use, and regulations set forth by National Regulatory Authorities.

The aim of the common *Auction* is to offer the *Auction Participants* a transparent, and non-discriminatory method for *Capacity* allocation.

*TSOs* have committed themselves vis-à-vis *Auction Office* and *Auctions* to offer all *Capacity* recognized as available at the time of the *Offered Capacity* computation.

The Methodology for calculation of *Capacity* limits for Serbia-Montenegro border shall be based on the standard *ENTSO-E* methodology for calculation of available *Capacity*.

### Article 1.3 The Auction Office

The *Auction Office* is responsible for carrying out the *Auctions* in accordance with the *Auction Rules*. The *Auction Office* conducts the *Auctions* and provides the *Market Participants* and concerned *TSOs* with all relevant information.

*TSOs* have agreed that for the yearly and monthly *Auctions*, the function of *Auction Office* will be provided by *EMS*. Therefore, the contractual relations in the framework of these *Auctions* will only be between *EMS* and the *Auction Participant*.

*TSOs* have committed themselves vis-à-vis *Auction Office* to make the *Capacity* available to the extent that it has been allocated to the *Auction Participants*, with the exception of cases described in Article 11.1.



## Section 2

### General

#### Article 2.1 Scope of the Auction Rules

These *Auction Rules* contain the terms and conditions for the allocation of the available *Capacity* in both directions of the Serbia-Montenegro border.

Among other aspects, the *Auction Rules* describe the requirements which the *Auction Participants* in the *Auction* must fulfill in order to participate, the *Auction* algorithm (including the determination of *Auction Price* as a result of *Auction*), and the conditions for using the *Allocated Capacity*.

By notification of the *Auction* result in case of yearly and/or monthly *Auction*, the *Auction Participant* gains a promise of the *Auction Office* that, through settling payment in accordance with Section 8, the *Capacity* shall be allocated in accordance with notified *Auction* results, with the exception of cases described in Article 11.1 (i.e. the *Auction Participant* gains the *Promise of Capacity*).

*TSOs* have committed themselves to accept the result of the common *Auction* and to reserve the *Capacities* for *Auction Participants* according to the individual *Auction* results. Each *TSO* has committed itself to carry out the transmission services in accordance with their individual respective prerequisites, and in accordance with the legal requirements applicable to them (see Section 9).

Grid access is not covered and granted by the *Auction Rules* or results.

#### Article 2.2 Auctions

The *Auction Office* organizes yearly and monthly *Auctions*.

*Auctions* are held for *Capacity* to be reserved for both directions on the Serbia-Montenegro border for the following *Reservation Periods*:

- for the yearly *Auction* – the *Reservation Period* starts on 1 January at 00:00 (CET) and ends on 31 December at 24:00 (CET),
- for the monthly *Auction* – the *Reservation Period* start on the first day at 00:00 (CET) and ends on the last day at 24:00 (CET) for the time period with the same values of the *Offered Capacity* during the calendar month of the year.

If there are several time periods with different values of the *Offered Capacity* in any of the directions during the month, when organizing monthly *Auctions*, for each period with the same value of the *Offered Capacity*, an independent *Auction* is organized and a special *Bid* is submitted.

*Reservation Period(s)* and *Offered Capacity* are specified in the *Announcement of Auction Capacities*.

The *Offered Capacities* for yearly and monthly *Auctions* shall be published in the *Announcements of Auction Capacities* on the website of the *Auction Office*

(<https://www.ems.rs>) and on *Auction Platform* (<https://damas.ems.rs>), according to the deadlines for the announcement of the *Offered Capacities* defined in the *Calendars of the Yearly Auction Procedures* and the *Calendars of the Monthly Auction Procedures* published on the website of the *Auction Office* (<http://www.ems.rs>).

## Section 3

### Procedure and Requirements for Participating in the Auction

#### Article 3.1 Registration and Acceptance of the Auction Rules

The following have the right to participate in *Auctions*:

- **On *EMS* side**, a legal entity or entrepreneur who:
  - Has at least one valid license issued by Energy Agency of Serbia for:
    - Electricity production,
    - Supply of electricity,
    - Wholesale supply of electricity,
  - or has registered as a balance responsible party in accordance with the Market Code;
- **On *CGES* side**, a legal or natural person, i.e. entrepreneur who is registered with the *TSO* and the market operator as a participant in the Montenegrin market in accordance with the Market rules, i.e. has concluded a balance liability agreement with the market operator and the *TSO*.

Only *Market Participants* who declare legally binding and irrevocably their full and complete knowledge and acceptance of the valid *Auction Rules* which are published at the website of the *Auction Office* may take part in an *Auction*.

Statement on confirmation of the *Auction Rules* application is given by the *Market Participant* when he signs and certifies the model contract on participation in *Auctions* for the allocation of *Capacity* (hereinafter: *The Contract*) (see Annex 1) which is attached to:

- Original or verified copy of an extract from the commercial register not older than six months from the issuing date (in Serbian, Montenegrin or in English for a *Market Participant* whose registered office is not in the Republic of Serbia).
- A list of the authorized representatives who are entitled to communicate with the *Auction Office* in the name of the *Market Participant* and to execute obligations towards the *Auction Office* in the name of *Market Participant* (see Annex 1).

The *Contract* and related documents must contain complete and true information.

Each *Market Participant* is identified with a valid and unique *EIC-Code* issued for the *Market Participant* and registered in the list of *EIC-codes*.

A *Market Participant* who does not have a unique and valid *EIC-Code* can contact the local *EIC-Code* issuing office. *EIC-Codes* are issued in accordance with the rules of the local *EIC-Code* issuing office.

The three signed copies of the *Contract* have to be delivered to the *Auction Office* in writing by mail, courier or personally. The *Contract* is delivered to the *Auction Office's* address or personally to the filing office of the *Auction Office* (see Annex 2). The *Auction Office* will inform the *Market Participant* it is considered that the *Contract* has not been submitted if it is submitted by fax or e-mail or if it is incomplete, and the *Market Participant* has not eliminated the formal deficiencies within the deadline at the invitation of the *Auction Office*.

The *Auction Office* will inform about confirmation or refusal of the registration by sending an e-mail to the *Market Participant*, to the address specified in the *Contract*.

The deadline for delivery of the *Contract* to register *Market Participant* as *Auction Participant* for the yearly *Auction* is 12:00 (CET) three (3) *Working Days* before the deadline for submission of *Bids* for the relevant yearly *Auction* defined by the *Calendar of the Yearly Auction Procedure*. The deadline for delivery of the *Contract* to register *Market Participant* as *Auction Participant* for the relevant monthly *Auction* is 12:00 (CET) three (3) *Working Days* before the deadline for the delivery of *Bids* to the relevant monthly *Auction* defined by the *Calendar of the Monthly Auction Procedure*.

The *Auction Office* will announce the start of the registration process on its website <https://www.ems.rs>. The *Contract* delivered to the *Auction Office* before this date shall be considered premature and the *Auction Office* will not act on it.

Registration is valid for an indefinite number of *Auctions* conducted by the *Auction Office* for a calendar year, notwithstanding of the obligation of the *Auction Participant* to immediately notify the *Auction Office* of any changes and notwithstanding the right of the *Auction Office* to request updating or resubmission of any part of the above registration documentation.

Accepted *Contract*, signed by the authorized representative of the *Auction Office* and *Auction Participant* is valid for an indefinite number of *Auctions* in a calendar year. The *Auction Rules* represent general conditions of the *Contract*.

Each *Auction Participant* may change its list of authorized representatives or other data listed in Appendix 1 of the *Contract*. Based on updated and validly-signed Appendix 1 of the *Contract* delivered by the *Auction Participant* to the person responsible for registration of *Auction Participant* (see Annex 2), the *Auction Office* will confirm the registration of the change to the *Auction Participant*, at the latest, three *Working Days* after the receipt of the updated and validly-signed Appendix 1 of the *Contract*. The confirmation will be sent by e-mail to the e-mail address filled in the *Contract* of the *Auction Participant*.

With regard to the fact that *Auctions* are carried out through the *Auction Platform*, *Auction Participant* is also obliged to fulfill prerequisites for access to the *Auction Platform* stated in Article 5.2.

## Section 4

### Auctions Algorithm and Determination of the Auction Price

#### Article 4.1 Border

The Serbia – Montenegro border is included into the common *Capacity* allocation procedure.

The reservation of *Capacity* (equal to full or reduced *Bid Amount*) is a result of the *Auction* process based on the individual *Bid Prices* for that border and direction. This process takes into account *Offered Capacities* on this border.

#### Article 4.2 Algorithm

The *Auction Office* arranges all *Bids* received in descending order according to the individual *Bid Price* by making merit order for each direction, i.e. for each *Auction* to which the individual *Bids* relate.

If the considered *Bid*, together with already accepted *Bids*, does not exceed the *Offered Capacity* on the border, it will be accepted by the *Auction Office*, and the required *Capacity* will be assigned to the *Auction Participant*.

If the considered *Bid*, together with already accepted *Bids*, exceeds the *Offered Capacity* on the border, the considered *Bid* will be accepted with a reduced *Bid Amount* up to the *Offered Capacity*.

If there are two or more *Bids* on the merit order with an identical *Bid Price*, and the sum of all these *Bids* together with *Bids* already accepted, exceeds the *Offered Capacity* on the border (marginal *Bids*), these marginal bids are accepted with a reduced *Bid Amount* up to the *Offered Capacity* using pro-rata method and rounding to a smaller integer. If there is any unallocated *Offered Capacity*, it will be allocated to the *Auction Participants* who submitted marginal *Bids*, taking into account the *Time Stamp* when submitting the *Bids*, by allocating 1 MW, starting with the *Auction Participant* who was the first to enter the *Bid*, until the remaining *Offered Capacity* is fully allocated.

#### Article 4.3 Determination of the Auction Price

If the sum of all accepted *Bids* does not exceed the *Offered Capacity* on the Serbia-Montenegro border, then the *Auction Price* for that border and direction is equal to zero.

If the sum of received *Bids* exceed *Offered Capacity*, the *Auction Price* equals the lowest *Bid Price* of all *Bids* accepted on that border and direction, i.e. the price of the last accepted *Bids*.

The *Auction Participant* is obliged to pay the *Auction Price* determined for that border and direction for each MW of *Promise of Capacity* according to Section 8 hereto.

## Section 5

### Auction Platform

#### Article 5.1 General Conditions

The *Auction Office* will organize and execute the common *Auction* of the yearly and monthly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

The *Auction Office* will provide the *Users* with documentation of the *Auction Platform* (on web site <https://www.ems.rs>), and operational instructions, related to using of the *Auction Platform* and *Users* support.

The *Auction Office* reserves the right to change operationally a business day(s) regime (dates and times of *Auctions* procedures in Annex 3) in reasonable cases, especially when the following technical problems arise: a general collapse of the Internet, a collapse of all Internet connections of the *Auction Platform*, or a collapse of the *Auction Platform* (servers, database or *Auction Platform* application error).

All *Users* of the *Auction Platform* will be informed, without undue delay, of the actual operational situation.

All deadlines defined in the *Calendar of the Yearly Auction Procedure* and the *Calendar of Monthly Auction Procedures*, especially the deadlines for data transfer, announcements of results, etc. are in the *Auction Platform* system time. The system time is available to the *User* when directly accessing the *Auction Platform*.

A data receipt will be valid only if the data had been accepted by the *Auction Platform* server before the deadline for submission of such data and if the *Auction Platform* has confirmed that receipt. After the deadline, the receipt of data given will be rejected.

In order to participate in the *Auction* procedure, *Bids* must be submitted to the *Auction Platform*. Already submitted *Bids* may be modified by the *Auction Participant* before the deadline for delivery.

After entering / modifying the *Bid*, the *Auction Participant* receives a confirmation. If an irregularity occurs during the entry and modification of the *Bid*, the *Bid* will be rejected, and the *Auction Participant* will be notified of the reason for rejecting the *Bid* via a message on the *Auction Platform*. The last accepted *Bids* and last modification of the *Bid* shall be binding on the *Auction Participant*.

Confirmation of receipt of *Bids* at the *Auction Platform* is the decisive criterion in deciding whether the *Bid* has been submitted within the deadline set for the submission of the *Bids*. The *Auction Participant* is responsible for the forehand delivery of *Bids* and/or its modifications to the *Auction Office*.

*Bids* which do not fulfill any of the requirements stated in the *Auction Rules* shall be excluded and shall not be included among *Bids* that will be processed by the Auction Algorithm.

*Users* can submit data to the *Auction Platform* (or receive data from it) in two ways:

- via electronic forms (html),
- through the XML file.

### **Article 5.2 Access to the Auction Platform**

The *Auction Platform* is available to all *Auction Participants* who have a web browser, a user account obtained from the *Auction Office* and a *Token* with electronic certificate on it.

Each *Auction Participant* is required to use *Token* and a user account to access the *Auction Platform* and to perform business transactions through the Auction Platform.

The *Auction Office* will provide two (2) *Tokens* to each new *Auction Participant* who is licensed to participate in the electricity market in the Republic of Serbia.

The *Auction Office* will provide one (1) *Token* to each new *Registered Participant* who is not licensed to participate in the electricity market in the Republic of Serbia.

*Auction Participants* who have already received *Tokens* for participation in the *Auctions* conducted by *EMS* or for access to the *EMS* IT system for the administration of daily cross-border exchange plans, will use already activated *Tokens* also for access to the *Allocation Platform*, i.e. they will not be issued additional *Tokens*.

After the *Auction Office* confirms the registration of the *Auction Participant* (in accordance with Article 3.1.), the *Auction Office* opens a user account on the *Auction Platform* and issues *Token* to the *Auction Participant* within three (3) *Working Days*.

*Auction Participant* can acquire the *Tokens* in the following way:

- The representative of the *Auction Participant* can acquire the *Token* and password for the *Token* and sign the Statement on take over and use of the electronic certificate (see Annex 6) in person at the *Auction Office* (Vojvode Stepe 412, Belgrade, Serbia) every working day from 09:00 to 14:00h (CET) or
- The *Auction Office* may send by express mail a *Token* and three copies of the Statement on take over and use of the electronic certificate (see Annex 6) to the official address of the *Auction Participant*. After receiving the *Token* and documentation, *Auction Participant* signs three copies of the Statement on take over and use of the electronic certificate (see Annex 6) and submits two originals of the Statement to the *Auction Office* by mail. One original of the Statement remains with the *Auction Participant*. After the *Auction Office* receives the Statement, *Token* password will be sent to the *Auction Participant* by e-mail to the e-mail address specified in Appendix/Appendix 1 of the *Contract*.

*Auction Participant* is obliged to inform the *Auction Office* in which way he would like to receive the *Token*, one (1) *Working day* after receiving the registration confirmation.

*Auction Office* will activate the *Token* after receiving the original signed Statement on take over and use of the electronic certificate and send by e-mail the username and initial



password for access to the *Auction Platform* to the *Auction Participant*. After receiving the username information and the initial password, it is recommended that the *Auction Participant* changes the password.

The *Auction Participant* is obliged to keep all information related to access to the *Auction Platform* as personal and confidential and will be liable for any direct or indirect damages resulting from any unauthorized disclosure of such information. *Auction Office* is not responsible for any unauthorized use of the *Token*, username and password.

The *Auction Office* will have the right to prevent the *Auction Participant* from accessing the *Auction Platform*, in case it discovers any irregularities, which refer to: information about the *Auction Participant*, information about the certificate or expiration of the certificate, or in case that the *Contract* is no longer valid.

### **Article 5.3 Access to the Auction Platform via web service**

*Auction Office* may additionally, at the request of the *Auction Participant*, provide one (1) electronic certificate for access to the *Auction Platform* through the web service.

*Auction Office* will issue an electronic certificate for access to the *Auction Platform* through the web service three (3) *Working days* after receiving the request from the *Auction Participant*.

*Auction Participants* who have already received an electronic certificate for access to the *Auction Platform* through the web service will not be issued additional electronic certificates.

*Auction Participant* can acquire the electronic certificate for access to the *Auction Platform* through web service in the following way:

- The representative of the *Auction Participant* can acquire the electronic certificate and sign the Statement on take over and use of the electronic certificate (see Annex 6), in person at the *Auction Office* (Vojvode Stepe 412, Belgrade, Serbia) every working day from 09:00 to 14:00 (CET).

## **Section 6**

### **Specific Rules for the Yearly Auction**

In case of technical problems, the specific rules for yearly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by this Section may be replaced by the alternative rules specified in Annex 4. Information about use of the alternative yearly *Auction* procedure according to Annex 4 will be published by 12:00 (CET) on the last *Working Day* before the day for submission of *Bids* on the *Auction Platform*, according to the *Calendar of the Yearly Auction Procedure*, which is published on the *Auction Office* website (<http://www.ems.rs>), together with all other information regarding the enforcement of the alternative procedure of the yearly *Auction*. Furthermore, the *Auction Office* will notify the use of the alternative yearly *Auction* procedure to all *Auction Participants* by e-mail.

### **Article 6.1 Bids for the Reservation of Capacity in Yearly Auction**

The *Auction Office* will organize and execute the common *Auction* of the yearly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

The date of the yearly *Auction* is defined by the *Calendar of the Yearly Auction Procedure*.

Each *Bid* submitted to the yearly *Auction* must contain the following unambiguous and legible specifications:

- a) The identification of the *User*.
- b) The specification of the border and direction.
- c) *Reservation Period* (a year) to which the *Bid* refers.
- d) *Bids* with following specifications:
  - i. The amount of the required *Capacity* in MW without decimal places; the minimum amount of a single *Bid* is 1 MW. The maximum amount of a single *Bid* for the specific border and direction is 70 MW or is equal to the *Offered Capacity* in case the *Offered Capacity* is less than 70 MW.
  - ii. The *Bid Price* in EUR/MWh with a maximum of two decimals. The *Bid Price* has to be more than zero (minimum value is 0.01 EUR/MWh).

Each *Auction Participant* can deliver up to 10 (ten) *Bids* for specific border and direction.

For the yearly *Auction*, each *Auction Participant* is obliged to deliver its *Bids* in the *Auction Platform* from 09:00 till 13:00 (CET) in the Day for submitting *Bids* which is defined by the *Calendar of the Yearly Auction Procedure* with the exception of changing the closure time according to a business day regime change (see Article 5.1).

### **Article 6.2 Auction Proceeding**

All *Bids* which fulfill the above-mentioned requirements will be evaluated, and the *Auction Price* will be determined in accordance with the rules stated in Section 4.

In case there are no newly recognized technical limitations of *Capacity*, any remaining (unallocated) *Capacity* in the yearly *Auctions* will be offered in the monthly *Auctions*.

### **Article 6.3 Notification of the Results of an Auction**

The *Auction Office* announces results of yearly *Auction* on the *Auction Office* website (<http://www.ems.rs>) for each border and direction, no later than 17:00 (CET) on the day which is, according to the *Calendar of the Yearly Auction Procedure*, defined as the deadline for announcing the results of the yearly *Auction*:

- Border and direction specification,
- Total *Promise of Capacity*,
- Total requested *Capacity*,
- *Auction Price*,
- Number of *Auction Participants* in *Auction*,
- Number of *Auction Participants* in *Auction* who obtained the *Promise of Capacity*,



- Number of *Bids* placed in *Auction*.

Three *Working Days* after the deadline for publishing the results of the *Auction*, the *Auction Office* also announces:

- Graphs of prices from offers, i.e. tabular presentation of prices from offers,
- List of *Auction Participants* in *Auction* who obtained the *Capacity*.

Each *Auction Participant* can access the *Auction* results through the *Auction Platform*. In addition to the above mentioned general information, the *Auction Participant* has an insight into the status of its *Bids* (accepted, partially accepted or rejected), i.e. has an insight into the *Promise of Capacity* in MW in each *Reservation period* individually for each *Auction*, through the *Auction Platform*.

## Section 7

### Specific Rules for Monthly Auction

In case of technical problems, the specific rules for monthly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by this Section may be replaced by the alternative rules specified in Annex 4. Information about use of the alternative monthly *Auction* procedure according to Annex 4 will be published by 12:00 (CET) on the last *Working Day* before the deadline day for submission of *Bids* on the *Auction Platform*, according to the *Calendar of the Monthly Auction Procedure*. This information is published on the *Auction Office* website (<http://www.ems.rs>). Furthermore, the *Auction Office* will notify the use of the alternative monthly *Auction* procedure to all *Auction Participants* by e-mail.

#### Article 7.1 Bids for the Reservation of Capacity in Monthly Auction

The *Auction Office* will organize and execute the common *Auction* of the monthly available *Capacity* electronically in the *User* environment of the *Auction Platform*.

The dates of the monthly *Auctions* are defined by the *Calendar of Monthly Auction Procedures* which are published on the website of the *Auction Office* (<http://www.ems.rs>).

Each *Bid* submitted to the monthly *Auction* must contain the following unambiguous and legible specifications:

- a) The identification of the *User*.
- b) The specification of the border and direction.
- c) *Reservation Period* (a month) to which the *Bid* refers.
- d) *Bids* with following specifications:
  - i. The amount of the required *Capacity* in MW without decimal places; the minimum amount of a single *Bid* is 1 MW. The maximum amount of a single *Bid* for the border and direction is 70MW or is equal to the *Offered Capacity* in case the *Offered Capacity* is less than 70 MW.
  - ii. The *Bid Price* in EUR/MWh with a maximum of two decimals. The *Bid Price* has

to be more than zero (minimum value is 0.01 EUR/MWh).

Each *Auction Participant* can deliver up to 10 (ten) *Bids* for the specific border and direction.

For the monthly *Auction*, each *Auction Participant* is obliged to deliver its *Bids* in the *Auction Platform* from 09:00 till 13:00 (CET) in the day for submitting *Bids*. For the monthly *Auctions* deadlines for submitting *Bids* are specified in the *Calendar of Monthly Auction Procedures*, which is published on the website of the *Auction Office* (<http://www.ems.rs>), with the exception of changing the closure time according to a business day regime change (see Article 5.1).

### **Article 7.2 Auction Proceeding**

All *Bids* which fulfill the above-mentioned requirements will be evaluated, and the *Auction Price* will be determined in accordance with the rules stated in Section 4.

In case there are no newly recognized technical limitations of *Capacity*, any remaining (unallocated) *Capacity* in the monthly *Auctions* will be offered in the daily *Auctions*.

### **Article 7.3 Notification of the Results of an Auction**

The *Auction Office* announces results of monthly *Auction* on the *Auction Office's* website (<http://www.ems.rs>) for each border and direction, according to the *Calendar of Monthly Auction Procedures*, no later than the deadline for publishing the results of the relevant monthly *Auction*:

- Border and direction specification,
- Total *Promise of Capacity*,
- Total requested *Capacity*,
- *Auction Price*,
- Number of *Auction Participants* in *Auction*,
- Number of *Auction Participants* in *Auction* who obtained the *Promise of Capacity*,
- Number of *Bids* placed in *Auction*.

Three (3) *Working Days* after the deadline for publishing the results of the *Auction*, the *Auction Office* also announces:

- Graphs of prices from offers, i.e. tabular presentation of prices from offers,
- List of *Auction Participants* in *Auction* who obtained the *Capacity*.

Each *Auction Participant* can access the *Auction* results through the *Auction Platform*. In addition to the above mentioned general information, the *Auction Participant*, has an insight into the status of its *Bids* (accepted, partially accepted or rejected), i.e. has an insight into the *Promise of Capacity* in MW in each *Reservation period* individually for each *Auction*, through the *Auction Platform*.

## Section 8

### Payment

#### Article 8.1 General Provisions

The relevant currency for invoicing is EUR. The payment is executed in EUR for non-Serbian *Auction Participant*, and in RSD for Serbian *Auction Participants* using the middle exchange rate of the National Bank of Serbia on the day of payment.

The date of payment or settlement of payment is the date upon which the given amount is credited to the account of the *Auction Office*. This date also represents advance invoice issuing date that the *Auction Office* is obliged to issue to the *Auction Participant* with registered office in Republic of Serbia. On the first following day after using the *Allocated Capacity*, the *Auction Office* issues an invoice to the *Auction Participant*.

Proforma invoices have to be paid no later than on the due date stated on the invoice, free of charge and without deduction. The *Auction Participant* shall not be entitled to offset any amount, or withhold any debts arising in connection with obligations resulting from an *Auction*, against any claims of the *Auction Office*, whether or not arising out of an *Auction*.

The *Auction Office* will invoice the *Auction Participant* for amounts due resulting from the *Promise of Capacity to Auction Participant*, rounded to two decimal places. The *Auction Office* will adjust the amount due for payment in case of an increase or decrease in the amount, or the introduction or exemption of taxes, duties, or other similar situations.

Original pro-invoices/invoices are sent to the *Auction Participant* by mail or e-mail. In case of sending the original pro-invoice / invoice by mail, copies of the pro-invoice / invoice are sent by e-mail on the day of issue indicated on the pro-invoice / invoice.

All bank fees connected with the payments resulting from participation in *Auction* procedure have to be paid by the *Auction Participant*. Bank fees of the intermediary bank (if applicable) will be covered by the *Auction Participant*.

In case of delayed payment, the *Auction Office* is entitled to charge interest rates on the amount due for each day which has commenced during the delay. The daily interest rate for payments in EUR is set regularly on the first *Working Day* of each calendar month of the year as an amount equaling (1M EURIBOR + 3%) p.a. calculated using pro-rata method. The daily interest rate for payments in RSD is the interest rate for non-fulfillment of obligations, calculated in compliance with the law.

Each payment is identified by the payment identification number, which is the number of the proforma invoice. The payments shall match the amount of the debt (*i.e.* the amount indicated on the relevant issued invoices) through the payment identification number stated as a number on the proforma invoices and the settled/paid amount. In case the amount of the payment and payment identification number of the payment differs from the invoiced data, the debt is considered as unpaid until its final manual clearance.

**The following VAT modes will be used:**

For Auction Participants with registered office in Republic of Serbia:

- VAT as given by Serbian law mode. In this model, the *Auction Office* will charge VAT on the payment and will show it separately on the proforma invoice. The *Auction Participant* will pay the total amount in EUR, VAT included, according to the note given in the invoice.

For Auction Participants with registered office outside of the Republic of Serbia:

- No VAT is charged. In this mode, the *Auction Participants* must provide the *Auction Office* with their European or national VAT Number and are obliged to settle the VAT with the national tax office.

If the *Auction Participant* does not fulfill or only partially fulfills any obligation resulting from the *Contract* in due time, especially if the *Auction Participant* does not pay the full *Auction Price* within the time limits set out in the *Auction Rules*, the *Auction Office* is entitled to enforce the termination of the *Contract* and hold the *Auction Participant* liable to pay the amount due for the *Promise of Capacity*, interests, charges and expenses arising from the enforcing of the termination of the *Contract*.

The *Auction Participant* shall not be entitled to offset and/or partially pay debts arising in connection with obligations resulting from an *Auction* to any claim of *EMS* and/or *CGES* whether or not arising out of an *Auction*.

**Article 8.2 Payment for Yearly Auction**

Payment for the *Promise of Capacity* on yearly *Auction* will be made on the basis of the proforma invoices issued by the *Auction Office*, in twelve monthly amounts/installments rounded to two decimals. Each amount is to be paid for the respective month in advance.

Following the payment of the monthly amount by the *Auction Participant*, the *Promise of Capacity* will be considered *Allocated Capacity* for the following calendar month.

The yearly *Auctions* proforma invoice is issued on the day defined by the *Calendar of the Yearly Auction Procedure* as the day for issuing the proforma invoice for the relevant month. The due date of the proforma invoice payment is defined in the *Calendar of the Yearly Auction Procedure* as the deadline for payment for the relevant month.

If the *Auction Participant* does not make the payment based on the proforma invoice for the yearly *Auctions* by the due date of the pro forma invoice for the relevant month, the *Auction Office* will warn him by e-mail that the payment was not made in a timely manner.

If, despite the warning, the *Auction Office* does not receive payment by the end of the second *Working Day* from the deadline for the arrivement of the proforma invoice for the relevant month, the *Auction Participant* loses the *Promise of Capacity* gained by way of the yearly *Auction* for the relevant month, as well as for the remaining months in the current calendar year. In this case the participation of *Auction Participant* in monthly and daily *Auctions* will be suspended until the day when the *Auction Participant* settles the obligations and makes all payments due for payment.

The released *Capacity* will be included in the *Offered Capacities* in subsequent *Auctions*.

### **Article 8.3 Payment for Monthly Auction**

Payment for the *Promise of Capacity* on monthly *Auction* will be made on the basis of an invoice for the monthly amount issued by the *Auction Office*. Monthly amounts are paid for the respective month in advance.

Following the payment of the monthly amount by the *Auction Participant*, the *Promise of Capacity* will be considered *Allocated Capacity*.

The monthly *Auctions* proforma invoice is issued on the day defined by the *Calendar of the Monthly Auction Procedure* as the day for issuing the proforma invoice for the relevant month. The due date of the invoice payment is defined in the *Calendar of the Monthly Auction Procedure* as the deadline for payment for the relevant month.

If the *Auction Participant* does not make the payment based on the proforma invoice for the monthly *Auctions* by the due date of the proforma invoice for the relevant month, the *Auction Office* will warn him by e-mail that the payment was not made in a timely manner.

If, despite the warning, the *Auction Office* does not receive payment by the end of the second *Working Day* from the deadline for the arrivement of the proforma invoice for the relevant month, the *Auction Participant* loses the *Promise of Capacity* gained by way of the monthly *Auction* for the relevant month. In this case the participation of *Auction Participant* in monthly and daily *Auctions* will be suspended until the day when the *Auction Participant* settles the obligations and makes all payments due for payment.

The released *Capacity* will be included in the *Offered Capacities* in subsequent *Auctions*.

## **Section 9**

## **Return of Yearly Capacity Rights**

### **Article 9.1 General Provisions**

The Right holder of the *Allocated Capacity* at the yearly *Auction* may return part or all amount of the *Allocated Capacity* to the *Auction Office* for reallocation at the subsequent monthly *Auction*.

Returned *Allocated Capacity* shall be a constant band of whole MW(s) over the specific timeframe of the subsequent monthly *Auction*.

The minimum volume for a returned *Allocated Capacity* shall be one (1) MW over the specific timeframe of the subsequent monthly *Auction*.

*Auction Office* shall make the volumes of returned yearly *Allocated Capacity* available at the subsequent monthly *Auction* increasing the *Offered Capacity* announced in the provisional *Announcement of Auction Capacities*.

## **Article 9.2 Process of the return**

*Yearly Capacity* Right holder(s) wishing to return their *Allocated Capacity* shall send a notification, via the *Auction Office* to the *Auction Platform* no later than the deadline specified in the *Calendar of the Monthly Auction Procedure* for the subsequent *Auction* to which the *Allocated Capacity* is to be returned.

The deadline for submitting a request to return capacity rights is from 08:00 to 11:00 (CET) on the day preceding the day of the monthly *Auctions*.

A valid notification of the return shall contain the following information:

- *EIC code* of the *Allocated Capacity* Right Holder;
- identity of the subsequent monthly *Auction* to which the *Allocated Capacity* is returned; and
- the volume of the *Allocated Capacity* for return.

In order to be able to return *Allocated Capacity*, *Allocated Capacity* Right Holder shall:

- send the notification before the deadline, and
- fulfil or secure its financial obligations pursuant to these *Auction Rules*

If the requirements set forth in previous paragraph of this Article are fulfilled, the *Allocation Office* shall send without undue delay a notification to the Registered Participant via the *Auction Platform* containing a message confirming the acceptance of the return or a message of rejecting the return.

If the return is accepted, the *Allocation Platform* shall decrease the total volume of the *Allocated Capacity* held by the respective *Allocated Capacity* by the amount returned.

*Allocated Capacity* Right Holder wishing to modify their return, shall send a notification via the *Auction Platform* with the adjusted volume of the *Allocated Capacity* to be returned before the deadline for return of *Allocated Capacity*. Where the volume of the *Allocated Capacity* to be returned is adjusted to zero (0) MW, the related return shall be deemed as cancelled.

If the *Auction Platform* is unable to register a return as set forth in this Chapter, the *Auction Platform* may apply a fallback procedure for data exchange. In case of fallback procedure for return is technically possible, *Allocated Capacity* Right request for the return of *Allocated Capacity* in yearly *Auctions* shall be submitted via email within the deadlines and under the conditions specified in point 9.2 of these *Auction Rules*.

## **Član 9.3 Renumeration of *Allocated Capacity* returned to the *Auction Office***

*Allocated Capacity* Right Holder(s) who returned to the *Auction Office* *Allocated Capacity* are entitled to receive a remuneration equal to the value of the marginal price set during the relevant subsequent monthly *Auction(s)* calculated for each hour as follows:

- the Marginal Price of the *Auction* at which the returned *Allocated Capacity* was reallocated in Euros/MW per hour multiplied by



- the amount of MW which was reallocated.

On return the *Auction Participant* ceases to be holder of *Allocated Capacity* for the returned amount of *Allocated Capacity*. This means that all rights and obligations of the *Auction Participant* connected to the returned amount of *Allocated Capacity* cease to be valid. All rights and obligations of the *Auction Participant* related to the not returned proportion of *Allocated Capacity* will remain unaffected.

The *Auction Office* will deliver the notification of the sold capacity to the *Auction Participant* in accordance with the *Calendar of the Yearly Auction Procedure* published on [www.ems.rs](http://www.ems.rs).

The *Auction Participant* will send the Invoice for the returned right to the annual capacity to the *Auction Office*, including all elements prescribed by the laws applicable in the Republic of Serbia.

The invoice for the returned right to the annual capacity shall be issued on the date defined by the *Calendar of the Yearly Auction Procedure* as the invoice issuance date for the relevant month. The payment due date is defined by the *Calendar of the Yearly Auction Procedure* as the final deadline for payment for the relevant month.

The invoice must be submitted by email or through the e-invoicing system in accordance with the law.

The *Auction Office* will pay the fee for the returned *Allocated Capacity* to all participants proportionally to the returned yearly *Allocated Capacity*, up to the amount of funds collected from the monthly *Auctions*.

Bank fees charged by intermediary banks (if any) shall be borne equally by the *Auction Participant* and the *Auction Office*.

## Section 10

### Use of the Allocated Capacity

#### Article 10.1. National conditions

The general network access rules for the use of the *Allocated Capacity* are not covered by the *Auction Rules* unless otherwise stated in the following provisions.

*EMS* and *CGES* will perform the electricity transmission service according to the results of the *Auction* and in accordance with the regulations relating to accessing the transmission system in each of the *Bidding Zone* and in accordance with the applicable market rules of *EMS* and *CGES*.

Following the reservation of *Capacity* at the *Auction*, *EMS* and *CGES* undertake to ensure that the *Allocated Capacity* is guaranteed to the *Auction Participant*, except in case of *Force Majeure* and / or unplanned conditions in the system.

*TSOs* shall determine the following preconditions for the use of the *Allocated Capacity*:

- **On EMS side** - Legal person or entrepreneur who has concluded a contract on balance responsibility with *EMS* - Serbian *ITR*,
- **On CGES side** - Legal or natural person, i.e. entrepreneur, registered with the *TSO* and market operator as a participant in the Montenegrin market in accordance with market rules, i.e. concluded a balance liability agreement with the market operator and the *TSO* - Montenegrin *ITR*.

that is, only *ITRs* (parties responsible for interconnection exchange) can nominate *Allocated Capacity*.

### **Article 10.2. Nomination of the Allocated Capacity**

Nomination of the *Allocated Capacities* shall be made in accordance with the requirements specified in Article 10.1.

In case of *Allocated Capacities* at yearly and monthly *Auctions*, cross-border exchange plans related to the Serbia-Montenegro border must be received by *CGES* and *EMS* during the time period for submission of the cross-border exchange plans for the next day, based on *Allocated Capacities* at yearly and monthly *Auctions*, in accordance with the applicable market rules of each *TSO*. The submission of the cross-border exchange plan for the next day on the basis of *Allocated Capacity* at yearly and monthly *Auctions* is made through one or more transactions, in one direction, where one of the participants in the transaction is always *ITR* who has *Allocated Capacity* or to whom *Allocated Capacity* was transferred ("M:N"- submission of the daily plans). The end period for the submission of the cross-border exchange plans according to the *Allocated Capacities* at the yearly and monthly *Auctions* is 08:00 (CET). Changes in cross-border exchange plans made by Serbian and Montenegrin *ITRs* after this time are prohibited. Use of the *Allocated Capacity* is based on the "use it or lose it" principle, which means that the *Allocated Capacity* from the yearly and monthly *Auctions* that is not used through the application of cross-border exchange plans will be made available to *Auction Participants* in the daily *Auction*.

*CGES* and *EMS* are obliged to compare the submitted individual fixed cross-border exchange plans at the common border. If there is a difference, *CGES* and *EMS* will allow Serbian and Montenegrin *ITRs* to amend the submitted cross-border exchange plans by the deadline for submitting the long-term cross-border exchange plans at 08:30 (CET). If there are still disagreements at the deadline time for submission of the cross-border exchange plans for long-term *Allocated Capacities*, *CGES* and *EMS* will amend the submitted cross-border exchange plans in accordance with the following rules:

- when the values differ, the lower value is taken,
- when the value from the cross-border partner is missing, or the directions are not correct, zero values are taken.

At the time the reconciliation process expires, the fixed cross-border exchange plans will be fully accepted, partially accepted or rejected (zero value (0) is accepted) in accordance with the result of the reconciliation.



**Article 10.3. Use it or Sell It / (UIOSI) principle**

Za svaki dan, sav nenominovani godišnji i mesečni Dodeljeni kapacitet, se automatski uzima u obzir za proračun ATC na dnevnim aukcijama i refundira se vlasniku Dodeljenog kapaciteta.

For each day, all non-nominated yearly and monthly *Allocated Capacity* is automatically taken into account for the ATC calculation in daily *Auctions* and refunded to the Right Holder of the *Allocated Capacity*.

For Right Holders of yearly and monthly *Allocated Capacity*, the fee for non-nominated yearly and monthly *Allocated Capacity* is calculated as the difference between the *Allocated Capacity* in the yearly and monthly *Auctions* and the value of the adjustment results, multiplied by the price achieved in the daily *Auctions* for the corresponding hour. The price in the daily *Auctions* is defined by the *Daily Auction rules between CGES and EMS*.

EMS will electronically deliver to the Right Holders of *Allocated Capacity* a notification about the capacity that remained non-nominated and was sold in the daily *Auctions*, as well as the total amount of compensation in euros, in accordance with the “Use it or Sell it” principle. The notification will be sent no later than the first working day of the following month and will refer to the *Allocated Capacity* and compensation rights for the preceding month. Upon receiving this notification, but no later than the sixth calendar day of the following month, the Right Holders of *Allocated Capacity* shall issue an invoice to EMS containing all elements prescribed by the laws applicable in the Republic of Serbia. This invoice shall be issued with a payment due date defined by the *Calendar of the Monthly Auction Procedure* as the final deadline for payment for the relevant month.

Payment for the *Allocated Capacity* will be made non-discriminatorily (proportionally to the non-nominated yearly and monthly *Allocated Capacity*) in the amount of funds collected from the daily auctions, i.e., to the extent that CGES has collected the corresponding monetary funds from *Auction Participants* who purchased *Allocated Capacity* in the daily auctions.

In the event that the *Auction Office* does not receive the full amount from CGES necessary to fully compensate the Right Holders of *Allocated Capacity* in accordance with the “Use it or Sell it” principle, the compensation will be made on a pro-rata basis, proportional to the total amount of financial compensation of each owner of yearly and monthly capacity. Upon receipt of the full amount, the *Auction Office* will issue a new Notification of sold capacity to the respective Right Holders of *Allocated Capacity* for the remaining payment based on the “Use it or Sell it” principle.

The invoice must be submitted by email or through the e-invoicing system in accordance with the law.

Bank fees charged by intermediary banks (if any) shall be borne equally by the Right Holders of *Allocated Capacity* and the *Auction Office*.

If, for any reason, the Information System or devices used by EMS and/or CGES and/or the EMS and/or CGES website are interrupted and/or suspended, resulting in the inability to allocate non-nominated yearly or monthly *Allocated Capacity* in the daily auctions, the

“Use it or Sell it” principle cannot be applied, and the Right Holders of *Allocated Capacity* for non-nominated yearly and monthly *Allocated Capacity* will not receive compensation for the non-nominated yearly and monthly *Allocated Capacity* due to the impossibility of conducting the daily auction.

If capacity restrictions are imposed in cases of Emergency Situations or Force Majeure, after the deadline for the long-term coordination processes has expired and before the daily auction results are published, the non-nominated yearly and monthly *Allocated Capacity* that is not subject to restriction will be compensated based on the “Use it or Sell it” principle.

## **Section 11**

### **Transfer of Allocated Capacities**

#### **Article 11.1 General Provisions**

The *Capacity* transfer will be provided for *Capacity* allocated in yearly or monthly *Auctions*. Only *Allocated Capacity* is freely transferable.

The *Transferor* and the *Transferee* accept that all rights and obligations arising from these *Auction Rules* (with the exception of the obligation to pay for *Allocated Capacity* and the right to compensation according to Article 12.2) are transferred together with the *Capacity*.

The transfer of *Allocated Capacity* may be realized only if the *Auction Participant* who wishes to transfer *Allocated Capacity* - *Transferor* has fully paid for the allocation of yearly/monthly *Capacities* for the relevant month for which the transfer of *Capacity* is accomplished.

The *Auction Platform* contains data on the *Allocated Capacity* of each *Auction Participant*. Everything related to *Capacity* (*Auction*, transfer of rights) is stored and identified by a unique number and date when they were created.

The *Allocated Capacity* can be transferred at daily level (one or more calendar days starting from 00:00 of the first day till 24:00 (CET) of the last day for which *Capacity* is allocated).

The *Auction Participant* may transfer *Allocated Capacity* in full (the total amount of *Allocated Capacity* in MW for all the hours of the day) or partially (a part of the *Allocated Capacity* in MW for all the hours of the day). This means that only one (same) value of *Capacity* can be transferred in one day for each hour in that day.

The minimum value of a *Capacity* that can be transferred from one *Auction Participant* to another is 1 MW. The *Capacity* used should not exceed the *Allocated Capacity* (gained at the *Auction*), i.e. the *Capacity* that the *Transferor* has at the time of transfer.

#### **Article 11.2 Capacity Transfer via Auction Platform**

The *Auction Participant* who possesses *Allocated Capacity* shall transfer the *Capacity* to another *Auction Participant* or to several other *Auction Participants* via *Auction Platform*.

*Capacity* transfer can be performed every day starting from 12:00 (CET) six days before the first day of the corresponding month but not later than 12:00(CET) three days before the first day of usage of the *Allocated Capacity*. After this deadline transfer of *Allocated Capacity* is not possible.

*Transferor* shall submit a transfer request directly in the *Auction Platform*. *Transferee* must confirm *Allocated Capacity* transfer in the *Auction Platform* within 4 hours after the transfer request has been submitted. Otherwise, the transfer of *Capacity* is automatically canceled. Before the confirmation of the *Capacity* transfer, the *Transferee* is obliged to check with the *Auction Office* whether the *Transferor* has settled the financial obligations for that *Capacity*. In case the *Transferor* has not paid for the received *Capacity*, the *Auction Office* will cancel such transfer. This rule also applies to all transfers arising from the initial *Capacity* transfer.

*Capacity* transfer confirmed by both *Auction Participants* in *Auction Platform* shall be binding for both *Auction Participants* and after its submission to the *Auction Office* it cannot be changed or withdrawn.

*Auction Office* will reject *Capacity* transfer confirmed in the *Auction Platform* by *Auction Participants* in case that transfer is not valid or *Promise of Capacity* was not paid by *Transferor*. This applies also for consecutive transfers of the same *Capacity* when *Auction Participants* did not previously contact *Auction Office* by e-mail or telephone to check whether the submitted transfer is possible, i.e. whether the *Capacity* transfer is valid.

All *Allocated Capacity* transfer history will be stored in the *Auction Platform*.

### **Article 11.3 Backup Procedure for Capacity Transfer**

The rules for *Capacity* transfer organized electronically in the *User* environment of the *Auction Platform* defined in this Section may be replaced in case of technical problems with the following backup procedure for *Capacity* transfer.

All *Users* of the *Auction Platform* will be informed, without undue delay, of non-availability to execute *Capacity* transfers via *Auction Platform*.

The *Auction Participants* executing the *Capacity* transfer are obliged to submit to the *Auction Office* a joint request for the *Capacity* transfer separately for the *Capacity* allocated in each *Auction* which has unique identification number. With this number each *Auction* in the *Auction Platform* is unambiguously designated concerning its *Reservation Period*, border and direction.

The request for the transfer of *Capacity* is submitted exclusively in writing, by filling in the form of the “Request for Capacity Transfer in case of Backup procedure” (see Annex 3) published also on the *Auction Office* web site. The completed form of the relevant Request for *Capacity* transfer shall be delivered to the *Auction Office* by fax and by sending an e-mail (scanned copy) to the fax number and e-mail address assigned for *Capacity* Transfer (see Annex 2). The form of the Request for Capacity Transfer shall be filled in properly with all required data about the *Transferor* and the *Transferee*, with signatures of authorized persons of both *Auction Participant(s)*. The Request for Capacity Transfer without all the required data

for both *Auction Participant(s)* will not be taken into consideration and it will be rejected.

Request for Capacity Transfer delivered to the *Auction Office* shall be binding for both *Auction Participants* and after its submission to the *Auction Office*, it cannot be changed or withdrawn. Within one *Working Day* after the receipt of the Request for Capacity Transfer, the *Auction Office* will respond in writing to the submitted Request for Capacity Transfer. The *Auction Office* will send the reply by e-mail to the *Transferor*, as well as to the *Transferee* by fax or e-mail.

Deadline for transferring the Capacity is three *Working Days* before first day of usage of *Capacity* at 12:00 (CET).

## **Section 12**

### **Capacity Curtailment**

CGES and EMS as *TSOs* have undertaken to guarantee the *Allocated Capacity*, except in the cases specified in this Section.

The *Offered Capacity* may be limited before the announcement of the *Auction* results.

The *Offered Capacity* or *Capacity* allocated at the *Auction* may be limited for any individual or for all hours during the day in case of *Emergency Situation* or *Force Majeure*, the elimination of which is not feasible for the affected *TSO* and when the *TSO* must react urgently.

*TSOs* shall take all measures and manage actions, such as redispatching, to resolve *Emergency Situations* or *Force Majeure* and enable *Auction Participants* or *ITRs* to use their *Allocated Capacities*.

#### **Article 12.1 Priority order for Capacity Curtailment**

In case of Capacity Curtailment, the following order will be used:

- a) *Capacity* allocated in intraday *Auction*
- b) *Capacity* allocated in daily *Auction*.
- c) *Promise of Capacity* in monthly *Auction*
- d) *Promise of Capacity* in yearly *Auction*

Proportional *Capacity* curtailment will be used within each of the above *Capacity* groups. Any *Capacity* remaining to the *Auction Participant / ITR* after a proportional curtailment is rounded down to an integer value.

The *Capacity* curtailment notification is published by the *Auction Office* based on the decision of the *TSO* (if the curtailment was not published by the *Auction Office*, the *Auction Participant/ITR* will be notified by the *TSO* to whom the *Emergency Situation* or *Force Majeure* occurred). The *Auction Office* is obliged to immediately inform all *Auction Participants* on the *Auction Platform* and on the *Auction Office* website about the date, duration and possible extension of the *Capacity* curtailment, including details about the

reasons that caused the *Emergency Situation* or *Force Majeure*, and the need to submit a new corrected cross-border exchange plan at the affected border by applying the modified value of the *Allocated Capacity* after the *Capacity* curtailment.

*TSOs* must also, without delay, notify by e-mail all *Auction Participants/ITRs* whose *Capacity* (acquired through participation in the *Auction* or transfer of *Capacity*) is curtailed.

Each *TSO* is responsible for the realisation / restriction of the submitted cross-border exchange plans in accordance with the relevant national rules.

### **Article 12.2 Compensation for the Allocated Capacity Curtailment**

In case of *Capacity* curtailment due to *Force Majeure*, the *Auction Participant* whose *Capacity* is curtailed is not entitled to any compensation by the *Auction Office*.

In the event of a *Capacity* curtailment due to *Emergency Situations*, to each *Auction Participant* whose *Allocated Capacity* has been curtailed, the *Auction Office* will pay a *Capacity* curtailment compensation. The amount of compensation is calculated as the value of limited MW multiplied by the hours the *Capacity* curtailment lasted and the *Auction Price*.

The *Auction Office* is obliged to inform all relevant *Auction Participants*, without delay, about the scope of restrictions and the amount of compensation that will be paid to them. The *Auction Participant* is obliged to submit a request for compensation for the amount forwarded to him by the *Auction Office*, and it will be settled by the eighth *Working Day* after the original request is forwarded to the *Auction Office*.

The *Auction Office* will pay the fee based on the request submitted by the *Auction Participant* for the *Allocated Capacity*. Payment of any other compensation and damages is excluded.

## **Section 13**

### **Miscellaneous**

#### **Article 13.1 Liability**

The *Auction Office* shall be liable for damage caused by gross negligence or willful misconduct of the *Auction Office*. In such a case the following rules apply: Claims for damages arising out of or related to these *Auction Rules* are limited to the damages typical and foreseeable. The *Auction Office* shall not be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind. The liability of the *Auction Office* shall be limited to € 5 000 in total for a *Auction Participant* and a year.

The same limitations apply to *EMS* (in its function as *TSO*) and *CGES*, should they be considered liable despite the fact that the *Contract* is concluded between the *Auction Office* and the *Auction Participant*. In this case, the limit of € 5 000 counts for the *Auction Office*, *EMS* (in its function as *TSO*) and *CGES* together.

The amount for compensation in case when curtailment is paid according to Article 12.2 is excluded from the above mentioned limitation.

The *Auction Office* undertakes to professionally carry out its duties and comply with its obligations under these *Auction Rules* and as a responsible company and *TSO*, in accordance with the applicable laws and regulations in the electricity sector. *TSOs* have undertaken a similar obligation vis-à-vis the *Auction Office*.

### **Article 13.2 Communication**

The contact persons of *Auction Office* appointed for communication are listed in Annex 2.

The *Auction Office* and each *Auction Participant* have the right to change the list of contact persons.

The *Auction Office* is obliged to announce each change to the list of contact persons on the web site and inform *Auction Participants* by fax or e-mail. The new contact details of *Auction Office* will be considered official on the *Working Day* following the transmission of the fax or e-mail. The *Auction Participant* shall announce the change in accordance with Article 3.1 hereto.

These *Auction Rules* and all related notices, legal procedures, and communications thereunder, and the dispute settlement procedures provided in Article 12.4 of *Auction Rules*, shall be carried out in Serbian, to the extent permitted by law and regulations relating directly or indirectly to these procedures.

Unless otherwise stated in *Auction Rules*, the delivery of the e-mail shall be considered executed the moment the sender is confirmed that the e-mail has been delivered to the recipient and / or the recipient acknowledges receipt of the same.

In case of difficulties while using e-mail, notices may be served by fax, hand delivery, courier or post; and the service will be deemed as effective on the date of receipt.

In case of any uncertainty, the *Auction Participants* or the *Auction Office*, is entitled to ask the sending party to repeat the effort.

The entire communication with the *Auction Platform* will be archived by the *Auction Office*. Each *Auction Participant*, as well as the *Auction Office*, undertakes herein not to dispute or claim as invalid any action carried out via the *Auction Platform* in accordance with these *Auction Rules*, on the basis that the respective acts have been done in the form of an electronic data exchange. Furthermore, each *Auction Participant*, as well as the *Auction Office*, state that they shall consider the *Auction Office* data logs from the databases of the *Auction Office* made in line with these *Auction Rules*, to be reliable evidence, unless it is proved otherwise.

A *Time Stamp* is attached to every message leaving the *Auction Platform* or received by the *Auction Platform*. The *Time Stamp* uses the system time as that from the *Auction Platform*.

If the *Auction Platform* or the website <https://damas.ems.rs> is interrupted or suspended, all relevant *Users* of the *Auction Platform* will be informed, without undue delay, of the interruption or suspension of the *Auction Platform*.



### **Article 13.3 Data Security and Protection**

Commercial data transferred from the *Auction Participant* to the *Auction Platform* through the internet is secured by means of encryption. Each *Auction Participant* must have its own electronic certificate to access the *Auction Platform*. A standard PKI (Public Key Infrastructure) is used to exchange business data. This mechanism enables the authorization of transactions and subsequent identification of *Auction Participant* who entered data into the *Auction Platform* or who executed specific operations. All operations done via the *Auction Platform* system are registered with the information of *Auction Participant* and *Time Stamp*.

Each *Auction Participant* undertakes to follow all the security rules specified in the *Auction Rules*. In particular, the *Auction Participant* undertakes to make sure that:

- The *Auction Platform User* entitled to submit *Bids* keeps his private key in a manner so that no other person can get access to the key;
- The *Auction Platform User* entitled to submit *Bids* must use his private key and a certificate exclusively in line with the *Auction Rules*;
- The *Auction Platform User* entitled to submit *Bids* is obliged inform the *Auction Office* immediately of any disclosure or possible disclosure of his private key.

The *Auction Office* is entitled to process all data of the *Auction Participant* and the *Auctions* and to send it to *TSOs* and to publish it according to the terms of these *Auction Rules*.

For the rest, *TSOs* undertake not to use or otherwise process the data they obtained pursuant to these *Auction Rules* for any purpose except those strictly required for the performance of the obligations hereunder. Also, they will not disclose any of the information or related information to any third party other than those who, in accordance with the law, have the right to request data, and who have appropriately taken over the obligation to maintain the confidentiality of the data.

### **Article 13.4 Dispute Resolution, Venue and Applicable Law**

The law of the Republic of Serbia is applicable to these *Auction Rules*.

In the event of any dispute or differences arising from the application of the *Contract* and the *Auction Rules* as its integral part or related to its violation, termination or becoming null or void, the *Auction Office* and the *Market Participant* shall endeavor to reach an amicable settlement. The party who invokes the existence of reasons for the dispute is obliged to submit to the other party a reasoned notification on the existence of reasons for the dispute which will state the violated article from the *Contract* and the *Auction Rules*, inviting the other party to resolve the dispute amicably.

In case that such a settlement is not reached within thirty (30) days of first notification of the reason for the disputes, the contracting parties agree that the dispute be resolved before the Commercial Court in Belgrade.

The place of realization of all obligations of the *Market Participants* that are the result of the *Contract* is the registered office of the *Auction Office*.

### **Article 13.5 Auction Rules Validity, Effectiveness and Changes**

The *Auction Rules* become valid after approval by the competent regulatory authorities, and are applied in the procedure of allocation of the available *Capacities* for 2021 and further in both directions on the border Serbia - Montenegro.

Rules on the application of a transparent procedure for congestion management and allocation of cross-border electricity transmission capacities ("Official Gazette of Montenegro", No. 54/2017 of 24 August 2017) will be applied to *Auctions* for *Capacity* allocation in both directions on the Serbia-Montenegro border, for the part that is under the jurisdiction of *CGES*, in case of termination of these Rules.sata

The principles of the *Auction Rules* could be changed and the *Auction Participants* will be informed in advance about changes.

If any provision of these *Auction Rules* is declared - in an arbitral, judicial or regulatory decision - to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected.

The same applies in case of an unintentional differences in these *Auction Rules*.

Prospective changes in the *Auction Rules* concerning yearly *Auctions* have to be published on the website of the *Auction Office* 10 days, at the latest, before the changes coming into force. Furthermore, all *Auction Participants* who already gained *Promises of Capacity* or *Allocated Capacity* in the *Auction* have to be informed by letter of the prepared changes. The *Auction Rules* for yearly *Auctions* may only be changed as an amendment reflecting changes in the generally binding EU regulations, *Energy Community Treaty* and/or national regulations.

The *Auction Office* is obliged to announce possible changes in the *Auction Rules* in the part relating to monthly *Auctions* and which may come into force, at the earliest, for the forthcoming monthly *Auction* 5 days, at the latest, before the day set for publishing *Offered Capacities* on the website of the *Auction Office*.

By accessing the *Auction* after the modifications and adaptations are published, the *Auction Participant* submits to the valid and effective version of the *Auction Rules*.

### **Article 13.6 List of Annexes**

Annex 1	Contract
Annex 2	List of Contacts
Annex 3	Request for Capacity Transfer in case of Backup procedure
Annex 4	Alternative Yearly and Monthly Auction Procedure
Annex 5	Complaint procedure
Annex 6	Statement on take over and use of the electronic certificate

The annexes shall constitute an integral part of *Auction Rules*.



## **Annex 1 Contract**

1. Joint Stock Company "Elektromreža Srbije" Belgrade, Kneza Miloša 11, registration number 20054182, PIB 103921661 (hereinafter: Auction Office or EMS AD), represented by Duško Aničić, Executive Director for Management and Market (authorization of the General Director of EMS AD No. \_\_\_\_\_ of \_\_\_\_\_ year)

2. XXXXX, in \_\_\_\_\_ Str. \_\_\_\_\_ registration number \_\_\_\_\_, PIB \_\_\_\_\_, EIC \_\_\_\_\_ (hereinafter: Auction Participant, represented by \_\_\_\_\_ (function of the person authorized to represent),

conclude:

### **Agreement on Participation in Auctions for the Capacity Allocation („Contract“)**

#### **Article 1. Subject of the agreement**

With this Agreement, the Auction Office and the Market Participant regulate their mutual relations regarding the exercise of the right of the Market Participant to participate in the Auctions for allocation of transmission capacities between the bidding zones of EMS AD Belgrade and CGES and rights and obligations in case of capacity allocation at the Auction, in accordance with the rules for yearly and monthly auctions for the allocation of transmission capacities between the bidding zones of EMS AD Belgrade (“EMS”) and Crnogorski elektroprenosni sistem ad (“CGES”) for 20\_\_ year.

The Auction Rules are published on the Auction Office’s website [www.ems.rs](http://www.ems.rs) and form an integral part of this Agreement.

Terms used in this Agreement have the same meaning as in the Auction Rules Definitions.

#### **Article 2. Market Participant Statement**

The Market Participant declares that he is fully acquainted with the Auction Rules and undertakes to respect and irrevocably accept, without any reservations and restrictions, the provisions of the Auction Rules, as well as possible published subsequent amendments to the Auction Rules of which the Market Participant will be notified in due time in accordance with Article 12.5 of the Auction Rules.

The Market Participant guarantees that the information in Appendix 1 of this Agreement is accurate and complete.

The Market Participant shall also declare that he is registered in accordance with the laws of the country of origin, that he has not gone bankrupt, that no liquidation proceedings have been instituted against it, that no judicial or other proceedings have been instituted against him that

could threaten compliance with the conditions specified in Auction rules, as well as that there are no outstanding debts to the Auction Office or CGES.

**Article 3.**  
**Obligations of the Auction Office and Market Participants**

The Auction office and the Market Participant undertake to perform their duties professionally and to act in accordance with their obligations under the Agreement and the Auction Rules which form an integral part of this Agreement.

**Article 4.**  
**Applicable Law and Dispute Resolution**

The law of the Republic of Serbia is applicable to this Agreement.

In case of disputes that may arise due to the application of the Agreement and the Auction Rules as its integral part or due to their violation, termination or invalidation, the Auction Office and the Market Participant shall endeavor to reach an amicable settlement. The party who invokes the existence of reasons for the dispute is obliged to submit to the other party a reasoned notification on the existence of reasons for the dispute which will state the violated article from the Agreement and Auction Rules, inviting the other party to resolve the dispute amicably.

In case that the Auction Office and the Market Participant do not reach an acceptable solution amicably within thirty (30) days from the first notification of the reason for the dispute, the contracting parties agree that the dispute be resolved before the Commercial Court in Belgrade.

The place of realization of all obligations of the Market Participants that are the result of this Agreement is the registered office of the Auction Office.

**Article 5.**  
**Data confidentiality**

The parties agree that the obligations defined in this Agreement and the information provided during the implementation of this Agreement are considered confidential and will not be disclosed or revealed to any third party.

If it is necessary to submit such information to state bodies, organizations and institutions, i.e. bodies of international organizations, of which the Republic of Serbia or EMS AD is a member, each party shall notify the other party in writing before submitting any information.

**Article 6.**

The list of authorized representatives of Market Participants (Appendix 1) is an integral part of the Agreement. Each Market Participant may change its list of authorized representatives or other information listed in Annex 1 of the Agreement by submitting a validly signed Annex 1 of the Agreement to the Auction Office.

**Article 7.**

This Agreement shall become valid upon signature by the authorized representatives of the Market Participants and the Auction Office and shall cease to be valid on December 31 20\_\_.

This Agreement is made in 3 (three) identical copies, of which 2 (two) for the Auction Office, and 1 (one) for the Market Participant.

For *Market Participant*

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

For EMS AD Belgrade

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

## **Annex 1 - Appendix 1**

### **A list of authorized representatives of the market participant**

The *Auction Participant* appoints the following persons to be authorized to act on behalf of *Auction Participant*:

- for signing the *Contract*

<b>Name</b>	<b>Telephone No.</b>	<b>Mobile phone No.</b>	<b>Fax No.</b>	<b>E-mail</b>

- for signing the Statement on take over and use of the electronic certificate (Annex 6) for a registered Auction Participant, in accordance with the *Auction Rules*.

<b>Name</b>	<b>Telephone No.</b>	<b>Mobile phone No.</b>	<b>Fax No.</b>	<b>E-mail</b>

- for submitting *Bids* to the *Auction Office*, including submitting *Bids* in case of alternative *Auction* procedure (in accordance with Annex 4)

<b>Name</b>	<b>Telephone No.</b>	<b>Mobile phone No.</b>	<b>Fax No.</b>	<b>E-mail</b>

- for financial issues

<b>Name</b>	<b>Telephone No.</b>	<b>Mobile phone No.</b>	<b>Fax No.</b>	<b>E-mail</b>

<b>Valid postal address for sending the Agreement:</b>	
<b>Valid postal address for sending the invoices:</b>	
<b>Official e-mail for sending invoices:</b>	

The *Auction Participant* declares that each *User* has been trained and has received

instructions in accordance with the applicable *Auction Rules*.

The *Auction Participant* undertakes to immediately notify the *Auction Office* in case of any changes identified in the table above.

For the *Auction Participant*

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

## **Annex 2 List of Contacts**

**Contracts** (see Annex 1) must be delivered by *Market Participants* to the *Auction Office* at the following address:

**EMS AD Belgrade**  
**Auction Office/ Electricity Market Directorate**  
**Vojvode Stepe 412**  
**1040 Belgrade**  
**Serbia**

For personal deliveries on the above mentioned address, filing office is open between 09:00 and 14:00 (CET) on *Working Days*.

Any confirmation issued by the filing office of the *Auction Office* confirms only the date and time of receiving of the document - not the document's accuracy or whether or not it is correct.

In case of executing backup procedure for *Capacity* transfers, *Auction Participant* has to submit **Request for Capacity Transfer in case of Backup procedure** (see Annex 3) to the following fax number, as well as scanned copy to the following e-mail address:

**EMS: +381 11 3970 695**     [alokacija@ems.rs](mailto:alokacija@ems.rs)

*Auction Participants* may use other types of communication with the *Auction Office* following fax numbers and contacts:

### **Auction Rules**

Ime i prezime	Broj telefona	Elektronska pošta	Faks broj
Nikola Tošić	+381 11 39 57 176	<a href="mailto:nikola.tosic@ems.rs">nikola.tosic@ems.rs</a>	+381 11 39 70 695
Marko Zarić	+381 11 39 57 016	<a href="mailto:marko.zaric@ems.rs">marko.zaric@ems.rs</a>	
Vladica Nikolić	+381 11 39 57 174	vladica.nikolic@ems.rs	

### **Registration of Auction Participants**

Name	Phone No.	E-mail	Fax No.
Jelena Pejović	+381 11 39 57 112	<a href="mailto:jelena.pejovic@ems.rs">jelena.pejovic@ems.rs</a>	+381 11 39 70 695
Jasmin Ličina		<a href="mailto:jasmin.licina@ems.rs">jasmin.licina@ems.rs</a>	



## Capacity Transfer

Name	Phone No.	E-mail	Fax No.
Auction Office	+381 11 30 91 876	<a href="mailto:alokacija@ems.rs">alokacija@ems.rs</a>	+381 11 39 70 695

## Auction Platform – User support (Auction Platform Operators)

– Monthly and Yearly *Auctions* operation and other operational issues

Name	Phone No.	E-mail	Fax No.
Ksenija Stefanović	+381 11 39 57 320	<a href="mailto:ksenija.stefanovic@ems.rs">ksenija.stefanovic@ems.rs</a>	+381 11 39 70 695
		<a href="mailto:darija.stankovic@ems.rs">darija.stankovic@ems.rs</a>	
Darija Stanković	+381 11 39 57 342	<a href="mailto:alokacija@ems.rs">alokacija@ems.rs</a>	

## Auction Platform – IT support

– Access to IT system, electronic certificates (tokens)

Name	Phone No.	E-mail	Fax No.
Marko Anastasijević	+381 11 39 57 385	<a href="mailto:marko.anastasijevic@ems.rs">marko.anastasijevic@ems.rs</a>	+381 11 39 70 695

## Financial issues

Name	Phone No.	E-mail	Fax No.
Jelena Pejović	+381 11 39 57 112	<a href="mailto:jelena.pejovic@ems.rs">jelena.pejovic@ems.rs</a>	+381 11 39 70 695
Jasmin Ličina		<a href="mailto:jasmin.licina@ems.rs">jasmin.licina@ems.rs</a>	

## **Annex 3 Request for Capacity Transfer in case of Backup procedure**

This form is delivered to the following fax number:  
**+381 11 3970 695**

The scanned copy of this form shall be delivered to the following e-mail addresses:  
[alokacija@ems.rs](mailto:alokacija@ems.rs)

Date of submitting request: \_\_\_\_\_

**Request for Capacity transfer is binding for both *Auction Participants/Parties responsible for interconnection exchange***

Border/Direction	Auction ID	Period of usage of capacity rights	Allocated Capacity
		dd.mm.yyyy. – dd.mm.yyyy.	MW
Montenegro – Serbia			
Serbia – Montenegro			

### **Acknowledgement of Capacity Transfer**

	Transferor	Transferee
Company name		
EIC code		
Name of the authorized person		
Phone no.		
Fax no.		
E-mail		
Signature and seal		

### **Confirmation of EMS as *Auction Office***

Authorized person	
Confirmation Date	
COMMENTS	
Signature and seal	

## Annex 4 Alternative Yearly and Monthly Auction Procedure

The specific rules for yearly and monthly *Auction* organized electronically in the *User* environment of the *Auction Platform* set forth by Section 6 and Section 7 of *Auction Rules* may be replaced by the procedure laid determined by the *Auction Office* in the form of alternative rules detailed in this Annex 4. The *Auction Office* will notify the use of the alternative yearly or monthly *Auction* procedure to all *Auction Participants* by message in *Auction Platform* and by e-mail.

### Substitution of Article 6.1 and Article 7.1 Bids for the Reservation of Capacity

In order to participate in the yearly or monthly *Auction* procedure, *Auction Participants* must submit *Bids* exclusively by fax (fax number +381 11 3970 695). The *Auction Office* does not accept any responsibility for the security and legibility of data transmitted by fax.

*Bids* have to be delivered to the *Auction Office's* fax number specified on Attachment C of this Annex 4, by the deadline for submission of *Bids* for the yearly *Auction* or deadline for submission of *Bids* for the monthly *Auction*.

Each *Bid Sheet* (shown in Attachment A and B of Annex 4) must contain the following unambiguous and legible specifications:

- a) Identification of the *Auction Participant* submitting the *Bids* (name of the *Auction Participant*, unique *EIC-Code*), name of the person authorized by the *Auction Participant* in the *Contract* who submits the *Bids*.
- b) Specification of the border and direction.
- c) *Bids* with following specifications:
  - i. The amount of the *Capacity* to be allocated in MW without decimals; the minimum amount of a single *Bid* is 1 MW;  
the maximum amount of a single *Bid* for the border and direction is 70 MW or is equal to the *Offered Capacity* in case the *Offered Capacity* is less than 70 MW.
  - ii. The *Bid Price* in EUR/MWh with a maximum of two decimal places. The *Bid Price* has to be more than zero.

Each *Auction Participant* can deliver up to 10 (ten) *Bids* for the border and direction.

- d) The signature of the person whose name is entered in the *Bid Sheet* and the *Auction Participant* seal.

The *Bid Sheets/Bids* that contain all data mentioned above must be submitted, without any exception, in the format shown in Attachment A (Yearly *Auction*) or Attachment B (Monthly *Auction*) of Annex 4. The *Bid Sheets/Bids* are binding and cannot be modified after their delivery. The *Auction Participant* may withdraw his *Bid Sheet*. A statement of withdrawal has to be received by the *Auction Office* in writing by the deadline for submission of *Bids* for the yearly *Auction* or deadline for submission of *Bids* for the monthly *Auction*. Deadlines for submitting *Bids* are defined by the *Calendar of the yearly auction procedure* and the *Calendar of monthly auction procedures*.

*Bid Sheets* or individual *Bids* (the *Bids* are valid independent of each other) which do not

fulfill the requirements specified above of this Annex shall be excluded and shall not be included among the assessed *Bids*. In case of two *Bid Sheets* with different *Bids* submitted for the same border and direction by one *Auction Participant*, both *Bid Sheets* shall be excluded and shall not be included among the assessed *Bid Sheets*.

The *Auction Participant* is responsible for the evidence of the forehand delivery of *Bids* or statement of withdrawal to the *Auction Office*.

#### Substitution of Article 6.3 and Article 7.3 Notification of the Results of an Auction

Two *Working days* after the deadline for publishing the results of the yearly *Auction* or two *Working days* after after the deadline for publishing the results of the monthly *Auction*, the *Auction Office* will notify by fax each *Auction Participant* whose *Bids* were evaluated, for each border and direction, of the following information (deadlines are defined by the *Calendar of the yearly auction procedure* and the *Calendar of monthly auction procedures*):

- Specification of border and direction,
- *Reservation Period*,
- *Promise of Capacity* to the *Auction Participant* in MW for the *Reservation Period*,
- *Auction Price*.

#### Exemption:

In case the *Bids* of the *Auction Participant* were excluded from the evaluation, the *Auction Office* will send him, without undue delay, only the refusal note including reason of excluding.

The *Auction Office* publishes results of yearly or monthly *Auction* on the *Auction Office's* website (<http://www.ems.rs>) for each border and direction, five *Working days* from the deadline for publishing the results of the yearly *Auction* or five *Working days* from the deadline for publishing the results of the monthly *Auctions* (deadlines are defined in the *Calendar of yearly auction procedures* and the *Calendar of monthly auction procedures*):

- Total *Promise of Capacity*,
- Total requested *Capacity*,
- *Auction Price*,
- Number of *Auction Participants* in *Auction*,
- Number of *Auction Participants* in *Auction* who obtained the *Promise of Capacity*,
- Number of *Bids* placed in *Auction*,
- List of *Auction Participants* in *Auction* who obtained *Capacity*,
- Graphs of prices from offers, i.e. tabular presentation of prices from offers.

**Attachment A**

This form is delivered to the following fax number: +381 11 3970 695

**Bid Sheet for yearly auction – year \_\_\_\_\_**

<b>Name of the Auction Participant</b>	
<b>EIC-Code of the Auction Participant</b>	
<b>Name of the person authorized to submit the Bid</b>	

<b>From</b>	<b>Montenegro</b>
<b>To</b>	<b>Serbia</b>

Bid No.	Identifier	MW	EUR/MWh
1	MERS1		
2	MERS1		
3	MERS1		
4	MERS1		
5	MERS1		

<b>From</b>	<b>Serbia</b>
<b>To</b>	<b>Montenegro</b>

Bid No.	Identifier	MW	EUR/MWh
1	RSME1		
2	RSME1		
3	RSME1		
4	RSME1		
5	RSME1		

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

**Attachment B**

This form is delivered to the following fax number: +381 11 3970 695

**Bid Sheet for monthly *Auction* -                      year \_\_\_\_\_**

<b>Name of the <i>Auction Participant</i></b>	
<b>EIC-Code of the <i>Auction Participant</i></b>	
<b>Name of the person authorized to submit the <i>Bid</i></b>	

<b>From</b>	<b>Montenegro</b>
<b>To</b>	<b>Serbia</b>

Bid No.	Identifier	MW	EUR/MWh
1	MERS1		
2	MERS1		
3	MERS1		
4	MERS1		
5	MERS1		

<b>From</b>	<b>Serbia</b>
<b>To</b>	<b>Montenegro</b>

Bid No.	Identifier	MW	EUR/MWh
1	RSMK1		
2	RSMK1		
3	RSMK1		
4	RSMK1		
5	RSMK1		

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature



**Attachment C**

In case that alternative yearly or monthly *Auction* procedures are used, according to Annex 4, *Auction Participants* have to submit *Bid Sheets* (Attachment A or Attachment B) to the following fax number:

**+381 11 3970 695**

*Any Bids* submitted to another *EMS* fax number shall be null and void and shall be not included among assessed *Bids*.

## Annex 5 Complaint procedure

Should the *Auction Participant* come to conclusion that the *Auction Rules* have been breached by an incorrect calculation, incorrect output from data check, or incorrect evaluation of data by the *Auction Platform*, the *Auction Participant* is entitled to initiate submission of the complaint through its representative. The complaint is submitted to one of the *Auction Platform* operators listed in the list of contacts (see Annex 2) by fax with a signed message, electronically signed e-mail, or via registered mail and must contain:

- Date,
- Identification of *Auction Participant*,
- Name, e-mail address and contact number of the *Auction Participant's* representative,
- Brief description of the situation (the subject matter),
- Detailed description of the situation,
- Well-founded means of proof (data taken from logs, communication records, etc.)

*Auction Platform* operators will confirm the receipt of such a complaint via e-mail.

The *Auction Office* will respond to the complaint within 5 (five) days.

The request shall not delay publication and confirmation of results of the relevant monthly or yearly *Auction*.

The above provisions do not affect the right of the *Auction Participant* to file a complaint to the competent regulatory authority in accordance with the law.

## Annex 6 Statement on take over and use of the electronic certificate

For:

Name of the Auction Participant	
Address, Country	
Name of the person authorized to sign this statement	

### I

Section 5 of the *Auction Rules* prescribes the conditions for the use of electronic certificates. The purpose of this document is to enable the *Auction Participant* to communicate with the *Auction Platform* when using the electronic certificate.

### II

The electronic certificate does not identify a specific *User*, but only identifies and recognizes the *Auction Participant* as a legal person or entrepreneur.

### III

The *Auction Participant* declares that he has implemented a technical device for communication with the *Auction Platform* (via a web browser, or web service), in order to execute transactions and assume the obligations specified in the *Auction Rules*.

### IV

From the day of signing this document by the *Auction Participant's* representative, all *Auction Participant's* transactions related to the use of the *Auction Platform* identified through his electronic certificate shall bind the *Auction Participant* as if performed by any of the authorized representatives appointed in the Annex Appendix 1 of the *Auction Rules* (Contract).

### V

The *Auction Participant* declares that he has received the following electronic certificates: *Token* and / or certificate specification:

Hardware No. : \_\_\_\_\_

Certificate No. : \_\_\_\_\_ Valid until: \_\_\_\_\_

### VI

In case of loss, damage of the token and / or harm of the electronic certificate, the *Auction Participant* is obliged to inform the *Auction Office* without delay, and the *Auction Office* will immediately revoke the certificate.

**Unofficial Translation**

Date:

For EMS AD Belgrade as an *Auction Office*

For *Auction Participant*

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**Signature**

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**Signature**