

# **Day Ahead Market**

**Trading Rules – Annex 2**

**Albanian Power Exchange**

## **ALBANIAN DAY AHEAD MARKET RULES**

### **1. INTRODUCTION**

- 1.1 These Albanian Day Ahead Market Rules contain detailed provisions on Orders and Albanian Day Ahead Price calculation in the Albanian Day Ahead Market and are part of the Market Rules.
- 1.2 The Albanian Day Ahead Market provides the possibility of Trading by means of day ahead Trading based on all Orders received by Members prior to Gate Closure.
- 1.3 Following Gate Closure, all volume and Orders received are stacked and market equilibrium is calculated. Based on the price and volume market equilibrium, each Member's rights and obligations regarding the sale and purchase of electricity for the relevant Delivery Hours are determined as further set out herein.
- 1.4 Transactions resulting from Orders being matched in the ETS are automatically and mandatory registered for Clearing

### **2. INTRADAY MARKET SCHEDULE**

#### **2.1 Intraday market schedule.**

2.1.1 Intraday market schedule shall be performed according to the schedule on the following table:

<b>Process</b>	<b>Time</b>	<b>Purpose</b>	<b>Result</b>	<b>Subsequent Actions</b>
1. Verification of Available Transmission Capacity (ATC) on interconnectors and network capacity available to evacuate/deliver power— netted out of the existing (LTBC obligations.	Dita (D)-1, 9:00	Transmission System Operator (TSO) feeds in network availability information into the Market Operation (MO) system. Information from SEE CAO regarding capacity allocations for cross border trades is fed into MO system and registered LTBCs' assigned capacity fed in.	ATCs and network availability at particular nodes is established.	Preliminary netting out of Market Participants (MPs) incapable of participating in Day Ahead Market (DAM) due to network constraints and/or lacking CAO allocations.
2. Verification of financial collaterals for market participation.	D-1, 9:30	Verification of sufficiency of financial guarantees to cover cost of MO standing charges.	MP eligible to participate in DAM or not?	Eligible MPs participate in DAM, others—gate open for dispute or submission of additional proofs (within 15 minutes)
3. Bids and offers submission gate.	D-1, 10:45	MPs submit their bids to DAM.	Bids submitted.	Verification of collateral for transactions.
4. Verification of financial collateral covering submitted transactions.	D-1, 11:30	Verification of sufficiency of financial guarantees to cover cost of scheduled transactions (sales vs. purchases may be net).	MP's bids/offers eligible to participate in DAM shall be cleared or not?	Offers of MPs with sufficient guarantees included in the market clearing, others—refused. MPs informed upon the results of verification. Negatively verified— dispute period opens during which additional proof of collateral may be submitted (within 15 minutes).
5. Preliminary cleaning of the market.	D-1, 13:00	Establish amounts of electricity and prices applicable to each particular hour of the day of DAM; assign these to particular MPs.	Preliminary market clearing results submitted to MPs.	Gate for affected MPs to object opens (on the basis of system errors inhibiting ability to submit bids/offers into DAM and/or due to network availability conditions (15 minutes).
6. Final Market Clearing.	D-1, 14:00	To the extent MPs' claims are justified, market clearing re-run is completed. Final amounts of electricity and prices applicable to each particular hour of the day of DAM assigned to particular MPs	Final market clearing results notified to MPs and the TSO for dispatching purposes.	DAM schedules implemented in day-to-day dispatching.

## 2.2 Emergent Market Schedule

2.2.1 In case of emergency situations, including the cases when the Market Operator is down, may submit an Emergent Schedule of the Market, according to which shall inform on time the market participants.

## **2. REGISTRATION OF THE ORDERS**

### **2.1 Order Form**

- 2.1.1 Orders in the Albanian Day Ahead Market shall be submitted using Albanian Power Exchange' standard Order form and shall be transmitted to Albanian Power Exchange per electronic communications as specified by Albanian Power Exchange.
- 2.1.2 Albanian Power Exchange may, in situations where specified communication according to Section 2.1.1 is not working, decide that an alternative order form as specified by Albanian Power Exchange, e.g as a file in e-mail or copy of Order from a previous day, may be used. Albanian Power Exchange may in such situations restrict the number of Price Steps in the Hourly Orders.
- 2.1.3 The Order form must provide complete information in order to be valid. In case of rejection, the Price Report received by the Member from Albanian Power Exchange will declare that no Transaction is concluded.
- 2.1.4 The Members are responsible to check that the Orders submitted are correct and valid. This includes also situations where manual handling of the Orders by Albanian Power Exchange has been found necessary.

### **2.2 Quoting**

- 2.2.1 Subject only to Clause 2.5 all Orders are binding and are available for acceptance in accordance with these Albanian Day Ahead Market Rules.
- 2.2.2 Orders shall be quoted using the Order Types as further specified in Section 3 below. Each Order must specify whether it is a Bid or an Offer, where Bids are denoted by positive Energy Volume numbers and Offers as negative Energy Volume numbers.
- 2.2.3 Energy Volume Limits and Order Price Limits must be within the Price Range at all times specified by Albanian Power Exchange.
- 2.2.4 The Member can only quote Orders in Bidding Areas where the Member undertakes production, consumption or is party to contracts relating to physical delivery or purchase.
- 2.2.5 Each Order to each Auction represents an individual and independent Order for the Delivery Period(s) to which it relates. Except as specifically mandated by the Order Type used, each Order shall represent an individual offer to buy or sell independent of any other Orders submitted by, or on behalf of, each Member to the same Auction during that Delivery Period(s).
- 2.2.6 Each Auction always relates to the following day starting from 00:00 CET. Orders can be registered from the time they are made available for Trading and until Gate Closure.
- 2.2.7 Albanian Power Exchange may in its sole discretion, but shall have no obligation to,

contact Members by telephone or e-mail and offer an opportunity that the Member may transmit and/or correct an Order, in cases that Albanian Power Exchange has reasons to believe that an Order transmitted by the Member is erroneous, or that the Member erroneously has failed to transmit an Order.

2.2.8 The Members shall use Trading in the Albanian Day Ahead Market to achieve balance between energy inflow and energy demand in each Bidding Area. In order to control that this is done, Albanian Power Exchange may require documentation for the Member's basis for the Orders.

## 2.3 **Price Range**

2.3.1 Albanian Power Exchange shall for each Auction set a Price Range within which all Order Prices in the Albanian Day Ahead Market must be for that Auction. Members shall be informed of the Price Range prior to the opening for Orders for each Auction.

2.3.2 Albanian Power Exchange may change the Price Range set by giving at least 4 (four) days notice. In case of a change of the Price Range for any Auction following the opening of Orders for that Auction, all Orders submitted prior to such change will automatically be deleted.

2.3.3 Prices for Orders are to be quoted in a currency approved by Albanian Power Exchange. The maximum number of decimals that can be quoted in each currency is determined by Albanian Power Exchange.

## 2.4 **Gate Closure**

2.4.1 By no later than Gate Closure each day the Member shall submit its Orders relating to the next day starting from 00:00 CET.

2.4.2 Orders received following Gate Closure will be considered null and void regardless of cause. For the avoidance of doubt, this also applies to Orders received after Gate Closure by reason of Force Majeure or communication failure and irrespective of whether or not the Member is in any default.

2.4.3 Members experiencing technical difficulties when submitting Orders to Albanian Power Exchange must inform Albanian Power Exchange about this immediately.

## 2.5 **Order Amendments**

2.5.1 Hourly Orders which have been submitted are cancelled if the Member submits a new Hourly Order covering the same Delivery Hour. In case of several Hourly Orders submitted by the same Member for the same Delivery Hour, the Hourly Order last received by Albanian Power Exchange will consequently always be the only Hourly Order which is deemed valid.

2.5.2 The Members are responsible to check that the Orders (and any amendments thereto) submitted and received by Albanian Power Exchange are correct and valid.

### **3. Order Types**

#### **3.1 Hourly Orders**

- 3.1.1 Hourly Orders are the Member's statement of its willingness to purchase or sell a specified Energy Volume in a specific Bidding Area at a specified price in a given Delivery Hour of the applicable Delivery Day.
- 3.1.2 In each Hourly Order, the Member shall submit a set of Order Price and Energy Volume specifications for the applicable Delivery Hour and Bidding Area, starting with the Energy Volume at the lower Order Price Limit and ending with the Energy Volume Limit at the upper Order Price Limit. Additional Price Steps may be specified as set out in the Product Specifications, Annex 1.
- 3.1.3 The Energy Volume given in an Hourly Order for sale (Offer) must be constant or increasing with increasing Order Prices. The Energy Volume given in an Hourly Order for purchase (Bid) must be constant or decreasing with decreasing Order Prices.
- 3.1.4 To create an Order curve, the Albanian Power Exchange, will upon reception of an Hourly Order, interpolate the values between each Price Step in Hourly Orders by means of linear interpolation and the Hourly Order shall be deemed to apply for each interpolated value on the resulting Order curve.

#### **4.2 Block Orders**

- 4.2.1 Block Orders are the Member's statement of its willingness to purchase or sell a specified Energy Volume in a specific Bidding Area at a specified price in a given Block Hour of the applicable Delivery Day.
- 4.2.2 In each Block Order, the Member shall submit a set of Price Blocks and Energy Volume specifications for the Block Hour applicable for the Delivery and Bidding Area, starting with the Energy Volume at the lower Order Price Limit and ending with the Energy Volume Limit at the upper Order Price Limit. Additional Price Steps may be specified as set out in the Product Specifications.
- 4.2.3 The Energy Volume given in an Block Order for sale (Offer) must be constant or increasing with increasing Order Prices. The Energy Volume given in a Block Order for purchase (Bid) must be constant or decreasing with increasing Order Prices.
- 4.2.4 To create an Order curve, Albanian Power Exchange will upon reception of an Block Order, shall set the values between each Price Step in the Block Order by means of linear setting, and the Block Order shall be considered implemented for each value set to the resulting Order curve.

### **4. COMPATIBILITY**

#### **4.1 Information on the Compatibility Process**

The calculation process in which orders are compatible is described in the Public description of the PCR Market Coupling algorithm Euphemia, accessible on Nord Pool website.

#### **4.2 Compatibility of the Day Ahead Albanian Market Orders and the Auction Volume**

- 4.2.1 All Orders submitted for each Delivery Hour will be regarded as a point on an Order curve for Offers and Bids respectively, where each Order curve is created by interpolating straight lines between the Orders on the curve. The point of intersection between the aggregated Offer and Bid curves establishes the Albanian Day Ahead Price and Energy Volume per Bidding Area for that Delivery Hour.
- 4.2.2 Any imbalance between total Offers and total Bids caused by the rounding off of volumes for each Member when calculating the Albanian Day Ahead Area Price will be shared between Members whose Orders are accepted in respect of the relevant Delivery Hour.
- 4.2.3 All Transactions in the Albanian Day Ahead Market related to a Delivery Hour will be carried out at the Albanian Day Ahead Area Price applicable for that Delivery Hour.
- 4.2.4 All Prices are calculated in EUR.

#### **4.3 Procedure in case of non compatibility**

- 4.3.1 If situations occur where a point of intersection between the Order curve for Offers and Bids is not achieved (“is not compatible”), Albanian Power Exchange will deduct Orders on a pro rata basis until a point of intersection is achieved.
- 4.3.2 Any imbalance between total purchases and sales caused by the curtailment of Orders among precisely calculation in the Albanian Power Exchange pursuant to Section 4.3.1 of this appendix, will be shared between all Members within each Bidding Area.

### **5. REOPENING IN CASE OF UNFORESEEN DECOUPLING**

- 5.1 In the event of unforeseen Decoupling between the Electricity Exchange Area and any neighboring market places, Albanian Power Exchange will announce Reopening.
- 5.2 During the Reopening any Member may enter or re-enter Orders for Albanian Power Exchange.
- 5.3 The Reopening will resume for a period announced by Albanian Power Exchange and in accordance with the NWE Price Coupling.

### **6. REPORTS**

#### **6.1 Price Report**

- 6.1.1 As soon as the Area Prices and Energy Volumes of the Albanian Day Ahead Market have been confirmed, Albanian Power Exchange shall inform each Member regarding his confirmed purchase/sale position through a Price Report.
- 6.1.2 The Price Report specifies the Albanian Day Ahead Area Price and Energy Volume



for each Delivery Hour for each Albanian Day Ahead Area in which Order(s) are complied.

- 6.1.3 The Price Reports will normally be made available to Members on Day Ahead Web immediately following Final confirmation of the Auction results. If the Price Report is delayed, Albanian Power Exchange shall notify the Members of such delay as soon as possible. Price reports will in addition be sent to each Member by communication specified by Albanian Power Exchange.

## **7. HANDLING OF ERRORS**

- 7.1 If the Member becomes aware of errors in Order(s), the Member shall notify Albanian Power Exchange immediately of such errors.
- 7.2 Following receipt of a notice pursuant to Section 7.1 of this appendix, Albanian Power Exchange shall consider in its sole discretion whether any measures can be taken to avoid or mitigate any potential losses of the Member without conflicting with the Auction Price and the interests of the market, other Members, or any obligations of Albanian Power Exchange.

## **8. AUCTION DELAY OR FAILURE**

- 8.1 If Albanian Power Exchange is delayed in performing an Auction, Albanian Power Exchange shall inform Members by publishing an Operational Message on Albanian Power Exchange website with regular intervals starting no later than 13:00 CET, until such time as the Auction is successfully completed.
- 8.2 If Albanian Power Exchange is not able to determine the Albanian Day Ahead Prices before 20:00 on the day prior to the Delivery Day, the Price Report from the previous day will be deemed valid hour by hour in respect of both Auction Prices and Energy Volumes for the Delivery-Day in question. In this context, the “previous day” means the previous working day if the auction failure has effect on a working day, and the previous weekend day or public holiday, as appropriate, if the auction failure has effect on a Saturday, Sunday or public holiday. Working day means days from Monday to Friday, not including legal public holidays which are identified as public holiday in countries in the Electricity Exchange Area together having at least 67% of the consumption the previous year. Christmas Eve (24/12) and New Year’s Eve (31/12) are considered public holidays.