

## PRINCIPLES

### for allocation of imbalances between the participants in the standard balancing group of ENERGO-PRO ENERGY SERVICES EAD

#### 1. General

- 1.1 ENERGO-PRO Energy services EAD, UIC 201398872, having its headquarters and registered address at Varna Towers – G, 258, Vladislav Varnenchik Blvd., Vladislav Varnenchik Region, Varna, is registered as a standard balance group coordinator (StBG) in the public register of Electricity System Operator EAD in pursuance of Article 65 of the Rules for Trading with Electrical Energy (RTEE) with status “active”, hereinafter referred to as a **COORDINATOR**.
- 1.2 Members of the StBG with coordinator ENERGO-PRO Energy services EAD are consumers and producers of electricity registered on the free-market, as well as other market participants according to the requirements of RTEE, who have transferred the responsibility for balancing to ENERGO-PRO Energy services EAD, hereinafter referred to as **PARTICIPANTS**.
- 1.3 For the purposes of recording the daily schedules in the system of the market operator, individual subgroups of **PARTICIPANTS** are formed in the StBG according to the requirements of RTEE.
- 1.4 For the purposes of financial settlement, within the StBG, individual subgroups are formed: subgroup of ENERGO-PRO Energy services EAD, including consumers and producers of electricity who have transferred the responsibility for balancing to the **COORDINATOR** and a subgroup for any other market participant that has right according to the RTEE and has transferred the responsibility for balancing to the **COORDINATOR**.
- 1.5 Within the subgroup of ENERGO-PRO Energy services EAD under p. 1.4 individual subgroups of **PARTICIPANTS** are formed as follows:
  - 1.5.1 subgroup of electricity consuming facilities;
  - 1.5.2 subgroup of electricity generating facilities.
- 1.6 Within the subgroup under p. 1.5.2, individual subgroups of **PARTICIPANTS** are organized as follows:
  - 1.6.1 Subgroup of facilities – wind power plants;
  - 1.6.2 Subgroup of facilities – photovoltaic power plants;
  - 1.6.3 Subgroup of facilities – hydroelectric power plants;
  - 1.6.4 Subgroup of facilities – biogas and biofuel plants;
  - 1.6.5 Subgroup of facilities – high-efficiency cogeneration plants.
- 1.7 The **COORDINATOR** shall be entitled to prepare a single forecast for a group of **PARTICIPANTS** who have chosen to transfer responsibility for forecasting to the **COORDINATOR** within the individual subgroup.
- 1.8 The present Principles for allocation of imbalances between the participants in the standard balancing group of ENERGO-PRO Energy services EAD (Principles) shall govern the method of calculating the imbalances and allocation of balancing costs between the individual **PARTICIPANTS** in StBG.

#### 2. General Principles for Imbalances Allocation between Individual Subgroups in the Standard Balancing Group

- 2.1 In cases where the delivery interval on the "Day Ahead Market" segment of the Independent Bulgarian Energy Exchange (IBEX) does not coincide with the settlement period, in order to optimize the differences between the estimated schedules registered on the "Day Ahead Market" segment of IBEX and the estimated schedules of the **PARTICIPANTS** by settlement periods the **COORDINATOR**:
  - 2.1.1 performs netting of the quantities from the differences under p. 2.1 between the subgroups under p. 1.5 and the individual **PARTICIPANTS** therein with opposite directions and calculate them at prices equal to the corresponding clearing prices for "Day Ahead Market" segment of IBEX;
  - 2.1.2 if possible, carries out transactions on the "Intraday Market" segment of IBEX for the quantities remaining as a difference after netting under p. 2.1.1;
  - 2.1.3 distributes the received from the carried out under p. 2.1.2 transactions financial result between the subgroups under p. 1.5 and the respective **PARTICIPANTS** therein in proportion to the quantities remaining as a difference after the netting under p. 2.1.1.
- 2.2 After publishing the final settlement data by the independent transmission system operator for the reporting month in the MMS market administration system, the **COORDINATOR** extracts for each settlement period information on energy imbalances (excesses and shortages) in total for StBG and separately for each subgroup in StBG.
- 2.3 Transactions with energy imbalances between individual **PARTICIPANTS** and the **COORDINATOR** shall be made at internal prices for energy excess, respectively energy shortage and prices for intragroup exchange for each settlement period, equal to the respective clearing prices for “Day Ahead Market” segment of IBEX.
- 2.4 The StBG **COORDINATOR** performs netting of the amount of the energy imbalance between individual subgroups and subsequently between the **PARTICIPANTS** in the respective subgroup and determines a netting rate for each settlement period.
- 2.5 Based on the netting rate under p. 2.4, the **COORDINATOR** shall determine the price for energy imbalance of the respective group (internal price) for each settlement period as follows:

- 2.5.1 When imbalances of individual subgroups/**PARTICIPANTS** in the subgroups of the **COORDINATOR** are in different directions and are netted in full (100% netting), the internal price for energy imbalance shall be equal to the intragroup exchange price;
  - 2.5.2 When imbalances of individual subgroups/**PARTICIPANTS** in the subgroups of the **COORDINATOR** are in the same directions and no netting is done (0% netting), the internal price for energy imbalance shall be equal to the price for energy excess, respectively energy shortage for the group at higher level (external price);
  - 2.5.3 When imbalances of individual subgroups/**PARTICIPANTS** in the subgroups of the **COORDINATOR** are in different directions and are partially netted (between 0% and 100% netting), the internal price for energy imbalance shall be a ratio between external price and the intragroup exchange price.
  - 2.6 By calculating the internal price according to p. 2.5 for the separate subgroups/**PARTICIPANTS** in the subgroups, the **COORDINATOR** determines:
    - 2.6.1 for subgroups under p. 1.4 – the external prices for energy excess, respectively energy shortage shall be equal to those determined by the independent transmission system operator for each settlement period;
    - 2.6.2 for subgroups under p. 1.5 – the external prices for energy excess, respectively energy shortage shall be equal to the determined internal prices under p. 2.6.1 for each settlement period;
    - 2.6.3 for the **PARTICIPANTS** in the subgroup under p. 1.5.1 – the external prices for energy excess, respectively energy shortage shall be equal to the determined internal prices under p. 2.6.2 for each settlement period;
    - 2.6.4 for subgroups under 1.6 – the external prices for energy excess, respectively energy shortage shall be equal to the determined internal prices under p. 2.6.2 for each settlement period;
    - 2.6.5 for the **PARTICIPANTS** in the subgroups under p. 1.6.1, p. 1.6.2, p. 1.6.3, p. 1.6.4 and p. 1.6.5 – the external prices for energy excess, respectively energy shortage shall be equal to the determined internal prices under p. 2.6.4 for each settlement period.
  - 2.7 Given the internal prices for energy imbalance for each settlement period determined under p. 2.6, the **COORDINATOR** shall calculate for each **PARTICIPANT** an average weighted energy imbalance (excess or shortage) price for each reporting month, on the basis of which the **COORDINATOR** shall issue invoices for energy shortage, and the respective **PARTICIPANT** shall issue an invoice for energy excess to the **COORDINATOR**.
  - 2.8 In case that a recapitulation is carried out when the settlement data under p. 2.2 is changed and the independent transmission system operator determined new prices for energy imbalance and issued a new monthly excerpt for settlement to the **COORDINATOR**, the **COORDINATOR** has the right to recalculate for each **PARTICIPANT** the average weighted energy imbalance price for the relevant month in accordance with p. 2.5 to p. 2.7, with the **COORDINATOR** and the **PARTICIPANTS** issuing the relevant invoice, credit or debit notice.
- 3. Exceptions to the general principles under p. 2**
- 3.1 **PARTICIPANTS** under p. 1.5.1, who do not have contracts governing their participation in StBG and electricity supply, should pay to the **COORDINATOR** the measured quantities of active electricity at the prices for energy shortage announced by the independent transmission system operator for the respective settlement periods.
  - 3.2 **PARTICIPANTS** under p. 1.5.2, who do not have contracts governing their participation in StBG and purchase and sale of electricity, should receive payment from the **COORDINATOR** for the measured quantities of active electricity at the prices for energy excess announced by the independent transmission system operator for the respective settlement periods.
  - 3.3 In case a **PARTICIPANT** under p. 1.5 without a contract governing its participation in StBG has a contract for purchase and sale of active electricity with ENERGO-PRO Energy Services EAD, he shall pay the quantities of energy shortage at the prices for energy shortage announced by the independent transmission system operator for the respective settlement periods, and the **COORDINATOR** shall pay to the **PARTICIPANT** the quantities of energy excess at the prices for energy excess announced by the independent transmission system operator for the respective settlement periods.
- 4. Updates**
- 4.1 The **COORDINATOR** has the right to update these Principles, including in the event of significant market and/or regulatory changes.
  - 4.2 In case of changes in the Principles according to p. 4.1, the **COORDINATOR** shall publish an updated version on its website [www.energo-pro-energyservices.bg](http://www.energo-pro-energyservices.bg).
  - 4.3 The changes take effect automatically from the date specified in the relevant version of the Principles, without the need to sign an additional agreement between the **COORDINATOR** and the **PARTICIPANT**.

The present Principles apply to all **PARTICIPANTS** in StBG until the publication of an updated version or until significant market and/or regulatory changes occur.

Date of last update: 30.09.2022

Date of entry into force: 01.10.2022