

**WARNING: The unofficial consolidated text of the regulation shall only represent an informative working aid and, in this regard, the company, Borzen, operater trga z elektriko, d. o. o., shall not be liable for any damage or otherwise.**

Pursuant to the first indent of the fourth paragraph of Article 94 of the Electricity Supply Act (Official Gazette of the Republic of Slovenia, No 172/21) and the consent of the Energy Agency No 441-19/2022/14 of 15 December 2022, Borzen, operater trga z elektriko, d. o. o hereby adopts the following

## **RULES ON THE OPERATION OF THE ELECTRICITY MARKET**

### **I. GENERAL PROVISIONS**

#### **Article 1 (Content)**

The Rules on the operation of the electricity market (here after: the Rules) govern the method for the implementation of public utility service of the electricity market operator in the part relating to:

- Management of the electricity market Balance Scheme;
- Recording contracts of Balance Scheme membership, operational forecasts and closed contracts;
- Imbalance settlement;
- Clearing and settlement of transactions in connection with the tasks referred to in preceding indents; and
- Collection, analysis and publishing of data for providing transparency of the electricity market operation.

#### **Article 2 (Definitions)**

(1) For the purpose of these Rules, the following definitions shall apply:

1. **Balance Subgroup:** is a group of Balance Scheme members established for the purpose of balancing, operation of the Balance Subgroup Responsible Party on the electricity market with arranging balance responsibility and risk management and control of imbalances of the Responsible Party and of the Balance Subgroup members, and, as such, it represents an aggregation subject within the framework of the Balance Group or Subgroup.
2. **Balancing affiliation:** represents the affiliation of the delivery point to the individual Balance Scheme member which is established with the recording of an open contract;
3. **Balance Scheme:** is a hierarchical structure of the electricity market where the relationships among Balance Scheme members and management of inflow and outflow balances of Balance Scheme members are uniformly defined with Balance Scheme membership agreements;

4. **Balance Group:** is a group of Balance Scheme members which is represented by a Balance Group Responsible Party and which is established for the purpose of balancing, operation of the Balance Group Responsible Party on the electricity market by governing balance responsibility, and risk management and control of imbalances of the Balance Group Responsible Party and of the hierarchically inferior members of the Balance Group, and, as such, represents a subject of the imbalance settlement;
5. **Imbalance settlement:** is a clearing of balance group imbalances, within which the amount of imbalances is determined and calculated by comparing the market plan of balance groups and their total realisation, whereby the financial values of imbalances are also included;
6. **Total operational forecast of a Balance Group:** is an aggregated operational forecast of a Balance Group, calculated by the Market Operator with aggregation of reported operational forecasts for delivery points which belong to the Balance Group and any hierarchically inferior member of their Balance Group;
7. **Balance Scheme members:** are Balance Group Responsible Parties and Balance Subgroup Responsible Parties;
8. **Deposit Account:** is an account, opened at the Settlement Bank by the Market Operator and is intended for submitting financial guarantees by financial settlement participants;
9. **Energy Exchange:** shall mean an organised exchange of demands for purchase and offers of supply of electricity and energy products and trading in standardised products within a certain timeframe, enabling any exchange member to participate on equal conditions, and providing a transparent and non-discriminatory formation of the price of individual transaction;
10. **Energy Community:** is an energy community of citizens under the law regulating the electricity market or a renewable energy community which is a legal person under the law regulating the promotion of the use of renewable energy sources;
11. **Record of open contracts:** is a uniform record of validly registered open contracts, whose constitutive parts are a list of the delivery points and their affiliation to the individual Balance Scheme member, along with the entity identifier, which is kept at the metering points;
12. **Record of Balance Scheme membership agreements:** is a record of validly recorded balancing agreements and compensation agreements, whose constitutive parts are the list of the Balance Scheme members and the Balance Scheme itself;
13. **Record of closed contracts with the use of cross-border transmission capacities:** is a list of recorded closed contracts with the use of cross-border transmission capacities on borders with another Transmission System Operator;
14. **Record of closed contracts:** is a record of validly recorded closed contracts;
15. **Recording:** is the entry of legally relevant facts of contractual and virtual contractual relations of Balance Scheme members into the Register of the Electricity Market Operator;
16. **Financial Guarantee:** represents the warranty which should be submitted by the financial settlement participants to ensure the execution of their financial liabilities;
17. **Variable Financial Guarantee:** is a financial guarantee which should be submitted by the financial settlement participants and which the Market Operator calculates on the basis of additional exposure of the financial settlement participant;
18. **Nominated Electricity Market Operator:** a company appointed by the Energy Agency to carry out tasks related to single market coupling;

19. **Statement regarding the conclusion of a compensation agreement:** is a statement which serves as the basis for the inclusion of the hierarchically inferior Balance Group or Subgroup Members into the Balance Scheme and which is signed by the person entering the Balance Scheme, the existing Balance Scheme member and, in the case of entering the Balance Subgroup, also by the hierarchically superior Balance Group Responsible Party;
20. **Inside Information:** is information which has not been disclosed to the public and which relates directly or indirectly to one or more wholesale energy products and which, if disclosed to the public, would be likely to have a significant impact on the wholesale prices of those wholesale energy products, in accordance with Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1, here after: Regulation (EU) No 1227/2011);
21. **Operational forecast:** is a forecast of supply and consumption of electricity of a Balance Scheme member for an individual delivery point or a group of delivery points for which an open contract was concluded;
22. **Balance Subgroup Responsible Party:** is a legal or natural person who, by signing the compensation agreement, establishes a Balance Subgroup and is responsible to the hierarchically superior Balance Scheme member and Market Operator in the process of reporting of closed contracts, operational forecasts, balancing and imbalance settlement, and for the exchange of relevant information with the Market Operator;
23. **Balance Group Responsible Party:** is a legal or natural person who, by signing the balancing agreement, establishes a Balance Group and is responsible to the Market Operator in the process of reporting of closed contracts, operational forecasts, balancing and imbalance settlement, and for the exchange of relevant information with the Market Operator;
24. **Basic Financial Guarantee:** is a financial guarantee for the financial settlement of participant's financial liabilities deriving from the imbalance settlement;
25. **Balancing Service Provider:** is a balancing service provider in the balancing market, in accordance with the rules of the Electricity System Operators;
26. **Settlement Bank:** is a commercial bank through which the financial settlement of liabilities is executed, deriving from the imbalance settlement, and where submission of financial guarantees in the form of cash deposits takes place;
27. **Settlement Day:** is a day set for the settlement of financial liabilities of the imbalance settlement;
28. **Settlement Account:** is an account opened at the Settlement Bank, through which all the payments related to the financial settlement of imbalance settlement take place;
29. **Remaining Diagram:** is the remaining diagram of the consumption of the distribution area which is used to estimate the consumption of non-measured consumers and accounts for the remaining electricity consumption, after deducting the value of estimated losses and the realised consumption of all measured consumers from the whole distribution area consumption.
30. **Invoice:** is an invoice or credit note in the context of financial settlement of the imbalance settlement.
31. **Register of the Electricity Market Operator:** is a record where Balance Scheme membership agreements, open contracts, and closed contracts are recorded in accordance with the Rules

32. **Electricity Market:** is the electricity market in the Republic of Slovenia which is hierarchically organised in a Balance Scheme, where the relations between the members of the Balance Scheme and management of inflow and outflow balances of the Balance Scheme members are uniformly determined through agreements on Balance Scheme membership;
  33. **Market plan:** is a plan of an individual Balance Scheme member's position on the electricity market for each accounting interval and is the result of all closed contracts concluded by a Balance Scheme member and hierarchically inferior Balance Scheme members. The plan is made by the Market Operator on the basis of concluded closed contracts;
  34. **Financial settlement participant:** is the Balance Group Responsible Party responsible for the settlement of financial liabilities in accordance with these Rules;
  35. **Electricity market participant:** is a legal or natural person who operates on the electricity market;
  36. **Energy market participant:** is a legal or natural person who operates on the energy market;
  37. **Operating Schedule:** is the transmission and distribution network operating schedule drawn up by the Market Operator on the basis of the recorded closed contracts and operating forecasts and sent to the System Operator;
  38. **Operating schedule of exchanges with other countries:** is an aggregated operating schedule of exchanges of electricity with neighbouring countries, calculated with aggregation of recorded closed contracts with the use of cross-border transmission capacities on the individual border with other Transmission System Operators;
  39. **Operating schedule of the distribution network areas:** is an aggregated operating schedule of the distribution network areas calculated by the Market Operator with aggregation of recorded operational forecasts of all delivery points in the individual distribution network area;
  40. **Operating schedule of the transmission network:** is an aggregated operating schedule of the transmission network calculated by the Market Operator, with aggregation of recorded operational forecasts of all delivery points in the transmission network;
  41. **Value of avoided activation:** means the reference balancing energy price calculated by the System Operator for individual accounting intervals and applied in accounting intervals where no balancing energy reserve has been activated in either direction.
- (2) Other terms used in these Rules which are not defined in these Rules shall have the same meaning as defined in the law governing the supply of electricity.

### Article 3 (List of abbreviations)

Abbreviations used in these Rules shall have the following meaning:

- aFRR: Automatic Frequency Restoration Reserve
- FCP: Frequency Containment Process;
- BSP: Balancing Service Provider;
- RR: Replacement Reserve;
- FRR: Frequency Restoration Reserve;
- mFRR: Manual Frequency Restoration Reserve;
- FCR: Frequency Containment Reserve.

## II. ELECTRICITY MARKET

### Article 4

#### (Electricity market participants)

(1) Electricity market participants are:

- Producer;
- End consumer, including the active consumer;
- Trader;
- Supplier;
- Aggregator, including an independent aggregator;
- Energy Community;
- Balancing Service Provider;
- Energy Exchange Operator or the Nominated Electricity Market Operator for the implementation of single market coupling;
- Market Agent within the implementation of single market coupling; and
- Transmission System Operator, Distribution System Operator, Closed Distribution System Operator and Market Operator as the providers of the public utility service within the framework and for the purpose of commercial public service provision.

(2) Participants of the electricity market who wish to actively operate on the electricity market and to conclude closed contract or thus assume the responsibilities arising from the balancing and financial settlement in the event of an unmatched balance shall be included into the Balance Scheme, except in the case of exchanges of electricity between active consumers belonging to the same Balance Scheme member, or in the case of the exchange of renewable energy between them pursuant to the law governing the promotion of the use of renewable energy sources.

(3) A single entity may act in more than one role, provided that this is in accordance with the law governing the supply of electricity and the regulations issued pursuant thereto.

(4) An entity acting as a trader, supplier, aggregator, Balancing Service Provider, Energy Exchange Operator or Nominated Electricity Market Operator or Market Agent for the implementation of single market coupling must be a Balance Scheme member.

(5) The operators referred to in the tenth indent of the first paragraph of this Article must be Balance Scheme members within the framework and for the purpose of commercial public service provision.

(6) The Market Operator may include the market participant into the Balance Scheme with a written decision if its membership in the Balance Scheme is obligatory pursuant to applicable regulations. The decision shall have the same effect as the balancing agreement and, with regard to the rights and obligations of the contracting parties, it shall replace a balancing agreement in its entirety.

### Article 5

#### (Organisation of the electricity market)

(1) The purpose of the organisation of the electricity market is to ensure that electricity produced or supplied is taken over on market principles, with the aim of reducing the imbalances of the electricity system as a whole or of the individual Balance Scheme members, while managing risks appropriately.

(2) The electricity market is governed by Balance Scheme membership agreements, which include balancing and compensation agreements, and where transactions are concluded:

- by open contracts and closed contracts, contracts for aggregation and electricity derivatives;
- on forward, daily and intra-day markets;
- on the balancing market, including the platform of the Balancing Energy Market Operator, and other ancillary services markets.

(3) The functioning of the platform of the Balancing Energy Market Operator is regulated in more detail by the Rules on the Organisation of the Platform of the Balancing Energy Market Operator.

(4) The operation of the balancing market and other ancillary services markets shall be regulated in more detail by the Energy System Operators.

#### Article 6 (Electricity Market Operator)

(1) The Market Operator shall manage the electricity market in the Republic of Slovenia.

(2) The Market Operator shall publish market-relevant information regarding electricity supply by electronic means.

(3) The Market Operator shall ensure effective communication with Balance Scheme members. For this purpose, he can invite the Balance Scheme members to jointly address specific issues regarding the management of the electricity market.

#### Article 7 (Register of the Market Operator)

(1) The Register of the Market Operator is a fundamental element of the electricity market, used to settle the commodity part of electricity transactions.

(2) Balance Scheme membership agreements and closed contracts which are not concluded and entered in the register of the Electricity Market Operator in accordance with these Rules shall be deemed not to exist for the purpose of recording and carrying out the imbalance settlement.

(3) Data related to open contracts shall be entered in the register on an aggregated basis, based on the records of the competent System Operator.

#### Article 8 (Conduct on the electricity market)

(1) Balance Scheme members shall act professionally and in compliance with good business practices and shall not deploy any unsuitable, misleading or unreasonable business methods or any illicit business practice on the electricity market.

(2) The primary objective of the Balance Scheme members is providing the balance with realistic and data-driven estimates of generation, consumption and flexibility.

(3) At the request of the Market Operator, the Balance Scheme members shall provide him with all information or documentation on the conduct on the electricity market, including all contracts which were concluded by a Balance Scheme member on the market and which are relevant for the uninterrupted operation of the market and the management of the risks of the electricity market as a whole within three working days. The Market Operator may extend the deadline for delivery of the documentation, depending on the volume of information requested, up to a maximum of eight working days.

#### Article 9

##### (Information system of the Market Operator)

(1) The information system of the Market Operator is a computer-based information system which enables data exchange with the Market Operator in compliance with the applicable regulations and may consist of several subsystems or dedicated applications.

(2) Access to the information system of the Market Operator and its use are made available by using personal identification elements that enable the use within the authorisation limits.

(3) Personal identification data can only be used by their holders to which they were issued and who are obliged to protect them against unauthorised access by third parties and which should under no circumstances be revealed to any third party. Any violations shall be reported to the Market Operator immediately.

(4) The holder of personal identification data is obliged to protect the personal identification data with due care and diligence.

(5) Any errors, technical difficulties or difficulties in working with the information system of the Market Operator shall be communicated by Balance Scheme members to the Market Operator directly via e-mail.

(6) The Market Operator shall maintain and upgrade the information system. The Market Operator shall inform Balance Scheme members of all major changes at least one month before the changes take effect, unless a shorter deadline is stipulated due to the grounds of urgency.

(7) Balance Scheme members shall be responsible for the operation and maintenance of their information system, i.e. their hardware, software and communication equipment, to reach the level that enables them to communicate with the information system of the Market Operator in an appropriate manner.

(8) For all communication where these Rules entail e-mail, only communication by the authorized person of a member of the Balance Scheme is deemed valid. The Market Operator may, by instructions published on its website, set forth that for all or some of the communication with the members of the Balance Scheme where these Rules entail e-mail, the Market Operator's information system shall be used instead of e-mail. About the latter, the Market Operator informs the members of the Balance Scheme by e-mail at least one month prior to the entry into force.

#### Article 10

##### (Insider platform)

(1) The Market Operator may establish an insider platform as part of its information system referred to in the previous Article in accordance with the fourth indent the first paragraph of Article 1.

(2) The insider platform is an electronic system for the transmission of Inside Information by energy market participants, in accordance with Regulation (EU) No 1227/2011.

(3) The detailed operation of the platform shall be specified by the Market Operator in instructions published on its website.

#### Article 11

(Services regarding communication and dissemination of information on the network operation)

(1) For the implementation of tasks of the Market Operator and the transparent operation of the electricity market, the Electricity System Operators shall, in particular, provide the following information and data to the Market Operator upon request:

- data on Balance Scheme members who hold contracts regarding the provision of balancing energy and ancillary services with the Electricity System Operator and the data on the duration of these contracts;
- data on the technical particularities of the provision of balancing energy and ancillary services;
- data on system balancing according to transactions concluded and intervals;
- remaining diagram by individual distribution area;
- installed power of the delivery points;
- rights to use cross-border transmission capacities and quantities of realised electricity exchange on the borders with neighbouring Transmission System Operators;
- data on the regulation or other emergency network regulation activities carried out;
- execution of load restrictions and change to base power, and
- electricity losses in the network.

(2) Electricity System Operators shall promptly update and publish data on planned repairs, failures, planned network upgrades and the planned quantities of cross-border transmission capacities.

#### Article 12

(Provision of planned data by Electricity System Operators)

(1) Electricity System Operators shall submit to the Market Operator the data on the planned quantities of received active energy every year, no later than on 30 September for the coming year.

(2) The Market Operator specifies a more detailed method of data submission and the issue of invoices by issuing an instructions document published on its website.

#### Article 13

(Provision of data by other database administrators)

(1) Other public database administrators (e.g. Electricity System Operators, Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), Slovenian Environment Agency) shall provide data necessary to carry out the tasks of the Market operator to the Market Operator as the public database administrator free of charge.

(2) If data can be accessed by electronic means (e.g. through a web service), the persons referred to in the preceding paragraph shall provide the Market Operator with free access to data in electronic form.



#### Article 14

(Duration of the accounting interval and accounting period)

- (1) The accounting interval which defines a time unit of the forecasts of closed contracts and operational forecasts and the calculation of imbalance settlement equals (15) fifteen minutes.
- (2) The accounting period which defines the frequency of the calculation of imbalance settlement covers a calendar month, except in cases of interruption of commercial activity in accordance with Article 15 of these Rules.

#### Article 15

(Suspension and restoration of commercial activities and execution of load restrictions)

- (1) If, in accordance with the Rules on suspension and restoration of commercial activities and on the settlement in the event of suspension of commercial activities, the Transmission System Operator temporarily suspends one or more market activities, those Rules shall apply until the market activities are restored, including for the imbalance settlement and settlement process.
- (2) The Rules referred to in the preceding paragraph shall apply even after the resumption of commercial activities, provided that the application relates to the period during which commercial activities were interrupted.
- (3) In the event that the provisions of the regulation governing load restriction and consumption limitation measures affect the procedure and calculation of the imbalance settlement, the imbalance settlement shall be carried out in accordance with the provisions of this Regulation.

### III. BALANCE SCHEME

#### Article 16

(Balance Scheme membership)

- (1) A Balance Scheme member shall be a natural or legal person included in the Balance Scheme by the Market Operator on request and based on a Balance Scheme membership agreement or on the basis of the decision referred to in the sixth paragraph of Article 4 of these Rules.
- (2) A Transmission System Operator is a Balance Scheme member within the framework of providing the activities of public utility service relating to the activity of a transmission system operator.
- (3) A Distribution System Operator is a Balance Scheme member within the framework of providing the activities of public utility service relating to the activity of a distribution system operator.
- (4) The Market Operator is a Balance Scheme member within the framework of implementing public utility service of electricity market operator.
- (5) The holder of activity of Energy Exchange or the Nominated Electricity Market Operator is a Balance Scheme member for the purpose of providing the balance of concluded transactions.
- (6) The operator of a closed distribution network is a Balance Scheme member within the implementation of tasks relating to the management of a closed distribution network.

(7) The Market Operator is allowed to include individual Balance Scheme members with a special status into the Balance Group for the purpose of carrying out the tasks within the scope of public utility service provision. The special status may include exemptions from unique inclusion in the Balance Scheme, exemptions from deadlines and guarantees and other specificities to be regulated in the balancing agreement or the Market Operator's decision.

(8) Balance Groups and Balance Subgroups shall be constituted by the Balance Group Responsible Party or Balance Subgroup Responsible Party and by any number of hierarchically inferior Balance Group or Balance Subgroup Members.

## 1. Balance Scheme membership agreements

### Article 17

(Balance Scheme membership agreements and membership categories)

(1) Balance Scheme membership agreements are balancing agreements and compensation agreements on the basis of which any legal or natural person is included into the Balance Scheme.

(2) With regard to the type of the membership agreement, the Balance Scheme members are classified into two membership categories:

- Balance Group or Balance Group Responsible Party when the basis for including a member in the Balance Scheme is a balancing agreement; and
- Balance Subgroup or Balance Subgroup Responsible Party when the basis for including a member in the Balance Scheme is a compensation agreement.

### Article 18

(Terms and conditions for the conclusion of a balancing agreement)

(1) Prior to the conclusion of a balancing agreement, any legal or natural person who wishes to become a member of the Balance Scheme shall submit to the Market Operator a request for the inclusion into the Balance Scheme under Article 37. of these Rules, along with the following evidence:

- a tax registration certificate or VAT identification number, if the applicant is a person taxable for value-added tax;
- an extract from the court or similar register including the latest amendments, except when the Market Operator can obtain the extract from the Slovenian public electronic records free of charge; and
- a certificate from the applicant's criminal record indicating that the applicant (legal entity or natural person) has no (criminal) convictions, or, if the applicant is a legal person, a certificate from the applicant's legal representative's criminal record indicating that the applicant's legal representative has no (criminal) convictions;
- a company's balance sheet and profit and loss account and/or annual report for the last three years of operations or for the whole period of operations in the case of a shorter period of operations which indicate short-term solvency, permanent liquidity and long-term solvency, as well as capital adequacy in accordance with the law governing financial operations, insolvency proceedings and compulsory dissolution.

(2) A legal or natural person wishing to become a member of a Balance Scheme must have registered a relevant economic activity before entering into a balancing agreement.

(3) A legal or natural person wishing to become a member of a Balance Scheme must provide the technical, personnel and other conditions necessary for smooth operation in the electricity market.

(4) The Market Operator may also request additional evidence in the procedure pursuant to Article 38 of these Rules.

(5) The Balance Scheme member shall notify the Market Operator of all changes of the data provided when included into the Balance Scheme.

(6) The Market Operator may at any time request a Balance Scheme member to provide appropriate evidence of the fulfilment of conditions for the Balance Scheme membership within eight working days.

(7) If the Market Operator considers, on the basis of the information collected, that there is a high probability that a legal or natural person will act contrary to Article 8 of these Rules after entering the market, the Market Operator may refuse the request for entry into the Balance Scheme. The Market Operator shall decide on this and issue a decision, against which the legal or natural person concerned shall have the possibility to submit a request for a decision in a dispute with the Market Operator to the Energy Agency within 15 days from the date of service of the decision, in accordance with the procedure laid down in Articles 413 to 419 of the Energy Act.

#### Article 19 (Balancing agreement)

(1) A balancing agreement is a legal transaction or other relation which a legal or natural person utilizes to manage the delivery of balancing energy and financial settlement of the imbalances in the case of an unmatched balance with the Market Operator, by which the legal or natural person is included into a Balance Scheme as a Balance Group Responsible Party and acquires membership status.

(2) A balancing agreement shall regulate the whole series of relations with regard to the establishment, charging and responsibility for payments for the imbalances and for the inclusion of the Balance Group Responsible Parties into a Balance Scheme.

(3) The content of the balancing agreement shall be determined by the Market Operator and a draft shall be published on its website.

(4) The date of inclusion in the Balance Scheme or change of membership type in the Balance Scheme as entered in the Record of Balance Scheme membership agreements shall be deemed to be the date of the entry into force of the balancing agreement. The Market Operator shall notify the legal or natural person in writing by e-mail of the entry in the Record or inclusion in the Balance Scheme.

(5) On the basis of balancing agreements, the Balance Scheme shall also include:

- Electricity System Operators, while the subject of the balancing agreement shall be the settlement of imbalances of the Electricity System Operator and consequently its inclusion into the Balance Scheme as the Balance Group Responsible Party. This balancing agreement limits the operations of the Electricity System Operator on the electricity market to carrying out a public utility service relating to the Electricity System Operator exclusively; and

- The Energy Exchange Operator or Nominated Electricity Market Operator, while the subject of the balancing agreement shall be the recording of energy transactions concluded on the Energy Exchange and thus inclusion into the Balance Scheme as the Balance Group Responsible Party within which it guarantees the balancing of all transactions involving electricity concluded on the Energy Exchange.

#### Article 20

##### (Conclusion of an Agreement on the invoicing method)

Upon the conclusion of a balancing agreement, a legal or natural person shall be obliged to sign an agreement regarding the invoicing method with which the Market Operator and a Balance Scheme member agree that invoices for imbalances shall be issued by the Market Operator on behalf of and for the account of the Balance Scheme member.

#### Article 21

##### (Balance Group)

(1) A Balance Group is established on the basis of the balancing agreement, except in cases when it can be established in accordance with these Rules on the basis of the Market Operator's decision which replaces a balancing agreement in its entirety.

(2) A Balance Group shall be represented by the Balance Group Responsible Party who shall be primarily responsible for:

- reporting a compensation agreement by submitting a statement regarding the conclusion of a compensation agreement which serves as the basis for the establishment of individual hierarchically inferior Balance Subgroups;
- adequate adjustment of financial guarantees on Market Operator's call;
- notification of concluded closed contracts for the entire Balance Group to the Market Operator;
- report of operational forecasts of the delivery points belonging to them or any other hierarchically inferior members of the Balance Group to the Market Operator;
- conclusion of an agreement on the invoicing method;
- a financial settlement of imbalance settlement for the Balance Group;
- compliance with the obligations arising from financial settlement of imbalance settlement; and
- submission of data and documentation upon the Market Operator's request on the basis of these Rules.

(3) The provisions of this Article shall reasonably apply to the Balance Groups established upon the Market Operator's decision.

#### Article 22

##### (Compensation agreement)

(1) The Balance Group Responsible Party, Balance Subgroup Responsible Party or a person entering the Balance Scheme shall be obliged to inform the Market Operator of the conclusion of the compensation agreement which forms the basis for the inclusion of the hierarchically inferior Balance Group or Subgroup Members into the Balance Scheme, and shall be obliged to submit a statement regarding the conclusion of a compensation agreement and a request for inclusion into the Balance Scheme under Article 37 of these Rules.

(2) A compensation agreement is a legal transaction or other relation, concluded between a legal or natural person and a Balance Scheme member for managing the delivery of balancing energy and settlement in the case of unmatched balance, by which a legal or natural person is included into a Balance Scheme as a Balance Subgroup Responsible Party and acquires a membership status in a Balance Scheme.

(3) The Market Operator may establish Balance Scheme members with a special status in a form of Balance Subgroup on the basis of a decision, which replaces a compensation agreement in its entirety, provided that the purpose of establishment is a need for separate management of balance of transactions under the heading of individual tasks of a public utility service.

(4) A compensation agreement shall include the following mandatory elements:

- date of entry into force of the compensation agreement, including the provision that determines that the agreement in question shall become effective no earlier than on the day entered in the Record of Balance Scheme membership agreements;
- the date of expiry of the compensation agreement or a provision of its indefinite time validity, together with the provision that even in the case of the withdrawal of the compensation agreement, it cannot cease to have effect before the deadlines specified in Articles 43 and 45 of these Rules;
- the provisions on reasons for termination with a notice period which shall meet all the conditions concerning the enforcement day referred to in Articles 43 and 45 of these Rules;
- a clause stipulating that a Balance Scheme member wishes to include a hierarchically inferior Balance Scheme member into its own Balance Group or Subgroup as the responsible party of the hierarchically inferior Balance Subgroup; and
- a clause stipulating that the balance of the Balance Subgroup of the hierarchically inferior Balance Scheme member is settled through the balance of the Balance Group or Subgroup of the hierarchically superior Balance Scheme member.

(5) If any of the required mandatory elements from the previous paragraph fail to comply with the Rules, the Rules shall directly apply in this part.

(6) The Market Operator shall publish the template of the statement regarding the conclusion of a compensation agreement on its website. By signing the statement regarding the conclusion of a compensation agreement, the parties to the agreement shall guarantee that the content of the agreement complies with the Rules.

(7) In the event that the Balance Subgroup Responsible Party included a hierarchically inferior Balance Scheme member to its own Balance Subgroup, the superior Balance Group Responsible Party agrees with the inclusion of the hierarchically inferior Balance Scheme member into the Balance Subgroup by signing the statement from the previous paragraph. At the same time, the Balance Group Responsible Party or the superior member declares that he has carried out a review of the supporting evidence in accordance with the first paragraph of Article 18 of these Rules.

(8) On the basis of the third paragraph of Article 8 of these Rules, the Market Operator may request the submission of the entire compensation agreement despite the submission of the statement referred to in the sixth paragraph of this Article. In the event that, after reviewing the entire compensation agreement, the Market Operator identifies irregularities or deficiencies, the Market Operator may request that the irregularities or deficiencies be corrected.

Article 23  
(Balance subgroup)

- (1) A Balance subgroup shall be established on the basis of a compensation agreement.
- (2) A Balance subgroup shall be represented by the Balance Subgroup Responsible Party, who shall be primarily responsible for:
- the exchange of data with the Balance Group Responsible Party or a superior Balance Subgroup Responsible Party;
  - notification of concluded closed contracts to the Balance Group Responsible Party or a superior Balance Subgroup Responsible Party whose member it is;
  - notification of operational forecasts for the delivery points that belong directly to them or to the Balance Scheme members in their Balance Subgroup, to the Balance Group Responsible Party or superior Balance Subgroup Responsible party whose member it is.

Article 24  
(Transitions between the Balance Groups and Balance Subgroups)

- (1) Transition of the Balance Scheme members between the Balance Groups or Subgroups can take place in the following cases:
- transition due to the cancellation of a balancing agreement and the conclusion of a compensation agreement;
  - transition due to the expiration, withdrawal or cancellation of a compensation agreement together with the conclusion of a balancing agreement or a new compensation agreement; and
  - in other cases of transition within the implementation of the Market Operator's tasks.
- (2) With transitions of Balance Scheme members between Balance Groups or Subgroups:
- in the case of a transition of the Balance Group Responsible Party or Balance Subgroup Responsible Party, relations with their inferior members do not change;
  - in the case of a transition of a supplier, relations among the existing consumers and/or producers do not change;
  - in the case of a transition of the supplier supplying their own delivery points, the supply to these delivery points does not change.
- (3) In the case of a transition of a Balance Scheme member with hierarchically inferior Balance Scheme members among balance groups or subgroups, the Balance Group Responsible Party of the balance group in which the member is entering shall submit to the Market Operator new statements regarding the conclusion of a compensation agreement for the hierarchically inferior Balance Scheme members.
- (4) In the case of a transition among Balance Groups, the enforcement day shall be defined in accordance with Article 45 of these Rules.

## 2. Open contracts for delivery, aggregation contracts and closed contracts

### Article 25

#### (Types of open contracts for delivery)

- (1) Open contracts for delivery are contracts concerning the supply to end consumers, contracts on the purchase of electricity from producers and virtual open contracts.
- (2) Open contracts for delivery determine the balancing affiliation of the delivery or metering points.
- (3) The realisation of the delivery or metering points is given consideration in the balance of the Balance Scheme member with which it has balancing affiliation.
- (4) Realisation of a delivery or metering point with more than one supplier shall be taken into consideration in the balance of the Balance Scheme member to which it has balance affiliation in a share that the supplier covers or as specified in the network codes of System Operators.

### Article 26

#### (Open contracts for delivery)

- (1) Only a Balance Scheme member may conclude an open contract for delivery with the owner/holder of the delivery or metering point as a system user or a person authorised by him.
- (2) Cancellation of the open contract for delivery shall become effective in terms of the balancing affiliation on the basis of registration in the record of open contracts in accordance with the network codes of System Operators.

### Article 27

#### (Virtual open contracts)

- (1) Virtual open contracts are legal transactions or other relations which may arise on the basis of:
  - a fact that the delivery or metering point is a part of the network and/or is connected to the network managed by the Electricity System Operator, and that the delivery or metering point does not have any balancing affiliation to other Balance Scheme members;
  - a fact that a delivery point delimits either two networks managed by two different Transmission System Operators or two distribution areas managed by the same Distribution System Operator;
  - self-supply notification;
  - occurrence of the after-effects of the last resort supply in the record of open contracts, or
  - occurrence of the after-effects of emergency supply in the record of open contracts.
- (2) A delivery or metering point that is part of the network managed by the Electricity System Operator and has no balancing affiliation to another Balance Scheme member shall belong to this Electricity System Operator.
- (3) The delivery point that delimits two networks managed by two different Transmission System Operators or that delimits two distribution areas shall be deemed part of both networks or areas for the purposes of the imbalance settlement.

Article 28  
(Self-supply notification)

- (1) Self-supply notifications contain a statement of Balance Scheme members that delivery or metering points, specified in the statement, shall be supplied on their own.
- (2) The notification also determines the affiliation of the specified delivery or metering points to the Balance Scheme member in whose balance the realisation of these delivery or metering points is taken into account in its primary value.
- (3) As regards the self-supply delivery or metering points, a Balance Scheme member shall have the status of a supplier in accordance with these Rules.

Article 29  
(Last resort supply)

- (1) Regarding the last resort supply, these Rules determine the rights and obligations of market participants at times of certain exceptional events on the electricity market.
- (2) According to these Rules, the provisions on the last resort supply do not interfere with the rights and obligations of legal or natural persons regarding the conclusion of a delivery agreement to the final consumer on the basis of the provisions concerning the last resort supply in accordance with the law governing electricity supply and the network codes.

Article 30  
(Reasons for the occurrence of a last resort supply)

- (1) The reasons for the occurrence of a last resort supply of the delivery or metering points are:
  - expiry of the balancing agreement of the Balance Group Responsible Party in which the delivery or metering points had balancing affiliation to the Balance Group Responsible Party or to the hierarchically inferior Balance Scheme members, where the transfer of the Balance Group Responsible Party to another Balance Group or Subgroup was not conducted;
  - expiry of the compensation agreement of the Balance Subgroup Responsible Party in which the delivery points had balancing affiliation to the Balance Subgroup Responsible Party or to the hierarchically inferior Balance Group members, where the transfer of the Balance Subgroup Responsible Party to another Balance Group or Subgroup was not conducted or their own Balance Group was not established;
  - other reasons specified in the network codes.
- (2) The after-effects of the last resort supply in the record of open contracts occur whenever it is determined that an individual delivery or metering point has no balancing affiliation to the distribution network, in accordance with the previous paragraph.
- (3) The Distribution System Operator shall inform the Market Operator of the occurrence of the last resort supply.



#### Article 31

##### (Vulnerable consumers and emergency supply)

(1) According to these Rules, the relationships which occur when the balancing non-affiliation of a delivery or metering point has been determined and the conditions for the emergency supply have been met in the record of open contracts are regulated within the emergency supply.

(2) The provisions of these Rules regarding emergency supply do not interfere with other rights and obligations of the Distribution System Operator and consumers, stemming from the law and network codes.

#### Article 32

##### (After-effects of the occurrence of a last resort supply and emergency supply in the record of open contracts)

(1) Where the last resort or emergency supply of a delivery or metering point is introduced, the Distribution System Operator where the delivery or metering point is located shall be regarded as the supplier to the final consumer on the basis of the last resort or emergency supply.

(2) With the occurrence of the after-effects of the last resort or emergency supply, the actual realisation of a delivery point is considered in the balance of the Distribution System Operator where the delivery or metering point is located.

(3) With the introduction of the last resort or emergency supply of a delivery or metering point without registration meters, or whose registration interval is longer than the accounting interval, the Distribution System Operator shall immediately carry out the reading of the metering point. The reading on such a metering point shall be carried out by the Distribution System Operator, also in the event of a last resort or emergency supply termination.

#### Article 33

##### (Delivery or metering points with no valid open contracts for delivery)

(1) The Electricity System Operator shall disconnect, in the area for which it is responsible, the delivery or metering points with no balancing affiliation to any Balance Scheme member which are not part of a last resort or emergency supply.

(2) The Electricity System Operator shall disconnect a producer connected to its system with no open agreement on the purchase from a producer.

(3) Where the delivery or metering point has no supplier and the Electricity System Operator does not disconnect it, this delivery or metering point shall belong to this Electricity System Operator.

#### Article 34

##### (Affiliation of a delivery or metering point)

(1) The affiliation of a delivery or metering point is determined by:

- a contract for the supply to the end consumer;
- a contract for the purchase of electricity from the producer;
- self-supply notification;
- the network of areas which it divides or networks which it divides;

- the occurrence of a last resort supply;
- the occurrence of an emergency supply, or
- affiliation with the Electricity System Operator in accordance with Article 33 of these Rules.

(2) System users may simultaneously conclude several open contracts with different suppliers for a single delivery point, with all supplier contracts being registered with the competent Electricity System Operator, including the share of delivery. If the shares of delivery of a delivery point do not add up to one, that point shall be deemed not to have a supplier. Single meter operation is possible if the balancing affiliation of the delivery point is contractually apportioned between the suppliers in advance, so that the shares add up to one. Different forms of timing of consumption and delivery are possible if they can be measured by metering equipment installed at or downstream of the delivery point, or otherwise uniquely determined. Delivery points can be a part of two different networks of Electricity System Operators if they:

- divide the networks of two Electricity System Operators;
- divide the networks of an Electricity System Operator and a neighbouring foreign Electricity System Operator.

(3) A delivery point may be a part of two different areas of a Distribution System Operator if it divides two areas of the same Distribution System Operator.

#### Article 35 (Aggregation contracts)

(1) An aggregation contract is a contract that a Balance Scheme member, as an aggregator or independent aggregator, enters into with a system user for the purposes of providing flexibility and adjusting consumption or production.

(2) An aggregation contract is by its nature an open contract and is kept in the Record of open contract of the relevant System Operator.

(3) If the aggregation contract is concluded with an independent aggregator, the realisation of the relevant delivery or metering points shall be taken into account in the Supplier's balance, unless otherwise provided for in these Rules.

#### Article 36 (Closed contract)

(1) A closed contract is:

- a contract concluded between two Balance Scheme members for the supply of electricity in Slovenia; or
- a contract for the supply of electricity with the use of cross-border transmission capacities concluded between a Balance Scheme member and a neighbouring market participant.

(2) Where these Rules or instructions under these Rules so provide, a transaction which is not otherwise directly entered into between two Balance Scheme members shall also be recorded as a closed contract.

### 3. Procedure for the Balance Scheme Membership acquisition

#### Article 37

##### (Request for the inclusion into the Balance Scheme)

- (1) The request for the inclusion into the Balance Scheme shall be submitted in writing by mail to the Market Operator directly or in electronic form in accordance with the regulations governing electronic commerce.
- (2) The Market Operator determines an application form and publishes it on its website or in its information system.
- (3) The request shall include the evidence set out in Article 18 or Article 22 of these Rules and other documents which prove that the applicant of the request meets the requirements for the inclusion into the Balance Scheme.
- (4) The Market Operator may also request additional explanations on the application regarding the envisaged operation on the electricity market to assess whether the applicant meets all the conditions for inclusion into the Balance Scheme.
- (5) A request for the inclusion into the Balance Scheme cannot be made by a legal or natural person who has been excluded from the Balance Scheme in the last three years for acting contrary to the rules or for breach of the balancing agreement.

#### Article 38

##### (Verification of the conditions for the inclusion into the Balance Scheme)

- (1) Upon the receipt of a request, the Market Operator shall first verify:
  - whether a request has been submitted on a prescribed form;
  - whether all required data are provided in the application form;
  - whether all required evidence is enclosed to the request;
  - whether a statement concerning the conclusion of a compensation agreement has been received in the case of a request for the inclusion of the Market participant as the Balance Subgroup Responsible Party.
- (2) If the request fails to comply with the conditions referred to in the previous paragraph, the Market Operator shall invite the applicant to remedy the deficiencies within a reasonable time limit.
- (3) If the applicant remedies the deficiencies within the determined period, the request shall be deemed submitted when the application is complete.
- (4) If the applicant fails to remedy the deficiencies within the period determined by the Market Operator, the latter shall inform the applicant of the failure to meet the conditions in writing, and the request shall be deemed not submitted.
- (5) If, after the procedure referred to in the first to fourth paragraph of this Article, it is found that the request meets all the requirements from the first paragraph of this Article, the Market Operator shall carry out a substantive examination.
- (6) The Market Operator shall issue a decision on the matter no later than within one month from the receipt of a complete request, namely:

- the request is granted if it is determined that all requisite conditions are met, and in the case of an application for obtaining the Balance Group Responsible Party status, the Market Operator shall send the balancing agreement to the applicant to be signed, or in the case of an application for obtaining the Balance Subgroup Responsible Party status, the Market Operator shall enter the applicant as the Balance Subgroup Responsible Party into the Record of Balance Scheme membership agreements and shall notify the applicant in writing; or
- rejects the request when, during the substantive examination, it is considered that not all the conditions have been met and shall notify the applicant in writing.

(7) If the Market Operator rejects the request referred to in the previous paragraph, the applicant shall have the possibility to submit a request to the Energy Agency within 15 days for a decision in a dispute with the counterparty.

(8) The applicant shall be obliged to sign the balancing agreement sent by the Market Operator and send the concluded agreement via registered mail to the Market Operator's address within two months from receipt of the agreement or to confirm it in electronic form at the request of the Market Operator, in accordance with the regulations on electronic commerce. If the Market Operator does not receive the signed balancing agreement within the prescribed period, it shall be considered that the applicant has withdrawn its request to enter the Balance Scheme and/or this agreement shall be considered rescinded.

(9) The applicant shall provide the required financial guarantees within three months from the date of the balancing agreement conclusion, or the agreement shall be considered rescinded.

(10) The Market Operator enters the new Balance Group Responsible Party as a member into the Record of Balance Scheme membership agreements within five working days from the fulfilment of the last of the following conditions: a concluded balancing agreement, a concluded agreement on the invoicing method and a submitted required financial guarantee.

(11) The Market Operator lists the new Balance Subgroup Responsible Party as a member in the Balance Scheme within five working days from the fulfilment of all the prescribed conditions.

(12) The date of the entry into the Record of Balance Scheme membership agreements shall be considered the enforcement day of the inclusion into the Balance Scheme.

(13) The Market Operator shall publish the inclusion of a new Balance Scheme member into the Balance Scheme on its official website.

#### Article 39

##### (Strict liability of the Balance Scheme members)

A Balance Scheme member shall bear strict liability for any loss or damage (including the costs incurred in the process) caused by the infringement of the applicable Rules.

#### 4. Limitation of operations in the Balance Scheme

#### Article 40

##### (Temporary technical prevention from operating on the electricity market)

(1) The Market Operator may temporarily technically prevent the Balance Scheme member without delivery points with balancing affiliation from operating on the electricity market:

- if the Balance Scheme member fails to meet outstanding financial obligations;

- if the Balance Scheme member fails to submit financial guarantees required by the Market Operator;
- if the Balance Scheme member does not conclude an Annex to the balancing agreement on the Market Operator's call, which would ensure compliance of the agreement content with the Rules;
- if the Balance Scheme member fails to act in accordance with the third paragraph of Article 8 of these Rules;
- if the Balance Scheme member fails to meet technical, staff and other conditions necessary to ensure the use of the Market Operator's information system;
- upon the request of the Transmission System Operator if the operations of the Balance Scheme member threaten the stability of the operation of the electricity system; or
- due to a request from the Energy Agency.

(2) A temporary technical prevention from operating on the electricity market shall be immediately entered into the Record of Balance Scheme membership agreements and shall apply as long as the reasons from the previous paragraph persist. In each case of a temporary technical prevention from operating on the electricity market, the Market Operator shall inform by e-mail the Balance Scheme member, the Balance Group Responsible Party, the System Operators, the Energy Agency and the Energy Exchange or the Nominated Electricity Market Operator, as the case may be.

(3) In case of a temporary technical prevention from operating on the electricity market, the Balance Scheme member shall have the opportunity to file a request to the Energy Agency within fifteen (15) days from sending the notification from the previous paragraph of this Article in accordance with the procedure under Articles 413 to 419 of the Energy Act to take a decision to resolve a dispute with the Market Operator.

(4) In case of a temporary technical prevention from operating on the electricity market, members shall be prevented from reporting closed contracts where the counter-party is a member temporarily prevented from operating on the market for the period of limited operation on the electricity market; the measure shall be published on the Market Operator's website. Closed contracts that were recorded with a member as a party to the contract shall be removed from the records by the effect of the measure of temporary technical prevention from operating on the electricity market. All members of the Balance Scheme, who were listed as partners in the removed closed contracts, are notified electronically. The Market Operator may determine that the restrictions on the operation of the Balance Scheme shall also apply to any hierarchically lower Balance Group members, in the event that the temporary technical prevention from operating on the electricity market concerns the Balance Group Responsible Party.

## 5. Cessation of the Balance Scheme membership

### Article 41

#### (Cessation of the Balance Scheme membership)

(1) Balance Scheme Membership shall cease on the date entered into the Record of Balance Scheme membership agreements in accordance with these Rules and other applicable regulations.

(2) The Market Operator shall publish the cessation of the Balance Scheme membership on its website and, at the same time, he shall inform the Electricity System Operators by e-mail.

(3) In the event of cessation of the Balance Scheme membership, the provisions of the balancing agreement shall continue to apply until all liabilities under the applicable balancing agreement have been settled.

#### Article 42

##### (Termination of the balancing agreement)

(1) The Market Operator may terminate a balancing agreement concluded with the Balance Group Responsible Party on the basis of justified termination of the balancing agreement without notice and with effect from the date of cessation of the Balance Scheme membership, entered in the Record of Balance Scheme membership agreements:

- if the Balance Scheme member was admitted on the basis of untrue or false information;
- if legal consequences occur as a result of the bankruptcy or liquidation proceedings of a Balance Scheme member;
- if a Balance Scheme member fails to enable the examination of the documentation relating to the transactions concluded on the electricity market;
- if a Balance Scheme member violates the provisions of the regulations in force concerning the electricity market, or the provisions of other applicable regulations which can influence the Balance Scheme member's ability to act according to these Rules;
- if a Balance Scheme member fails to fulfil its obligations under the balancing agreement;
- if a Balance Scheme member fails to act on the basis of the Market Operator's warning in the event that subordinate members of the Balance Scheme violate these Rules or fails to cancel the compensation agreement on the basis of the Market Operator's warning;
- if the Balance Scheme member does not conclude an Annex to the balancing agreement on the Market Operator's call in accordance with the Rules, or
- if a Balance Scheme member breaches these Rules in any other way.

(2) When a hierarchically inferior Balance Subgroup of the Balance Group Responsible Party breaches the provisions of the applicable regulations governing the electricity market or the provisions of other applicable Rules which can influence the Balance Scheme member's ability to act according to these Rules, the Market Operator shall warn the Balance Group Responsible Party and require the infringements be brought to an end. If the infringements are not rectified, the Balance Group Responsible Party shall cancel the compensation agreement concluded with such a member on the basis of the Market Operator's warning, or arrange the cancellation of the compensation agreement between the subordinated Balance Scheme members in order to cease the membership of the infringer. If the infringements are not remedied despite the Market Operator's warning, the Market Operator may terminate the balancing agreement concluded with the Balance Group Responsible Party.

(3) The Balance Group Responsible Party may terminate the balancing agreement, whereby the termination is effective only if, on the day of the submitted termination, all its obligations towards the Market Operator are fulfilled and settled, and:

- it has no hierarchically inferior Balance Group members, it is not a supplier to any consumer or producer and it does not supply any self-owned delivery points, all of which ceases its membership in a Balance Scheme, or
- it concludes a compensation agreement which becomes a new foundation for its membership in a Balance Group or Subgroup, which makes it the Balance Subgroup Responsible Party.

(4) The termination of the balancing agreement by the Balance Group Responsible Party becomes effective on the day entered in the Record of Balance Scheme membership agreements. Termination of the agreement shall, if given in accordance with the preceding paragraph, take effect within 5 working days from receipt of the notification of the termination of the balancing agreement.

(5) In the case of the termination of the balancing agreement by the Balance Group Responsible Party, the latter can indicate the date when the termination of the balancing agreement shall take effect and which shall not be prior to the expiry of the 5 working days referred to in the previous paragraph.

(6) The financial guarantees submitted by the Balance Group Responsible Party shall remain valid and/or the Market Operator shall retain them until potential liabilities arising from imbalance settlement, including annual imbalance settlement recalculation, have been settled.

(7) In the event of transition from the Balance Group to a Balance Subgroup, the Balance Subgroup Responsible Party shall, in order to ensure the coverage of financial liabilities arising from the annual recalculation of the imbalance settlement, submit a statement by the Balance Group Responsible Party which indicates that the financial guarantees of the Balance Group Responsible Party may also be used to cover the liabilities arising from the annual recalculation of the imbalance settlement of the Balance Subgroup Responsible Party. In this case, the Market Operator shall return financial guarantees referred to in the previous paragraph within three working days after all obligations arising from the imbalance settlement have been fulfilled and settled.

(8) The statement referred to in the preceding paragraph shall also remain valid in the event of cessation of membership of the Balance Subgroup Responsible Party in the Balance Group of the statement provider, unless it is replaced by another statement given in accordance with the provision in the previous paragraph.

(9) In the event of termination of the balancing agreement by the Market Operator, membership in the Balance Scheme shall also terminate at the same time for any hierarchically inferior Balance Group members.

(10) In case of the termination of the Balance Scheme membership agreement or the rescission of the Balance Scheme membership agreement, all closed contracts entered into the record of closed contracts, where one of the contracting parties is the excluded Balance Scheme member or a hierarchically inferior member, shall be considered rescinded on which they cease to be a Balance Scheme member. The quantities of already declared operational forecasts of the excluded member shall be corrected to 0.

#### Article 43

##### (Termination of the compensation agreement)

(1) The Balance Group Responsible Party or Balance Subgroup Responsible Party may withdraw from or terminate the compensation agreement with a hierarchically inferior Balance Scheme member in accordance with the contractually agreed reasons for cancellation. If a hierarchically lower member has on the day of termination or withdrawal himself a hierarchically lower members of the balance subgroup or is a supplier to customers or producers, the termination or withdrawal may take effect on the first day of the month following at least three months from the date on which the market operator was informed of the termination or withdrawal. The status of the supplier is checked by the Market Operator with the competent Electricity System Operator.

(2) The Balance Subgroup Responsible Party may withdraw from or terminate the compensation agreement with a hierarchically superior Balance Scheme member in accordance with the contractually agreed reasons for termination and provided that:

- he has no hierarchically lower Balance Subgroup members, he is not a supplier to any consumer or producer, and he does not supply any self-owned delivery points, all of which ceases its membership in the Balance Scheme; or
- he concludes a balancing agreement with the Market Operator or concludes a new compensation agreement with another Balance Scheme member which forms a foundation for his membership in the Balance Group or Subgroup thus retaining a status of the Balance Scheme member.

(3) The Balance Group Responsible Party or Balance Subgroup Responsible Party shall notify the Market Operator and any hierarchically inferior Balance Group Responsible Party of the expiry of the compensation agreement concluded with the hierarchically inferior Balance Scheme member.

(4) The withdrawal or termination of the compensation agreement becomes effective on the day entered in the Record of Balance Scheme membership agreements. That date shall be no later than five working days at the latest after the receipt of the notification referred to in the previous paragraph or in accordance with the second sentence of the first paragraph of this Article.

(5) In the event of withdrawal or termination of the compensation agreement, the Balance Group Responsible Party may inform the Market Operator of the desired date when the withdrawal or termination of the compensation agreement shall take effect agreed between the parties to the compensation agreement and which shall not be prior to the deadline referred to in the previous paragraph.

#### Article 44

##### (Other reasons for cessation of Balance Scheme Membership)

(1) Participation in the Balance Scheme shall also cease:

- with the death of a Balance Scheme member and/or with deletion of a Balance Scheme member from the court or similar register;
- if the Balance Scheme member is issued a prohibition to carry out the activities;
- if the decision is taken by the inspector with which it is made impossible for the Balance Scheme member to participate on the electricity market; or
- when the compensation agreement and/or balancing agreement is rescinded by mutual consent.



(2) In the event referred to in the first indent of the preceding paragraph, the cessation of membership is recorded on the day of the event, whereas in other cases on the day when the Market Operator is notified of the reason for the cessation of the Balance Scheme membership.

(3) If the membership of the Balance Group Responsible Party ceases on the basis of the provisions of this Article, the concluded balancing agreement shall be deemed rescinded on the date of the entry in the Record of Balance Scheme membership agreement.

## 6. Enforcement days of changes to the Balance Scheme

### Article 45

#### (Enforcement days of changes to the Balance Scheme)

(1) The date of the entry into the Record of Balance Scheme membership agreements shall be regarded as the enforcement date in the procedure of acquiring, changing or ceasing the membership.

(2) In the event of an extension of validity of the compensation agreement, the Market Operator shall be notified at least three months before the expiry of the compensation agreement.

(3) In the event of:

- the transition among Balance Groups or Balance Subgroups due to the termination of the balancing agreement with the conclusion of a compensation agreement; or
- the transition due to the expiry, withdrawal or termination of the compensation agreement with the conclusion of a balancing agreement or a new compensation agreement

the transition shall take effect on the first day of the month beginning at least two months later from the moment when all the terms and conditions for entry in the Record have been met, or the first day of the month agreed between the Market Operator and the Balance Scheme member, should that day come later.

(4) A balance scheme member may procedurally arrange documentation with the Market Operator regarding the extension of validity of the existing basis for inclusion in the Balance Scheme or transition, regardless of its current form of membership in the Balance Scheme. At any point in time, the inclusion in the Balance Scheme can have only one basis, with the exception of members with special status.

(5) In the event of the transition or extension of a compensation agreement of members with a special status in the Balance Scheme, the transition or extension takes effect:

- on the first day of the month following the month when all the conditions have been met for the entry into the record; or
- on the first day of the month agreed between the Market Operator and Balance Scheme member, should that day come later.

(6) If due to untimely extension of the compensation agreement, transition or other reason the loss of status of Balance Scheme member that is a supplier to customers or producers may occur, the Market Operator shall notify the Energy Agency and Electricity System Operators by e-mail, and the latter shall notify balance affiliated customers and producers. The Market Operator shall also publicly record this in the Record of Balance Scheme membership agreements on its website, including the warning about the possibility of last resort supply. The Market Operator shall also inform the stakeholders in the event that the reason should cease to apply.

#### IV. RECORDING OF CONTRACTS

##### 1. Method of recording contracts

###### Article 46

###### (Recording of Balance Scheme membership agreements)

(1) A list of the Balance Scheme members is divided into membership categories and shall be published on the Market Operator's web site promptly. Information concerning an individual Balance Scheme member shall include at least:

- company and/or the name of a Balance Scheme member;
- identification code of a Balance Scheme member; and
- Balance Scheme Membership category.

(2) All changes to the records are the result of entries of the Market Operator upon the notification of a Balance Scheme member about the entry into force, change or the expiration of the validity of Balance Scheme membership agreements or following action taken by the Market Operator in accordance with these Rules. The Market Operator may deny the entry of the change to the record on the basis of a notice received, if the notice is incomplete or if it does not contain all required information or because it was sent by an unauthorised person; the Market Operator shall inform the Balance Scheme member accordingly.

(3) Every change recorded in the record shall become effective on the day entered into the record.

(4) In addition to basic elements, the record may include information relating to mandatory and other components of the Balance Scheme membership agreements.

###### Article 47

###### (Method for reporting closed contracts and operational forecasts)

(1) The reporting of closed contracts and operational forecasts is carried out through the Market Operator's information system.

(2) As an exception, if the entry of a closed contract or an operational forecast into the information system cannot be executed due to technical issues, the Balance Group Responsible Party may send the report of a closed contract or an operational forecast to the Market Operator by e-mail. Such a report of closed contracts or operational forecasts shall become valid when the Market Operator accepts and confirms the receipt.

## 2. Recording of open contracts

### Article 48

#### (Recording of open contracts)

- (1) The record of open contracts and all related information shall be kept by the Electricity System Operators.
- (2) Every change entered into the record shall become effective with the enforcement date.
- (3) The record of open contracts shall include at least the following information:
  - a list of the delivery or metering points; and
  - the balancing affiliation to an individual Balance Scheme member.
- (4) The Electricity System Operator shall ensure traceability of changes in the record of open contracts in such a way as to enable a detailed audit of:
  - the entry of changes in the record (a history of changes in the record); and
  - the validity dates of individual data entered into the record (history testified by the record) regarding individual entries into the record.
- (5) The Electricity System Operators shall provide the Market Operator with prompt and unlimited access to the record of open contracts, all changes made in the record of open contracts and to all related information. This includes aggregation contracts.
- (6) For the purpose of verifying the operation of the Balance Scheme members or other needs of the Market Operator, the Electricity System Operator shall, at the request of the Market Operator, within three working days, provide data or access to the records of data on the balancing affiliation of the delivery or metering points to a particular supplier, data on the status of the change of suppliers (new and lost delivery or metering points) and the invoiced volumes, for the period as requested by the Market Operator. The Market Operator sends the request by e-mail.

### Article 49

#### (Implementation of the change of the balancing affiliation of the delivery or metering points)

- (1) Changes in the affiliation of the delivery or metering points occur in the following cases:
  - affiliation on the basis of a conclusion of a delivery agreement for the supply to end consumer, a contract for the purchase of electricity from the producer or the notification on self-supply of a delivery point which was not subject to supply prior to that;
  - regular change in the affiliation on the basis of a new open contract;
  - occurrence or cessation of after-effects of the last resort or emergency supply; or
  - affiliation to an Electricity System Operator in the absence of a delivery agreement for the supply to end consumer, a contract for the purchase of electricity from the producer or the notification on self-supply of a delivery or metering point.
- (2) Implementation of a change of affiliation of delivery or metering points affects the Balance Scheme once the change is entered in the record of open contracts when the day of enforcement occurs, determined by the Electricity System Operator on the basis of a complete notification on valid open contract in accordance with the network codes.

(3) If there is a technical option for ensuring users to choose a supplier of the charging service for electric vehicles at the same delivery or metering point, the Market Operator may, by means of instructions published on the website, determine the adherence to the connection scheme and the person responsible for the management of the metering point and for the provision of data from the inferior metering point for the purpose of metering the charging point.

### 3. Recording of closed contracts

#### Article 50

##### (Record of closed contracts)

(1) All changes in the record of closed contracts are the result of the entries made by the Market Operator concerning the essential components and their changes on the basis of a complete report of a Balance Scheme member or the entry made by the Market Operator.

(2) The Market Operator can reject the entry of a change or the registration of a closed contract into the record of closed contracts on the basis of a received report if it is incomplete or does not contain the required data, or because it was sent by an unauthorized person; the Market Operator shall inform the Balance Scheme member through a return notice.

(3) The Market Operator confirms the receipt of a complete report sent by a Balance Scheme member with a return notice, thus making it undisputable for the Balance Scheme member that the content of the report is entered into the record of closed contracts.

#### Article 51

##### (Person responsible for reporting closed contracts)

The Balance Group Responsible Party is responsible for the report of all closed contracts concluded by the Balance Group Responsible Party or by hierarchically lower members of his Balance Group.

#### Article 52

##### (Reporting of closed contracts among Balance Scheme members)

(1) All closed contracts must be recorded with the Market Operator. In the case of multiple contracts for the same accounting interval, the contracts shall not be netted by direction and the closed contracts shall be recorded separately for each direction.

(2) Each closed contract within the Republic of Slovenia may be recorded only between two Balance Scheme members.

(3) Each closed contract is reported by both contracting parties, except closed contracts between contracting parties of the same Balance Group, which are reported only once by the Balance Group Responsible Party.

(4) Each closed contract with the use of cross-border transmission capacities is reported to the Market Operator's information system by the contracting party who concludes the contract as the Balance Scheme member in the Republic of Slovenia.

(5) Regulation, load restriction or other emergency network regulation activities shall be entered in the Record of closed contract upon receipt of a notification from the Transmission System Operator, if they are not taken into account through a correction in the imbalance settlement.

#### Article 53

##### (Actions in the case of a report mismatch)

- (1) In the case of a mismatch of a report between the contracting parties, the Market Operator shall notify them to eliminate mismatches.
- (2) If contracting parties fail to reach an agreement on the report of a closed contract, the Market Operator shall not accept the report of such a contract and/or as the case may be the report is not taken into account and an amount equal to zero is taken into account.
- (3) If contracting parties fail to reach an agreement on the report of a closed contract and if one of them is an Energy Exchange Operator or a Nominated Electricity Market Operator, the Market Operator shall take into account the one reported by the Energy Exchange Operator or Nominated Electricity Market Operator as the valid report.
- (4) If the report of a closed contract using cross-border transmission capacity in the information system of the Market Operator differs from the registration with the Transmission System Operator, the valid report shall be the one reported with the Transmission System Operator.

#### Article 54

##### (Content of the recording of closed contracts)

- (1) The record of closed contracts records the following essential components of an individual closed contract:
  - a) For all closed contracts:
    - identification code of the Balance Scheme members whose balance is directly affected by a closed contract;
    - quantities of electricity supplied in an individual accounting interval; and
    - content and time of receipt of the complete reports or entries by the Market Operator and confirmation of the reports which form the basis for recording a closed contract.
  - b) In addition to the abovementioned, the number of the approval of the exercised rights to use cross-border transmission capacities shall be included for closed contracts with the use of cross-border transmission capacities.
- (2) Reported quantities in the closed contracts must be expressed in MW. All values shall be rounded to three decimal places.
- (3) The direction of electricity exchange is defined depending on the status of the contracting parties (seller – buyer). Reported values under closed contracts may have a positive sign only.

#### Article 55

##### (Effects of the recorded closed contracts)

- (1) A recorded closed contract affects the balance of both Balance Scheme members in such a manner that the recorded quantities of the supplied electricity in an individual accounting interval are considered as an inflow or outflow in the balance of a Balance Scheme member.
- (2) Interference of the Electricity System Operators with the rights and obligations of the Balance Scheme members deriving from the recorded closed and open contracts in the cases of regulation or other emergency network regulation activities, load restrictions, reduction of electricity exchange between Balance Scheme members, reductions and the cancellation of

rights to use cross-border transmission capacities are managed by an appropriate entry of closed contracts into the balance of the Balance Scheme members, insofar as they are not taken into account through a correction in the implementation of the imbalance settlement.

(3) Each entry of the inflows and outflows in the balance of a Balance Scheme member referred to in the previous paragraph must have a reciprocally opposite entry in the balance of the Electricity System Operators.

#### Article 56

(Record of rights to use cross-border transmission capacities)

(1) The record of rights to use cross-border transmission capacities and all its related data are managed by the Transmission System Operator.

(2) For carrying out the Market Operator's duties, the Transmission System Operator shall provide the Market Operator with prompt and unlimited access to the record of rights to use cross-border transmission capacities.

#### Article 57

(Obligations of the Transmission System Operator regarding the closed contracts with the use of cross-border transmission capacities)

The Transmission System Operator shall be obliged to verify the right to use cross-border transmission capacities regarding the closed contracts with the use cross-border transmission capacities.

#### Article 58

(Changes in the Register of the Market Operator due to the transactions within the regulation of the energy system)

(1) Changes in the record of closed contracts, or corrections which are necessary due to the implementation of the regulation of the energy system, are managed on the basis of:

- data which the Market Operator receives from the Transmission System Operator within the process of the imbalance settlement on the executed FCR, FRR and RR and the execution of load restrictions;
- report of closed contracts on the executed FCR, FRR and RR and executed load restrictions;
- other data received by the Market Operator from the Transmission System Operator and coordinated with the Energy Agency.
- instructions on how to apply and deadlines, which the Market Operator publishes on its website.

(2) Changes to the FRR and RR and to the executed load restrictions shall be made on the basis of data on the activated balancing quantities.

(3) Changes to the FCR shall be made on the basis of data on realised balancing volumes.

(4) In the case of redispatch or counter-activation at the borders by the Transmission System Operator, the market plans of the Transmission System Operator and the redispatch or counter-activation providers shall be adjusted in the context of the imbalance settlement or by declaring closed contracts for activation volumes.

#### Article 59

##### (Recording of FRR services by an independent aggregator)

In the case where the Transmission System Operator (TSO) activates an FRR offered by a Balancing Service Provider (BSP), which provides a balancing service using the delivery or metering points belonging to other Balance Scheme members, the amount of activated balancing energy shall be registered with the Market Operator in the form of a closed contract between the Balancing Service Provider and the supplier of the participating delivery or metering point only in the case of a mutual notification by both the Balancing Service Provider and the supplier of the participating delivery or metering point.

#### Article 60

##### (Market plan)

- (1) The market plan is the basis for imbalance settlement.
- (2) Balance Scheme members with appurtenant delivery points should aim to have a market plan in each accounting interval equal to the operational forecast when registering for the day-ahead. In the event of a notification mismatch, the Balance Group Responsible Party shall provide the Market Operator with information on the cause of the notification mismatch and the measures envisaged to remedy the mismatch.
- (3) Balance Scheme members who have no appurtenant delivery points should aim to have a market plan which equals 0 MW in all accounting intervals when registering for the day-ahead. If the market plan fails to equal 0 MW in all accounting intervals, the Balance Group Responsible Party shall provide the Market Operator with information on the cause of the notification mismatch and the measures envisaged to correct the mismatch.
- (4) If, after the deadline for notification of changes to closed contracts, the market plan of a Balance Group, which has no appurtenant delivery points, fails to equal 0 MW in all accounting intervals, it shall be considered that the Balance Group Responsible Party has reported the forecasted imbalances.
- (5) If, after the deadline for notification of changes to closed contracts, the market plan of a Balance Group with appurtenant delivery points is not aligned with the operational forecast in all accounting intervals, it shall be considered that the Balance Group Responsible Party has reported the forecasted imbalances. The difference between the market plan and the operational forecast shall be taken into account by the Market Operator when determining the amount of the variable financial guarantees in accordance with the second paragraph of Article 89 and the first paragraph of Article 127 of these Rules.

#### 4. Operational forecasts

#### Article 61

##### (Person responsible for reporting operational forecasts)

- (1) The Balance Group Responsible Party is responsible for reporting operational forecasts for all delivery points that belong directly to them or to the hierarchically inferior members of their Balance Group.
- (2) Operational forecasts can only be reported with regard to the delivery points that belong to a certain Balance Scheme member.

Article 62  
(Reporting of operational forecasts)

- (1) An operational forecast is an unbiased forecast of consumption or production aggregated from the forecasts of individual delivery or metering points. Each Balance Scheme member shall endeavour to forecast as accurately as possible the forecast consumption and production of the delivery or metering points to which it is entitled and shall endeavour to provide or deliver an adequate amount of any shortfall or surplus electricity.
- (2) An operational forecast shall be reported separately for each accounting interval.
- (3) Reported quantities in the operational forecasts must be expressed in MW. All values shall be rounded to three decimal places.
- (4) The operational forecast shall be reported separately for the delivery points in the transmission network which the Market Operator allocates to the Balance Scheme member.
- (5) Operational forecasts of the delivery points connected to a distribution network can be reported aggregately for an individual distribution network area, unless otherwise determined by the Market Operator.
- (6) Operational forecasts of the delivery points connected to a distribution network can be reported aggregately for an individual distribution network area; excluded are those delivery points through which electricity is offered or supplied on the electricity balancing market, unless otherwise determined by the Market Operator.
- (7) The Market Operator allocates delivery points for reporting the operational forecast to the Balance Scheme members according to the Record of open contracts of the Electricity System Operators which determine balancing affiliation of the delivery point. The number of delivery points that a Balance Scheme member can have is not limited.
- (8) Each Balance Scheme member shall be required to provide the amount of forecasted consumption for the consumption of the consumers to which it is entitled, either by purchasing electricity from other Balance Scheme members or by importing electricity, which shall be recorded through closed contracts or by purchasing electricity from the electricity producers to which it has balancing affiliation.
- (9) If a Balance Scheme member acts in contravention of the previous Article, it shall be deemed to be a breach of these Rules.
- (10) If the Market Operator assesses that the operational forecast of a Balance Scheme member deviates from the realisation or the data of the Electricity System Operators and the member does not provide a justified reason for the imbalance, the Market Operator may adjust the operational forecast of the Balance Scheme member based on the available data obtained from the Electricity System Operators, if the Balance Scheme member does not do so on its own at the request of the Market Operator. The Market Operator must inform the Balance Group Responsible Party affected by the change and the Energy Agency of the reasons for and the change to the report.
- (11) The Balance Group Responsible Party must adjust the operational forecasts of the Balance Scheme members accordingly, for all instances of delivery points used in the activation and for which closed contracts have been reported in connection with the operation of the independent aggregator, so that the operational forecasts are aligned with the closed contracts, unless the activation is taken into account in the imbalance settlement process in accordance with the first indent of the first paragraph of Article 58.



## 5. Control, coordination and deadline for the report

### Article 63

#### (Controlling the report of closed contracts and operational forecasts)

- (1) Reporting of closed contracts and operational forecasts is consistent when the calculated value of the market plan in each accounting interval is identical to the total operational forecast of a Balance Group.
- (2) In order to determine the consistency of the report, the Market Operator shall examine the consistency of the reported market plan with the operational forecasts during the reporting of the market plan and operational forecasts.
- (3) In the event of a market plan and operational forecast mismatch of a Balance Scheme member, the Market Operator shall request that the Balance Group Responsible Party provide a corrected version of the reported closed contracts and operational forecasts.

### Article 64

#### (Instructions and deadlines for reporting closed contracts and operational forecasts)

- (1) Closed contracts and operational forecasts shall be reported at least for the following day.
- (2) The Market Operator shall publish on its website the deadlines for the report of closed contracts and operational forecasts, the deadlines for reporting changes to closed contracts and operational forecasts and instructions regarding the report and communication. Any change in the deadlines for reporting changes to closed contracts and operational forecasts must be published at least 1 month before the changes take effect.
- (3) Closed contracts which are not reported in accordance with the deadlines referred to in the previous paragraph of this article shall not be recorded and shall be considered non-existent.

## 6. Operating schedule of the transmission network

### Article 65

#### (Operating schedule)

The operating schedule comprises of:

- operating schedule of the transmission network;
- operating schedule of the distribution network areas;
- operating schedule of exchanges with other countries;
- market plans of the Balance Scheme members; and
- a record of closed contracts with the use of cross-border transmission capacities.

### Article 66

#### (Delivery time of an operating schedule)

- (1) The Market Operator shall draw up and send an operating schedule to the Transmission System Operator no later than 30 minutes after the deadline for the report of closed contracts and operational forecasts.

(2) If the Transmission System Operator does not report any irregularities or technical issues in the Market Operator's operating schedule within 30 minutes of the delivery time of an operating schedule, it is assumed that the Transmission System Operator has approved the content of an operating schedule

(3) The operating schedule shall form the basis for the operation of the energy system.

Article 67  
(Force majeure)

(1) In cases of force majeure which is the reason for the change of closed contracts or operational forecasts, the Electricity System Operator shall immediately notify the Market Operator with an e-mail and subsequently submit the confirmation of the occurrence of the force majeure.

(2) All subsequent amendments of closed contracts and/or operational forecasts for reasons of force majeure, or subsequently communicated technical restrictions requested on the part of the Transmission System Operator, are to be entered by the Market Operator into the correction of the operating schedule which shall be sent to Transmission System Operator.

7. Independent aggregator

Article 68  
(Operation of an independent aggregator in the electricity market)

(1) Each Balance Scheme member can act as an independent aggregator.

(2) An independent aggregator may sell or purchase electricity:

- in the form of aFRR, mFRR or RR under conditions set by the Transmission System Operator;
- as electricity on the day-ahead or intraday market in the form of closed contracts under the conditions laid down in these Rules;
- in the form of compatible flexibility service products in other markets, which may include location information on individual flexibility resources and on terms and conditions set by the Distribution System Operator.

(3) In the case of operation of an independent aggregator on the markets referred to in the second and third indents of the previous paragraph, the quantities shall be taken into account in the balance of the independent aggregator only in the case of a corresponding reporting of closed contracts in accordance with these rules.

(4) The Market Operator may, by means of instructions coordinated in advance with the Energy Agency and published on the website, set specific deadlines and the way in which information shall be exchanged with regard to the sending of compatible offers from other markets, which may include location information, and with regard to the activations and the quantities of energy activated from the flexibility service.

(5) Simultaneous activations of independent aggregators for the purpose of sale or purchase on the markets referred to in the second and third indents of the second paragraph of this Article are allowed and are recorded, in the same way as other activations, by means of closed contracts between the aggregators and the supplier of the participating delivery point. The Market Operator does not check the eligibility and accuracy of the declared volumes of the flexibility service and shall use the volumes of the recorded closed contracts as reference

quantities. The Market Operator also does not interfere with the measurement data of realised consumption or production.

(6) Any terms and conditions regarding possible financial compensation for suppliers directly affected by the aggregator's interference with the operation of the supplier's belonging metering points or receipt and transmission points or the conditions regarding the evaluation of forecast quality deviations are agreed between the participating suppliers and the independent aggregators. At a minimum, the independent aggregator must provide the supplier with notification and credible data on activated energy within timeframes that allow for the correction of market positions in the absence of closed contracts. The independent aggregator is not obliged to disclose the identity of the individual delivery or metering points.

(7) For the purposes of applying flexibility to balancing or other system services and, in the case of a Distribution System Operator, to congestion management services, Electricity System Operators may set additional or different conditions, except for the balancing of quantities in the register of the Market Operator.

## V. IMBALANCE SETTLEMENT

### Article 69 (Imbalance settlement)

(1) Within the framework of the imbalance settlement, according to the Balance Scheme position, and basing on the received data, the Market Operator executes the calculation of:

- market balance calculation;
- calculation of total Balance Group realisation;
- calculation of imbalances; and
- calculation of the financial values of the imbalance settlement.

(2) Pursuant to these Rules, the imbalance settlement shall be carried out not more than twice for each accounting period, except in the case of a decision of the Energy Agency referred to in the sixth paragraph of Article 105, on the basis of which a recalculation of the imbalance settlement may be carried out.

#### 1. Calculation of the supply and consumption

### Article 70 (Realised delivery of a Balance Scheme member)

The realised delivery of a Balance Scheme member in an individual accounting interval equals the sum of realised delivery values of all delivery points which belong to a Balance Scheme member.

$$W_{odda ja, i} = \sum_{j=1}^m W_{j, i}$$

Where:

$W_{odda ja, i}$ ..... is the realised delivery of a Balance Scheme member in accounting interval  $i$ ;

$W_{j,i}$  ..... is the realised delivery of a delivery point  $j$  in accounting interval  $i$ ;  
 $m$  ..... is the number of delivery points of a Balance Scheme member with realised delivery.

#### Article 19

(Realised consumption of a Balance Scheme member)

The realised consumption of a Balance Scheme member in an individual accounting interval equals the sum of realised consumption values of all delivery points which belong to a Balance Scheme member:

$$W_{odjem,i} = \sum_{j=1}^n W_{j,i}$$

Where:

$W_{odjem,i}$  ..... is the realised consumption of a Balance Scheme member in accounting interval  $i$ ;

$W_{j,i}$  ..... is the realised consumption of a delivery point  $j$  in accounting interval  $i$ ;

$n$  ..... is a number of delivery points of a Balance Scheme member with realised consumption.

#### Article 72

(Realisation of a Balance Scheme member)

The realisation of a Balance Scheme member in each accounting interval equals the difference between total realised consumption and total realised delivery of the delivery points which belong to a Balance Scheme member:

$$W_{realizacija\ člana\ BS,i} = W_{odjem,i} - W_{oddaja,i}$$

Where:

$W_{realizacija\ člana\ BS,i}$  ..... is the realisation of a Balance Scheme member based on consumption and delivery of the appurtenant delivery points in accounting interval  $i$ ;

$W_{odjem,i}$  ..... is the realised consumption in the accounting interval by a Balance Scheme member in accounting interval  $i$ ;

$W_{oddaja,i}$  ..... is the realised delivery in the accounting interval by a Balance Scheme member in accounting interval  $i$ .

#### Article 73

(Preparation of the accounting data for measured consumers and producers)

(1) The delivery points that allow the capture of 15-minute load diagrams are classified as measured consumers and measured producers.

(2) The exceptions regarding the classification of delivery points from the previous paragraph as measured consumers and measured producers are defined in the network codes for the electricity distribution system or the network codes for closed distribution systems.

(3) In the case of missing or incorrect measurements for the delivery points on the distribution network due to power failure, the destruction, inaccuracy of the measuring data or other errors, the accounting data is prepared according to the network codes for the electricity distribution system.

## 2. Analytical procedure

### Article 74

(Preparation of the accounting data for non-measured consumers and producers)

(1) Delivery points that do not allow the capture of 15-minute load diagrams, self-supplying delivery points under the Decree on the self-supply of electricity from renewable energy source (Official Gazette of the RS, No 17/19, 197/20 and 121/21 - ZSROVE) and other delivery points specified in the network codes for the electricity distribution system shall be classified as non-measured consumers or non-measured producers, as the case may be. The split between measured and non-measured realisations is made by the Electricity System Operators. Self-supplying delivery points under the Decree on the self-supply of electricity from renewable energy sources (Official Gazette of the RS, No 17/19, 197/20 and 121/21 - ZSROVE) may be classified as measured consumption or measured production on the basis of a request from the supplier, provided that the technical capacity of the delivery or metering point is guaranteed.

(2) The realised consumption or delivery of non-measured delivery points in an accounting interval is calculated by using the analytical procedure.

(3) The differences that occur between the actual or invoiced quantities and the quantities from the analytical procedure are recalculated on an annual basis within the annual recalculation.

(4) In the event that, at the self-supply delivery point, the sum of the realisation of the electricity received and the electricity transferred to the system is different from zero at the time of the annual settlement, because the electricity received is greater or less than the electricity transferred, this realisation shall be attributed to the supplier, which shall be done by including the realised quantities in the annual recalculation of the imbalance settlement as the quantities of the receipt or transfer of the electricity received or the quantities of the electricity transferred.

(5) The realisation of a self-supplying delivery point according to the Decree on the self-supply of electricity from renewable energy sources (Official Journal of the RS, No 43/22) is classified as measured consumption or measured production after the metering point has been classified as a measured consumer, so that the realisation is taken into account at the level of the accounting interval.

### Article 75

(Calculation of the consumption of non-measured consumers)

(1) The calculation of the realised consumption of non-measured consumers in an individual accounting interval, using the analytical procedure, is carried out with the data on the remaining diagram of the distribution area and calculated quotients of a non-measured consumption.

(2) The remaining diagram is calculated in each accounting period so that the value of estimated losses in that particular area and the realised consumption of all measured delivery points is deducted from the total energy received by this area (from the transmission network, exchanges from distribution cross-border lines and from the neighbouring areas of the distribution network delivery from delivery point or from energy storage facilities).

(3) The consumption of non-measured delivery points is estimated on the basis of the remaining diagram which is distributed among the consumers upon quotients of a non-measured consumption.

(4) If a supplier ceases to be a Balance Scheme member during the month, the non-measured consumption volumes shall only be taken into account for the part of the month during which the supplier was a Balance Scheme member. Any differences between the realisation and the actual consumption and production are accounted for in the annual recalculation of the imbalance settlement.

#### Article 76

##### (Analytical procedure for distribution of the remaining diagram)

(1) For the distribution of the remaining diagram to individual consumers, a quotient of a non-measured consumption  $k_r$  is calculated for each consumer separately, where the quotient is uniform for the entire accounting period and is not negative.

(2) The calculation of a non-measured consumption for an individual supplier is calculated with an aggregation of the supplier's quotients that belong to them.

(3) The Distribution System Operator calculates the quotients of non-measured consumers and suppliers and submits the data to the suppliers and Market Operator.

(4) The quotient  $k_r$  for non-measured consumers is calculated by using the data on the invoiced consumption of the consumer  $O_r$  in the accounting period for which the quotient of non-measured consumption is calculated.

(5) The quotient  $k_r$  is calculated using the following equation:

$$k_r = \frac{O_r}{\sum_{s=1}^m O_s}$$

Where:

$O_r$  ..... is the accounting data on the invoiced consumption of the selected consumer  $r$ ,

$m$  ..... is the sum of all non-measured consumers in the area of the distribution network to which the consumer  $r$  is connected.

(6) In the event the sum of the quotients of all the consumers of a particular supplier is negative, its quotient shall be set to zero in the imbalance settlement and the realisation quantities shall be taken into account in the annual recalculation of the imbalance settlement.

#### Article 77

##### (Calculation of the delivery by non-measured producers)

(1) The calculation of the delivery of non-measured producers in an individual accounting interval with an analytical procedure is carried out using the data for total measured monthly delivery of non-measured producers and the shape of a monthly diagram for the delivery of all measured producers whose delivery is measured in intervals shorter or equal to the accounting interval.

- (2) The shape of a monthly diagram for the delivery of non-measured producers equals the shape of total monthly diagram for the delivery of all measured producers.
- (3) The total monthly delivery of a non-measured producer, distributed by accounting intervals into the shape of the monthly diagram, shall comply with the measured monthly delivery.

#### Article 78

##### (Calculation of network losses)

- (1) The Distribution System Operator estimates the electricity losses which occur during the operation of individual distribution network areas for the purpose of balance settlement on the basis of the past accounting data.
- (2) The Distribution System Operator shall calculate the quotient of losses for each distribution network area on the basis of data on actual losses in the preceding three calendar years. The Distribution System Operator may calculate the quotient of losses on the basis of a shorter period and inform the Market Operator accordingly.
- (3) The quotients of losses shall be used from the following calendar month onwards after the month in which the calculation of quotients was carried out and communicated to the Market Operator and until the calendar month when new quotients of losses shall be applied in the same manner.
- (4) The estimated losses in the distribution network area are calculated in each accounting interval by multiplying the quotient of losses by the total accepted energy of the distribution network area in the same interval.
- (5) Annually, the actual losses of electricity which occur during the operation of individual distribution areas are calculated from the difference in the total accepted and given electricity. The actual losses of the distribution system are considered in the annual recalculation of the imbalance settlement.
- (6) The total accepted electricity is the electricity which is received by an individual distribution network area on contact points with a transmission network, on contact points with foreign networks, on production delivery points, on delivery points of energy storage installations, on delivery points which divide two distribution network areas, or in the case of exchange of electricity between distribution areas.
- (7) The total delivered electricity is the electricity which is delivered by an individual distribution network area on contact points with a transmission network, on contact points with foreign networks, on production delivery points, on delivery points of energy storage installations, on delivery points which divide two distribution network areas, or in the case of exchange of electricity between distribution areas.
- (8) The actual electricity losses which occur during the operation of the transmission network are calculated in each accounting interval from the difference between the accepted and the delivered electricity which was received or delivered by the transmission network on contact points with a distribution network, on delivery points which separate the transmission network from networks of the neighbouring Transmission System Operators, on production delivery points, and on consumption delivery points.

(9) Regardless of the first, second, third and fourth paragraph of this Article and insofar as if allowed by technology, the Distribution System Operator shall take into account the actual losses incurred in the operation of the network at the distribution level in the imbalance settlement by way of calculating them in each accounting interval from the difference between all accepted and delivered electricity, which was received or delivered by the transmission network on contact points with other networks, on production delivery points and on consumption delivery points.

(10) The Market Operator shall publish the quantities of losses in the distribution network on its website or the Market Operator's information system.

### 3. Submission of data for imbalance settlement

#### Article 79

##### (Market Operator's access to the databases of Electricity System Operators)

Electricity System Operators shall be obliged to provide the market operator a prompt, free and unlimited access to all the data needed for the calculation of the imbalance settlement.

#### Article 80

##### (Submission of data by Electricity System Operators)

(1) The measuring data on the realised consumption and delivery of the delivery points are recorded by the Electricity System Operators.

(2) Accounting data on realised consumptions and deliveries of delivery points for the purposes of the first imbalance settlement is prepared by the Electricity System Operators and is submitted to the Market Operator no later than the 12th working day of each month following the accounting period which the data refer to.

(3) The accounting data transmitted must be provided with measurement accuracy per kWh.

(4) Electricity System Operators shall submit to the suppliers the accounting data on realised consumptions and delivery of delivery points of consumers and producers for the purposes of verifying the correctness of the imbalance settlement calculation within the deadline referred to in paragraph two of this Article.

(5) The Electricity System Operators shall provide to the Market Operator the accounting data on realised consumptions and delivery of delivery points of consumers and producers for the purposes of the annual recalculation according to these Rules no later than fifteen (15) days after the completion of the imbalance settlement for the last month of the year which the data refer to.

(6) Electricity System Operators shall submit to the suppliers the accounting data on realised consumptions and delivery of delivery points of consumers and producers for the purposes of verifying the correctness of the annual recalculation within the deadline referred to in the previous paragraph at the latest.

#### Article 81

##### (Content of the data submitted by Electricity System Operators)

(1) The Electricity System Operators shall provide the Market Operator with at least the following data:



- accounting data on the consumption of the delivery points of measured consumers;
- accounting data on the monthly consumption of non-measured consumers;
- accounting data on the delivery of the delivery points of measured producers;
- accounting data on the delivery of the delivery points of non-measured producers;
- and
- accounting data on acceptance and delivery on contact points between the transmission network and distribution network areas.

(2) In addition to the data referred to in the previous paragraph of this Article, the Distribution System Operator shall also provide the following accounting data separately according to the distribution network areas and separately according to each accounting interval:

- total delivery of the electricity to the distribution network area, namely aggregated for all production delivery points and separately according to measured and non-measured producers;
- exchange of electricity between distribution areas;
- losses in the Distribution Network Area;
- delivery of the electricity to the distribution network area separately according to the suppliers, namely aggregated for all production delivery points of the supplier and separately according to measured and non-measured producers and according to the type of production;
- consumption of electricity from the distribution network area separately according to the suppliers, namely aggregated for all consumption delivery points of the supplier and separately according to measured and non-measured consumers;
- accounting data on the remaining diagrams separately for distribution network areas;
- quotients of non-measured consumption according to individual suppliers; and
- quantities of electricity exchange on the distribution cross-border lines.

(3) In addition to the data referred to in the first paragraph of this Article, the Transmission System Operator shall also provide the Market Operator with the following data:

- accounting data on measured power flow on the borders of the transmission network with the neighbouring Transmission System Operators;
- accounting data on realised losses in the transmission network;
- data on the balancing of the electricity system, and
- data on the quantities of balancing energy arising from the participation of the Transmission System Operators in imbalance netting cooperation of the control areas separately for positive and negative imbalances.

(4) On the day of the shift from winter to summer time, the day has 92 accounting intervals, or 100 accounting intervals on the day of the shift from summer to winter time.

(5) Electricity System Operators shall also provide the following accounting data to the Balance Group Responsible Party, separately by network and for each accounting interval:

- the delivery of electricity to the network separately by Balance Scheme member hierarchically inferior to the Balance Group Responsible Party, aggregated across all of the Balance Scheme member's production delivery points and separated into measured and non-measured producers;

- the consumption of electricity from the network separately by Balance Scheme member hierarchically inferior to the Balance Group Responsible Party, aggregated across all the Balance Scheme member's delivery points and separated into measured and non-measured consumers; and
- network losses, to the extent that the losses are attributable to a hierarchically inferior Balance Scheme member.

(6) For the purposes of electricity market risk management, Electricity System Operators shall provide the Market Operator with aggregated data on a daily basis on the consumption of appurtenant consumers and the production of appurtenant producers separately by supplier, including an aggregated profile of measured volumes and an estimated remaining diagram. The Market Operator may, by means of instructions published on its website, specify the set, manner and frequency of data transmission as well as the use in relation to risk management. The Market Operator must publish the instructions on its website at least one month before they come into force.

#### Article 82

(Data for the calculation of quotients)

(1) The Distribution System Operator shall submit the data that forms the basis for the calculation for the quotients of non-measured consumers within the deadline referred to in the second paragraph of Article 80 of these Rules separately according to the distribution network areas and separately according to each accounting period.

(2) The Distribution System Operator shall submit to the Market Operator the total non-measured consumption of the distribution network area in the accounting period.

(3) The Market Operator may also obtain from the Distribution System Operators, on request, at least the following data, which were the basis for the calculation of the quotients:

- identification codes of the metering point on the delivery point;
- the name of a delivery point;
- the name of the payer of the consumption on a delivery point;
- the supplier's balancing affiliation at the delivery point;
- accounting data on the consumption in the accounting period; and
- the calculated quotient on a delivery point.

#### Article 83

(Data for the annual recalculation)

(1) The Electricity System Operators shall provide the data for the annual recalculation separately for the distribution network areas and separately for the transmission network.

(2) The data shall contain the total monthly values of the consumption and delivery of the suppliers' delivery points and are divided into measured and non-measured part.

(3) The data shall include at least:

- realised consumption;
- realised production;
- realised network losses;
- realised exchange on the cross-border lines;
- realised receipt of the distribution network from the transmission network; and

- realised exchanges between distribution areas.
- (4) Electricity System Operators shall also provide the following monthly data for the annual recalculation to the Balance Group Responsible Party, separately by network:
- the delivery of electricity to the network separately by Balance Scheme member hierarchically inferior to the Balance Group Responsible Party, aggregated across all of the Balance Scheme member's production delivery points and separated into measured and non-measured producers;
  - the consumption of electricity from the network separately by Balance Scheme member hierarchically inferior to the Balance Group Responsible Party, aggregated across all the Balance Scheme member's delivery points and separated into measured and non-measured consumers; and
  - the amount of actual losses on the network, to the extent that the losses are attributable to a hierarchically inferior Balance Scheme member.

#### 4. Market balance

##### Article 84 (Market balance)

The market balance is the total balance of inflows and outflows of all Balance Groups for each accounting interval. The Market Operator shall calculate the market balance according to the status of the Balance Scheme.

##### Article 85 (Balance of a Balance Group)

The balance of a Balance Group is the balance of inflows and outflows of a Balance Group for each accounting interval and contains the imbalances which are calculated as the difference between the total realisation and the market plan of a Balance Group.

##### Article 86 (Total realisation of a Balance Group)

Total realisation of a Balance Group is the sum of consumption and delivery realisation of appurtenant delivery points and the consumption and delivery realisation on the delivery points which belong to hierarchically inferior Balance Scheme members in an individual accounting interval, according to the Balance Scheme status:

$$W_{realizacija,i} = \sum_{l=1}^r W_{realizacija \text{ člana } BS,l,i}$$

Where:

$W_{realizacija,i}$  ..... is the total realisation of the Balance Group in an individual accounting interval  $i$ ;

$W_{realizacija \text{ člana } BS,l,i}$  ... is the realisation of a Balance Group member  $l$  in an individual accounting interval  $i$ ;

$r$ ..... is the number of all Balance Group members.

Article 87  
(Imbalances)

(1) For each Balance Group, the Market Operator determines the imbalances of the total realisation (of electricity consumption and delivery) from the market plan in the accounting interval by calculating:

$$W_{odstopanja,i} = W_{tržni\ plan,i} - W_{realizacija,i}$$

Where:

$W_{odstopanja,i}$  ..... is the consumption and delivery imbalance of a Balance Group from the market plan in an individual accounting interval  $i$ ;

$W_{realizacija,i}$  ..... is the total realisation of a Balance Group in an individual accounting interval  $i$ ;

$W_{tržni\ plan,i}$  ..... is the market plan of a Balance Group in an individual accounting interval  $i$ .

(2) A negative imbalance means that the total realisation is higher than the market plan (higher consumption or lower production than planned). A positive imbalance means that the total realisation is lower than the market plan (lower consumption or higher production than planned).

(3) If the Balance Group has no appurtenant delivery points, the imbalances are equal to the Balance Group's market plan.

Article 88  
(Imbalances of Electricity System Operators)

(1) The imbalances on the borders are calculated on the basis of the difference between the announced power flows on the borders, which are calculated by the Market Operator from the recorded closed contracts with the use of cross-border transmission capacities, and the accounting data of measured power flows on the borders.

(2) The Transmission System Operator's imbalances are calculated on the basis of the difference between its realisation (the sum of the realisation of losses and the last resort supply where relevant) and the market plan.

(3) The Distribution System Operator's imbalances are calculated on the basis of the difference between its realisation (the sum of the realisation of losses in the distribution system and the last resort supply) and the market plan.

Article 89  
(Forecasted imbalances)

(1) Forecasted imbalances are determined for all Balance Groups when performing the process of recording closed contracts and operational forecasts.

(2) In each accounting interval, the forecasted imbalances are calculated in the following manner:

$$W_{napov.odstopanja,i} = W_{tržni\ plan,i} - W_{obratovalna\ napoved,i}$$

Where:

$W_{napov.\ odstopanja,i}$  ..... is the forecasted imbalances of a Balance Group in an individual accounting interval  $i$ ;

$W_{tržni\ plan,i}$  ..... is the market plan of a Balance Group in an individual accounting interval  $i$ ;

$W_{obratovalna\ napoved,i}$  .. is the operational forecast of the Balance Group in each accounting interval  $i$  (in the case of a Balance Scheme member with no appurtenant delivery points, it is equal to 0).

## 5. Imbalance settlement of Balance Groups

### Article 90

(Steps for calculating the price for imbalances and providing the means to cover the costs)

(1) The imbalance settlement shall be carried out in accordance with these Rules, which set out the following possible steps depending on the funds collected to cover the Transmission System Operator's costs through balancing:

- calculating a single price for imbalances in each accounting interval in accordance with Articles 92 to 94;
- the use of accumulated surplus funds from previous accounting periods in the event of an imbalance settlement shortfall, using a single price in accordance with Article 95;
- calculation of the dual price for imbalances in all accounting intervals in which balancing energy has been activated in both directions, if the imbalance settlement shortfall remains after the previous two steps have been completed in accordance with Article 96;
- calculation of the adjusted dual prices by increasing the gap between the two prices by the dual value of the  $q$  component, which is the same for all dual-priced intervals, in the case that there is still an imbalance settlement shortfall after the previous three steps have been performed in accordance with Article 97;
- if there is a shortfall in the imbalance settlement even after the previous four steps have been completed, the missing funds shall be provided through the network charge in accordance with Article 103.

(2) After the imbalance settlement calculation, a negative value in the following calculation represents a shortfall and a positive value an increase:

$$Z_{BO} = \sum_v Z_{BS,v} - S$$

Where:

$Z_{BS,v}$  ..... is the value of the imbalances of the Balance Group  $v$  in the selected accounting period;

$Z_{BO}$  ..... is the total value of the imbalance settlement for the selected accounting month, representing the difference between the sum of the values of the imbalance settlement of the Balance Groups and the total cost of the regulation carried out;

S ..... is the total cost of regulation implemented: aFRR, mFRR, RR and balancing energy from the participation of Transmission System Operators in the coordinated balancing of current imbalances of the control areas (IGCC, Fskar).

(3) The Market Operator shall publish all information regarding the imbalance settlement steps referred to in paragraph 1 on the portal of the Market Operator.

#### Article 91

##### (Balancing costs of the Transmission System Operator)

(1) For the purposes of the imbalance settlement, the Transmission System Operator submits to the Market Operator the data on costs or revenues, prices and number of transactions regarding the electricity system balancing in the Republic of Slovenia for each accounting interval separately no later than the 12th working day of each month following the accounting period, namely separated by type of:

- transactions on the day-ahead market;
- transactions on the balancing market;
- transactions with the Balance Scheme members according to closed contracts;
- transactions according to closed contracts using cross-border transmission capacities;
- transactions with the Transmission System Operators;
- transactions of netting of imbalances;
- balancing energy activated under FRR as per compensation service provider;
- balancing energy activated under RR as per compensation service provider;
- value of avoided activation of the balancing energy;
- load restrictions and changes in base power;
- other transactions or activities related to the balancing of imbalances of the electricity system of the Republic of Slovenia.

(2) In the event of subsequent changes in the data on transactions with neighbouring Transmission System Operators received by the Market Operator after the second imbalance settlement for the selected month has been carried out, these shall not affect the calculation of the imbalance price and the consideration of the total costs or revenues in the context of the imbalance settlement, unless the Energy Agency issues a decision on the recalculation of the imbalance settlement.

(3) The balancing costs settled by the Market Operator within the imbalance settlement shall not include the costs covered from other financial sources such as the network charges.

(4) The Transmission System Operator shall submit to the Market Operator the specific data regarding all actions within the electricity system balancing in the Republic of Slovenia from which all balancing costs or revenues arise. The data must show at least technical characteristics of the action, the service operator, the price, the quantity and the service costs or revenues.

Article 92  
(Imbalance prices)

- (1) The Market Operator calculates the imbalance prices on the basis of the Transmission System Operator's costs and revenues incurred within the balancing, separately for each imbalance settlement.
- (2) One imbalance price is calculated in each accounting interval and applies to all imbalances of the Balance Groups, regardless of the direction of the imbalances.

Article 93  
(Calculation of the imbalance prices)

- (1) The imbalance price  $C$  shall be calculated depending on the settlement and total imbalance of the electricity system in the Republic of Slovenia, applying the following equations:

<b>Settlement direction in an accounting interval</b>	<b>Price</b>
The settlement was carried out only in a positive direction	$TPC_{poz}$
The settlement was carried out in both directions, and overall, Balance Groups were imbalanced in the negative direction	
The settlement was carried out only in the negative direction	$TPC_{neg}$
The settlement was carried out in both directions, and overall, Balance Groups were imbalanced in the positive direction	
No settlement of aFRR, mFRR and RR	VoAA

Where:

$TPC_{poz}$  ..... is the weighted average price of activated positive balancing energy from FRR and RR;

$TPC_{neg}$  ..... is the weighted average price of activated negative balancing energy from FRR and RR;

$VoAA$  ..... is the value of avoided activation of the balancing energy.

- (2) The weighted average price of the activated positive balancing energy from FRR and RR shall be calculated for each accounting interval  $i$  on the basis of the price of each type of activated positive balancing energy as follows:

$$TPC_{pos,i} = \frac{\sum_j (C_{+aRPF,j,i} \cdot W_{+aRPF,j,i}) + \sum_j (C_{+rRPF,j,i} \cdot W_{+rRPF,j,i}) + \sum_j (C_{+RN,j,i} \cdot W_{+RN,j,i})}{\sum_j W_{+aRPF,j,i} + \sum_j W_{+rRPF,j,i} + \sum_j W_{+RN,j,i}}$$

Where:

$TPC_{poz,i}$  ..... is the weighted average price for activated positive balancing energy in the accounting interval  $i$ ;

$C_{+aRPF,j,i}, C_{+rRPF,j,i}, C_{+RN,j,i}$  ..... is the price from offer  $j$  for each type of activated positive balancing energy in the accounting interval  $i$ ;

$W_{+aRPF,j,i}, W_{+rRPF,j,i}, W_{+RN,j,i}$  ..... is the amount from offer  $j$  of each type of activated positive balancing energy in the accounting interval  $i$ .

(3) The weighted average price of the activated negative balancing energy from FRR and RR shall be calculated for each accounting interval  $i$  on the basis of the price of each type of activated negative balancing energy as follows:

$$TPC_{neg,i} = \frac{\sum_j (C_{-aRPF,j,i} \cdot W_{-aRPF,j,i}) + \sum_j (C_{-rRPF,j,i} \cdot W_{-rRPF,j,i}) + \sum_j (C_{-RN,j,i} \cdot W_{-RN,j,i})}{\sum_j W_{-aRPF,j,i} + \sum_j W_{-rRPF,j,i} + \sum_j W_{-RN,j,i}}$$

Where:

$TPC_{neg,i}$  ..... is the weighted average price for activated negative balancing energy in the accounting interval  $i$ ;

$C_{-aRPF,j,i}, C_{-rRPF,j,i}, C_{-RN,j,i}$  ..... is the price from offer  $j$  for each type of activated negative balancing energy in the accounting interval  $i$ ;

$W_{-aRPF,j,i}, W_{-rRPF,j,i}, W_{-RN,j,i}$  ..... is the amount from offer  $j$  of each type of activated negative balancing energy in the accounting interval  $i$ .

(4) The direction of the total system imbalances shall be determined for each accounting interval  $i$  separately on the basis of the total imbalances of the Balance Groups:

$$\text{System imbalance direction}_i = \begin{cases} +, \text{ where } \sum_{bs} W_{odstopanja\ bs,i} \geq 0 \\ -, \text{ where } \sum_{bs} W_{odstopanja\ bs,i} < 0 \end{cases}$$

$W_{odstopanja\ bs,i}$  .... is the total imbalance of the Balance Group  $bs$  in the selected accounting interval  $i$ .

(5) For the purpose of publishing aggregate system imbalance data on an ongoing basis, the Transmission System Operator may determine the direction of aggregate imbalances based on available data on activated aFRR, mFRR and RR settlement, border imbalances and data from settlement under imbalance netting.

#### Article 94

(Value of avoided activation of balancing energy)

(1) The value of avoided activation of balancing energy (hereafter: VoAA) shall be provided by the Transmission System Operator for accounting intervals where no balancing has taken place during the accounting period for both direction of balancing.



(2) The VoAA is calculated by the Transmission System Operator on the basis of locally accepted balancing energy offers for aFRR and mFRR, subject to the availability of offers for each balancing energy. The VoAA is equal to the price of the first offer (cheapest or most expensive) in a given direction, in the following order: aFRR offers are used first; if there are no aFRR offers, mFRR offers are used. If for a given market time interval, the Transmission System Operator has no available offers for aFRR and mFRR balancing energy, the Transmission System Operator shall determine the VoAA on the basis of the last available time-coincident offers for aFRR or mFRR balancing energy.

(3) In the case where no regulation has been performed during the accounting interval, the VoAA for the direction as determined by the total system imbalances is used to determine the imbalance price. In the case of positive total system imbalances, the VoAA is used for negative balancing, and in the case of negative total system imbalances, the VoAA is used for positive balancing.

#### Article 95

##### (Accounting of surpluses and deficits in the imbalance settlement)

(1) If the total costs or revenues of system balancing incurred by the Transmission System Operator during the accounting period are less than the balance of the imbalance settlement of all Balance Groups (here after: The “accounting period surplus”), the accounting period surpluses shall be transferred to the imbalance settlement surplus account.

(2) If the total costs or revenues of system balancing incurred by the Transmission System Operator during the accounting period are greater than the balance of the imbalance settlements of all Balance Groups (here after: The “accounting period deficit”), the available funds in the imbalance settlement surplus account accumulated from previous account periods shall be used to cover the missing part of the funds to cover the costs for the compensation of system imbalances, but only surpluses exceeding the amount of the funds required to cover the risks of the management of the risks of non-fulfilment of financial settlement or late payment obligations of the participants in the financial settlement of the imbalance settlement may be used.

#### Article 96

##### (Application of the dual price method for imbalances)

(1) If the single price method, together with the use of the funds accumulated in the surplus account, does not provide sufficient funds in each accounting period to cover the balancing costs of balancing in the accounting period under consideration, two prices shall be calculated for all accounting intervals in which balancing energy has been activated in both directions, one for positive imbalances and one for negative imbalances.

(2) In the case set out in the first paragraph, the imbalance prices  $C_{neg}$  and  $C_{poz}$  shall be determined depending on the use of balancing and the total imbalance of the electricity system in the Republic of Slovenia on the basis of the following equations:

<b>Settlement direction in an accounting interval</b>	$C_{neg}$	$C_{poz}$
The settlement was carried out only in a positive direction	$TPC_{poz}$	$TPC_{poz}$
The settlement was carried out in both directions	$TPC_{poz}$	$TPC_{neg}$
The settlement was carried out only in the negative direction	$TPC_{neg}$	$TPC_{neg}$
No settlement of aFRR, mFRR and RR	VoAA	VoAA

(3) After the calculation of the dual price for imbalances, the existence of a surplus or deficit in the imbalance settlement is checked again and, if necessary, the accumulated funds in the surplus account are used, however only surpluses exceeding the amount of funds required to cover the risks of non-fulfilment of financial settlement or late payment obligations of the participants in the financial settlement of the imbalance settlement may be used.

#### Article 97

(Exception to the application of the financial neutrality component)

(1) If both the single price method, together with the use of funds accumulated in the surplus account, and the dual price method, together with the use of funds accumulated in the surplus account, do not provide sufficient funds to cover the balancing costs in a particular accounting period, an additional component “ $q$ ” shall be applied in all accounting intervals in which two prices have been calculated. Prices for negative imbalances are increased by  $q$ ; prices for positive imbalances are decreased by  $q$ .

(2) The amount of the additional component  $q$  shall be such that the aggregate payments of the Balance Groups, together with the funds accumulated in the surplus account used, just cover the costs of balancing the system, but only surpluses exceeding the amount of funds needed to cover the risks of managing the risks of non-fulfilment of financial settlement or late payment obligations of the participants in the financial settlement of the imbalance settlement may be used.

(3) The  $q$  component is rounded up to two decimal places.

(4) In the case referred to in the first paragraph, the Market Operator shall publish, in addition to the imbalance prices, the amount of the additional component  $q$ .

#### Article 98

(Public nature of imbalance settlement)

(1) The Market Operator shall regularly publish the following information on its website:

- the calculated values of imbalance prices  $C$ ,  $C_{neg}$  and  $C_{poz}$ ,
- the financial neutrality component  $q$ ;
- total imbalances of Balance Groups;
- the total quantities and costs or revenues of the aFRR, separately according to the direction of balancing;

- the total quantities and costs or revenues of the mFRR, separately according to the direction of balancing;
- the total quantities and costs or revenues of the RR, separately according to the direction of balancing;
- the remaining diagram of consumption, separately as per distribution areas;
- the quotients of losses of distribution areas;
- the method of calculating losses in distribution areas;
- other public information obtained by Electricity System Operators on total production and consumption of electricity at the level of distribution areas, number of delivery or metering points and others.

(2) The Market Operator shall publish the imbalance prices after the completion of the imbalance settlement, both first and second, if the latter is carried out.

(3) In addition to the imbalance prices, the Market Operator shall also publish information on which method has been used to perform the imbalance settlement, subject to the provisions of these Rules.

#### Article 99

(Implementation of imbalance settlement for individual Balance Group)

Imbalance settlement is a process of calculating the values of Balance Group imbalances for each accounting interval separately and is carried out not more than twice in an accounting period on the basis of the quantities of imbalances of a Balance Group and imbalance prices.

#### Article 100

(Value of imbalances of a Balance Group)

(1) The value of the imbalances  $Z_i$  of a Balance Group is calculated for each accounting interval  $i$  according to the equation (a positive value represents the payment of the Balance Group Responsible Party to the Market Operator for the imbalances, a negative value represents the payment of the Market Operator to the Balance Group Responsible Party):

$$Z_i = -C_i \cdot W_{odstopanja,i}$$

(2) In case of application of the dual price method, the value of imbalances  $Z_i$  of the Balance Group for each accounting interval  $i$ , during which the Balance Group had total negative realised imbalances is calculated according to the following equation:

$$Z_i = -C_{neg,i} \cdot W_{odstopanja,i}$$

(3) In case of application of the dual price method, the value of imbalances  $Z_i$  of the Balance Group for each accounting interval  $i$  in which the Balance Group had positive imbalances is calculated according to the following equation:

$$Z_i = -C_{poz,i} \cdot W_{odstopanja,i}$$

#### Article 101

(Total value of imbalances of a Balance Group)

The total amount of imbalance settlement in the whole accounting period shall be equal to the sum of the amounts of imbalances from all individual accounting intervals in the accounting period:

$$Z = \sum_{i=1}^u Z_i$$

Where:

$Z$ ..... is the total amount of the imbalance settlement of a Balance Group;

$Z_i$ ..... is the value of imbalances of a Balance Group in an individual accounting interval  $i$ ;

$u$  ..... is the number of accounting intervals in an accounting period.

#### Article 102

(Quantities of imbalances on the borders)

(1) The imbalances on the border of a transmission network are negative when more electricity is exported or less electricity is imported than forecasted in the operating schedule of the transmission network.

(2) The imbalances on the border of a transmission network are positive when less electricity is exported or more electricity is imported than forecasted in the operating schedule of the transmission network.

(3) The imbalance quantities on the borders are part of the market balance sheet and are calculated for each accounting interval separately.

#### Article 103

(Provision of funds through network charges)

(1) In the possible exceptional case where the first four steps of the calculation of the imbalance price referred to in paragraph one of Article 90 do not allow covering of all the balancing costs of the accounting period, the missing funds shall be provided through the network charge. The Market Operator shall settle the costs with the Transmission System Operator on the basis of the actual paid realisation, which shall be equal to the sum of all the values of the imbalance settlements of the Balance Groups.

(2) In the case referred to in the previous paragraph, the Transmission System Operator shall issue an invoice for the regulation carried out in the amount equal to the value of the financial realisation of the imbalance settlement in the selected accounting month on the basis of the preceding four steps. The remaining funds to cover the balancing costs are received through the network charge, so that they are balanced through the regulatory framework.

### 6. Imbalance settlement and annual imbalance settlement recalculation

#### Article 104

(First and second imbalance settlement)

(1) The Market Operator sends the Balance Group Responsible Party the first imbalance settlement for their Balance Group for the previous month within three working days from the receipt of all data required for calculating the first imbalance settlement which were sent by Electricity System Operators.

(2) Insofar as this is required in accordance with these Rules, the Market Operator shall send to the Balance Group Responsible Party the second imbalance settlement for their Balance Group for the selected month (M) within the same deadline as the first imbalance settlement for the month following the selected month (M+1) at the latest.

(3) The imbalance settlement shall contain the positive and negative values of the imbalances of a particular Balance Group as per accounting intervals, together with data on the market plan, the realisation, the regulation implemented and the imbalance prices.

(4) It shall be deemed that the imbalance settlement is received by the Balance Group Responsible Party at the moment when the time stamp was created by sending the imbalance settlement by e-mail or the moment the imbalance settlement is accessible via the Market Operator's information system.

#### Article 105

##### (Nature of the imbalance settlement)

(1) The first and the second imbalance settlement shall be calculated by the Market Operator on the basis of available data.

(2) If there are no reasons for the implementation of the second imbalance settlement, the first imbalance settlement shall be deemed completed the day after the expiry of the deadline for comments, in the absence of any comments or they were not timely. If comments are provided but are rejected by the Market Operator, the first imbalance settlement becomes complete at the moment of the time stamp of the sent notification to the Balance Group Responsible Party that the comments are unfounded.

(3) The Market Operator shall inform the Balance Group Responsible Party of the completion of the imbalance settlement from the preceding paragraph by e-mail or via the Market Operator's information system. The aforementioned facts and the eventual execution of the second imbalance settlement do not withhold the financial settlement of the first imbalance settlement.

(4) The second imbalance settlement, if it is carried out, is final upon its issue.

(5) The second imbalance settlement shall be carried out in the following cases:

- if, within five working days of issuing the first imbalance settlement, the Market Operator receives comments from the Balance Group Responsible Party and which are partially or fully justified;
- in the event that, regardless of the comments, the Market Operator receives corrected or altered data from the Electricity System Operators within five working days after the issuance of the first imbalance settlement;
- if, within five working days of issuing the first imbalance settlement, the Market Operator, irrespective of the previous two indents, identifies the need to correct the first imbalance settlement; or
- on the basis of the final decision of the Energy Agency.

(6) The Energy Agency may, by a final decision, order the Market Operator to carry out an additional imbalance settlement. Such a balance settlement shall be deemed to be final upon its issue.

#### Article 106

##### (Comments on the first imbalance settlement)

- (1) Balance Group Responsible Party may submit comments on the first imbalance settlement to the Market Operator within five working days of receipt of the first imbalance settlement. The comments do not withhold the financial settlement of the first imbalance settlement.
- (2) The comments must be clear, understandable and justified and be made in a timely manner.
- (3) The comments need to contain all the information needed to enable the Market Operator to verify the merits of the comments in relation to the specific imbalance settlement. Balance Group Responsible Party needs to include also data, documents or other documentation or facts on the basis of which the justification of the comments can be verified.

#### Article 107

##### (Procedure of comments on the first imbalance settlement)

- (1) Balance Group Responsible Party shall provide comments to the Market Operator via the Market Operator's information system. Insofar as the Balance Group Responsible Party has any documentation on the basis of which they base their comments, they shall indicate this and attach the documentation.
- (2) The Market Operator may also inform other Balance Group Responsible Parties that comments have been received.
- (3) If the comments were received after the deadline, the Market Operator does not address them, and notifies the Balance Group Responsible Party that the comments have been received after the deadline.
- (4) In the event the comments were received within the deadline, the Market Operator shall verify the particulars. The Market Operator shall provide Electricity System Operators and, if necessary, other persons with a notice of the received comments on the first imbalance settlement no later than the next working day after the expiry of the deadline for submitting comments. The Market Operator shall by e-mail request the Electricity System Operators or other persons to take position as regards the particulars or send the corrected information within three working days of the e-mail notice sent by the Market Operator.
- (5) The Market Operator shall use the explanation and the data referred to in the preceding paragraph only for the purposes of defining to the comments on the first imbalance settlement and does not hand them over to the members of the Balance Scheme.
- (6) If the Market Operator establishes that the comments are partially or fully justified, the Market Operator shall take them into account in the second imbalance settlement and shall inform the Balance Group Responsible Party of the latter by e-mail or via the Market Operator's information system.
- (7) If the Market Operator establishes that the comments are unfounded, the Market Operator informs the Balance Group Responsible Party by e-mail or via the Market Operator's information system that the comments have not been considered and that they are not substantiated.
- (8) The Market Operator shall declare about the comments until the deadline for the execution of the second imbalance settlement at the latest.

## Article 108

### (Annual recalculation of the imbalance settlement)

- (1) The Market Operator sends each Balance Group Responsible Party an annual recalculation of the imbalance settlement for their Balance Group for the previous accounting year within eight working days from the receipt of all data required for calculating the annual recalculation of the imbalance settlement which was sent by the Electricity System Operators.
- (2) The annual recalculation of imbalance settlement shall be performed in two steps, namely as an informative annual recalculation of imbalance settlement and the final annual recalculation of imbalance settlement.
- (3) The Balance Group Responsible Party shall be deemed to have received an annual recalculation of imbalance settlement at the moment of the time stamp of electronic mail sent by the Market Operator or the moment the annual recalculation of imbalance settlement is accessible via the Market Operator's information system.
- (4) Within the annual recalculation, the differences between the quantities from the analytical procedure used in the imbalance settlements and the actual (or invoiced) quantities, submitted after the conclusion of the accounting year, and other differences between the quantities calculated in the imbalance settlement and the actual quantities of the realized consumption or production are calculated.
- (5) Within the annual recalculation, all actual losses from the distribution system are considered. Any differences between the accounting data submitted during the year and data submitted for the purpose of calculating the annual recalculation for other delivery points that were not included in the analytical procedure are also calculated.
- (6) The annual recalculation is calculated for each Balance Group separately. The positive and negative differences are billed according to the price which is equal to the annual average of the mean value of the basic prices of imbalances  $C$ ,  $C_{neg}$  and  $C_{poz}$ .
- (7) The Market Operator also makes a recalculation of the imbalance settlement in the case of a final decision issued by the Energy Agency, including the decision concerning the request for decision-making from the first paragraph of Article 114. A recalculation issued under this paragraph shall be deemed to be final upon its issue.

## Article 109

### (Nature of informative annual recalculation of imbalance settlement)

The Informative annual recalculation of imbalance settlement is an annual recalculation of imbalance settlement calculated by the Market Operator on the basis of available data and is not final for any of the Balance Groups when issued.

## Article 110

### (Comments on informative annual recalculation of imbalance settlement)

- (1) Balance Group Responsible Parties may submit comments on the informative annual recalculation of imbalance settlement to the Market Operator within eight working days of its receipt.
- (2) The comments must be clear, understandable and justified and be made in a timely manner.

(3) The comments need to contain all the particulars necessary to enable the Market Operator to verify the merits of the comments in relation to the annual recalculation of imbalance settlement. Balance Group Responsible Party needs to include also data, documents or other documentation or facts on the basis of which the justification of the comments can be verified.

#### Article 111

##### (Procedure of comments on informative annual recalculation)

(1) Balance Group Responsible Party shall provide comments to the Market Operator via the Market Operator's information system. Insofar as the Balance Group Responsible Party has any documentation on the basis of which they base their comments, they shall indicate this and attach the documentation to the e-mail.

(2) The Market Operator may also inform other Balance Group Responsible Parties that comments have been received.

(3) If the comments were received after the deadline, the Market Operator does not address them and notifies the Balance Group Responsible Party that the comments have been received after the deadline.

(4) In the event the comments were received within the deadline, the Market Operator shall verify the particulars. The Market Operator shall provide Electricity System Operators and, if necessary, other persons with a notice of the received comments on the informative annual recalculation of imbalance settlement no later than the next working day after the expiry of the deadline for submitting comments. The Market Operator shall by e-mail request the Electricity System Operators or other persons to take position as regards the particulars or send the corrected information within eight working days of the e-mail notice sent by the Market Operator.

(5) The Market Operator shall use the explanation and the data referred to in the preceding paragraph only for the purposes of defining to the comments on the informative annual recalculation of imbalance settlement and shall not hand them over to the members of the Balance Scheme.

(6) If the Market Operator establishes that the comments are partially or fully justified, the Market Operator shall take them into account in the new annual recalculation of imbalance settlement and shall inform the Balance Group Responsible Party of the latter by e-mail or via the Market Operator's information system.

(7) If the Market Operator establishes that the comments are unfounded, the Market Operator informs the Balance Group Responsible Party by e-mail or via the Market Operator's information system that the comments have not been considered and that they are not substantiated.

(8) The Market Operator shall declare about the comments no later than the deadline for the execution of the final annual recalculation of imbalance settlement at the latest.



## Article 112

### (Finality of annual recalculation of imbalance settlement)

(1) If within the prescribed deadline none of the Balance Group Responsible Parties has submitted comments on the informative annual recalculation of imbalance settlement or there are no other justified reasons for changes, the informative annual recalculation of imbalance settlement becomes final the day after the expiry of deadline for submission of comments. The Market Operator informs of the latter the Balance Group Responsible Parties by e-mail or via the Market Operator's information systems.

(2) In the event at least one Balance Group Responsible Party submitted timely comments on the informative annual recalculation of imbalance settlement, the latter becomes final if no comment was taken into account at the moment of the time stamp of the notification that the comments are unfounded sent to the Balance Group Responsible Party by e-mail.

(3) In the event of:

- one or more Balance Group Responsible Parties submit timely comments on the informative annual recalculation and these are partially or fully justified; or
- the Market Operator receives amended or updated information before the annual recalculation of imbalance settlement has become final; or
- the Market Operator establishes an irregularity of the informative annual recalculation of imbalance settlement before the annual recalculation of imbalance settlement has become final; or
- a final decision is issued by the Energy Agency;

the Market Operator prepares within eight working days a new annual recalculation of imbalance settlement, which becomes final as of the time stamp of electronic mail sent by the Market Operator or the moment the new annual recalculation of imbalance settlement is available via Market Operator's information system.

## Article 113

### (Other obligations of the Electricity System Operators in connection with the reporting of data for imbalance settlement and annual recalculation of imbalance settlement)

(1) The Electricity System Operators are obliged to notify, together with data, the Market Operator and market members concerned of the cases when the consumers or producers that should be in the measured realisation are classified as non-measured. The Electricity System Operators must also communicate the reasons for the said change.

(2) The Market Operator may request the Electricity System Operators to provide, and it may publicly publish, statistics of changes in data between the first and the second imbalance settlement, or the annual recalculation of imbalance settlement, and separately as per network or areas within the networks. The Market Operator may also publicly publish the dates of receipt of the data for imbalance settlement.

(3) The Market Operator may request the Electricity System Operators to provide more detailed data for the purposes of control of imbalance settlement data, for example the quotients of consumers that are classified as non-measured consumers.

(4) Upon finality of imbalance settlement, the Market Operator shall provide the Transmission System Operator with anonymised data on the imbalances of individual Balance Groups, separately for negative and positive imbalances, in a time resolution equal to the accounting interval. The data shall be transmitted using the Market Operator's information system.

#### Article 114

(Request for a decision to resolve a dispute with the Market Operator)

(1) The Balance Group Responsible Party has a right to file a request to the Energy Agency within 15 days after an individual settlement or recalculation becomes final to take a decision in a dispute with the Market Operator against the first imbalance settlement, against the second imbalance settlement and against the final annual recalculation of imbalance settlement.

(2) The filing of a request for a decision in a dispute with the Market Operator shall not withhold the execution of a financial settlement. The financial settlement shall be carried out on the basis of the first imbalance settlement, the second imbalance settlement, if this is carried out, and the final annual recalculation of imbalance settlement.

(3) After the decision taken by the Energy Agency has become final, the next financial settlement shall also provide compensation for a possible difference, following the final decision on this matter.

### VI. FINANCIAL SETTLEMENT OF IMBALANCE SETTLEMENT

#### Article 115

(Clearing agent)

As the clearing agent, the Market Operator carries out the settlement of financial claims and liabilities of the financial settlement participants and implements the settlement of liabilities and claims through a settlement account in accordance with these Rules.

#### Article 116

(Subject of the financial settlement)

The subject of the financial settlement of imbalance settlement includes all imbalance settlements and the final annual recalculations of imbalance settlement. Invoices can be issued separately for positive and negative imbalances, or depending on whether the price of the imbalances is positive or negative.

#### Article 117

(Market Operator's accounts)

(1) At the Settlement Bank, the Market Operator has a settlement account, deposit account and an account for booking imbalance settlement surpluses.

(2) For the purposes of the financial settlement of imbalance settlement, the Market Operator may open a new account.

#### Article 118

(Deposit account)

(1) The financial guarantee in the form of cash deposits, submitted by financial settlement participants, shall be administered on a deposit account.

(2) The Market Operator opens a deposit sub-account within the main deposit account for each financial settlement participant who submits a financial guarantee in the form of a cash deposit.

- (3) The funds on the deposit account are administered separately from the Market Operator's funds.
- (4) On the basis of an irrevocable authorisation issued by a financial settlement participant for using funds on the deposit sub-account for financial settlements arising from imbalance settlement, these funds may only be disposed of by the Market Operator as the manager of the deposit account.
- (5) The Market Operator shall recognise interest on paid-in financial guarantees in the amount of the interest rate agreed with the Settlement Bank. The Market Operator shall inform in writing all financial settlement participants with financial guarantees in the form of cash deposits of any change in the remuneration.
- (6) The interests are accounted and credited on the deposit sub-account monthly and are credited to the financial settlement participant's business account at least once a year.
- (7) If interest income is subject to the withholding tax and the Balance Scheme member fails to submit a confirmed request for reduction or exemption of tax on interest based on provisions of the treaty on avoidance of double taxation of interest income, the Market Operator may pay the interest on the financial settlement participant's business account, taking into account the general tax rate on the date of interest payment.
- (8) The interest is kept and treated separately from the submitted financial guarantees, unless the Market Operator and the financial settlement participant agree otherwise.
- (9) In accordance with the Settlement Bank's tariff extract, which is published on the Settlement Bank's website, the Settlement Bank may charge a fee for exceeding a monthly average balance threshold set by the Settlement Bank. In the event that the Settlement Bank charges this fee, the financial settlement participant must pay the amount resulting from the threshold amount being exceeded. The Market Operator shall invoice the financial settlement participant for the payment of the remuneration once a month, upon receipt of the Settlement Bank's invoice.

#### Article 119

##### (Account for booking imbalance settlement surpluses)

- (1) The Market Operator also keeps a special account for imbalance settlement surpluses.
- (2) Imbalance settlement surplus is used to manage a risk of non-fulfilment of financial settlement or for delayed payments of liabilities of financial settlement participants of imbalance settlement.
- (3) The amount of funds required for covering risks referred to in the preceding paragraph equals the maximum net liability arising from the last 24 completed monthly imbalance settlements of the Balance Group Responsible Parties, taking into account the value added tax.
- (4) When at the end of the previous year, the balance on the account for keeping imbalance settlement surpluses is lower than the value identified on the basis of the third paragraph of this Article, all the collected funds shall remain on the account for keeping imbalance settlement surpluses and shall be used for the purpose of covering risks referred to in the second paragraph of this Article.
- (5) Once a year, after the finality of the financial settlement of the annual recalculation of imbalance settlement for the previous year, the Market Operator shall reallocate to the Transmission System Operator any accumulated surpluses from previous years that exceed the amount of funds required for the purposes of the Market Operator's insurance and risk coverage, which shall be regulated in more detail in the rules for the operation of the electricity

market. The Transmission System Operator shall issue an invoice to the Market Operator for the amount of the surplus paid, on the basis of which the surplus shall be transferred.

Article 120  
(Financial settlement of imbalance settlement)

- (1) The financial settlement of imbalance settlement is carried out on the settlement day on the basis of the first imbalance settlement in a selected accounting period, or on the basis of the second imbalance settlement, insofar as it is carried out.
- (2) The provisions relating to the financial settlement of imbalance settlement shall apply, mutatis mutandis, to annual recalculation of imbalance settlement.
- (3) On the basis of the first imbalance settlement of an accounting period, the Market Operator issues invoices for imbalances in a selected accounting period to the financial settlement participants. An appendix to the invoice is the first imbalance settlement in the selected period for an individual Balance Group.
- (4) On the basis of the second imbalance settlement of an accounting period, the Market Operator issues invoices for imbalances in a selected accounting period, which represent a difference in balance between the first and second imbalance settlement. Invoices for the second imbalance settlement for the accounting period shall be issued no later than until the issue of invoices for the first imbalance settlement of the next accounting period. An appendix to the invoice is the second imbalance settlement in the selected period for an individual Balance Group.
- (5) The Market Operator may mutually offset mutual, similar and matured claims and liabilities from the third and the preceding paragraph of this Article.
- (6) The settlement day is the seventh working day from the invoice date.
- (7) The surpluses of revenues over expenditures arising from the imbalance settlement are transferred to the account for keeping the imbalance settlement surpluses.

Article 121  
(Objection to the invoice)

- (1) Any errors and irregularities contained in the invoice for imbalances shall be raised in writing as an objection by the financial settlement participant within one working day from the receipt of the invoice.
- (2) The Market Operator shall send a written reply to the objection within one working day from the receipt of the error report. For the purposes of financial settlement, the response to the objection shall be final.

Article 122  
(Financial risk management)

- (1) The Market Operator ensures the fulfilment of financial liabilities arising from the financial settlement of imbalance settlement and balancing of the electricity system in the extent of submitted and redeemable guarantees and funds from the account for keeping the imbalance settlement surpluses.
- (2) As the clearing agent, the Market Operator carries out the methods and instruments of risks management; namely restricting the maximum liquidity exposure of an individual financial settlement participant to the Market Operator and prescribing mandatory financial guarantees

for financial settlement participants according to the liquidity exposure.

(3) For the purpose of financial risk management, the annual recalculation of the imbalance settlement is regarded as an imbalance settlement.

#### Article 123 (Financial guarantees)

(1) The financial settlement participant shall deposit and maintain a financial guarantee in the amount and form defined by the Market Operator as collateral for the fulfilment of the participant's liabilities arising from the imbalance settlement.

(2) All financial guarantees provided or deposited by a financial settlement participant to the Market Operator as collateral in accordance with these Rules are de iure and de facto property of a financial settlement participant and are free of obligations for other purposes.

(3) The submission of the prerequisite financial guarantees is the condition for the inclusion into the Balance Scheme and maintenance of Balance Scheme Membership.

(4) The data on delivery points, the data on quantitative values of forecast imbalances, the data on quantitative and financial values of past imbalances, and other information on an individual financial settlement participant serve as the basis for the calculation of financial guarantees.

(5) The financial settlement participant shall provide basic and variable financial guarantees upon the Market Operator's request.

(6) The Market Operator may require additional financial guarantees from financial settlement participants who do not fulfil the financial liabilities from Article 132.

(7) On justified grounds, the Market Operator is entitled to change the level of financial guarantees to the maximum of 100% or to change the type of guarantees prior to including the financial settlement participant into the Balance Scheme as well as during its operation.

(8) If the Balance Scheme membership is ceased, all financial guarantees shall be returned to the financial settlement participant when all his financial liabilities to the clearing agent have been settled, including the liabilities arising from the annual recalculation of the imbalance settlement for the year when the balancing agreement of the Balance Scheme participant ceases to be valid.

#### Article 124 (Basic financial guarantee)

(1) The submission of a basic financial guarantee is the requirement for the inclusion to the Balance Scheme and for maintaining membership in the Balance Scheme.

(2) The basic financial guarantee amounts to EUR 100,000 and can be submitted by financial settlement participants in the form of a cash deposit or a bank guarantee

(3) The amount of basic financial guarantee may be increased by EUR 50,000 if it meets one of the following criteria:

(a) if the financial settlement participant also has in its balance sheet delivery or metering points;

(b) where an undertaking enters into a Balance Scheme and is able to provide a balance sheet and profit and loss account for a period of less than three years; or

(c) if the financial statements, when reviewed periodically, do not demonstrate short-term solvency, sustainable liquidity and long-term solvency.

(4) The Market Operator may also set a higher level of basic guarantee, subject to appropriate justification of the exposure.

Article 125  
(Variable financial guarantee)

- (1) Variable financial guarantee must be submitted by the financial settlement participant at the Market Operator's request.
- (2) Market Operator can request that the variable financial guarantee is submitted in the form of a cash deposit into the deposit account opened at the Settlement Bank or in the form of a bank guarantee.
- (3) The Market Operator determines the amount of variable financial guarantees according to the data on the quantitative values of forecasted imbalances, the data of quantitative and financial values of past imbalances and other information on an individual financial settlement participant.
- (4) If the financial settlement participant has settled all its financial liabilities and has no current imbalances, it can request, in writing, the return of the part of submitted variable financial guarantees, provided that the financial guarantees are not lower than the limit referred to in Article 126 of these Rules.
- (5) Notwithstanding the provisions of Articles 126 and 127 of these Rules, the Market Operator may also set a higher level of variable guarantees, subject to appropriate justification of the exposure.

Article 126  
(Variable financial guarantees for the financial settlement participants with physical delivery or metering points)

- (1) On the basis of the data available to the Market Operator and the data submitted by the settlement participant, the Market Operator evaluates the maximum possible load of consumers or maximum possible production power of producers which have balancing affiliation to the financial settlement participant.
- (2) The initial monthly exposure of financial settlement participant (here after:  $I_{UFP}$ ) is calculated upon its inclusion to the Balance Scheme by the Market Operator using the equation:

$$I_{UFP} = 17 \cdot \max(P_{Odf}, P_{Pro}) \cdot \bar{C}$$

Where:

$\bar{C}$ ..... is an average price  $C$  of imbalances in the past 12 months, plus the value of VAT (in accounting intervals where there are two prices,  $C_{neg}$  is used to calculate the average value);

$P_{Odf}$ ..... is the average consumption load of consumers in the last 12 months which have balancing affiliation to the financial settlement participant expressed in MW; and

$P_{Pro}$ ..... is the average production power of producers in the last 12 months which have balancing affiliation to the financial settlement participant expressed in MW.

- (3) On justified grounds, the Market Operator is entitled to change the level of  $I_{UFP}$  for up to 100%.
- (4) The Market Operator may define new values of monthly exposure of an individual participant based on changed data or circumstances (e.g. a change in consumption power of

consumers or total generation power of producers which have balancing affiliation to the financial settlement participant).

(5) When the calculated initial monthly exposure is equal or lower than 10% of the basic guarantee already submitted, the Market Operator may not invite a financial settlement participant to submit  $I_{UFP}$ .

#### Article 127

(Variable financial guarantees of the financial settlement participants for forecasted imbalances)

(1) On a daily basis, the Market Operator shall monitor the quantitative values of forecasted imbalances on the basis of which the exposure of financial settlement participant is calculated. The value of requisite variable financial guarantees calculated on the basis of negative forecasted imbalances is determined as follows:

$$GFK = 3 \cdot \sum_i |W_{napov.odstopanja\ neg,i}| \cdot \bar{C}$$

GFK..... is the value of requisite variable financial guarantees on the basis of negative forecasted imbalances;

$W_{napov.odstopanja\ neg,i}$ ..... are the negative forecasted imbalances of a Balance Group in an individual accounting interval;

$\bar{C}$ ..... is the average basic price C from the last known imbalance settlement, increased by the value added tax (in accounting intervals where there are two prices,  $C_{neg}$  is used to calculate the average value).

(2) The Market Operator may, when calculating the exposure of a balancing service provider that intervenes in the delivery points belonging to another Balance Scheme member, exclude the amounts of activated balancing that have been declared in the form of a closed contract between the balancing service provider and the supplier or the Balance Scheme whose delivery points have been activated. The Market Operator shall take into account the volumes obtained from the balancing service provider and the Transmission System Operator in the calculation.

(3) If the value of the required variable financial guarantees exceed the variable financial guarantees already submitted and the underlying margin, the financial settlement participant shall submit additional variable financial guarantees in the amount of the difference between the variable financial guarantees already submitted and the required variable financial guarantees immediately or at the latest two business days after receipt of a written request from the Market Operator, which shall also be deemed to include transmission via the Market Operator's information system. At the request of the Market Operator, the participant must provide a bank confirmation of the transfer.

(4) If the financial settlement participant is not required to submit additional financial guarantees, the Market Operator shall add the quantity of any further forecasted imbalance to the previous quantities of forecasted imbalances and calculate the new value of the requisite financial guarantees.

#### Article 128

##### (Variable financial guarantees upon imbalance settlement)

If a financial settlement participant is a net debtor, the Market Operator calculates new requisite variable financial guarantee which equals net liabilities from issued invoice for imbalances if it exceeds variable and basic financial guarantees already submitted, every time the invoices for imbalances is submitted; otherwise it remains the same as the value of financial guarantees already submitted. If the amount of requisite variable financial guarantee is more than the submitted variable and basic financial guarantees, the financial settlement participant shall submit additional financial guarantees in the amount equal to the difference between the requisite variable financial guarantees and the already submitted financial guarantees within two working days after receipt of a written request from the Market Operator.

#### Article 129

##### (Financial guarantees of public utility service providers)

- (1) The Market Operator determines the financial guarantees for public utility service providers on the basis of their special status in the Balance Scheme.
- (2) As public utility service providers, the Electricity System Operators are not obliged to submit any basic financial guarantees.
- (3) The financial settlement participant with a special status, established by the Market Operator within the implementation of the duties of the Market Operator, is not obliged to submit any financial guarantees.

#### Article 130

##### (Bank guarantee)

- (1) The beneficiary of the bank guarantee submitted by the financial settlement participant is the Market Operator. The bank guarantee must contain a "no objection" or "at first call" clause or words with the same meaning. The bank guarantee must contain an unconditional and irrevocable undertaking by the bank to ensure the payment of the amount stipulated in the bank guarantee to the beneficiary at the first request. A bank guarantee shall also contain a clause under which partial realisation of a bank guarantee is possible.
- (2) Prior to submitting a bank guarantee, the financial settlement participant shall inform the Market Operator of the purpose of the submission of a bank guarantee and shall acquire a written consent stating that the bank guarantee of the bank in question is acceptable for the Market Operator.
- (3) The Market Operator reserves the right to deny a bank guarantee from the bank which is not classified according to the assessment system of a reputable assessment company. The acceptance or refusal of a bank guarantee shall be the discretionary right of the Market Operator.
- (4) The Market Operator may realise the bank guarantee if the financial settlement participant fails to settle its liabilities within the agreed deadline.
- (5) All costs incurred in the procedure of the financial guarantee issuance and realisation shall be borne by the financial settlement participant whose banking guarantee has been realised.
- (6) The financial settlement participant shall provide the Market Operator with a new guarantee at least two months prior to the expiry of the currently valid bank guarantee and/or shall submit a cash deposit instead of a bank guarantee.



Article 131  
(Cash deposit)

(1) Cash deposits submitted by financial settlement participants as financial guarantees are kept on the deposit account separately from the Market Operator's funds.

(2) When submitting a cash deposit, a financial settlement participant shall sign the irrevocable authorisation with which the Market Operator is authorised to manage the funds on the deposit account.

Article 132  
(Non-fulfilment of liabilities)

(1) The non-fulfilment of financial liabilities shall be deemed to be in particular the following events or circumstances:

- if a financial settlement participant fails to carry out or fulfil one of its obligations to settle its outstanding liabilities;
- if a financial settlement participant fails to submit requested financial guarantees within the specified deadlines or
- if a financial settlement participant fails to pay its outstanding debts, acknowledges an inability to pay its debts or remains actually incapable of payment. The same applies if the procedures of compulsory settlement, bankruptcy or liquidation are instituted against it, with the exception of those cases where the objective of the liquidation is the reorganisation of the financial settlement participant or the acquisition of the financial settlement participant by a third party, having been issued a prior written approval of integration by the Market Operator.

(2) In the event that a financial settlement participant fails to settle its financial liabilities, the Market Operator shall avail the submitted financial guarantees.

(3) In the event that the Market Operator uses the financial guarantees to meet the financial settlement participant's liabilities, the participant shall pay or provide additional financial guarantees in the amount determined by the Market Operator at the first call.

(4) The financial settlement participant shall be obliged to reimburse the Market Operator all costs and expenses incurred by the measures in case of non-fulfilment of financial liabilities.

(5) The Market Operator may also contact third parties for cooperation regarding the nonfulfillment of liabilities.

Article 133  
(Default interest payment)

If a financial settlement participant fails to meet financial liabilities on time, the Market Operator is entitled to charge default interest stipulated by law. The interests shall be charged from the day the payment falls due to the day the debt is actually settled.

Article 134  
(Market disorder, inability to perform, and force majeure)

(1) Neither the Market Operator nor financial settlement participant shall be responsible for the failure to meet a part or all of their liabilities of imbalance settlement if the reason lies in

action by civil or military authorities, fires, floods, labour disputes, the failure of computer or data systems, the failure of the energy supply, embargoes or other justifiable grounds.

(2) In the case of the circumstances referred to in the preceding paragraph, the Market Operator or financial settlement participant shall be entitled to issue a retroactive invoice for services implemented or shall be entitled to do everything it deems necessary to achieve the same objective.

## VII. TRANSITIONAL AND FINAL PROVISIONS

### Article 135

(Transition period for distributing the 2020, 2021 and 2022 imbalance settlement surplus)

(1) The distribution of the surplus of the imbalance settlement for 2022 shall be carried out by the Energy Agency in such a way that the funds exceeding the purposes referred to in the second, third and fourth paragraph of Article 119 of these Rules shall be allocated among the participants in the imbalance settlement in accordance with the actual costs incurred by the Transmission System Operator in the same year on the imbalance settlement.

(2) The retained surplus funds of 2020, 2021 and possibly the retained surplus funds of 2022 in excess of the funds for the purpose of managing the default risks of the financial settlement, in accordance with the Energy Agency's allocation, shall be distributed by the Market Operator among the participants in the financial settlement up to a maximum of the amount of the retained surplus funds of those years.

(3) In determining the amount of funds to be distributed among the financial settlement participants, account shall also be taken of the possible use of the imbalance settlement surplus funds to settle outstanding imbalance settlement obligations of the financial settlement participants or to be used in the calculation of the imbalance settlement to cover the Transmission System Operator's balancing cost obligations in accordance with the second paragraph of Article 95 these Rules.

(4) The distribution of the surplus of previous years shall be carried out annually, after the determination of the amount of funds for the purpose of managing the risks of financial settlement default, whereby the transfer to the Transmission System Operator in accordance with the fifth paragraph of Article 119 of these Rules shall only take effect once the obligations under this Article have been settled.

(5) The Market Operator shall issue a credit note to the imbalance settlement participant for the amount of the payment of the imbalance settlement surplus, on the basis of which the transfer shall also be made.

### Article 136

(Transitional period for increases in basic cover)

For Balance Scheme members who are Balance Scheme members on the date of entry into force of these Rules, the amount of the basic financial guarantee shall be increased to EUR 100,000 and EUR 150,000 respectively in accordance with Article 124 by 1 January 2024 at the latest.

Article 137  
(Expiry)

As of the date of entry into force of these Rules, the Rules on the operation of the electricity market (Official Gazette of the RS, No. 74/18, 62/19, 159/21 - as amended. and 69/22) shall cease to apply but shall be used for the purpose of carrying out the imbalance settlement for the accounting months of 2022 and for the annual recalculation of the imbalance settlement for 2022.

Article 138  
(Entry into force)

These Rules enter into force on 1 January 2023.

No 2022/ENP/Pr-PTE/03  
Ljubljana, 16 December 2022  
EVA 2022-2430-0112

Borut Rajer, MSc  
General Manager

UNOFFICIAL, NONBINDING TRANSLATION