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LEGAL BASIS: first indent of the fourth paragraph of Article 94 of the Electricity Supply Act (Official Gazette of the RS, No.172/21)

*RELEVANT OFFICIAL GAZETTES: 69/2022
(The Rules apply from 1 June 2022)*

RULES ON THE OPERATION OF THE ELECTRICITY MARKET

I. GENERAL PROVISIONS

Article 1 (Subject matter)

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 delivering balancing energy, operation of the Balance Subgroup Responsible Party on the electricity market with regulation of 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 the 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 Contracts;
4. **Balance Group:** is a group of Balance Scheme members which is represented by a Balance Responsible Party and which is established for the purpose of delivering balancing energy, operation of the Balance Responsible Party on the electricity market by governing balance responsibility, and risk management and control of imbalances of the Balance 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 groups, 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 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 standardized 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. **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 identifiers;
11. **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;
12. **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 each border with another Transmission System Operator;
13. **Record of closed contracts:** is a record of validly recorded closed contracts;
14. **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;
15. **Financial Guarantee:** represents the warranty which should be submitted by the financial settlement participants to ensure the execution of their financial liabilities;
16. **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;
17. **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 Responsible Party;

18. **Final operating schedule:** is an indicative operating schedule, supplemented with any data on technical restrictions and ancillary services on the part of Transmission System Operator;
19. **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;
20. **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;
21. **Balance 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;
22. **Indicative operating schedule:** is an operating schedule of the transmission and distribution network drawn up by the Market Operator on the basis of the reported closed contracts and operational forecasts and sent to the Transmission System Operator;
23. **Basic Financial Guarantee:** is a financial guarantee for the financial settlement of participant's financial liabilities deriving from the imbalance settlement;
24. **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;
25. **Settlement Day:** is a day set for the settlement of financial liabilities of the imbalance settlement;
26. **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;
27. **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.
28. **Invoice:** is an invoice or credit note in the context of financial settlement of the imbalance settlement.
29. **Electricity market register:** is a record where Balance Scheme membership agreements, open contracts, and closed contracts are recorded in accordance with the Rules.
30. **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;

31. **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;
32. **Financial settlement participant:** is the Balance Responsible Party responsible for the settlement of financial liabilities in accordance with these Rules;
33. **Electricity market participant:** is a legal or natural person who operates on the electricity market;
34. **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;
35. **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;
36. **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.

(2) The terms used in these Rules, the meaning of which is not specified in the preceding paragraph shall have the same meanings as defined by the Energy Act.

II. ELECTRICITY MARKET

Article 3

(Electricity market participants)

(1) Electricity market participants are:

- Producer;
- Consumer;
- Trader;
- Supplier;
- Energy Exchange Operator, and
- Transmission System Operator, 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 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.

(3) 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 the Energy Act. 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 4
(Organisation of the electricity market)

(1) Transactions on the electricity market are concluded:

- by Balance Scheme membership agreements;
- by open contracts and closed contracts;
- on forward, daily, and intra-day markets;
- on the balancing market and other ancillary service markets.

(2) The following contracts represent the basic types of legal relationships on the electricity market:

- Balance Scheme membership agreements;
- open contracts, and
- closed contracts.

Article 5
(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 6
(Electricity market register)

(1) The electricity market register is the fundamental element of the electricity market and serves as the basis for carrying out the fulfilment of the commercial aspect of concluded electricity transactions.

(2) The Balance Scheme membership agreements, open contracts, and closed contracts, which are not concluded and recorded in the electricity market register according to these Rules, shall be considered non-existent.

Article 7
(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 or unreasonable business methods or any illicit business practice on the electricity market.

(2) 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 electricity market as a whole within eight working days.

Article 8
(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.

(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) Any misuse due to the inappropriate protection of personal identification data is the responsibility of the holder whose identification data was misused, or the employee of the Market Operator, if he/she is jointly responsible for the misuse.

(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 telephone, fax or e-mail. A description of any errors or technical difficulties shall be delivered by Balance Scheme members to the Market Operator in writing as soon as possible.

(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 thirty days before the changes take effect, unless a shorter deadline is stipulated due to the grounds of urgency.

(7) Balance Scheme members shall be solely 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 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 30 days prior to the entry into force.

Article 9

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

(1) With regard to the communication of information and data necessary for the implementation of tasks of the Market Operator and the transparent operation of the electricity market, the Electricity System Operators shall in particular submit to the Market Operator:

- data on Balance Scheme members who hold contracts regarding regulation energy supply with the Transmission System Operator and the data on the duration of these contracts;
- data on the technical particularities of the provision of regulation energy;
- data on system balancing according to transactions concluded and intervals;
- remaining diagram by individual distribution area;
- installed power of the delivery points;
- exercised rights to use cross-border transmission capacities;
- quantities of realised electricity exchange on the borders with neighbouring Transmission System Operators;
- 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 10

(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.

Article 11

(Provision of data by other database administrators)

(1) Other public database administrators (for example: 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 12

(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.

III. BALANCE SCHEME

Article 13

(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.
- (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 is a Balance Scheme member for the purpose of providing the balance of transactions concluded on the Energy Exchange.
- (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.
- (8) Balance Groups and Balance Subgroups shall be constituted by the Balance Responsible Party or Balance Subgroup Responsible Party and by any number of hierarchically inferior Balance Group or Balance Subgroup Members.
- (9) Any balancing service provider that supplies balancing power or energy to the Transmission System Operator must be a member of the Balance Scheme. Service providers must, in the case of services that interfere with the delivery points affiliated with another member of the Balance Scheme, ensure the member concerned is informed, which allows for timely measures in the correction of positions in the market.

1. Balance Scheme membership agreements

Article 14

(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:

- Direct membership when the basis for including a member in the Balance Scheme is a balancing agreement, and
- Indirect membership when the basis for including a member in the Balance Scheme is a compensation agreement.

Article 15

(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 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 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 provisions contained in the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act.

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

(3) 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.

Article 16

(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 Responsible Party and acquires membership status.

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

(3) A balancing agreement shall include the following mandatory elements:

- provisions on financial settlement of imbalance settlement;
- provisions on compulsory notification of the Market Operator on the conclusion of the compensation agreement, and
- a provision that the balancing agreement shall be recorded in the Record of Balance Scheme membership agreements within five working days from the fulfilment of requisite conditions for the inclusion into the Balance Scheme and shall take effect on the same day.

(4) The date of the entry into the Record of Balance Scheme membership agreements shall be deemed to be the date of the entry into force of the balancing agreement. A legal or natural person is included into the Balance Scheme with the entry into the Record of Balance Scheme membership agreements. The Market Operator shall inform the natural or legal person of the entry into the Record in writing by e-mail.

(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 imbalance settlement of the Electricity System Operator and consequently its inclusion into the Balance Scheme as the Balance 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, 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 Responsible Party within which it guarantees the balancing of all transactions involving electricity concluded on the Energy Exchange.

Article 17

(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 18

(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 the 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 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 19 (Compensation agreement)

(1) The Balance 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 33 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 of the entry of the essential elements into 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 39 and 41 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 39 and 41 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;
- 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 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.

(8) On the basis of the second paragraph of Article 7 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.

(9) The Electricity System Operators and Market Operator may not include other legal or natural persons in its own Balance Group.

Article 20 (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 Responsible Party or Balance Subgroup Responsible Party;
- notification of concluded closed contracts to the Balance Responsible Party or 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 Responsible Party or Balance Subgroup Responsible party whose member it is;
- notification to the Electricity System Operator of concluded delivery agreements to supply final consumers, contract for the purchase of electricity from the producer or the notification on self-supply of a delivery point.

Article 21

(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 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 lower Balance Scheme members among balance groups or subgroups, the Balance 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 41 of these Rules.

2. Open contracts for delivery

Article 22

(Types of open contracts for delivery)

(1) Open contracts for delivery are contracts concerning the supply to final consumers, contracts on the purchase of electricity from producers and virtual open contracts.

(2) Open contracts for delivery determine the affiliation of the delivery points.

(3) The realisation of the delivery points is given consideration in the balance of the Balance Scheme member with which it has balance affiliation.

(4) Realisation of a delivery 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.

Article 23

(Open contracts for delivery)

(1) Only a Balance Scheme member may conclude an open contract for delivery with the owner/holder of the delivery point.

(2) An open contract for delivery shall include the following mandatory elements:

- the identification code of the delivery points which are the subjects of the delivery;
- the date of entry into force, including the provision that the said agreement shall become effective on the day of entry of the essential elements into the record of open contracts;
- the date of expiry or a provision of its indefinite-time validity;
- provisions concerning the reasons for cancellation with defined notice periods;
- provisions on informing the competent Electricity System Operators, and
- share of balancing affiliation if a delivery point belongs to more than one supplier.

(3) 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.

Article 24 (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 point is a part of the network and/or is connected to the network managed by the Electricity System Operator, and that the delivery point does not have any balancing affiliation to other Balance Scheme member;
- 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) The fact that the delivery point is part of the network managed by the Electricity System Operator, and that the delivery point has no balancing affiliation to another Balance Scheme member, is the information provided in the record of open contracts.

(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 25 (Self-supply notification)

(1) Self-supply notifications contain a statement of Balance Scheme members that the delivery points, specified in the statement, shall be supplied on their own.

(2) The notification also determines the affiliation of the specified delivery points to the Balance Scheme member in whose balance the realisation of these delivery points is taken into account in its primary value.

(3) The self-supply notification shall contain the following obligatory contents:

- an identification code of a Balance Scheme member;
- delivery points which are the subject of the self-supply; and

- a date of entering into force with a provision that the notification shall become valid at the moment when essential components are entered into the record of open contracts.

(4) As regards the self-supply delivery points, a Balance Scheme member shall have the status of a supplier in accordance with these Rules.

Article 26
(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 set out in the network codes.

Article 27
(Reasons for the occurrence of an last resort supply)

(1) The reasons for the occurrence of an last resort supply of the delivery points are:

- expiry of the balancing agreement of the Balance Responsible Party in which the delivery points had balancing affiliation to the Balance Responsible Party or to the hierarchically inferior Balance Scheme members, where the transfer of the Balance 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 Scheme 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.

(2) The after-effects of the last resort supply in the record of open contracts occur whenever it is determined that an individual delivery point has no 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 28
(Vulnerable consumers and emergency supply)

(1) According to these Rules, the relationships which occur when the non-affiliation of a delivery 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 network codes of a Distribution System Operator for the area to which a delivery point included in the emergency supply is connected.

Article 29

(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 point is introduced, the Distribution System Operator to which a delivery point is connected 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 for the area to which the delivery point is connected to.
- (3) With the introduction of the last resort or emergency supply of a delivery 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 an last resort or emergency supply termination.

Article 30

(Delivery points with no valid open contracts for delivery)

- (1) The Transmission System Operator shall disconnect the delivery points in the transmission network with no balancing affiliation to any Balance Scheme member.
- (2) The Distribution System Operator shall disconnect a producer connected to its system with no open agreement on the purchase from a producer.
- (3) Where the delivery point has no supplier and the Electricity System Operator does not disconnect it, this delivery point shall belong to this Electricity System Operator.

Article 31

(Affiliation of a delivery point)

- (1) The affiliation of a delivery 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 an last resort supply;
 - the occurrence of an emergency supply, or
 - affiliation with the Electricity System Operator in accordance with Article 30 of these Rules.
- (2) A delivery point connected to the electricity transmission network and a delivery point connected to the distribution network with the installation power exceeding 40 MW can belong to more than one supplier. No delivery point connected to the distribution network whose installation power is less than or equal to 40 MW shall belong to more than one supplier at the same time.
- (3) Shares of suppliers for delivery points that have more than one supplier shall be known in advance, and their total value in each accounting period shall equal 100%. If the total value of shares of suppliers equals more or less than 100 %, it shall be deemed that the delivery point has no supplier.

(4) 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.

(5) 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.

(6) In the event a delivery point offers system services through a member of the Balance Scheme with which it holds no balancing affiliation, the holder of delivery point must inform the supplier with which it holds a balancing affiliation about the provision of system services and keep him informed about the performed services.

3. Closed contracts

Article 32 (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) Closed contracts with the use of cross-border transmission capacities also fall within the category of closed contracts and are regarded as closed contracts for the delivery of electricity across the Slovenian borders to which the rights of cross-border transmission also apply.

(3) Cross-border electricity transmission carried out by the Balance Scheme member who is also a neighbouring market participant, whereas the subject is the transmission of certain quantities of electricity in certain accounting intervals with the use of cross-border transmission capacities shall be regarded as a closed contract.

4. Procedure for the Balance Scheme Membership acquisition

Article 33 (Request for the inclusion into the Balance Scheme)

(1) A request for the inclusion into the Balance Scheme shall be submitted in writing by mail or to the Market Operator directly.

(2) The Market Operator prescribes an application form and publishes it on its website.

(3) The request shall include the evidence set out in Article 15 or Article 19 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) In the application form, the Market Operator prescribes the identification code for the purpose of a uniform identification of the entity which a legal or natural person that wishes to become a Balance Scheme member shall have and which shall be used in accordance with the rules on the use of identification code.

Article 34

(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 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 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.
- rejects the request when, during the substantive examination, it is found that not all the conditions have been met, and shall notify the applicant in writing.

(7) 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. 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.

(8) 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.

(9) The Market Operator enters the new Balance 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.

(10) The Market Operator enters the new Balance Subgroup Responsible Party as a member into the Record of Balance Scheme membership agreements within five working days from the fulfilment of all the prescribed conditions.

(11) 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.

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

Article 35

(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.

5. Limitation of operations in the Balance Scheme

Article 36

(Temporary technical prevention from operating on the electricity market)

(1) The Market Operator may temporarily technically prevent the Balance Scheme member 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 second paragraph of Article 7 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 or the settlement 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;
- if the Market Operator cancels the balancing agreement in accordance with the agreement and the Rules on the operation of the electricity market when the reasons arise for the cancellation of the balancing agreement by the Market Operator, 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 the Balance Responsible Party, Transmission System Operator and the Energy Agency by e-mail.

(3) In case of a temporary technical prevention from operating on the electricity market, the Balance Responsible Party 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 414 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.

6. Cessation of the Balance Scheme membership

Article 37

(Cessation of the Balance Scheme membership)

(1) Balance Scheme Membership shall cease when the cessation of the Balance Scheme membership is 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 38

(Termination of the balancing agreement)

(1) The Market Operator may terminate a balancing agreement concluded with the Balance Responsible Party on the basis of justified termination of the balancing agreement without notice and with effect from the moment the cessation of the Balance Scheme membership is entered into 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 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 Responsible Party and require the infringements to be brought to an end. If the infringements are not rectified, the Balance 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 Responsible Party.

(3) The Balance Responsible Party may terminate the balancing agreement, whereby the termination is effective only if, on the day of exit from the Balance Scheme, 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 Responsible Party becomes effective on the day of the entry of the termination into the Record of Balance Scheme membership agreements. The entry of the termination shall be made 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 Responsible Party, the latter can indicate the desired day of the entry into the Record of Balance Scheme membership agreements, which also specifies the date when the termination of the balancing agreement shall take effect and which shall in no case be prior to the expiry of 5 working days referred to in the previous paragraph.

(6) The financial guarantees submitted by the Balance 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, submit a statement by the Balance Responsible Party which indicates that the financial guarantees of the Balance Responsible Party may also be used to cover the liabilities arising from the annual recalculation of the Balance Subgroup Responsible Party. In this case, the Market Operator shall return financial guarantees referred to in the previous paragraph within (3) 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 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, shall be considered rescinded from the date of the membership cessation.

Article 39

(Termination of the compensation agreement)

(1) The Balance 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 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 Responsible Party or Balance Subgroup Responsible Party shall notify the Market Operator and any hierarchically superior Balance 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 of the entry of the termination into the Record of Balance Scheme membership agreements. The entry of the termination shall be made within 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 Responsible Party may inform the Market Operator of the desired date of registering the termination into the Record of Balance Scheme membership agreements which was agreed between the parties to the compensation agreement, which also means the date when the withdrawal or termination of the compensation agreement shall take effect and which shall in no case be prior to the deadline referred to in the previous paragraph.

Article 40

(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 Responsible Party ceases on the basis of the provisions of this Article, the concluded balancing agreement shall be deemed rescinded on the day the fact referred to in the previous paragraph is entered into the Record of Balance Scheme membership agreement.

7. Enforcement days of changes to the Balance Scheme

Article 41

(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 basis of the entry in the Record of Balance Scheme membership agreements, which shall be carried out 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 of members with a special status in the Balance Scheme, the transition takes effect on the basis of the entry in the Record of Balance Scheme membership agreements, which is carried out:

- 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 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

Article 42

(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. The Market Operator may deny the entry of the change to the record on the basis of a notice received, because the notice is incomplete or because 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 of the entry into the record which shall be deemed the day of enforcement.

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

Article 43

(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 Responsible Party may send the report of a closed contract or an operational forecast to the Market Operator's official e-mail or fax. Such a report of closed contracts or operational forecasts shall become valid when the Market Operator accepts and confirms the receipt.

1. Recording of open contracts

Article 44

(Recording of open contracts)

(1) All changes to the records of open contracts are the result of entries of the competent Electricity System Operators upon the complete notification of a Balance Scheme member of the entry into force, the change, or the expiration of validity of open contracts.

(2) The record of open contracts and all related information shall be kept by the Electricity System Operators at least five years after their creation.

(3) Every change entered into the record shall become effective with the enforcement date.

(4) The record of open contracts shall include at least the following information:

- a list of the delivery points, and
- the balancing affiliation to an individual Balance Scheme member:

(5) 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.

(6) 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.

Article 45

(Implementation of the change in the delivery points' affiliation)

- (1) Changes in the affiliation of the delivery 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;
 - 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 point.
- (2) Implementation of a change of affiliation of delivery 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 on the same delivery point, the Market Operator may ensure the redistribution of the realisation of the electricity supply among the suppliers which supply electricity to final consumers on this delivery point.
- (4) The operator of the charging services and/or delivery points from the previous paragraph shall submit to the Market Operator the accounting data in the prescribed format in order to redistribute the realisation for the purpose of the tasks in the previous paragraph.
- (5) The Market Operator may define more detailed instructions for the implementation of the tasks referred to in this Article and publish them on its website.

2. Recording of closed contracts

Article 46

(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 47
(Person responsible for reporting closed contracts)

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

Article 48
(Terms and conditions for recording closed contracts)

(1) A closed contract is entered into the record of closed contracts on the basis of the complete report received from the Balance Scheme member or on the basis of the Market Operator's entry.

(2) A closed contract with the use of cross-border transmission capacities is entered into the record of closed contracts on the basis of the received complete report from the Balance Scheme member and the confirmation by the Transmission System Operator regarding the content of the record by the Balance Scheme member.

(3) Regulations and load restrictions carried out, as well as change to the base power, are entered into the record of closed contracts upon the receipt of a complete report from the Transmission System Operator.

Article 49
(Obligation to report closed contracts)

All closed contracts must be reported.

Article 50
(Reporting of closed contracts among Balance Scheme members)

(1) Each closed contract shall be recorded with the Market Operator.

(2) Each closed contract 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 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.

Article 51
(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, the Market Operator shall take into account the one reported by the Energy Exchange Operator as the valid report.

Article 52
(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) Reported quantities in the closed contracts with the use of cross-border transmission capacities shall be expressed in MW. All values must be rounded to the nearest integer.

(4) 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 53
(Effects of the recorded closed contracts)

(1) A recorded closed contract affects the balance of both Balance Scheme members at the moment of the entry into the record of closed contracts 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) Closed contracts with the use of cross-border transmission capacities affect the record of closed contracts in the same way as a closed contract concluded between a Balance Scheme member and a Transmission System Operator.

(3) 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 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.

(4) 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 54
(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 55

(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 of the participant regarding the closed contracts with the use cross-border transmission capacities.

Article 56

(Changes in the record of closed contracts due to the transactions within the regulation of the energy system)

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

- data which the Market Operator receives from the Transmission System Operator on the executed process of frequency restoration, process of reserve replacement and executed load restrictions, or
- report of closed contracts on the executed process of frequency restoration, process of reserve replacement and executed load restrictions.

Article 57

(Market plan)

- (1) The market plan is the basis for imbalance settlement.
- (2) Balance Scheme members who have no appurtenant delivery points shall have a market plan which equals 0 MW in all accounting intervals.
- (3) If 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 Responsible Party has reported the forecasted imbalances.

3. Operational forecasts

Article 58

(Person responsible for reporting operational forecasts)

- (1) The Balance 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 59
(Reporting of operational forecasts)

- (1) An operational forecast shall be reported separately for each accounting interval.
- (2) Reported quantities in the operational forecasts must be expressed in MW. All values shall be rounded to three decimal places.
- (3) 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.
- (4) 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.
- (5) Operational forecasts shall be provided separately for consumption and delivery whereby the Market Operator may determine that the delivery is provided separately by type of a production unit for the delivery points which the Market Operator allocates to the Balance Scheme member.
- (6) 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.
- (7) The Balance responsible party shall endeavour to ensure that the entire operational forecast of a Balance Group, which has appurtenant delivery points in each accounting interval, equals the Balance's Group market plan. In the event of a report mismatch, the Balance responsible party shall submit to the Market Operator the information on the reasons for the report mismatch and measures provided to eliminate the mismatch.

4. Control, coordination and deadline for the report

Article 60
(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 Responsible Party provide a corrected version of the reported closed contracts and operational forecasts.

Article 61
(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, and the deadlines for reporting changes to closed contracts and operational forecasts, and additional 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.

5. Operating schedule of the transmission network

Article 62

(Indicative operating schedule)

The indicative 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 63

(Delivery time of an indicative operating schedule)

(1) The Market Operator shall draw up and send an indicative 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 indicative operating schedule within 30 minutes of the delivery time of an indicative operating schedule, it is assumed that the Transmission System Operator has approved the content of an indicative operating schedule.

Article 64

(Final operating schedule)

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

(2) The Transmission System Operator shall submit the final operating schedule to the Market Operator.

(3) If the Transmission System Operator does not provide the solutions of potential technical restrictions and ancillary services, the indicative operating schedule shall be considered to be final.

Article 65

(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 indicative operating schedule which shall be sent to Transmission System Operator.

V. IMBALANCE SETTLEMENT

Article 66 (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.
- balance calculation of Balance Groups.
- calculation of total Balance Group realisation.
- calculation of imbalances, and
- calculation of forecasted imbalances.

(2) Pursuant to these Rules, the imbalance settlement shall be carried out not more than twice for each accounting period.

(3) The submitted quantities of accounting data shall be provided accurate at least to one kWh.

1. Calculation of the supply and consumption

Article 67 (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.

$$W_{oddaja} = \sum_{j=1}^m W_j$$

Where:

W_{oddaja} is realised delivery of a Balance Scheme member;

W_j realised delivery of a delivery point j ;

m is a number of delivery points of a Balance Scheme member.

Article 68 (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.

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

Where:

W_{odjem} is the realised consumption of a Balance Scheme member;

W_j is the realised consumption of a delivery point j,

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

Article 69

(Consumption and delivery balance of a Balance Scheme member)

According to the appurtenant delivery points in an individual accounting interval, the consumption and delivery balance equals the difference between total realised consumption and total realised delivery of the delivery points which belong to a Balance Scheme:

$$W_{saldo} = W_{odjem} - W_{oddaja}$$

Where:

W_{saldo} is the consumption and delivery balance of the appurtenant delivery points according to Balance Scheme member;

W_{odjem} is the realised consumption in an accounting interval by Balance Scheme member;

W_{oddaja} is the realised delivery in an accounting interval by Balance Scheme member.

Article 70

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

(1) The delivery points fitted with registration meters and which registration interval is shorter than or equals the accounting interval 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.

(3) The accounting data on realised consumption or delivery by measured consumers and measured producers in an individual accounting interval shall be determined on the basis of the measurements registered.

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

2. Analytical procedure

Article 71

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

- (1) The delivery points without registration meters, the delivery points whose registration interval is longer than the accounting interval and other delivery points defined in the network codes are classified as non-measured consumers or non-measured producers.
- (2) The realised consumption or delivery of non-measured consumers or non-measured producers 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.

Article 72

(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 consumers is deducted from the total energy received by this area (from the transmission network, the neighbouring areas of the distribution network, or from production delivery points).
- (3) The consumption of non-measured consumers is estimated on the basis of the remaining diagram which is distributed among the consumers upon quotients of a non-measured consumption.

Article 73

(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_i 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-metered 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_i for non-measured consumers is calculated by using the data on the invoiced consumption of the consumer O_i in the accounting period for which the quotient of non-measured consumption is calculated.
- (5) The quotient k_i is calculated using the following equation:

$$k_i = \frac{O_i}{\sum O_d}$$

Where:

O_i is the accounting data on the invoiced consumption of the selected consumer i ;

$\sum O_d$ is the sum of the accounting data on the invoiced consumption of all non-measured consumers of the distribution network area to which the consumer i is connected.

(6) In the event the sum of the quotients of all the consumers of a particular supplier is negative, any eventual residual difference after setting the quotient to zero is recalculated in the annual recalculation of imbalance settlement. The negative quantities transferred to annual recalculation are exempted from the total quantities of non-measured consumption. Consequently, the losses of the distribution network in the imbalance settlement are lower. Therefore, the quantities transferred are reallocated in the annual imbalance settlement recalculation from the supplier to the losses of the distribution network. The Electricity System Operator informs the Market Operator and the supplier of these quantities.

Article 74

(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 75

(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 which divide two distribution network areas, or in the case of non-regulated supply.

(7) The total accepted 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 which divide two distribution network areas, or in the case of non-regulated supply.

(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 76

(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 77

(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) 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 the previous paragraph at the latest.

(4) 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.

(5) 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.

(6) The Electricity System Operators shall notify the Market Operator of any operation or network failure which resulted in an inability of delivery or consumption on delivery points.

(7) The Electricity System Operators shall provide the Balance Responsible Party with the following accounting data separately by network and separately by accounting interval:

- delivery of the electricity to the network area separately according to Balance Scheme members who are hierarchically inferior to the Balance Responsible Party, namely aggregated for all production delivery points of the Balance Scheme members and separately for measured and non-measured producers;
- consumption of the electricity from the network area separately according to Balance Scheme members who are hierarchically inferior to the Balance Responsible Party, namely aggregated for all production delivery points of the Balance Scheme members and separately for measured and non-measured consumers, and
- any losses in the transmission network, if these losses belong to a hierarchically inferior Balance Scheme member.

Article 78

(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;

- non-regulated supply of electricity among distribution network 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 values 0 MW are used for the non-existent third accounting interval for the data referred to in this Article. On the day of the shift from winter to summer time, the total accounting values of the third and the doubled third accounting interval are considered as the third accounting interval.
- (5) On the basis of the decision taken by the Market Operator, a shift to 23 accounting intervals is carried out on the day of the shift from winter to summer time, or to 25 accounting intervals on the day of the shift from summer to winter time. The Market Operator shall inform the market participants of the planned shift to either an increased or decreased number of accounting intervals at least six months in advance.

Article 79

(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 third paragraph of Article 77 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 at least the following data which were the basis for the calculation of quotients:
- total non-measured consumption of the distribution network area in the accounting period;
 - 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;
- accounting data on the consumption in the accounting period, and
- the calculated quotient for a delivery point.

Article 80

(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 non-regulated supply.

4. Market balance

Article 81

(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 82

(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 83

(Total realisation of a Balance Group)

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

$$W_{realizacija} = W_{saldo} + \sum_{l=1}^r W_{saldo\ izr.p}^{(l)}$$

Where:

W_{saldo} is the consumption and delivery balance of the appurtenant delivery points in an individual accounting interval;

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

$W_{saldo\ izr.p}$ is the consumption and delivery balance which belongs to any hierarchically inferior Balance Scheme member in an individual accounting interval.

r is the number of all compensation agreements concluded with hierarchically inferior Balance Scheme members.

Article 84 (Imbalances)

(1) For each Balance Group with appurtenant delivery points, 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:

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

Where:

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

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

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

(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).

Article 85 (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 86 (Forecasted imbalances)

(1) Forecasted imbalances are determined for Balance Groups with no appurtenant delivery points.

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

$$W_{napov\ odstopanja} = W_{tržni\ plan}$$

Where:

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

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

5. Imbalance settlement of Balance Groups

Article 87

(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 costs, 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 neighbouring Transmission System Operators;
- balancing energy activated in the process of frequency restoration as per compensation service provider;
- balancing energy activated in the process of reserve replacement as per compensation service provider;
- load restrictions and changes in base power.

(2) 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.

(3) 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 arise. The data must show at least technical characteristics of the action, the service operator, the price, the quantity, and the service costs.

(4) In the case of realized increased operational risks, in the calculation of costs, the price of balancing energy arising from the co-operation of the Transmission System Operators in imbalance netting cooperation of the control areas for positive regulation in a particular accounting interval shall be higher than or equal to the electricity price index $SIPXobr_i$, and the price for negative regulation shall be lower or equal to the electricity price index $SIPXobr_i$.

(5) The price cap of the balancing energy referred to in the preceding paragraph, in the month for which the imbalance settlement is carried out, shall be carried out for all the accounting intervals of the said month only in the event of an increase in the total net imbalances of Balance Groups, namely as follows:

- when the total net imbalances of Balance Groups at the accounting interval level exceed 60 MW in positive or negative direction in more than 25 % of accounting intervals of the month for which the imbalance settlement is carried out, or
- when the total net imbalances of Balance Groups at the accounting interval level exceed 120 MW in positive or negative direction in more than 4 % of accounting intervals of the month for which the imbalance settlement is carried out.

Article 88
(Basic imbalance prices)

(1) The Market Operator calculates the basic imbalance prices on the basis of the Transmission System Operator's costs incurred within the balancing. The costs are settled separately by the Market Operator within the imbalance settlement for each accounting period.

(2) The basic imbalance prices are different for negative and positive imbalances and are marked as C_{neg} and C_{poz} .

Article 89
(Calculation of the basic imbalance prices)

(1) The basic prices C_{neg} and C_{poz} shall be determined depending on the settlement and total imbalance of the electricity system in the Republic of Slovenia, applying the following equations:

Settlement status in an accounting interval	C_{neg}	C_{poz}
Quantities of positive settlement exceed quantities of negative settlement $W_{poz} + W_{neg} > 0$	TPC_{poz}	$\min(SIPXobr_i; TPC_{poz})$
Quantities of negative settlement exceed quantities of positive settlement $W_{poz} + W_{neg} < 0$	$\max(SIPXobr_i; TPC_{neg})$	TPC_{neg}
No settlement or $W_{poz} + W_{neg} = 0$	$SIPXobr_i$	$SIPXobr_i$

Where:

$SIPXobr_i$ is the price index of electricity for the accounting interval on the Energy Exchange in the Republic of Slovenia and equals the marginal price calculated at the auction for the Slovenian electricity market, which is also used as the values of the unrealized activation of the balancing energy from the frequency restoration reserve or replacement reserve if the activation of the balancing energy was not carried out in any direction in the accounting interval.

TPC_{poz} is the weighted average price of positive activated balancing energy from the frequency restoration reserve and replacement reserve,

TPC_{neg} is the weighted average price of negative activated balancing energy from the frequency restoration reserve and replacement reserve,

W_{poz} is the sum of the energy (positive value) which the Transmission System Operator has purchased to cover the energy deficit in the system in the accounting interval (the frequency restoration reserve and replacement reserve), and

W_{neg} is the sum of the energy (negative value) which the Transmission System Operator has sold to cover the energy surplus in the system in the accounting interval (the frequency restoration reserve and replacement reserve).

(2) The value of the basic price of negative imbalances C_{neg} shall be higher or equal to the basic price of positive imbalances C_{poz} in each accounting interval. If this condition has not been fulfilled, the basic price C_{neg} is equal to the basic price C_{poz} .

(3) The weighted average price of the activated positive balancing energy from the frequency restoration reserve and replacement reserve shall be calculated for each accounting interval i on the basis of the price of each type of activated positive balancing energy as follows:

$$TPC_{poz,i} = \frac{\sum_{vrsta}^n (Cena_{poz,vrsta,i} \cdot W_{poz,vrsta,i})}{\sum_{vrsta}^n W_{poz,vrsta,i}}$$

Where:

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

$Cena_{poz,vrsta,i}$ is the price for each type of activated positive balancing energy in the accounting interval i ,

$W_{poz,vrsta,i}$ is the total amount of each type of activated positive balancing energy in the accounting interval i .

(4) The weighted average price of the activated negative balancing energy from the frequency restoration reserve and replacement reserve shall be calculated for each accounting interval i on the basis of the price of each type of activated negative balancing energy as follows:

$$TPC_{neg,i} = \frac{\sum_{vrsta}^n (Cena_{neg,vrsta,i} \cdot W_{neg,vrsta,i})}{\sum_{vrsta}^n W_{neg,vrsta,i}}$$

Where:

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

$Cena_{neg,vrsta,i}$ is the price for each type of activated negative balancing energy in the accounting interval i ,

$W_{neg,vrsta,i}$ is the total amount of each type of activated negative balancing energy in the accounting interval i .

Article 90

(Electricity price index for accounting interval)

(1) For each accounting interval, the electricity price index $SIPXobr_i$ equals the marginal price calculated at the auction for the Slovenian electricity market. The Energy Exchange Operator calculates the $SIPXobr_i$ index.

(2) On the day of the shift from winter to summer time, the hourly index of electricity price $SIPXobr_i$ has no value for the non-existent third accounting interval.

(3) On the day of the shift from summer to winter time, the hourly index of electricity price $SIPXobr_i$ the average value of the index in the third and doubled third accounting interval is applied for the third accounting interval.

(4) On the basis of the decision taken by the Market Operator referred to in the fifth paragraph of Article 78 of these Rules a shift to 23 accounting intervals is carried out on the day of the shift from winter to summer time, or to 25 accounting intervals on the day of the shift from summer to winter time. In this case, the second and third paragraphs of this Article shall not apply.

(5) In the event that the accounting interval is shorter than one hour, the second, third and the preceding paragraph of this Article shall apply in such a way that all the accounting intervals that would appertain to the hourly accounting interval from the second, third and the preceding paragraph of this Article are included in the hourly accounting intervals. In the event that $SIPXobr_i$ cannot be determined for the accounting interval, the $SIPXobr_i$ value for the hourly interval is assigned to it, which contains the shorter intervals concerned.

Article 91

(Price correction for imbalances in the case of an unmatched market balance)

(1) The correction of imbalance prices is calculated without taking into account the exceedance of tolerance bands so that unlimited tolerance bands of Balance Groups are adopted for the purpose of the correction without taking into account the specific treatment of forecasted imbalances. The tolerance band exceedance is considered after the price correction in the calculation of the value of imbalances of Balance Groups. If total cost incurred by the Transmission System Operator through the system balancing in an accounting period exceed the balance of imbalance settlements of all Balance Groups (hereinafter: the accounting period deficit) or are lower than the balance of the imbalance settlements of all Balance Groups (hereinafter: the accounting period surplus), the basic imbalance prices in selected accounting intervals are corrected in such a way that the balance of imbalance settlements of all Balance Groups in an accounting period covers all imbalance settlement costs without taking into account the exceedance of tolerance bands.

(2) The correction of the basic imbalance prices shall be made applying the method set forth in the Appendix, which forms an integral part of these Rules, the selected accounting intervals in which the price level for imbalances is adjusted applying the method set forth in the Appendix.

Article 92
(Public nature of imbalance settlement)

- (1) The Market Operator shall regularly publish the following information on its website:
- the calculated values of basic prices C_{neg} , C_{poz} ,
 - the calculated values of the derived prices of C'_{neg} and C'_{poz} ,
 - total imbalances of Balance Groups,
 - the total quantities and balancing costs of the automatic frequency restoration reserve, separately according to the direction of balancing,
 - the total quantities and balancing costs of the manual frequency restoration reserve, separately according to the direction of balancing,
 - the total quantities and balancing costs of the replacement reserve 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 measuring points and others.
- (2) The Market Operator shall publish the basic prices of imbalances after receiving all required data for calculating the basic imbalance prices.
- (3) The Market Operator shall publish the derived imbalance prices not later than after the completion of the imbalance settlement, both first and second, if the later is carried out.

Article 93
(Tolerance band of a Balance Group)

- (1) Tolerance band of a Balance Group is a reference value of quantities of imbalances used for determining the method of the calculation of prices of imbalances.
- (2) The tolerance band of a Balance Group with consumption or production delivery points may not be less than 1 MW and is, for each accounting interval, determined on the basis of the realised consumption of a Balance Group, namely as follows:

$$T = \pm k \cdot W_{odjem}$$

Where:

W_{odjem} is the realised consumption of a Balance Group in an accounting interval;

k is the tolerance band quotient.

- (3) The value of the tolerance band quotient k is equal to 0.05.

Article 94

(Tolerance band limitation)

Tolerance band size of the Balance Groups is not limited upwards.

Article 95

(Price of imbalances when the tolerance band is exceeded)

- (1) The price of imbalances in the case of exceeding the tolerance band shall be calculated for each Balance Group separately for each interval in accordance with this Article.
- (2) The exceeding of the tolerance band is not calculated for the Balance Groups of the Transmission System Operator, Distribution System Operator and Market Operator implementing public utility services.
- (3) In the event that the public utility service provider, referred to in the previous paragraph, establishes a separate Balance Subgroup in a Balance Group or Subgroup of another Balance Group or Balance Subgroup Responsible Party in accordance with the Energy Act, the prices for the Balance Group to which the separated Balance Subgroup was included are calculated on the basis of exceedances of tolerance band of all imbalances of the Balance Group, including the imbalances of the Balance Subgroup of the public utility service provider. The realised consumption of Balance Subgroups of the public utility service provider referred to in this Article is taken into account when calculating the tolerance band of a Balance Subgroup to which the separated Subgroup was included.
- (4) In the event of an unexpected failure of a delivery point with the connected load exceeding 5 MW, with an exception of the delivery points that divide networks, due to an unexpected event in the unit, the tolerance band of the Balance Group with the balancing affiliation of the delivery point with the failed production unit is increased to the level of the failed delivery point power. The increase of the tolerance band within the same level applies for a maximum of four hours after the interval in which the failure occurred.
- (5) In the case of a planned or routine maintenance on the units, the production failure or consumption referred to in the previous paragraph is not considered.
- (6) The condition for exercising of the production failure is the proof of the failure which the Balance Responsible Party shall submit to the Market Operator no later than the 12th working day of the month following the month for which the imbalance settlement is carried out.
- (7) In accounting intervals in which force majeure occurred and resulted in its inability to fulfil the market plan, the Balancing Group shall enjoy unlimited tolerance band.
- (8) In the event of the occurrence as well as the termination of force majeure, the Balance Group referring to force majeure shall be obliged to immediately notify the Market Operator thereof. A condition to claim force majeure shall be the confirmation issued by an Electricity System Operator on the occurrence of the force majeure and its duration.

Article 96

(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:

- imbalances of Balance Groups;
- forecasted imbalances of Balance Groups;

- tolerance bands of Balance Groups; and
- basic and derived imbalance prices.

Article 97

(Value of negative imbalances of a Balance Group)

(1) For an individual accounting interval t , the value of imbalances Z_t of a Balance Group, in which the total realised imbalances of a Balance Group were negative and did not exceed the tolerance band, or the basic price C_{neg} is negative, is calculated using the equation:

$$Z_t = C_{neg} \cdot |W_{odstopanja}|$$

(2) When the negative imbalances of a Balance Group are outside the tolerance band and the basic price C_{neg} in this accounting interval is positive, the price for the imbalances is calculated as follows:

$$Z_t = C_{neg} \cdot |W_{odstopanja}| + (|W_{odstopanja}| - T) \cdot C_k$$

$$C_k = \begin{cases} 0 & ; \quad |W_{odstopanja}| \leq T \\ \left(\frac{|W_{odstopanja}| - T}{3T} \right)^2 \cdot C_{neg} & ; \quad T < |W_{odstopanja}| \leq 4T \\ C_{neg} & ; \quad 4T < |W_{odstopanja}| \end{cases}$$

Where:

$W_{odstopanja}$ are the total imbalances of a Balance Group in the selected accounting interval.

T is the tolerance band of a Balance Group

Z_t is the value of imbalances of a Balance Group in the individual accounting interval t .

(3) If the basic price C_{neg} has a negative sign in a selected accounting interval t , the value of negative imbalances Z_t of a Balance Group for this accounting interval shall be calculated in accordance with the first paragraph of this Article, irrespective of the tolerance band level.

Article 98

(Value of positive imbalances of a Balance Group)

(1) For an individual accounting interval t , the value of imbalances Z_t of a Balance Group, in which the realised imbalances of a Balance Group are positive and do not exceed the tolerance band, or the basic price C_{poz} is negative, is calculated using the equation:

$$Z_t = -C_{poz} \cdot W_{odstopanja}$$

(2) When the positive imbalances of a Balance Group are outside the tolerance band and the basic price C_{poz} in this accounting interval is positive, the price for the imbalances is calculated as follows:

$$Z_t = -C_{poz} \cdot W_{odstopanja} + (W_{odstopanja} - T) \cdot C_k$$

$$C_k = \begin{cases} 0 & ; W_{odstopanja} \leq T \\ \left(\frac{W_{odstopanja} - T}{3T} \right)^2 \cdot C_{poz} & ; T < W_{odstopanja} \leq 4T \\ C_{poz} & ; 4T < W_{odstopanja} \end{cases}$$

Where:

$W_{odstopanja}$ are the total imbalances of a Balance Group in the selected accounting interval.

T is the tolerance band of a Balance Group.

Z_t is the value of imbalances of a Balance Group in the individual accounting interval t .

(3) If the basic price C_{poz} has a negative sign in a selected accounting interval t , the value of positive imbalances Z_t of a Balance Group for this accounting interval shall be calculated in accordance with the first paragraph of this Article, irrespective of the tolerance band level.

Article 99

(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:

$$Z = \sum_{t=1}^u Z_t$$

Where:

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

Z_t is the value of imbalances of a Balance Group in an individual accounting interval.

t is an individual accounting interval.

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

Article 100

(Total value of forecasted imbalances)

(1) The value of tolerance band for Balance Groups with no appurtenant delivery points equals 0 MW.

(2) The value of forecasted imbalances Z_t of a Balance Group for negative forecasted imbalances in an individual accounting interval t is calculated using the equation:

$$Z_{napov-t} = 2 \cdot C_{neg} \cdot |W_{napov odstopanja}|$$

(3) The value of forecasted imbalances Z_t of a Balance Group for positive forecasted imbalances in an individual accounting interval t is calculated using the equation:

$$Z_{napov-t} = 0 \cdot W_{napov odstopanja}$$

Where:

$Z_{napov-t}$ is the value of forecasted imbalances of a Balance Group in an individual accounting interval.

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

t is an individual accounting interval.

(4) If the basic price C_{neg} has a negative sign in a selected accounting interval t , the value of negative forecasted imbalances $Z_{napov-t}$ equals zero.

(5) If the basic price C_{poz} has a negative sign in a selected accounting interval t , the value of positive forecasted imbalances $Z_{napov-t}$ of the Balance Group for this accounting interval shall be calculated using the following equation:

$$Z_{napov-t} = -2 \cdot C_{poz} \cdot W_{napov odstopanja}$$

Article 101

(Values of imbalances of Balance Groups which are public utility service providers)

(1) The value of imbalances Z_{GJS-t} of Balance Groups of the Transmission System Operator, Distribution System Operator and Market Operator implementing public utility services for an individual accounting interval t in which the Balance Group had negative realised imbalances, is calculated using the equation:

$$Z_{GJS-t} = C_{neg} \cdot |W_{odstopanja}|$$

(2) The value of imbalances Z_{GJS-t} of Balance Groups of the Transmission System Operator, Distribution System Operator and Market Operator implementing public utility services for an individual accounting interval t in which the Balance Group had positive realised imbalances, is calculated using the equation:

$$Z_{GJS-t} = C_{poz} \cdot W_{odstopanja}$$

(3) The value of imbalances of Balance Groups of the Transmission System Operator, Distribution System Operator and Market Operator implementing public utility services in the accounting intervals where the price correction was carried out for imbalances due to the accounting period surplus, and the prices C_{neg} and C_{poz} equal the value of $SIPXobr_i$ is calculated for the negative realised imbalances using the equation:

$$Z_{GJS-t} = C_{neg} \cdot |W_{odstopanja}|$$

and for positive realised imbalances using the equation:

$$Z_{GJS-t} = C_{poz} \cdot W_{odstopanja}$$

(4) 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:

$$Z_{GJS} = \sum_{t=1}^u Z_{GJS-t}$$

Where:

Z_{GJS} is the total amount of the imbalance settlement of a Balance Group of the Transmission System Operator, Distribution System Operator and Market Operator implementing public utility services;

Z_{GJS-t} is the value of imbalances of a Balance Group of the Transmission System

Operator, Distribution System Operator and Market Operator implementing public utility services in an individual accounting interval;

t is an individual accounting interval;

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

(5) Where the public utility service provider forms a separate Balance Subgroup in a Balance Group or Subgroup of another Balance Group Party or Balance Subgroup Responsible Party in accordance with the Energy Act, the values of imbalances for the Balance Group to which the separate Balance Subgroup was included, is calculated in accordance with Articles 0 and 0 of these Rules, including the imbalances from the aforementioned Balance Subgroup of the public utility service provider.

Article 102

(Values 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.

6. Imbalance settlement and annual imbalance settlement recalculation

Article 103

(First and second imbalance settlement)

(1) The Market Operator sends the Balance 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 Responsible Party the second imbalance settlement for their Balance Group for the selected month within the same deadline as the first imbalance settlement for the month following the selected month at the latest.

(3) The imbalance settlement shall contain the values of the upward and downward imbalances of a particular Balance Group as per accounting intervals, and shall in particular contain the following data:

- value of imbalances;
- value of imbalances where the tolerance band was exceeded;
- value of forecasted imbalances; and
- values in special cases of failure.

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

Article 104

(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 not taken into account by the Market Operator, the first imbalance settlement becomes complete at the moment of the time stamp of the sent notification to the Balance Responsible Party that the comments are unfounded.

(3) The Market Operator shall inform the Balance Responsible Party of the facts from the preceding paragraph by e-mail. 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 completed upon its issue at the moment arising from the fourth paragraph of Article 103 of these Rules.

(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 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.

Article 105

(Comments on the first imbalance settlement)

(1) Balance 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 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 106

(Procedure of comments on the first imbalance settlement)

- (1) Balance Responsible Party shall provide comments to the Market Operator by e-mail, and it must explicitly state in an electronic message that they are comments pursuant to Article 106 of the Rules; otherwise the electronic message shall not be deemed as a communication of comments. Insofar as the Balance 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 shall acknowledge receipt of comments by e-mail. The Market Operator may also inform other Balance Responsible Parties that comments have been received.
- (3) If the comments were received after the deadline, the Market Operator does not address them, but notifies the Balance 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 the comments on the first imbalance settlement and shall not be obliged to 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 Responsible Party of the latter by e-mail.
- (7) If the Market Operator establishes that the comments are unfounded, the Market Operator informs the Balance Responsible Party by e-mail 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 107

(Annual recalculation of the imbalance settlement)

- (1) The Market Operator sends each Balance 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 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 transmission of files through the electronic exchange of 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 median value of the basic prices of imbalances 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 concerning the request for decision-making from the first paragraph of Article 113.

Article 108

(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 109

(Comments on informative annual recalculation of imbalance settlement)

(1) Balance 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 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 110

(Procedure of comments on informative annual recalculation)

(1) Balance Responsible Party shall provide comments to the Market Operator by e-mail, and it must explicitly state in an electronic message that they are comments pursuant to Article 110 of the Rules; otherwise the electronic message shall not be deemed as a communication of comments. Insofar as the Balance 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 shall acknowledge receipt of comments by e-mail. The Market Operator may also inform other Balance Responsible Parties that comments have been received.

(3) If the comments were received after the deadline, the Market Operator does not address them, but notifies the Balance 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 be obliged to 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 Responsible Party of the latter by e-mail.

(7) If the Market Operator establishes that the comments are unfounded, the Market Operator informs the Balance Responsible Party by e-mail 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 111

(Finality of annual recalculation of imbalance settlement)

(1) If within the prescribed deadline none of the Balance 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 Responsible Parties by e-mail.

(2) In the event at least one Balance 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 Responsible Party by e-mail.

(3) In the event:

- one or more Balance 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 of the time stamp of electronic mail sent by the Market Operator or the transmission of files through the electronic exchange of the Market Operator's information system.

Article 112

(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 realization 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 113

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

(1) The Balance 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 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 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 114 (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 115 (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 116 (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 117 (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.

Article 118

(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 monthly imbalance settlements of the Balance Responsible Parties, taking into account the value added tax, in the past 24 months.

(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.

Article 119

(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 120

(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 121 (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 recalculation of the imbalance settlement is regarded as imbalance settlement.

Article 122 (Financial guarantees)

(1) The financial settlement participant shall deposit and maintain 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 jure 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 forecasted 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 131.

(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 123
(Basic financial guarantee)

- (1) The submission of a basic financial guarantee is the requirement for the inclusion to the Balance Scheme.
- (2) The basic financial guarantee amounts to EUR 50,000 and can be submitted by financial settlement participants in the form of a cash deposit or a bank guarantee.

Article 124
(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 125 of these Rules.

Article 125
(Variable financial guarantees for the financial settlement participants with physical delivery points)

- (1) On the basis of the data available to the Market Operator, and the data submitted by the financial 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:

$$I_{UFP} = 17 \cdot \max(P_{Odj}; P_{pro}) \cdot \bar{C}_{neg}$$

Where:

\bar{C}_{neg} is an average basic price C_{neg} in the past 12 months, increased by the value of VAT;

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

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

- (3) On justified grounds, the Market Operator is entitled to change the level of I_{UFP} to the maximum of 100%.

Whenever the consumption power of consumers or total generation power of producers which have balancing affiliation to the financial settlement participant changes, the Market Operator may define new values of monthly exposure of an individual participant.

(4) 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} .

(5) After the last deadline for reporting or changes of the already reported closed contracts and operational forecasts, the Market Operator monitors the difference between the overall market plan and the operational forecast of a Balance Group with the delivery points, on the basis of which the exposure of financial settlement participant is calculated. In the event that the difference between the market plan and the operational forecast of Balance Group is negative (predicted energy deficit), the value of the requisite variable financial guarantees is calculated as follows:

$$GFK=3* |((W_{tržniplan} - W_{obratovalna\ napoved}) * \bar{C}_{neg})|$$

GFK..... is the value of requisite variable financial guarantees,

$W_{obratovalnanapoved}$ is the operational forecast of a Balance Group in an individual accounting interval,

$W_{tržniplan}$ is the market plan of a Balance Group in an individual accounting interval,

\bar{C}_{neg} is the average basic price \bar{C}_{neg} from the last known imbalance settlement increased by the value added tax.

(6) In the event that the Market Operator estimates, on the basis of the market analysis, that for the intervals, in which the difference between the market plan and the operational forecast of the Balance Group with the delivery points has a positive value (predicted energy surplus), there is a high probability that there will be a negative price for the basic price C_{poz} , the value of the requisite variable financial guarantees shall be calculated as follows:

$$GFK=3* |((W_{tržniplan} - W_{obratovalna\ napoved}) * \bar{C}_{neg})|$$

GFK..... is the value of requisite variable financial guarantees,

$W_{obratovalnanapoved}$ is the operational forecast of a Balance Group in an individual accounting interval,

$W_{tržniplan}$ is the market plan of a Balance Group in an individual accounting interval,

\bar{C}_{neg} is the average basic price \bar{C}_{neg} from the last known imbalance settlement increased by the value added tax.

(7) If the amount of requisite variable financial guarantees exceeds the variable and basic financial guarantees already submitted, the financial settlement participant shall submit additional financial guarantees in the amount equal to the difference between the already submitted financial guarantees and requisite variable financial guarantees immediately or two working days after receipt of a written request from the Market Operator. Upon the Market Operator's request, the participant shall submit a bank transfer confirmation.

(8) If the financial settlement participant is not required to submit additional financial guarantees, the Market Operator shall add the quantity of any further differences between the operational forecast and market plan to the previous quantities of differences between the operational forecast and market plan and calculate the new value of the requisite financial guarantees. The Market Operator shall verify the total quantity of differences between the operational forecast and market plan with each imbalance settlement.

Article 126

(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:

$$GFK = 3 \cdot |W_{napoved\ odsoptanj\ neg}| \cdot \bar{C}_{neg}$$

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

$W_{napoved\ odsoptanj\ neg}$ are the negative forecasted imbalances of a Balance Group in an individual accounting interval,

\bar{C}_{neg} is the average basic price C_{neg} from the last known imbalance settlement increased by the value added tax.

(2) In the event that the Market Operator estimates, on the basis of the market analysis, that there is a high probability that the intervals with registered forecasted imbalances will have negative prices for the basic price of C_{poz} , the value of the requisite variable financial guarantees calculated on the basis of positive forecasted imbalances shall be calculated as follows:

$$GFK = 3 \cdot |W_{napoved\ odsoptanj\ poz}| \cdot \bar{C}_{neg}$$

GFK..... is the value of requisite variable financial guarantees on the basis of positive forecasted imbalances,

$W_{napoved\ odsoptanj\ poz}$ are the positive forecasted imbalances of a Balance Group in an individual accounting interval,

\bar{C}_{neg} is the average basic price C_{neg} from the last known imbalance settlement increased by the value added tax.

(3) If the amount of requisite variable financial guarantees exceeds the variable and basic financial guarantees already submitted, the financial settlement participant shall submit additional financial guarantees in the amount equal to the difference between the already submitted financial guarantees and requisite variable financial guarantees immediately or two working days from receipt of a written request from the Market Operator. Upon the Market Operator's request, the participant shall submit a bank transfer confirmation.

(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. The Market Operator shall verify the total quantity of forecasted imbalances with each imbalance settlement.

Article 127

(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 I_{UFP} or 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 I_{UFP} or 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 128

(Financial guarantees of public utility service providers and Energy Exchange)

- (1) The Market Operator determines the financial guarantees for public utility service providers and Energy Exchange 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 that implements the service of the energy exchange is not obliged to submit any basic financial guarantees.
- (4) 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 129

(Bank guarantee)

- (1) The beneficiary of the bank guarantee submitted by the financial settlement participant is the Market Operator (Borzen, d.o.o.). 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 130
(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 131
(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 non-fulfilment of liabilities.

Article 132
(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 133
(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) If any of the above circumstances arise, 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 134
(Transitional period for establishing a 15 minute accounting interval)

(1) The provisions of the first paragraph of Article 12 of these Rules shall apply from 1 January 2021, until then the accounting interval which determines the time unit of the forecasts of closed contracts and operational forecasts and the calculation of imbalance settlement equals 60 minutes.

(2) The Distribution system operator and the Transmission system operator shall send to market participants and to the Market operator 15-minute data, including data on the Remaining Diagram and non-measured realisation, as well as explanations regarding substitution of missing values, in the same manner as for hourly data. The 15-minute data shall be sent for the period starting with January 2019, until 1. January 2021. The Market Operator shall, based on Transmission System Operator data, calculate test values of Cneg and Cpoz imbalance prices and publish them on its website.

Article 135
(Expiry of validity)

As of the date of entry into force of these Rules, the Rules on the operation of the electricity market (Official Gazette of the Republic of Slovenia, No. 105/15) shall cease to apply; however, these shall apply until 31 December 2018 or for the imbalance settlement and recalculation until the final execution of imbalance settlements for the accounting months up to and including the month of December 2018 and for the annual recalculation of imbalance settlement for 2018.

Article 136

(Entry into force and application)

These Rules shall enter into force on the fifteenth day after their publication in the Official Gazette of the Republic of Slovenia and shall apply from 1 January 2019.

»Transitional and final provision

Article 10

The Balance Responsible Party or The Balance Subgroup Responsible Party is obliged to provide the required mandatory elements of the compensation agreement in accordance with the provisions of the second and third indents of the fourth paragraph of Article 19 of these Rules for all existing compensation agreements two months after the entry into force of these rules.

Article 11

These changes and amendments to the Rules on the Operation of the Electricity Market shall enter into force on the fifteenth day after their publication in the Official Gazette of the Republic of Slovenia. «.

Martin Bratanič
General Manager

APPENDIX: Definition of the formula for calculating the corrected prices for imbalances applying the least squares method

The costs incurred by the Transmission System Operator in the accounting month by the balancing of the electricity system represent the sum of all revenues and expenses incurred by the Transmission System Operator by the balancing of the electricity system, namely:

$$\text{balancing costs} = \sum_{i=1}^n (s_i^{poz} + s_i^{neg}) \quad (1)$$

The balance of all imbalance settlements of Balance Groups in the accounting month amounts to:

$$\text{balance} = \sum_{i=1}^n \sum_{bs} (-W_{bs,i}^{neg} c_i^{neg} - W_{bs,i}^{poz} c_i^{poz}) \quad (2)$$

So as to bring the balance of imbalance settlements as close to the level of balancing costs as possible in the case of deficits or surpluses of the balance compared to the balancing costs, the prices for the imbalances are corrected. Corrected value c_i^{neg} is marked with x_i^{neg} and corrected value c_i^{poz} with x_i^{poz} , which gives the corrected balance:

$$\text{corrected balance} = \sum_{i=1}^n \sum_{bs} (-W_{bs,i}^{neg} x_i^{neg} - W_{bs,i}^{poz} x_i^{poz}) \quad (3)$$

The objective of optimisation is:

$$\text{corrected balance} = \text{balancing costs} \quad (4)$$

The difference between the balancing costs and balance is called a difference.

$$\text{difference} = \text{balancing costs} - \text{balance} \quad (5)$$

A vector of differences between the corrected prices and the basic prices is determined:

$$\begin{aligned} y^{neg} &= (x_1^{neg} - c_1^{neg}, \dots, x_n^{neg} - c_n^{neg}) \\ y^{poz} &= (x_1^{poz} - c_1^{poz}, \dots, x_n^{poz} - c_n^{poz}) \end{aligned}$$

which is the optimal solution of the following optimisation problem: of all vectors (y^{neg}, y^{poz}) , which fulfil the condition (4) and conditions:

1. For the case of deficit

Condition 1. If the net imbalance of Balance Groups in a given interval is negative

$$W_{bs,i}^{neg} + W_{bs,i}^{poz} \leq 0,$$

$y_i^{neg} \geq 0$ and $y_i^{poz} = 0$ must apply for the selected accounting interval i , which means that in the selected interval the prices of negative imbalances increase and the prices of positive imbalances remain unchanged.

If the net imbalance of Balance Groups in the selected interval i is positive,

$$W_{bs,i}^{neg} + W_{bs,i}^{poz} > 0,$$

$y_i^{neg} = 0$ and $y_i^{poz} \leq 0$ must apply for the selected accounting interval i , which means that in the selected interval the prices of negative imbalances remain unchanged and the prices of positive imbalances decrease.

Condition 2. If the basic price of positive imbalances is non-negative $c_i^{poz} \geq 0$, the corrected price must also remain non-negative and $x_i^{poz} = c_i^{poz} + y_i^{poz} \geq 0$ must therefore apply.

2. For the case of surplus

Condition 1. The basic prices for negative imbalances can only decrease, and the basic prices for positive imbalances can only increase.

$$\begin{aligned} y_i^{neg} &\leq 0 \\ y_i^{poz} &\geq 0 \end{aligned}$$

must therefore apply.

Condition 2. The corrected prices must remain on the same side of the reference price d_i and

$$\begin{aligned} x_i^{neg} &= c_i^{neg} + y_i^{neg} \geq d_i \\ x_i^{poz} &= c_i^{poz} + y_i^{poz} \leq d_i \end{aligned}$$

must apply.

In this case, the reference price d_i equals index $SIPXobr_i$, save for the intervals, when the basic price for negative imbalances c^{neg} is lower than $SIPXobr_i$ and equals c^{neg} , or when the basic price for positive imbalances c^{poz} is higher than $SIPXobr_i$ and equals c^{poz} .

the one with the lowest sum of squares of coordinates is selected:

$$\sum_{i=1}^n (y_i^{neg})^2 + \sum_{i=1}^n (y_i^{poz})^2 \quad (6)$$

Where:

bs stands for Balance Groups,

c_i^{neg} is the basic price for negative imbalances in an interval i .

c_i^{poz} is the basic price for positive imbalances in an interval i .

d_i is the reference price in an interval i .

x_i^{neg} is the corrected price for negative imbalances in an interval i .

x_i^{poz} is the corrected price for positive imbalances in an interval i .

S_i^{poz} is the total sum of the revenues and expenses of the positive regulation of the electricity system in an interval i .

S_i^{neg} is the total sum of the revenues and expenses of the negative regulation of the electricity system in an interval i .

$W_{bs,i}^{neg}$ stands for negative imbalances of Balance Group bs in an accounting interval i .

$W_{bs,i}^{poz}$ stands for positive imbalances of Balance Group bs in an accounting interval i .

W_i^{neg} is the sum of all negative imbalances of all Balance Groups in an accounting i .

W_i^{poz} is the sum of all positive imbalances of all Balance Groups in an accounting i .

The most optimal value of corrected prices (x^{neg}, x^{poz}) is calculated using the following iterative algorithm:

1. For the case of deficit

- I. P and M mark the sets of intervals where, in accordance with the rules of correction, the prices for negative imbalances are retained unchanged and the prices for positive imbalances are retained unchanged:

$$P = \{i : \text{price } c_i^{neg} \text{ is retained unchanged}\}$$

$$M = \{i : \text{price } c_i^{poz} \text{ is retained unchanged}\}$$

The set P includes all indices i , where $W_i^{neg} + W_i^{poz} > 0$, and the set M includes all indices i , where $W_i^{neg} + W_i^{poz} < 0$,

- II. The projection of the gradient W is calculated on the permissible directions, which are defined by the sets P and M

$$p_i^{neg} = -W_i^{neg} \cdot 1_{\{i \notin P\}} \quad (7)$$

$$p_i^{poz} = -W_i^{poz} \cdot 1_{\{i \notin M\}} \quad (8)$$

- III. According to the following formula, a new price vector $x = (x^{neg}, x^{poz})$ is calculated.

$$x_i^{neg} = c_i^{neg} + \frac{p_i^{neg} \cdot \text{difference}}{(p_i^{neg})^2 + \dots + (p_n^{neg})^2 + (p_i^{poz})^2 + \dots + (p_n^{poz})^2} \quad (9)$$

$$x_i^{poz} = c_i^{poz} + \frac{p_i^{poz} \cdot \text{difference}}{(p_i^{neg})^2 + \dots + (p_n^{neg})^2 + (p_i^{poz})^2 + \dots + (p_n^{poz})^2} \quad (10)$$

This vector is not necessarily the final result of prices.

- IV. It is checked for which intervals i the *Condition 2* is violated, and in the accounting intervals where this *Condition* is violated, the indices are inserted into the set A :

$$A = \{i : x_i^{poz} < 0 \text{ in } c_i^{poz} \geq 0\}$$

If the set A is an empty set, we proceed with the step V.

For those intervals where *Condition 2* is violated, the price is set to $c_i^{poz} = 0$, since the price sign c_i^{poz} cannot be changed despite the correction in this interval. At the same time, the indices are inserted in the set M .

A new value of difference is calculated using the formula (5) and the procedure returns to step II.

- V. The final price is calculated according to formulas (7) to (10), which represents the most optimal solution according to the given conditions.

2. For the case of surplus

- I. P and M mark the sets of intervals where, in accordance with the rules of correction, the prices for negative imbalances are retained unchanged and the prices for positive imbalances are retained unchanged (if the price equals index $SIPXobr_i$):

$$P = \{i : \text{price } c_i^{neg} \text{ is retained unchanged}\}$$

$$M = \{i : \text{price } c_i^{poz} \text{ is retained unchanged}\}$$

Reference prices d_i are set, namely:

$$d_i = c_i^{neg} \cdot 1_{\{c_i^{neg} \leq sipx_i\}} + c_i^{poz} \cdot 1_{\{c_i^{poz} \geq sipx_i\}} + sipx_i \cdot 1_{\{c_i^{neg} > sipx_i \text{ in } c_i^{poz} < sipx_i\}}$$

The sets P and M are left empty.

- II. The projection of the gradient W is calculated on the permissible directions, which are defined by the sets P and M

$$p_i^{neg} = W_i^{neg} \cdot 1_{\{i \notin P\}} \quad (7)$$

$$p_i^{poz} = W_i^{poz} \cdot 1_{\{i \notin M\}} \quad (8)$$

- III. According to the following formula, a new price vector $x = (x^{neg}, x^{poz})$ is calculated:

$$x_i^{neg} = c_i^{neg} + \frac{p_i^{neg} \cdot \text{razlika}}{(p_i^{neg})^2 + \dots + (p_n^{neg})^2 + (p_i^{poz})^2 + \dots + (p_n^{poz})^2} \quad (9)$$

$$x_i^{poz} = c_i^{poz} + \frac{p_i^{poz} \cdot \text{razlika}}{(p_i^{neg})^2 + \dots + (p_n^{neg})^2 + (p_i^{poz})^2 + \dots + (p_n^{poz})^2} \quad (10)$$

This vector is not necessarily the final result of prices.

- IV. It is checked for which intervals i the *Condition 2* is violated, and in the accounting intervals where this Condition is violated, the indices are inserted into the sets A and B :

$$A = \{i : x_i^{neg} < d_i\}$$

$$B = \{i : x_i^{poz} > d_i\}$$

If the sets A and B are an empty set, we proceed with the step V.

The set A is inserted into the set P , and the set B into the set M . At the same time, $c_i^{neg} = d_i$ is set for indices $i \in A$ and $c_i^{poz} = d_i$ for indices $i \in B$.

A new value of difference is calculated using the formulas (7) to (10) and the procedure returns to step II.

- V. The final price is calculated according to formulas (7) to (10), which represents the most optimal solution according to the given conditions. Even in the most optimal solution, surplus may remain despite correction if the surplus is too high.

Where:

W_i^{neg} is the sum of all negative imbalances of all Balance Groups in an accounting i .

W_i^{poz} is the sum of all positive imbalances of all Balance Groups in an accounting i .

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