



RULES GOVERNING THE FORWARD ACCOUNT REGISTRATION PLATFORM (PCE) (*)

(approved with Resolution...)

Updated as of ...

(*) This is an unofficial translation. In the event of any discrepancy between the English text and the Italian original, the latter shall prevail.

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SECTION I
GENERAL PROVISIONS

Article 1
Text and Annexes

- 1.1 These Rules and the documents attached hereto, which are an integral part hereof, contain the provisions governing the organisation and operation of *Piattaforma dei Conti Energia* (Forward Account Registration Platform, hereafter PCE). The Rules were adopted in accordance with Annex A to Resolution 111/06, updated by Resolution 345/2023/R/EEL of *Autorità di Regolazione per Energia Reti e Ambiente* (hereafter ARERA), as subsequently amended and supplemented.

Article 2
Definitions

- 2.1 These PCE Rules shall refer, where applicable, to the definitions of Part VIII, Annex A to ARERA Resolution 345/2023/R/EEL, and to the definitions of the Integrated Text of the Electricity Market Rules.
- 2.2 In these Rules:
- a) Regulatory Authority (or ARERA) shall mean *Autorità di regolazione per Energia Reti e Ambiente*, (Regulatory Authority for Energy, Networks and Environment) established under Law no. 481 of 14 November 1995;
 - b) BRP shall mean the Balance Responsible Party, i.e. the party that has entered into a contract for the balancing and redispatching service with Terna, as defined in the Dispatching Rules;
 - c) CCT shall mean the transmission capacity fee referred to in the Dispatching Rules;
 - d) estimated CCT shall mean the CCT used by GME to verify the available amount of guarantees;
 - e) matching code shall mean the alphanumerical code that counterparties have selected in order to mutually identify a transaction to be registered;
 - f) identification code of the forward account shall mean the alphanumerical sequence that uniquely identifies a forward account;

- g) identification code of the Participant shall mean the alphanumerical sequence that uniquely identifies a Participant for its participation in the PCE;
- h) identification code of the zonal portfolio shall mean the alphanumerical sequence that uniquely identifies a zonal portfolio;
- i) forward account (*conto energia or conto energia a termine/CET*) shall mean the account that each BRP, or an agent delegated by the same BRP, holds on the PCE;
- j) forward purchase account shall mean a forward account associated with the physical zonal withdrawal portfolios and the commercial zonal withdrawal portfolios for which the Participant holding the account is a BRP or an agent delegated by the same BRP, in accordance with Article 24, para. 24.3 below;
- k) forward blank account shall mean a forward account that is not associated with any zonal portfolio, assigned by GME to a Participant being also an Electricity Market Participant;
- l) forward storage account shall mean a forward account associated with the commercial zonal storage portfolios for which the Participant holding the account qualifies as a BRP, or for which the account holder has been delegated to trade by the related BRP in accordance with Article 24, para. 24.3 below;
- m) forward sale account shall mean a forward account associated with the zonal injection portfolios for which the Participant holding the account is a BRP, or an agent delegated by the same BRP, in accordance with Article 24, para. 24.3 below;
- n) ARERA Resolution 345/2023/EEL shall mean the resolution of ARERA of 25 July 2023 approving the *Testo Integrato del Dispacciamento Elettrico* (Integrated Text of Electricity Dispatching Rules – TIDE) and repealing its Resolution 111/06, as subsequently amended and supplemented;
- o) ME Rules shall mean the Integrated Text of the Electricity Market Rules approved by the Decree of the Minister of Productive Activities of 19 December 2003, published in *Supplemento Ordinario, Gazzetta Ufficiale, Serie Generale*, no. 301 of 30 December 2003, as subsequently amended and supplemented;
- p) Dispatching Rules shall mean the terms and conditions for the transmission

- and dispatching service established by ARERA in compliance with Article 3, para. 3 of Legislative Decree 79/99, and the Dispatching Rules laid down by Terna in compliance with Article 3, para. 6 of the same Decree;
- q) M-GAS Rules shall mean the Natural-Gas Market Rules referred to in Article 30 of Law no.99 of 23 July 2009, and implementing the provisions referred to in article 32, paragraph 2, of Legislative Decree no.93 of 1 June 2011;
 - r) cumulated exposure of a BRP shall mean the total value of the estimated and/or accrued payables and receivables of such BRP towards Terna; Terna updates such value on a daily basis and calculates it in accordance with the provisions of the Dispatching Rules;
 - s) day of flow shall mean the day during which delivery/withdrawal of electricity takes place;
 - t) working day shall mean a day from Monday to Friday, with the exception of holidays recognised by the State for all civil purposes, as well as any other days indicated in the Technical Rules;
 - u) GME shall mean *Gestore dei Mercati Energetici*;
 - v) GSE shall mean *Gestore dei Servizi Energetici*;
 - w) market time interval shall mean the period of time to which transactions and bids/offers on forward accounts (CET bids/offers) shall refer, as established in the Technical Rules;
 - x) technical limit of a bid/offer shall mean the technical limit, whether maximum or minimum, defined by the relevant European legislation, within which the unit prices, specified in the demand bids and supply offers referred to in the ME Rules, must be included;
 - y) minimum technical limit of a bid/offer shall mean the minimum value of the technical limit of such bid/offer;
 - z) maximum technical limit of a bid/offer shall mean the maximum value of the technical limit of such bid/offer;
 - aa) billing shall mean the valuing of payables or receivables;
 - bb) maximum allowed exposure towards Terna shall mean the maximum exposure that Terna has defined for each BRP as per the Dispatching Rules;
 - cc) natural-gas market shall mean the gas market organised and managed by GME (M-GAS), consisting of the spot gas market (MP-GAS) and of the

- forward gas market with delivery and withdrawal obligation (MT-GAS);
- dd) electricity market (ME) shall mean the market organised and managed by GME, consisting of the daily products market (MPEG), the day-ahead energy market (MGP), the intra-day energy market (MI), the balancing and redispatching market (MSD), and the forward electricity market with delivery and withdrawal obligation (MTE);
- ee) MGP shall mean *Mercato del Giorno Prima* (Day-Ahead Market) of the ME;
- ff) forward account bid/offer (or CET bid/offer) shall mean a demand bid or a supply offer to be submitted into the MGP and corresponding to the conversion of the commercial position of a forward account (schedules);
- gg) Participant shall mean the natural person (individual) or the legal person (organisation), including a PA Participant, that is admitted to trading on the PCE;
- hh) counterparty Participant shall mean the Participant specified as a counterparty in the request for registering a transaction;
- ii) Electricity Market Participant shall mean the party admitted to trading in the Electricity Market under the ME Rules;
- jj) Qualified Market Participant shall mean GME pursuant to ARERA Resolution 345/2023/R/EEL;
- kk) PA Participant shall mean the administration referred to in Article 1, para. 209 of Law no. 244 of 24 December 2007;
- ll) non-PA Participant shall mean a Participant not falling under the definition of PA Participant referred to in subpara. kk) above;
- mm) proposing Participant shall mean the Participant submitting a request for registering a transaction;
- nn) Nomination Platform (PN) shall mean the platform referred to in ARERA Resolution 345/2023/R/EEL, organised and managed by GME to enable Participants to nominate the commercial positions on units resulting from the MGP and MI;
- oo) zonal portfolio shall mean either a physical zonal portfolio or a commercial zonal portfolio, as defined in the ME Rules;
- pp) commercial zonal portfolio shall mean either a commercial zonal withdrawal portfolio or a commercial zonal storage portfolio;
- qq) commercial zonal withdrawal portfolio shall mean a commercial zonal withdrawal portfolio, as defined in the ME Rules;

- rr) commercial zonal storage portfolio shall mean a commercial zonal storage portfolio, as defined in the ME Rules;
- ss) physical zonal portfolio shall mean a physical zonal withdrawal or injection portfolio;
- tt) physical zonal injection portfolio shall mean a physical zonal injection portfolio, as defined in the ME Rules;
- uu) physical zonal withdrawal portfolio shall mean a physical zonal withdrawal portfolio, as defined in the ME Rules;
- vv) net position of a forward account shall mean the algebraic sum of the sale and purchase transactions that have been registered on the same account;
- ww) price for valuing forward purchases and sales shall mean the price defined by Terna under the Dispatching Rules;
- xx) reference price of electricity traded in the MGP (P_{rif}) shall mean the price defined under Article 13 of Legislative Decree 210/2021, as subsequently amended and supplemented, i.e. the PUN Index GME referred to in Article 42 of the ME Rules;
- yy) estimated reference price of electricity (PE_{rif}) shall mean the reference price of electricity estimated and used by GME to verify the available amount of guarantees;
- zz) zonal price shall mean the price referred to in Article 41, para. 41.2 c) of the ME Rules;
- aaa) financial balance of an actual imbalance account shall mean the financial balance calculated by Terna for each BRP under the Dispatching Rules;
- bbb) financial balance of a forward account shall mean the financial balance that GME calculates for each Participant under the Dispatching Rules;
- ccc) physical balance of a forward account shall mean, for each market time interval, the algebraic sum of the net position of the forward account and of the forward account bids/offers registered on the same forward account;
- ddd) physical balance/purchase shall mean a negative physical balance representing a purchase in the MGP;
- eee) physical balance/sale shall mean a positive physical balance representing a sale in the MGP;
- fff) settlement shall mean the process of settlement of payments on the PCE;
- ggg) transaction shall mean the forward purchase/sale of electricity registered on the PCE;

- hhh) purchase transaction shall mean the forward electricity purchase registered on the PCE;
- iii) sale transaction shall mean the forward electricity sale registered on the PCE.

Article 3

General Principles and Amendments to these Rules

- 3.1 GME shall fulfil its tasks under transparent and non-discriminatory criteria.
- 3.2 GME shall organise and manage the PCE in accordance with the criteria set forth in ARERA Resolution 345/2023/R/EEL.
- 3.3 GME shall put in place an organisational structure suitable for preventing real or potential conflicts of interest, and procedures for monitoring and enforcing compliance both with these PCE Rules and with *Disposizioni Tecniche di Funzionamento (DTF - Technical Rules)*.
- 3.4 Participants shall conduct their activities in accordance with general principles of fairness and good faith.
- 3.5 GME may propose amendments to these Rules and notify them to interested parties by publishing them on its website or by other suitable means, allowing at least fifteen days for submission of comments, if any. Taking into account the comments received, GME shall then submit the proposed amendments (and the reasons therefor) to ARERA for approval (as per ARERA Resolution 345/2023/R/EEL).
- 3.6 The procedure referred to in para. 3.5 above shall not apply to urgent amendments to these Rules that have the purpose of safeguarding the proper functioning of the PCE, or of making these Rules compliant with the applicable legislation/regulations. Any such amendment determined by GME shall have effect as of the date of its publication on GME's website and shall be promptly submitted to ARERA for approval (as per ARERA Resolution 345/2023/R/EEL). In case of non-approval, the amendment shall cease to have effect as of the date of notification of ARERA Resolution to GME. GME shall timely notify Participants of the outcome of the approval procedure by posting it on its website.

Article 4
Technical Rules

- 4.1 The implementing and procedural provisions of these Rules are set out in the Technical Rules. GME shall formulate the Technical Rules under criteria of neutrality, transparency, objectivity, and competitiveness between Participants.
- 4.2 The Technical Rules shall be submitted to ARERA for approval.
- 4.3 ARERA shall notify its approval or rejection of the Technical Rules referred to in para. 4.2 above within 30 days, under the same procedure as for the approval hereof. After the expiration of such time limit, if ARERA has not notified its approval or rejection, the Technical Rules shall be deemed to have been approved and enter into force upon their publication on GME's website.
- 4.4 The procedure referred to in paras. 4.2 and 4.3 above shall not apply to urgent amendments to the Technical Rules that have the purpose of safeguarding the proper functioning of the PCE, or of making the Technical Rules compliant with the applicable legislation/regulations. Any such amendment determined by GME shall have effect as of the date of its publication on GME's website and shall be promptly submitted to ARERA for approval. In case of non-approval, the amendment shall cease to have effect as of the date of notification of ARERA Resolution to GME. GME shall timely notify Participants of the outcome of the approval procedure by posting it on its website.
- 4.5 GME may also make draft versions of the Technical Rules available to interested parties, by publishing them on its website or by other suitable means, setting a time limit for submission of comments, if any.

Article 5
Units of Measurement and Rounding off

- 5.1 For the purposes of the PCE:
- a) for electricity, the unit of measurement shall be the MWh, specified with the number of decimals indicated in the Technical Rules;
 - b) for capacity, the unit of measurement shall be the MW, specified with the number of decimals indicated in the Technical Rules;
 - c) for monetary quantities, the unit of measurement shall be the Euro, specified with two decimals;

c) for unit prices of electricity, the unit of measurement shall be the Euro/MWh, specified with two decimals.

5.2 For the purposes of the PCE, figures shall be rounded off according to the mathematical criterion. In particular, figures shall be rounded up or down to the nearest last decimal allowed and, if the result is halfway, they shall be rounded up.

Article 6

Access to the Information System

6.1 Access to the PCE information system shall take place:

- a) through the Internet;
- b) by any other means as defined in the Technical Rules.

6.2 The modalities for submission of requests for registration, as set forth in Articles 34 and 41 below, are defined in the Technical Rules.

Article 7

Fees for the Service Provided by GME

7.1 For the service provided by GME on the PCE, Participants shall pay GME the following fees:

- a) access fee;
- b) yearly fixed fee;
- c) fee for the MWh underlying the registered transactions.

7.2 A Participant that is also an Electricity Market Participant shall not pay GME the fees referred to in para. 7.1 a) and b) above.

7.3 The amount of the fees referred to in para. 7.1 above shall be proposed by GME, approved by ARERA, and posted on GME's website.

Article 8

Information about the PCE

8.1 The aggregate data and results of the PCE shall be of public domain and published on GME's website.

8.2 Except in circumstances where disclosure is mandated by laws, regulations or other decisions by authorities, GME shall keep confidentiality about the

information pertaining to the transactions and CET bids/offers that have been registered on the PCE.

- 8.3 GME shall transmit to Terna the information that Terna requires for performing the activities falling under its responsibility, as per ARERA Resolution 345/2023/R/EEL.

Article 9

Information to Participants

- 9.1 Participants shall have access to the data and results of the PCE that directly concern them.

Article 10

Communication and Publication of Data and Information

- 10.1 Unless otherwise specified, the data and information covered hereby shall be communicated and published in electronic form. In particular:
- a) communication to a Participant shall be made by posting data and information in the section of GME's information system whose access is restricted to such Participant;
 - b) publication shall be made by posting data and information in the section of GME's information system whose access is non-restricted.
- 10.2 The requests for registration that are submitted by Participants shall be deemed to have been received on the date and at the time recorded by GME's information system. Any other communication shall be deemed to have been received:
- a) on the day and at the time of receipt, if received between 08:00 and 17:00 of a working day;
 - b) at 08:00 of the first working day following the one of receipt, if received between 17:00 and 24:00 of a working day, or between 00:00 and 24:00 of a non-working day;
 - c) at 08:00 of the day of receipt, if received between 00:00 and 08:00 of a working day.
- 10.3 For the purpose of determining the time of receipt, the time shall be obtained from GME's records. For electronic communications, the time shall be obtained from GME's information system.

Article 11
Security of Access

- 11.1 Participants shall have access to the PCE via special procedures (defined in the Technical Rules), which shall guarantee their identification and authenticate their registrations.
- 11.2 Participants shall keep confidentiality about their access codes and any other data or device required to access the PCE information system.

Article 12
Unavailability of Power Grid Assets

- 12.1 Participants shall retain the rights and obligations that they have acquired on the PCE, even in the event of power grid asset unavailability due to actions of the grid operator, owner, or third parties or due to orders of public authorities or *force majeure*.

Article 13
Suspension of the PCE

- 13.1 In the event of any exceptional circumstance as defined in the Dispatching Rules, GME shall, at the request of Terna, suspend the PCE.
- 13.2 GME shall notify ARERA of any suspension of the PCE.

Article 14
Emergency Procedure

- 14.1 Emergency conditions are defined as follows:
- a) GME is unable to receive the requests for registration submitted by Participants under the modalities referred to in Article 34, para. 34.3, Article 37, para. 37.2, and Article 41, para. 41.5 below, due to malfunctioning of its telecommunications systems;
 - b) GME is unable to notify Participants of the completed registrations or of any information related thereto owing to, *inter alia*, malfunctioning of the PCE information system or of GME's telecommunication systems.

- 14.2 GME shall notify Participants of the occurrence of the cases mentioned in para. 14.1 above in accordance with the procedures stated in the Technical Rules.

Article 15

Operation of the PCE Information System

- 15.1 In case of technical failures of the PCE information system, GME shall not be liable for civil damages possibly caused to Participants.
- 15.2 With a view to ensuring the good technical functioning, as well as the efficient use of the PCE information system and, in general, the proper operation of the PCE, GME may impose limits to submission, cancellation and change of requests for registration and limit the number of connections of each Participant or of specific categories of Participants to the PCE information system.

SECTION II

PARTICIPATION IN THE PCE

Article 16

Participants

- 16.1 The parties referred to in Article 3.4.1 of Annex A to ARERA Resolution 345/2023/R/EEL may participate in the PCE.

Article 17

Requirements for Participation in the PCE

- 17.1 The parties mentioned in para. 16 above may be admitted to the PCE, provided that they are proficient and competent in the use of information technology or information communication technology systems and related security systems, or have employees or assistants with such proficiency and competency.

Article 18

PCE Participation Application and Participation Agreement

- 18.1 Parties wishing to participate in the PCE shall submit to GME:

- a) PCE participation application according to the format enclosed hereto (Annex 1), together with the documentation indicated in Article 19 below;
- b) signed copy of the PCE participation agreement according to the format enclosed hereto (Annex 2).

Article 19

Documents to Be Enclosed to the PCE Participation Application

- 19.1 If the party applying for participation in the PCE is a legal person, the participation application shall be signed by the legal representative or other duly authorised person, and accompanied by a declaration in compliance with Decree no. 445 of the President of the Republic of 28 December 2000, certifying his/her powers of representation, or other equivalent documents based on which GME shall carry out a substantial equivalence evaluation.
- 19.3 If the documentation referred to in paras. 19.1 above is already held by GME, the applicant shall be exempted from submitting it. However, it shall submit a statement indicating such fact, specifying the date when such documentation was submitted to GME and confirming that the data contained in it is still current.

Article 20

Admission Procedure

- 20.1 Within fifteen calendar days of receipt of the application, after verifying the validity of the submitted documentation, GME shall notify the applicant of the acceptance or rejection (and the reasons therefor) of its application for participation in the PCE. The notification shall be given by registered letter with acknowledgement of receipt or via certified e-mail.
- 20.2 For the purpose of verifying fulfilment of the requirements referred to in Article 17 above, GME may ask the applicant to provide appropriate documentation.
- 20.3 If the submitted documentation is irregular or incomplete, GME shall notify the applicant of the requirements for submitting regular documentation or for completing the already submitted documentation, as well as of the time limit within which the applicant is to fulfil said requirements. The notification shall suspend the time period referred to in para. 20.1 above, which shall run from the date of receipt of the regular or complete documentation by GME.
- 20.4 Upon admission, the applicant shall acquire the status of Participant.

Article 21
By-Right Participants

- 21.1 As an exception to Article 20 above and in compliance with Annex A to ARERA Resolution 345/2023/R/EEL, Acquirente Unico and Gestore dei Servizi Energetici - GSE SpA are by right attributed the status of Participants, respectively.
- 21.2 The status of Participant is also by right attributed to Terna.
- 21.3 Appropriate agreements between Acquirente Unico and GME, between Gestore dei Servizi Energetici - GSE SpA and GME and between Terna and GME may provide for specific modalities to guarantee the fulfilment of obligations arising from participation of Gestore dei Servizi Energetici - GSE SpA, Acquirente Unico, and Terna in the PCE, as alternatives to the guarantees set forth in Section V hereof.

Article 22
Qualified Market Participant

- 22.1 The status of Qualified Market Participant is attributed to GME by ARERA pursuant to its Resolution 345/2023/R/EEL.

Article 23
Register of Participants

- 23.1 The parties admitted to the PCE as per Article 20 above shall be entered into an appropriate Register of Participants (*Elenco degli operatori ammessi alla PCE*), to be created and administered by GME in compliance with Regulation (EU) 2016/679, as subsequently amended and supplemented.
- 23.2 For each Participant, the Register shall include:
- a) identification code of the Participant;
 - b) full name or registered name, place of residence and place of domicile (if different from the place of residence) or registered office, taxpayer's code, VAT number, telephone number, e-mail addresses, and contact persons for communications, if any, and their contact data;
 - c) status of the Participant: admitted, active, suspended, or pending request for

exclusion;

- d) identification codes of the forward accounts owned by the Participant and on which it is entitled to register electricity purchase and sale transactions, as well as CET bids/offers referring to the zonal portfolios that are associated with such accounts;
- e) identification codes of the forward accounts not owned by the Participant, but on which it may register electricity purchase and sale transactions under an appropriate delegation received - as per Article 24, para. 24.2 below - from the forward account holder;
- f) identification codes of zonal portfolios for which the Participant qualifies as a BRP;
- g) identification codes of the zonal portfolios for which the Participant does not qualify as a BRP, but is entitled to register CET bids/offers, under an appropriate delegation received - as per Article 24, para. 24.3 below - from the related BRP holding the zonal portfolio, and the capacity share of the zonal portfolio covered by the same delegation;
- h) bank details of the Participant;
- i) taxation scheme applicable to the Participant.

23.3 Each Participant may access its own data and information in the Register of Participants.

23.4 For each Participant, GME shall publish the following data and information: full name or registered name, identification code of the Participant, place of residence or registered office.

Article 24

Requests for Entry of Data and Information into the Register of Participants

24.1 Each Participant shall ask GME to enter the data and information referred to in Article 23 para. 23.2 e), g) and i) above into the Register of Participants, as well as the data and information referred to in Article 23, para 23.2 h) above according to the procedures indicated in the Technical Rules.

24.2 The request for entry of the data and information referred to in Article 23, para. 23.2 e) above shall be accompanied by a declaration made by the forward account

holder, certifying that the requesting Participant is entitled to register transactions on such account. The declaration shall include at least the following data:

- a) identification code of the forward account;
- b) day of flow from which the requesting Participant is entitled to register transactions on such account;
- c) day of flow until which the requesting Participant is entitled to register transactions on such account.

24.3 The request for entry of the data and information referred to in Article 23, para. 23.2 g) above must be accompanied by a declaration issued by the BRP, certifying that the requesting Participant is entitled to register CET bids/offers in respect of the same zonal portfolio. The declaration shall include at least the following data:

- a) identification code of the portfolio;
- b) day of flow from which the requesting Participant is entitled to register CET bids/offers in respect of such zonal portfolio;
- c) day of flow until which the requesting Participant is entitled to register CET bids/offers in respect of such zonal portfolio;
- d) only for the purpose of determining the forward account margin under Article 32 below, share of the margin (from zero to one) of the zonal portfolio for which the delegation has been given.

24.4 The sum of the shares of the margin of the zonal portfolio specified by the BRP under para. 24.3 d) above, in respect of a same zonal portfolio, may not be greater than one, under penalty of inadmissibility of the delegation exceeding such limit.

24.5 The declarations referred to in paras. 24.2 and 24.3 above shall be valid from one of the following dates, whichever is later:

- a) day of flow referred to in para. 24.2 b) or para. 24.3 b) above;
- b) second working day following the one on which GME has received the declaration.

24.6 If the Participant holding a forward account or the BRP of the zonal portfolio change one of the dates referred to in paras. 24.2 b) and c) and 24.3 b) and c) above, respectively, or the share referred to in para. 24.3 d) above, it shall submit a declaration to GME specifying the new dates or the new share. Such declaration shall include at least the following data:

- a) identification code of the forward account or of the zonal portfolio for which the declaration is made;
- b) new day of flow from which the Participant is entitled to register

transactions on the forward account or to register CET bids/offers on the zonal portfolio for which the declaration is made; and/or

- c) new day of flow until which the Participant is entitled to register transactions on the forward account or to register CET bids/offers on the zonal portfolio for which the declaration is made; and/or
- d) new share of the margin of the zonal portfolio for which the delegation has been given.

24.7 The notification mentioned in para. 24.6 above shall be valid from one of the following dates, whichever is later:

- a) day of flow referred to in para. 24.6 b) above;
- b) day of flow following the latest day of flow for which transactions have been registered on the forward account for which the notification mentioned in para. 24.6 above has been given, or in respect of the forward account associated with the zonal portfolio for which the notification mentioned in para. 24.6 above has been given;
- c) second working day following the one on which GME has received the notification referred to in para. 24.6 above.

24.8 The request for entry of data and information referred to in Article 23, para. 23.2 i) above must be accompanied by a declaration of the VAT taxation scheme applicable to the Participant involved, as indicated in the Technical Rules.

24.9 To the request for the entry of data and information referred to in Article 23, para. 23.2 h), the Participant shall enclose, for the purpose of registering transactions and CET bids/offers onto the PCE, a declaration authorising GME to withdraw directly the amounts owed to GME from its bank account, held with financial institutions offering the SEPA Direct Debit Business to Business scheme, as provided in the Technical Rules.

Article 25

Verifications

25.1 GME shall monitor and enforce compliance with the PCE Rules and the Technical Rules, in order to ensure the proper functioning of the PCE under criteria of neutrality, transparency, objectivity, and competitiveness between Participants. For this purpose, GME may require Participants to submit any information or document giving evidence of the transactions that they have made in the PCE and also convene them for a

hearing.

- 25.2 GME shall verify, within the time limits and the procedure defined by GME, whether Participants still meet the requirements for admission to the PCE. To this end, GME may require additional documents or the updating of the already submitted ones.

Article 26

Notification Obligations

- 26.1 Participants shall notify GME promptly and, in any case, within three working days of the occurrence of any change in circumstances which may involve the loss or change of any of their qualifications for admission to the PCE or which may alter the data and information referred to in Article 23, para. 23.2 above, that they have declared and have been entered into the Register of Participants.
- 26.2 As a result of the notifications given in accordance with para. 26.1 above, GME shall update the Register of Participants.

Article 27

Exclusion from the PCE

- 27.1 On-demand exclusion from the PCE shall have effect only if the Participant involved has fulfilled all obligations arising from the registrations made on the PCE.
- 27.2 For exclusion from the PCE, Participants shall submit to GME's registered office, or send by registered letter with acknowledgement of receipt or via certified e-mail, an appropriate written request, indicating the date from which exclusion is requested.
- 27.3 On-demand exclusion from the PCE shall run from one of the following dates, whichever is later:
- a) second working day following the date of receipt by GME of the request referred to in para. 27.2 above;
 - b) date indicated on the request referred to in para. 27.2 above.
- 27.4 If, upon the date identified under para. 27.3 above, the Participant has a physical balance of its forward account that is different from zero or if the Participant has not yet fulfilled some of the obligations arising from the registrations made on the PCE, then the date of exclusion shall run from the working day following the one of the latest registration of transactions or of CET bids/offers whose quantities are equal and whose sign is opposite to those appearing on the same accounts upon submission

of the request for exclusion, or upon the latest fulfilment.

- 27.5 During the period of suspension from the PCE, the Participant cannot request exclusion under this article.

**SECTION III
OPERATION OF THE PCE**

**SUBSECTION I
REGISTRATION OF TRANSACTIONS**

**Article 28
Forward Accounts (Conti Energia)**

- 28.1 Each BRP or agent delegated by the same BRP in compliance with Article 24, para 24.3 above that is admitted to trading on the PCE shall hold the following forward accounts:
- a) one forward storage account - this account shall be associated with all the commercial zonal storage portfolios for which the Participant is a BRP;
 - b) one forward storage account - this account shall be associated with all the commercial zonal storage portfolios for which the Participant has been delegated under Article 24, para. 24.3 above by the same BRP;
 - c) one forward sale account - this account shall be associated with all the physical zonal injection portfolios for which the Participant is a BRP;
 - d) one forward sale account - this account shall be associated with all the physical zonal injection portfolios for which the Participant has been delegated under Article 24, para. 24.3 above by the same BRP;
 - e) one forward purchase account – this account shall be associated with all the physical zonal withdrawal portfolios, all the physical zonal injection portfolios for the step-down margin only, and the commercial zonal withdrawal portfolios for which the Participant is a BRP;
 - f) one forward purchase account – this account shall be associated with all the physical zonal withdrawal portfolios, all the physical zonal injection portfolios for the step-down margin only, and the commercial zonal withdrawal portfolios for which the Participant has been delegated under

Article 24, para. 24.3 above by the same BRP.

- 28.2 The Participant holding a forward account may register both purchase and sale transactions on such account and CET bids/offers pertaining to zonal portfolios that are associated with the same account.
- 28.3 If a Participant has been delegated by a Participant holding a forward account, as set forth in Article 24, para. 24.2 above, the Participant so delegated is entitled to register only purchase and sale transactions on the forward account for which it has been delegated.

Article 29

Assignment of a Forward Blank Account to Electricity Market Participants

- 29.1 PCE Participants that are also Electricity Market Participants may request GME to provide them with a forward blank account that is not associated with any zonal portfolio. The Participant holding such account, or the agent delegated pursuant to Article 24, para. 24.2 above, shall be entitled to register purchase and sale transactions on such account.
- 29.2 No CET bids/offers may be registered on the forward account referred to in para. 29.1 above.
- 29.3 With exception to the provisions of Article 32 below, the step-up margin of the forward account referred to in para. 29.1 above shall be equal to zero and the corresponding step-down margin shall not be limited.
- 29.4 The validity and adequacy verifications applicable to the forward accounts referred to in Article 28 above shall apply to the registration of forward purchase and sale transactions in respect of the account referred to in para. 29.1 above

Article 30

Net Position and Physical Balance of the Forward Account

- 30.1 For determining the net position referred to in this article and for the adequacy verifications referred to in Article 40 below, the following conventions shall be used:
- a) purchase transactions shall be deemed to have a positive sign;
 - b) sale transactions shall be deemed to have a negative sign.

- 30.2 For each market time interval, the net position of a forward account shall be given by the algebraic sum of purchase transactions and of sale transactions registered on the same account.
- 30.3 For determining the physical balance of the forward account referred to in this article, the following conventions shall be applied:
- a) CET supply offers shall be deemed to have a positive sign;
 - b) CET demand bids shall be considered to have a negative sign.
- 30.4 For each market time interval, the physical balance of a forward account shall be given by the algebraic sum of the net position of the account and of the CET supply offers or demand bids.

Article 31
Margins of Zonal
Portfolios

- 31.1 By convention, these Rules shall consider the step-down margins to have a negative sign and the step-up margins to have a positive sign.
- 31.2 For determining the margins of zonal portfolios, GME shall receive from Terna:
- a) the step-up margins and step-down margins of all injection units;
 - b) the step-down margins and step-up margins of all withdrawal units.
- 31.3 Terna may specify the days of flow on which the margins covered by para. 31.2 above are valid.
- 31.4 The days of flow on which the margins are valid shall be defined in compliance with the Dispatching Rules.

Article 32
Margins of Forward Accounts

- 32.1 Based on the margins of the zonal portfolios identified as per paras. 32.2 and 32.3 below and for each forward sale account, forward purchase account, and forward storage account, GME shall identify: a step-up margin, equal to the algebraic sum of the step-up margins of all the zonal portfolios associated with the account; and a step-down margin, equal to the algebraic sum of the step-down margins of all the zonal portfolios associated with the account.

- 32.2 For the sole purpose of determining the margin of the forward account with which the zonal portfolio is associated, the margin of each portfolio for which the account holder is a BRP shall be equal to the product between the margin of the portfolio (determined on the basis of the margins of units notified by Terna under Article 31, para. 31.2 above) and the difference between one and the sum of the shares of the same portfolio for which delegations may have been given to other Participants under Article 24, para. 24.3 above.
- 32.3 For the sole purpose of determining the margin of the forward account with which the zonal portfolio is associated, the margin of each portfolio for which the account holder is not a BRP shall be equal to the product between the margin of the portfolio (determined on the basis of the margins of units notified by Terna under Article 31, para. 31.2 above) and the share of the same portfolio for which a delegation has been given to the Participant holding the forward account under Article 24, para. 24.3 above.

Article 33

Session for Registering Transactions

- 33.1 Participants may submit requests for registration, confirmation, change or rejection of transactions into the PCE every day, under the procedures and within the time limits defined in the Technical Rules.

Article 34

Request for Registering Transactions

- 34.1 Each Participant holding at least one forward account, or delegated for at least one forward account as per Article 24, para. 24.2 above, may request the registration of a transaction on the PCE.
- 34.2 Upon submitting a request for registering a transaction, the Participant shall specify at least the following data:
- a) type of transaction (sale/purchase);
 - b) days of flow for which the transaction is to be registered;
 - c) market time intervals for which the transaction is to be registered;

- d) quantity of electricity covered by the transaction, for each day of flow and each market time interval;
- e) forward accounts held by the Participant and on which, for each day of flow and each market time interval, the transaction is to be registered;
- f) the counterparty Participant to the transaction;
- g) the time limit within which the counterparty Participant shall confirm the request for registration;
- h) the matching code of the request for registration.

34.3 Requests for registration may be submitted in the following ways:

- a) by filling in the appropriate forms, which are available in the PCE information system;
- b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.

Article 35

Validation of a Request for Registering a Transaction

35.1 After receiving a request for registration, GME shall validate the request by checking whether:

- a) the Participant submitting the request has not been suspended;
- b) the request contains all the data as provided for in Article 34, para. 34.2 above;
- c) the request has been submitted into the PCE within the time limit referred to in Article 33 above;
- d) the request has been submitted in accordance with the modalities referred to in Article 34, para. 34.3 above;
- e) the submitting Participant is entitled to register transactions on the specified forward accounts.

35.2 If the request for registration is deemed to be valid, GME shall conduct the verification referred to in Article 36 below.

35.3 If the request for registration is deemed to be invalid, GME shall - with the modalities indicated in the Technical Rules - notify the result of the verification to the submitting Participant, specifying the reasons for such invalidity

Article 36

Adequacy Verification of a Request for Registering a Transaction

- 36.1 For requests that have been validated as set forth in Article 35 above, GME shall perform adequacy verifications, by ensuring that:
- a) the net position of each forward account in each market time interval is technically adequate with respect to the forward account margin under Article 40 below;
 - b) if the request for registering a transaction (taking into account other requests for registration not yet confirmed) increases the net sell position of the forward sale account, the absolute value of the net position (which would arise if the transaction were confirmed), valued at the estimated CCT (as indicated in Article 58 below) and increased by VAT (where chargeable), is guaranteed as provided for in Article 60 below; this financial adequacy verification shall not apply to requests for registering transactions that pertain to a forward blank account;
 - c) if the request for registering a transaction (taking into account other requests for registration not yet confirmed) increases in absolute value the net sell position or the net buy position of the forward storage account, the absolute value of the net position (which would arise if the transaction were confirmed), valued at the estimated CCT (as indicated in Article 58 below) and increased by VAT (where chargeable), is guaranteed as provided for in Article 60 below;
 - d) if the request for registering a sale transaction (taking into account other requests for registration with the same sign and not yet confirmed) increases the net sell position of the forward account, the net position (which would arise if the transaction were confirmed), valued at the price referred to in Article 61 below, is guaranteed as provided for in Article 63 below.
- 36.2 For the verifications covered by para. 36.1 d) above, the requests for registration pertaining to a forward account shall be attributed to the BRP of the zonal portfolios that are associated with such account.
- 36.3 If the request for registration is deemed to be adequate, GME shall – under the modalities and within the time limits defined in the Technical Rules – notify the requesting Participant of the result of the verification, forwarding the request for

registration to the counterparty Participant.

- 36.4 If the request for registration is deemed to be inadequate, GME shall – under the modalities and within the time limits defined in the Technical Rules – notify the requesting Participant of the result of the verification and of the reasons for such inadequacy.

Article 37
**Confirmation of the Registration
of a Transaction**

- 37.1 If the Participant referred to in Article 34, para. 34.2 f) above has been identified as a counterparty to a transaction as a result of the notification mentioned in Article 36, para. 36.3 above, such Participant may - within the time limit referred to in Article 34, para. 34.2 g) above -
- a) confirm the request for registration and, at the same time, specify: the type of transaction that is complementary to the one indicated by the proposing Participant; the same data as that mentioned in Article 34, para. 34.2 b), c), d), and h) above; and, for each market time interval, the forward accounts that it holds and on which the transaction is to be registered;
 - b) reject the request for registration;
 - c) change the request for registration, correcting at least one of the items referred to in Article 34, para. 34.2 a), b), c), and d) above.
- 37.2 A confirmation, rejection and change of a request for registration may be submitted in the following ways:
- a) by filling in the appropriate forms available in the PCE information system;
 - b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.
- 37.3 If a Participant identified as a counterparty to a transaction as per Article 34, para. 34.2 f) above chooses to change the request for registration, then the original request for registration shall be rejected and replaced by the new one. The latter request shall be verified as indicated in Articles 35 and 36 above.
- 37.4 If, within the time limit covered by Article 34, para 34.2 g) above, the Participant does not make any of the choices referred to in para. 37.1 above, then the request for registration shall be deemed to have been rejected and shall thus be cancelled from the system.

Article 38

Validation of Confirmation of the Registration of a Transaction

- 38.1 If the counterparty Participant referred to in Article 34, para. 34.2 f) above confirms the transaction, then GME shall check whether:
- a) the Participant has not been suspended;
 - b) the transaction to be confirmed corresponds to the type of request mentioned in Article 34, para. 34.2 a) above;
 - c) the days of flow correspond to those mentioned in Article 34, para. 34.2 b) above;
 - d) the market time intervals correspond to those mentioned in Article 34, para. 34.2 c) above;
 - e) in each market time interval, the total quantity of electricity covered by the transaction is the same as the one mentioned in Article 34, para. 34.2 d) above;
 - f) the specified matching code is the same as the one mentioned in Article 34, para. 34.2 h) above;
 - g) the confirmation has been submitted in accordance with the modalities stated in Article 34, para. 34.3 above;
 - h) the counterparty Participant is entitled to register transactions on the specified forward accounts.
- 38.2 If the confirmation is deemed to be valid, GME shall make the verification referred to in Article 39 below.
- 38.3 If the confirmation is deemed to be invalid, GME shall - in accordance with the modalities defined in the Technical Rules - notify the result of the verification to the Participant referred to in Article 34, para. 34.2 f) above, specifying the reasons for such invalidity.

Article 39

Adequacy Verification of Confirmation of the Registration of a Transaction

- 39.1 For the confirmations validated under Article 38 above, GME shall perform adequacy verifications, ensuring that:
- a) the net position of each forward account in each market time interval is

technically adequate with respect to the forward account margin under Article 40 below;

- b) in the case of a confirmation involving, for the counterparty Participant, the registration of a transaction increasing the net sell position of a forward sale account, the absolute value of the net position (valued at the estimated CCT referred to in Article 58 below, increased by VAT, where chargeable) is guaranteed as provided for in Article 60 below; this financial adequacy verification shall not apply to confirmations of registration pertaining to a forward blank account;
- c) in the case of a confirmation involving, for the counterparty Participant, the registration of a transaction increasing, in absolute value, the net sell or buy position of a forward storage account, the absolute value of the net position (valued at the estimated CCT referred to in Article 58 below, increased by VAT, where chargeable) is guaranteed as provided for in Article 60 below;
- d) in the case of a confirmation involving, for the counterparty Participant, the increase of the net sell position of the forward account, the net sell position (which would arise with such confirmation), valued at the price referred to in Article 61 below, is guaranteed under Article 63 below.

39.2 For the verifications covered by para. 39.1 d) above, the confirmation of a registration pertaining to a forward account shall be attributed to the BRP of the zonal portfolios that are associated with such account.

39.3 If the confirmation of the registration is adequate, the transaction shall be deemed to have been registered and GME shall – under the modalities and within the time limits specified in the Technical Rules – notify both Participants of the result of the verification.

39.4 At the end of each session for registering transactions, GME shall notify Terna of the registered transactions, valuing the net sell positions at the price referred to in Article 61 below.

39.5 If the confirmation of the registration is inadequate, GME shall – under the modalities and within the time limits indicated in the Technical Rules – notify the Participant referred to in Article 34, para. 34.2 f) above of the result of the verification and of the reasons for such inadequacy.

Article 40

Technical Adequacy with Respect to the Forward Account Margin

- 40.1 The request for registration or the confirmation of a transaction, for each forward account and for each market time interval to which it refers, shall be deemed to be technically adequate, if:
- a) in the case of a purchase transaction, it determines a net forward purchase (calculated by taking into account also the purchase registration requests already verified to be technically adequate but not yet confirmed) not exceeding, in absolute value, the step-down margin of the account;
 - b) in the case of a sale transaction, it determines a net forward sale (calculated by taking into account also the sale registration requests already been verified to be technically adequate but not yet confirmed) not exceeding, in absolute value, the step-up margin of the account.

SUBSECTION II CET BIDS/OFFERS

Article 41

Requests for Registering CET Bids/Offers

- 41.1 With a view to registering CET bids/offers, the portfolios underlying the forward accounts of the PCE shall be built under the same criteria as those indicated in the ME Rules.
- 41.2 Each Participant holding a forward account may request the registration of CET bids/offers in respect of the zonal portfolios associated with such account.
- 41.3 CET bids/offers may refer to the same products as those tradable in the MGP, as defined by the ME Rules.
- 41.4 The request for registering a CET bid/offer shall be submitted into the PCE within the time limit specified in the Technical Rules for the day of flow to which the bid/offer refers.
- 41.5 Requests for registering CET bids/offers may be submitted:
- a) by filling in the appropriate forms available in the PCE information system;

- b) by sending a file, through the PCE information system, in the format specified in the Technical Rules.

41.6 Requests for registering CET bids/offers shall specify at least the following data:

- a) identification code of the zonal portfolio to which they refer;
- b) day of flow;
- c) market time interval;
- d) quantity of electricity covered by the bid/offer;
- e) unit price.

41.7 Participants that are not Electricity Market Participants shall specify a unit price, as referred to in para. 41.6 e) above, equal to the minimum technical limit for CET supply offers and to the maximum technical limit for CET demand bids, respectively.

41.8 The price referred to in para. 41.6 e) above may only have values that are included within the technical limits of the bid/offer.

41.9 The maximum number of CET bids/offers that each Participant may submit for the same market time interval of a day of flow shall be defined in the Technical Rules.

Article 42

Validation of Requests for Registering CET Bids/Offers

42.1 After receiving a request for registering a CET bid/offer, GME shall verify its validity.

A request shall be deemed to be valid if:

- a) the Participant has not been suspended;
- b) it contains all the data specified in Article 41, para. 41.6 above;
- c) it has been submitted within the time limit referred to in Article 41, para. 41.4 above;
- d) the zonal portfolio indicated in the request for registration is held by the Participant under Article 23, para. 23.2 f) and g) above;
- e) it has been submitted under the procedures referred to in Article 41, para. 41.5 above.

42.2 If the request for registering a CET bid/offer specifies a unit price that is different from the corresponding technical limit of the bid/offer, but the requesting Participant is not an Electricity Market Participant, then GME shall correct such price by setting it to the corresponding technical limit of the bid/offer.

42.3 If registration of a CET bid/offer is not valid, GME shall notify the invalidity to the

Participant according to the modalities defined in the Technical Rules, specifying the reason for such invalidity.

Article 43

Priority Order of Requests for Registration of CET Bids/Offers in Respect of the Same Product

- 43.1 For the purpose of performing the validations referred to in Articles 44 and 45 below, the requests for registering CET bids/offers in respect of each product, which have already been validated and possibly corrected under Article 42 above, shall be ranked as follows:
- a) in the case of CET supply offers, by non-decreasing price, from the lowest-priced ones to the highest-priced ones;
 - b) in the case of CET demand bids, by non-increasing price, from the non-price-dependent ones to the lowest-priced ones.
- 43.2 If CET bids/offers in respect of the same product have the same price priority, then the priority criteria indicated in the Dispatching Rules shall be applied. Solely for the adequacy verifications referred to in Articles 44 and 45 below, the priority order among bids/offers for block products shall be determined on the basis of their price.
- 43.3 If, by applying paras. 43.1 and 43.2 above, the submitted CET bids/offers have the same priority, then the priority order shall be determined in accordance with the modalities set out in the Technical Rules.

Article 44

Technical Adequacy of Requests for Registering CET Supply Offers

- 44.1 The technical adequacy requirements shall be verified by processing: i) first, the CET offers pertaining to simple products for market time intervals of a minimum duration; ii) then, those pertaining to simple products for market time intervals of a longer duration; and iii) finally, offers for block products.
- 44.2 Upon expiry of the time limit referred to in Article 41, para. 41.4 above, each request for registering a CET supply offer that has been validated and possibly corrected as per Article 42 above shall be deemed to be technically adequate, in each market time interval, limited to the absolute value of the net forward sale of the forward account associated with the zonal portfolio to which the CET offer refers; such value shall be

net of the other CET supply offers pertaining to market time intervals comprised in said market time interval, already submitted in respect of all the zonal portfolios associated with the same account, which have a higher priority and which have already been verified to be technically adequate.

Article 45

Technical Adequacy of Requests for Registering CET Demand Bids

- 45.1 The technical adequacy requirements shall be verified by processing: i) first, the bids pertaining to simple products for market time intervals of a minimum duration; ii) then, those pertaining to simple products for market time intervals of a longer duration; and iii) finally, bids for block products.
- 45.2 Upon expiry of the time limit referred to in Article 41, para. 41.4 above, each request for registering a CET demand bid, which has been validated and possibly corrected as per Article 42 above, shall be deemed to be technically adequate, in absolute value, in each market time interval, limited to the net forward purchase of the forward account associated with the portfolio to which the CET bid refers; this value shall be net of the other CET bids already submitted in respect of all the portfolios associated with the same forward account, having a higher priority and already deemed to be technically adequate.
- 45.3 Upon expiry of the time limit referred to in Article 41, para. 41.4 above, if a request for registering a CET demand bid has been validated and possibly corrected as per Article 42 above and if it refers to zonal injection portfolios associated with a forward withdrawal account for the step-down margin only, it shall be deemed to be financially adequate if, after being valued at the estimated CCT referred to in Article 58 below (increased by VAT, where chargeable), it is guaranteed under Article 60 below.

Article 46

Submission of CET Bids/Offers into the MGP

- 46.1 CET supply offers and demand bids, for which registration has been requested and which have already been verified to be technically adequate, shall be submitted into the MGP as supply offers and demand bids having the quantities and prices specified in the same requests for registration.
- 46.2 Acceptance of the CET bids/offers referred to in para. 46.1 above after the MGP shall not imply the conclusion of purchases and sales in the MGP.
- 46.3 CET bids/offers that have been accepted after the MGP shall contribute to determining the commercial positions of injection and/or withdrawal defined after the MGP, as set forth in the ME Rules.

Article 47

Purchases and Sales in the MGP

- 47.1 Without prejudice to paras. 47.2 and 47.3 below, the algebraic sum - for each market time interval and each forward account - of the net position of the forward account referred to in Article 30, para. 30.2 above and of the CET bids/offers registered on the same account under Article 46, para. 46.3 above, shall represent the physical balance of the account. Such balance shall correspond to:
- a) a purchase from the MGP by the Participant holding a forward sale or storage account, if the physical balance is lower than zero;
 - b) a sale in the MGP by the Participant holding a forward withdrawal or storage account, if the physical balance is greater than zero.
- 47.2 If the physical balance of a forward account whose holder is also an Electricity Market Participant is different from zero, Terna shall become the counterparty of GME for the related purchase or for the related sale, as per para. 47.1 above.
- 47.3 With a view to attributing a purchase under para. 47.1 a) above, to the Participant holding the account and being also an Electricity Market Participant, such purchase shall be guaranteed by the same Participant as per Article 102 of the ME Rules. If the purchase is not adequately guaranteed, Terna shall become the counterparty of GME for such purchase.
- 47.4 The purchases and sales mentioned in paras. 47.1, 47.2, and 47.3 above shall be valued at the reference price of electricity traded in the MGP (P_{rif}) – PUN Index GME.

47.5 For the purchases and sales mentioned in paras. 47.1, 47.2, and 47.3 above, each Participant and Terna shall pay to GME a fee for the MWh traded; such fee shall be equal to the one specified in Article 7, para. 7.1 of the ME Rules for transactions made in the Electricity Market.

Article 48
Determination of
the Transmission Capacity Fee

48.1 On a daily basis and after the MGP, GME shall determine a CCT for each Participant holding a forward injection account, in respect of CET supply offers that have been registered hereunder on the related forward injection account. Such fee shall be calculated in accordance with the Dispatching Rules.

48.2 On a daily basis and after the MGP, GME shall determine a CCT for each Participant holding a forward storage account, in respect of CET supply offers and demand bids that have been registered hereunder on the related forward storage account. Such fee shall be calculated in accordance with the Dispatching Rules.

48.3 On a daily basis and after the MGP, GME shall determine a CCT for each Participant holding a forward withdrawal account, in respect of CET demand bids pertaining to zonal injection portfolios that are associated with a forward withdrawal account for the step-down margin only, and that have been registered hereunder on the related forward account. Such fee shall be calculated in accordance with the Dispatching Rules.

48.4 The Participant shall pay to GME (if negative) or receive from GME (if positive) the CCT referred to in paras. 48.1, 48.2, and 48.3 above.

48.5 For each market time interval, GME shall:

- a) pay to Terna (if negative) the algebraic sum of the CCTs calculated as provided in paras. 48.1, 48.2, and 48.3 above;
- b) receive from Terna (if positive) the algebraic sum of the CCTs calculated as provided in paras. 48.1, 48.2, and 48.3 above.

SECTION IV
BILLING AND INVOICING OF TRANSACTIONS

SUBSECTION I
BILLING OF PAYABLES AND RECEIVABLES

Article 49
Billing of Payables and Receivables

- 49.1 On a daily basis, GME shall determine and notify each Participant of the values of the following payables and receivables in respect of:
- a) purchases concluded under Article 47, para. 47.1 a) above, increased by VAT, where chargeable;
 - b) CCT that the Participant shall pay to GME under Article 48, para. 48.4 above, increased by VAT, where chargeable;
 - d) sales concluded under Article 47, para. 47.1 b) above, increased by VAT, where chargeable;
 - d) CCT that GME shall pay to the Participant under Article 48, para. 48.4 above, increased by VAT, where chargeable.
- 49.2 On a daily basis, in accordance with the modalities and within the time limits defined in the Technical Rules, GME shall determine and notify Terna of the values of the following payables and receivables:
- a) purchases concluded under Article 47, paras. 47.1, and 47.2 above, increased by VAT, where chargeable;
 - b) sales concluded under Article 47, paras. 47.1, and 47.2 above, increased by VAT, where chargeable.

Article 50
Daily Billing

- 50.1 For each day, based on the amounts determined as per Article 49 above, GME shall determine the following values for each Participant in respect of the market time intervals of the next day:
- a) value of the amounts referred to in Article 49, para. 49.1 a) above;
 - b) value of the amounts referred to in Article 49, para. 49.1 b) above;

- c) value of the amounts referred to in Article 49, para. 49.1 c) above;
- d) value of the amounts referred to in Article 49, para. 49.1 d) above.

50.2 For each day, based on the amounts determined as per Article 49 above, GME shall determine the following values for Terna in respect of the market time intervals of the next day:

- a) value of the amounts referred to in Article 49, para. 49.2 a) above;
- b) value of the amounts referred to in Article 49, para. 49.2 b) above.

SUBSECTION II

INVOICING OF PAYABLES AND RECEIVABLES

Article 51

Invoicing Period

- 51.1 The invoicing period for the billed payables and receivables on the PCE is defined in the Technical Rules.
- 51.2 For invoicing purposes, all transactions pertaining to the market time intervals defined in the Technical Rules are considered as belonging to each invoicing period.

Article 52

Invoicing

- 52.1 For each invoicing period, according to the modalities and within the time periods specified in the Technical Rules, GME shall:
- a) issue invoices for the amounts specified in Article 50, para. 50.1 b) above to each Participant, for all the market time intervals included in the invoicing period;
 - b) notify each Participant of the amounts referred to in Article 50, para. 50.1 d) above, for all the market time intervals included in the invoicing period;
 - c) issue invoices for the fees due for the MWh covered by the registered transactions as per Article 7, para. 7.1 c) above to each Participant, for all the market time intervals included in the invoicing period;

- d) issue invoices for the amounts specified in Article 48, para. 48.5 b) above to Terna, for all the market time intervals included in the invoicing period;
- e) notify Terna of the amounts referred to in Article 48, para. 48.5 a) above, for all the market time intervals included in the invoicing period;
- f) issue invoices for the fees due for the MWh covered by the registered transactions as per Article 7, paragraph 7.1 c) above to Terna, for all the market time intervals included in the invoicing period.

52.2 After receiving the notifications referred to in para. 52.1 b) and e) above, Participants and Terna shall issue invoices to GME for the indicated amounts.

52.3 The time periods and formalities for issuing invoices to GME, as set forth in para. 52.2 above, for the purposes of the provisions of Article 64 below, are specified in the Technical Rules.

52.4 The invoices and notifications referred to in para. 52.1 above shall be provided to Participants by electronic means, according to the modalities set forth in the Technical Rules.

52.5 For each invoicing period, the payables and receivables mentioned in Article 47, para. 47.1 a) and b), para. 47.5, and Article 50, para. 50.2 a) and b) above shall be invoiced according to the modalities and within the limits defined in the ME Rules.

Article 53

Invoice Contents

53.1 For each market time interval included in the invoicing period, the invoices and notifications referred to in Article 52 above shall include at least the following data, where applicable:

- a) quantities of electricity covered by the registered transactions and CET bids/offers;
- b) price at which the quantities mentioned in subpara. a) above are valued;
- c) fees as per Article 7, para. 7.1 c) above;
- d) taxes applied;
- e) total amount.

Article 54

Application of Fees for the Service Provided by GME

- 54.1 The access fee referred to in Article 7, para. 7.1 a) above, where applied, shall be invoiced in accordance with the modalities and within the time limits defined in the Technical Rules.
- 54.2 The yearly fixed fee referred to in Article 7, para. 7.1 b) above, where applied, shall be invoiced in accordance with the modalities and within the time limits defined in the Technical Rules, increased by VAT, where chargeable..
- 54.3 The fee for the MWh covered by the registered transactions, as laid down in Article 7, para. 7.1 c) above, shall be applied separately to each transaction that has been registered in respect of the market time intervals belonging to the invoicing period, in accordance with the modalities and within the time limits defined in the Technical Rules.

SECTION V

GUARANTEE AND PAYMENT SYSTEMS

SUBSECTION I

GUARANTEE SYSTEMS

Article 55

General Provisions

- 55.1 GME shall entrust its treasury services to a bank or financial institution.

Article 56

Financial Guarantees of Participants

- 56.1 For submitting requests for registering transactions and CET bids/offers into the PCE:

- a) the non-PA Participant is required to post financial guarantees, which can be cumulated with one another, in the form of first-demand bank guarantees according to the format attached hereto (Annex 3), issued by banks which are members of the Register of Banks (“Albo”) referred to in Article 13 of Legislative Decree no. 385 of 1 September 1993 and which have a long-term rating attributed by at least one of the following rating companies: Standard & Poor’s, Moody’s Investor Service and Fitch and DBRS. The rating shall not be lower than BBB- on Standard & Poor’s or Fitch’s scale or BAA3 on the scale of Moody’s Investor Service or BBB low on DBRS scale;
- b) the non-PA Participant that is already an ME or M-GAS Participant may post the guarantee referred to in subpara. a) above or may use part of the financial guarantees already posted in accordance with Section V of the ME Rules or M-GAS Rules in accordance with the modalities defined therein;
- c) the PA Participant shall post guarantees exclusively in the form of non-interest bearing cash deposits to be paid to the account held by GME with the bank referred to in Article 55, according to the modalities set forth in the Technical Rules.

56.2 As an alternative to or in addition to the guarantees posted in the form of a bank guarantee, as established in paragraph 56.1 above, non-PA participants may post guarantees in the form of a non-interest-bearing cash deposit to be paid to the account held by GME with the bank referred to in Article 55 above, according to the modalities indicated in the Technical Rules.

56.3 In the case of a guarantee posted in the form of bank guarantee, if the bank issuing the bank guarantee is subject to control as per Art. 2359, paras.1 and 2 of the Italian Civil Code and does not meet the requirements set forth in para. 56.1 a) above, then the bank guarantee issued by such bank shall be supported by a statement issued by its controlling company.

In such statement, the controlling company, which shall meet the requirements specified in para. 56.1 a) above, shall undertake the following obligations:

- a) if a change takes place in the structure of the company and such change is such as to involve the loss of control as per art. 2359, paras. 1 and 2 of the Italian Civil Code, then the company shall timely notify GME thereof;

b) if, when receiving a request for enforcement of the bank guarantee, the bank issuing such bank guarantee is in default or in the position referred to in subpara. a) above, then the company shall guarantee the fulfilment of the obligation undertaken by its controlled company.

56.4 If the bank issuing the bank guarantee, or the controlling company that has issued the statement referred to in para. 56.3 above, no longer meets one or both of the requirements specified in para. 56.1 a) above, or in the event that the controlling company loses control of the bank issuing the bank guarantee pursuant to art. 2359, paragraphs 1 and 2 of the Civil Code, then the bank guarantees provided by the bank shall remain valid until the end of the time period specified in the Technical Rules.

56.5 The bank guarantee and the statement indicated in para. 56.3 above must be submitted to the bank referred to in Article 55 above.

56.6 By the end of the working day following the one on which the bank guarantee and the statement referred to in para. 56.3 above are submitted, the bank in charge of GME's treasury services shall verify: whether the guarantee is complete and conforms to the pro-forma attached to the ME Rules or to these Rules; whether it has been issued by a bank meeting the requirements specified in para. 56.1 a); and whether the statement issued by the controlling company meets the requirements of para. 56.3 above.

56.7 Within the time period specified in para. 56.6 above, the bank in charge of GME's treasury services shall notify the Participant and GME of any deficiencies identified upon the verification of the bank guarantee or of the statement referred to in para. 56.3 above.

56.8 If the verification is successful, the bank in charge of GME's treasury services shall notify GME, within the time period specified in para. 56.6 above, of the amount covered by the bank guarantee and of its period of validity, as well as of the validity of the statement mentioned in para. 56.3 above.

56.9 The Participant may dispute the results of the verification carried out by the bank in charge of GME's treasury services, by filing an appeal with the Court of Arbitration referred to in Article 86 below.

5610 For the purpose of verifying the technical adequacy of requests for registering transactions and CET bids/offers on the PCE, the amount covered by the bank guarantee and by the statement mentioned in para. 56.3 above shall be valid and effective within the second working day following the one of receipt by GME of the

notification referred to in para. 56.8 above.

56.11 The guaranteed amount of the non-interest bearing cash deposit shall be valid and effective within the second working day following the one in which such deposit has been credited to the account held by GME with the bank in charge of its treasury services. The date and the time of receipt of the non-interest bearing cash deposit shall be those recorded by the information system of the bank in charge of GME's treasury services.

Article 57
Amount
of the Financial Guarantee

- 57.1 The financial guarantee posted in compliance with Article 56 above shall cover:
- a) payment of the amounts of the invoiced CCTs resulting from the registration of transactions and CET bids/offers, as well as of the amounts owed for penalties. Such amounts shall not include the fees specified in Article 7 above;
 - b) payment of the amounts due for default interest;
 - c) payment of the fees for enforcing the bank guarantee; the amount of such fees, which is specified in the agreement between GME and the bank in charge of its treasury services, shall be posted on GME's website.
- 57.2 The amount of the bank guarantee, or of the deposit, posted to cover the settlement of payments, as provided for in para. 57.1 a) above and taken into consideration for the purpose of verifying the sufficiency of the guarantee as per Article 60 below, shall be determined by the Participant on the basis of transactions and CET bids/offers to be registered.
- 57.3 The Participant may at any time request the modification of the amount covered by the bank guarantee referred to in Article 56, para. 56.1 a) or of its period of validity and effectiveness, by submitting a letter updating the guarantee to the bank in charge of GME's treasury services (such letter shall conform to the pro-forma attached hereto - Annex 4) or by posting a new financial guarantee.
- 57.4 By the end of the working day following the one on which the letter updating the bank guarantee is submitted, the bank in charge of GME's treasury services shall verify whether the letter conforms to the corresponding pro-forma.
- 57.5 Within the time limit specified in para. 57.4 above, the bank in charge of GME's treasury services shall notify the Participant and GME of any deficiencies identified

upon verification of the submitted letter.

- 57.6 If the result of the verification is successful, the bank in charge of GME's treasury services shall notify GME, within the time limit referred to in para. 57.4 above, of the new guaranteed amount and of the date from which the new value shall apply.
- 57.7 The new bank guarantee as well as the updating letter shall be verified according to the provisions contained in Article 56 above.
- 57.8 The Participant that is also an Electricity Market or Gas Market Participant may request the modification of the amount covered by the guarantee in accordance with Article 56, para. 56.1 b) above according to the modalities indicated therein.
- 57.9 Without prejudice to the provisions of paragraphs 57.10 and 57.11 below, for the purpose of verifying the adequacy of requests for registration of transactions and bids/offers on the PCE, the change in the amount covered by the guarantee shall be valid within the second working day following that on which GME receives the notification referred to in paragraph 57.6 above, or from the date specified by the Participant in the notification referred to paragraph 57.6 above, provided that such day falls after the second working day following that in which GME receives such notification.
- 57.10 If the Participant requests a reduction of the guaranteed amount or the modification of the period of validity and effectiveness of the bank guarantee posted according to the form attached hereto (Annex 3), GME shall verify the amounts in respect of which the requesting Participant is in debit; if such verification is successful, GME shall notify the Participant of the immediate validity of the requested modifications.
- 57.11 The Participant may at any time request the return of the guarantees posted pursuant to the form attached hereto (Annex 3). The acceptance of this request is subject to GME's positive verification of the amounts for which the requesting Participant is a debtor. If the verification is positive, GME shall inform the Participant of the immediate validity of the modifications requested for the purpose of the adequacy verifications. GME shall return the bank guarantee in accordance with the procedures set forth in the Technical Rules.
- 57.12 The Participant may at any time request an increase or a reduction in the amount of the guarantee posted in the form of a non-interest-bearing cash deposit. The Participant may request the repayment, even partial, of the amount deposited in the event this change determines a position entirely covered by the guarantee. If the

verification is positive, the reduction of the guaranteed amount will be immediately valid for the purpose of adequacy verifications. GME shall repay the deposit according to the modalities set forth in the Technical Rules. In the event of an increase in the amount, the Participant shall pay, in accordance with the procedures set forth in the Technical Rules, the related amount to the bank account held by GME with the bank in charge of its treasury services. Following the verification of the payment made by the Participant to the aforementioned bank account, GME shall change the amount covered by the guarantee with validity and effectiveness within the second working day following that in which the payment has been credited. The credit is deemed to have been received on the date and at the time resulting from the information system of the bank in charge of GME's treasury services.

Article 58

Estimated Reference Price and Estimated Transmission Capacity Fee

- 58.1 For the verifications specified in Article 59, para. 59.1 and Article 60 below, GME shall determine and publish the estimated reference price of electricity (PE_{rif}) and the estimated CCT.
- 58.2 The criteria for determination, the modalities and time periods for updating the prices referred to in para. 58.1 above, are defined in the Technical Rules. GME may use separate estimated CCTs for the verifications covered by Article 36, para. 36.1 b) and c), Article 39, para. 39.1 b) and c), and Article 45, paras. 45.2 and 45.3 above, respectively.

Article 59

Financial Balance of Forward Accounts

- 59.1 For each Participant holding a forward account and for each settlement period for which payables and receivables have not yet been settled, GME shall determine the financial balance of the account; such balance shall be calculated only for the market time intervals belonging to the same settlement period as the algebraic sum of:

- a) in the case of requests for registering sale transactions increasing the net sell position on injection accounts that have not yet been confirmed but already verified to be financially adequate - the sum of the products between the electricity quantities covered by the transactions and the estimated CCT; such sum shall be increased by VAT (at the applicable rate), where chargeable;
- b) in the case of requests for registering transactions increasing, in absolute value, the net sell or buy position on forward storage accounts that have not yet been confirmed but already verified to be financially adequate - the sum of the products between the electricity quantities covered by the transactions and the estimated CCT; such sum shall be increased by VAT (at the applicable rate), where chargeable;
- c) for the days for which the MGP has not yet taken place - the sum of the products between the electricity quantities covered by the net sell positions registered on forward injection accounts and the estimated CCT; such sum shall be increased by VAT (at the applicable rate), where chargeable;
- d) for the days for which the MGP has not yet taken place - the sum of the products between the electricity quantities covered by the net sell or buy positions registered on forward storage accounts and the estimated CCT; such sum shall be increased by VAT (at the applicable rate), where chargeable;
- e) for CET demand bids in respect of zonal injection portfolios associated with a forward withdrawal account for the step-down margin only, which have already been verified to be financially adequate but not yet registered - the sum of the products between the electricity quantities covered by the CET demand bids and the estimated CCT; such sum shall be increased by VAT (at the applicable rate), where chargeable;
- f) for the days for which the MGP has already taken place - the value of the CCTs referred to in Article 48 above; such value shall be increased by VAT (at the applicable rate), where chargeable.

59.2 For the technical adequacy verification, the financial balance of each settlement period shall be further decreased by an amount equal to the negative financial balances, if any, which pertain to the other settlement periods for which payments have not yet been settled.

Article 60
Sufficiency of the Financial Guarantee
towards GME

- 60.1 For each Participant, GME shall determine, according to the modalities and time limits set forth in the Technical Rules, the sufficiency of the financial guarantee for each settlement period as the algebraic sum of the financial balance of the forward accounts referred to in Article 59 above and of the amount of the financial guarantee, or of the deposit, reduced by the maintenance margin as defined in the Technical Rules.
- 60.2 Under Article 36, para. 36.1 b) and c), Article 39, para. 39.1 b) and c), and Article 45, para. 45.3 above, GME shall verify whether the amount of the financial guarantee towards GME is sufficient to cover the requests for registration and confirmation of a transaction increasing the net sell position of the forward sale account, or increasing, in absolute value, the net sell or buy position of the forward storage account, and to cover the requests for registering CET demand bids pertaining to zonal injection portfolios associated with a forward withdrawal account for the step-down margin only. Each of the above transactions shall be deemed to be guaranteed if the value of the financial guarantee towards GME is higher than the absolute value of payables/receivables resulting from the transaction, increased by VAT, where chargeable.
- 60.3 If, as a result of variations in the estimated CCT, the value of the financial guarantee calculated in accordance with this article is negative, GME shall notify the Participant involved thereof. In accordance with the procedures and within the time limits defined in the Technical Rules, such Participant shall either reduce its exposure or increase the amount of the posted guarantee until reaching a positive value. If such Participant fails to do so, GME shall suspend it.

Article 61
Price for Valuing Forward Purchases and Sales

- 61.1 For the verifications referred to in Article 63 below, Terna shall notify GME of the price for valuing forward purchases and sales in each market time interval.
- 61.2 GME shall post the price referred to in para. 61.1 above on its website.

Article 62

Maximum Exposure towards Terna and Financial Balance of the Actual Imbalance Account

- 62.1 For the verifications referred to in Article 63 below, Terna shall – on a daily basis and in accordance with the modalities and within the time limits defined in the Technical Rules and agreed between GME and Terna – notify GME of the difference between the maximum allowed exposure towards Terna and of the cumulated exposure of each BRP.
- 62.2 The information referred to in para. 62.1 above shall represent the guarantees of each BRP towards Terna.
- 62.3 If Terna fails to provide GME with the information referred to in para. 62.1 above within the required time limit, GME shall attribute to each BRP a guarantee towards Terna equal to the residual guarantee towards Terna on the latest day available.

Article 63

Residual Guarantee towards Terna

- 63.1 Based on the information received as set forth in Article 62 above and for each BRP, GME shall determine the algebraic sum of:
- a) the guarantees towards Terna;
 - b) for requests for registering sale transactions increasing, in absolute value, the net sell position of a forward account that have not yet been confirmed but verified to be adequate - the sum of the products between the electricity quantities covered by the transactions and the price referred to in Article 61 above;
 - c) for the days for which the MGP has not yet taken place - the sum of the products between the electricity quantities covered by the net sales registered on forward accounts and the price referred to in Article 61 above.
- 63.2 The information referred to in para. 63.1 above shall represent the residual guarantee of each BRP towards Terna.
- 63.3 For the determinations covered by para. 63.1 b) and c) above, the requests for registration, or the net sales in respect of a forward account, shall be attributed to the BRP of the zonal portfolios associated with the same account.

63.4 Under Article 36, para. 36.1 d) and Article 39 para 39.1 d) above, GME shall verify whether the residual guarantees of BRPs towards Terna, as set forth in para. 63.3 above, are sufficient to cover the requests for registration and confirmation of a sale transaction. Each of the above transactions shall be deemed to be guaranteed if the value of the residual guarantee towards Terna of the BRP of the zonal portfolios associated with the account to which the transaction refers is higher than the absolute value of payables/receivables resulting from the same transaction.

SUBSECTION II
SETTLEMENT OF PAYMENTS

Article 64
Clearing

- 64.1 The settlement period on the PCE is defined by GME in the Technical Rules.
- 64.2 For each Participant and for each settlement period, GME shall determine the net position of debit or credit towards GME, based on the clearing of the amounts (including VAT, where chargeable) referred to in Article 52, para. 52.1 a) and b) above.
- 64.3 For each settlement period, GME shall determine the net position of debit or credit of Terna towards GME, based on the clearing of the amounts (including VAT, where chargeable) referred to in Article 52, para. 52.1 d) and e) above.
- 64.4 The clearing referred to in para. 64.2 and 64.3 above shall exclude the amounts specified in Article 52, paras. 52.1 c) and f) and 52.5 above.
- 64.5 GME shall – according to the formalities and within the time periods specified in the Technical Rules – notify each Participant of the result of the determinations referred to in paras. 64.2 and 64.3 above, which form the basis for making payments according to the procedures and within the time periods specified in Articles 65 and 67 below.
- 64.6 The clearing and settlement of the payables referred to in Article 47, para. 47.1 a) and b), para. 47.5, and Article 50, para 50.2 a) and b) above shall be made in accordance with the modalities and within the time limits defined in the ME Rules.

Article 65

Payments from Participants to GME

- 65.1 As a result of the determinations referred to in Article 64:
- a) non-PA Participants, debtors of GME, shall pay to the bank in charge of GME's treasury services the amounts due to GME, notified by GME under Article 64, para. 64.5 above, according to the procedures and within the time limits specified in the Technical Rules;
 - b) GME shall satisfy its receivables from debtor PA Participants in accordance with the procedures and within the time limits defined in the Technical Rules, by utilising their available cash deposit provided as per Article 56, para. 56.1 c) above, until reaching the amount of such receivables.
- 65.2 If the payment of the amount due is not settled with the bank in charge of GME's treasury services in accordance with the formalities and within the time limits stated in para. 65.1 above, all the Participants that are debtors towards GME shall pay the amount due to such bank, after adding to such amount the default interest and the penalty (determined under the criteria indicated in Article 69 below), in accordance with the modalities and within the time periods specified in the Technical Rules.
- 65.3 If the payment of the amount due by a non-PA Participant is not settled with the bank in charge of GME's treasury services within the time limits and according to the modalities set forth in para. 65.2 above, GME shall suspend such non-PA Participant from the PCE, utilise the deposit referred to in Article 56, para. 56.2 above, and enforce its bank guarantee.
- 65.4 The Participants mentioned in Article 21, paras. 21.1 and 21.2 are not held to pay the penalty in case of delayed payment or non-payment.

Article 66

Payment of Fees

- 66.1 The amounts specified in Article 54 above shall be paid in accordance with the procedures and within the time limits specified in the Technical Rules.

Article 67

Payments from GME to Participants

- 67.1 Without prejudice to the provisions of Article 68 below, payments to Participants qualifying as creditors towards GME, as a result of the determinations referred to in Article 64 above, shall be made according to the provisions of this article.
- 67.2 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64 above; the amount of the payment shall be equal to the ratio of the amount paid by Participants that are debtors towards GME (under the modalities and within the time limit established in Article 65, para. 65.1 above) to the credits that GME has accrued towards the same debtor Participants.
- 67.3 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64 above; the amount of the payment shall be equal to the ratio of the amount paid by Participants that are debtors towards GME (under the modalities and within the time limit established in Article 65, para. 65.2 above) to the credits that GME has accrued towards the same debtor Participants.
- 67.4 GME shall - under the modalities and within the time limits established in the Technical Rules - make payments to Participants that qualify as creditors towards GME after the determinations referred to in Article 64 above; the amount of the payment shall be equal to the ratio of the amount paid by the banks issuing the guarantees under Article 65, para. 65.3 above, to the credits that GME has accrued towards debtor Participants.
- 67.5 If GME fails to make payments to Participants that are creditors towards GME within the time periods provided for in this article, GME shall pay interest to such Participants at the rate published on GME's website.

Article 68

Failure to Fulfil Guarantee Obligations by the Bank Issuing the Bank Guarantee

- 68.1 If a bank issuing the bank guarantee receives a request for enforcement thereof and fails to make the consequent payment within the time period indicated therein, the bank guarantee shall remain valid until the date specified in the Technical Rules.
- 68.2 If the bank issuing the bank guarantee receives a request for enforcement thereof

and fails to make the consequent payment within the time period indicated therein, any new bank guarantee issued by the same bank, for the purposes specified in Article 56, para. 56.1 above, shall not be accepted by GME. If a bank issuing the bank guarantee fulfils its guaranteed obligation after the deadline indicated therein, any new bank guarantee issued by the same bank, for the purposes specified in Article 56, para. 56.1 above, may only be accepted by GME after a maximum period of twelve months from the date of late fulfilment of the obligation.

- 68.3 If the bank issuing the bank guarantee defaults on its obligations, the credits of Participants towards GME, resulting from the clearing referred to in Article 64 above, shall be proportionately reduced by an amount equal to the unpaid debit. In this case, the Participants in credit may not claim any right or make any claim towards GME for the part of the credit so utilised.
- 68.4 If the bank issuing the bank guarantee defaults on its obligations, GME shall take the necessary steps to recover the amounts owed by such bank. Any amounts so recovered shall be paid *pro quota* to the Participants in credit, for the same invoicing period for which the bank guarantee has been enforced.

Article 69

Default Interest and Penalty

- 69.1 The amount and modalities of application of the default interest and of the penalty due in case of late payment, to be applied in the cases covered by Article 65, paras. 65.2 and 65.4 above, or for non-payment, to be applied in the case referred to in Article 70 below, are defined in the Technical Rules.

Article 70

Default

- 70.1 A Participant shall be deemed to be in default if it fails to fulfil payment obligations arising from the application of these Rules.

Article 71
Default Procedure

71.1 In the event of default as referred to in Article 70 above, GME shall suspend the Participant involved, utilise the deposit, where provided, and enforce its bank guarantee.

Article 72
Insufficiency of Financial Guarantees

72.1 If Participants default on their due payments and their financial guarantees referred to in Article 56 above do not cover their debits entirely, their credits towards GME resulting from the clearing indicated in Article 64 above shall be proportionately reduced by a total amount equal to the unpaid debit. In this case, the Participants in credit have no right and may make no claim to GME for the part of the credit so utilised.

72.2 In the cases specified in para. 72.1 above, GME shall take the necessary steps to recover the amounts due by Participants that are in debit. Any amounts so recovered shall be paid *pro quota* to Participants in credit in the same settlement period as the one to which the recovery of the credit refers.

SECTION VI
DISCIPLINARY MEASURES, COMPLAINTS
AND DISPUTES

SUBSECTION I
BREACHES AND
DISCIPLINARY MEASURES

Article 73
Breaches of these Rules
and of the Technical Rules

73.1 The following behaviours shall be considered as breaches of the Rules and of the Technical Rules:

- a) negligence, imprudence and unskilfulness in the use of the systems of communication and submission of proposals;
- b) vexatious use of the dispute procedures defined in Subsection II of this Section;
- c) disclosure to third parties of confidential information related to the Participant or other Participants, in particular as regards the access codes to GME's information system, any other data required for such access and the contents of requests for registration submitted by other Participants to GME, except in the fulfilment of obligations arising from laws, regulations or decisions of competent authorities;
- d) any attempt to access restricted areas of GME's information system;
- e) any use for fraudulent purposes of the systems of communication and submission of proposals;
- f) any other conduct contrary to the principles referred to in Article 3, para. 3.4 above.

Article 74

Disciplinary Measures

- 74.1 If the breaches referred to in Article 72 above are shown to exist, GME may, respecting the principles of impartiality and equality of treatment and bearing in mind the seriousness of the breach and any recurrence, apply the following disciplinary measures to Participants on the basis of the scale referred to in Article 75 below:
- a) a private written notice of the violation;
 - b) a financial penalty;
 - c) the suspension of the Participant from the PCE.
- 74.2 If a disciplinary measure involving a financial penalty has been adopted and it has not been paid by the Participant within six months of the date of notice of such disciplinary measure, GME may also suspend the Participant from the PCE until the payment of the previously adopted financial penalty.
- 74.3 In case of suspension from the PCE, the Participant may, under the supervision of GME, close any transaction still in progress and carry out any other transaction unavoidably connected with the same.

- 74.4 If a breach is identified, GME shall serve an appropriate notice to the Participant. Such notice shall include:
- a) a description of the alleged breach;
 - b) a deadline of at least ten days for the Participant to submit documentation and any request for a hearing.
- 74.5 If the Participant requests a hearing or if GME deems such hearing to be necessary, GME shall set the date of the same and promptly notify the Participant thereof. If the Participant does not appear at the hearing and the hearing is not postponed to another date for justified reasons, GME shall make a decision on the basis of available evidence. In case of postponement, the hearing shall not take place after the tenth day following the date originally set for it.
- 74.6 Based on available evidence, GME shall adopt a possible disciplinary measure or dismiss the case within thirty days of the hearing or, if the latter has not been requested or GME has not deemed it necessary, within thirty days of the notice specified in para. 74.4 above.
- 74.7 Where the alleged breaches are such as to immediately threaten the proper operation of the PCE, GME can, on a precautionary basis, suspend the Participant from the PCE for the period of time necessary to examine the case.
- 74.8 The disciplinary measures and their reasons or the decision to dismiss the case shall be notified to the Participant involved. Any disciplinary measure adopted shall be notified to ARERA and Terna.

Article 75
Graduation of Disciplinary Measures

- 75.1 Where the breaches are due to the fault of the Participant, GME may apply the following disciplinary measures:
- a) a private written notice of the violation;
 - b) suspension from the PCE for a minimum period of five days and a maximum period of one month. In case of recurrence of the violation, the suspension from the PCE shall be ordered for one month.
- 75.2 If the breaches mentioned in para. 75.1 above have caused disturbances to the proper

functioning of the PCE, GME may suspend the Participant from the PCE for a minimum period of one month and a maximum period of one year. In case of recurrence of the violation, the suspension from the PCE shall be ordered for one year.

- 75.3 If the breach is due to the intentional wrongdoing of the Participant, GME may suspend the Participant from the PCE for a minimum period of six months and a maximum period of eighteen months. In case of recurrence of the violation, the suspension from the PCE shall be ordered for eighteen months.
- 75.4 If the breaches mentioned in para. 75.3 above have caused disturbances to the proper functioning of the PCE, GME may suspend the Participant from the PCE for a minimum period of eighteen months and a maximum period of three years. In case of recurrence of the violation, the suspension from the PCE shall be ordered for three years.
- 75.5 As an alternative to the suspension from the PCE referred to in paras. 75.1 b), 75.2, 75.3, and 75.4 above, GME may impose a financial penalty of at least zero point five per cent of the Participant's annual turnover and, in any case, of a minimum of one hundred and fifty-five thousand/00 Euro and of a maximum of one hundred million/00 Euro, determined based on the magnitude and severity of the damage resulting from the breach. If the Participant has not paid the financial penalty within six months of the notice date of such disciplinary measure, GME may also suspend the same Participant from the PCE until the payment of the financial penalty previously imposed.

Article 76

Suspension for Non-Fulfilment of Notification Obligations and Non-Payment of Fees

- 76.1 Apart from the cases provided for in Article 65, para. 65.3 and Article 75 above, GME shall suspend the Participant from the PCE or impose the financial penalty referred to in Article 75, para. 75.5 above in the following cases:
- a) the Participant does not fulfil the communication obligation under Article 26, paragraph 26.1 above, or the information communicated under Article 26, para. 26.1 above does not enable GME to find the Participant, or the latter does not provide the information or the documents required under Article 25, para. 25.2 above. The suspension shall last until the date of receipt by GME of the communication referred to in Article 26, paragraph 26.1, or the information or documents referred to in Article

25, paragraph 25.2, or until the date on which the Participant becomes available again on the basis of the information communicated under the Article 26, paragraph 26.1 above.

b) the Participant does not pay the fees referred to in Article 7, para. 7.1 above and as set forth in Article 54 above. The suspension shall last until fulfilment of the above obligation by the Participant.

76.2 Para 76.1 b) above shall not apply to the Participants referred to in Article 21, paras. 21.1 and 21.2 above.

Article 77

Suspension for Non-Fulfilment of Obligations towards Terna

77.1 GME shall - at the request of Terna - suspend Participants that are in default towards Terna.

77.2 In the case referred to in para. 77.1 above, GME shall notify such suspension to ARERA.

Article 78

Publication of Disciplinary Measures

78.1 GME shall anonymously disclose the adoption of the disciplinary measures referred to in Article 74, para. 74.1 b) and c) above by publishing them, excluding their confidential parts, on its website at least thirty days after serving the relevant communication to the Participant concerned, unless the case has been referred to the Court of Arbitration. In the latter instance, the adoption of the disciplinary measure is made public, only if it has been confirmed by the Court of Arbitration.

Article 79

Challenging Denial of Admission to the PCE and Disciplinary Measures

79.1 Against the denial of admission to the PCE or disciplinary measures adopted under Article 74, para. 74.1 above, the Participant may file an appeal with the Court of Arbitration within thirty days (under penalty of forfeiture) of the date of notice of the

denial or disciplinary measures.

SUBSECTION II
COMPLAINTS CONCERNING THE PCE

Article 80

***Submission of and Minimum Contents of Complaints
about the Outcome of the Validity Check and of the
Technical Adequacy Verification of
Registrations and Billing Procedures***

- 80.1 Complaints about the outcome of the checks and verifications relating to the registrations of the transactions referred to in Article 35, Article 36, Article 38, and Article 39, about the outcome of the checks and verifications relating to the registration of bids/offers referred to in Article 42, Article 44, and Article 45, as well as about the billing procedures referred to in Article 49 and Article 50 above, shall be submitted, under penalty of inadmissibility, in electronic form within the time specified in this subsection and using the appropriate forms available in GME's information system.
- 80.2 All complaints shall include, under penalty of inadmissibility, the following elements:
- a) object of the complaint, as identified by the PCE information system;
 - b) decision of GME which is being disputed;
 - c) concise description of the grounds for the complaint.

Article 81

***Complaints about the Outcome of the Validation Process and
of the Technical Adequacy Verification of Registrations***

- 81.1 The Participant may dispute the results of the checks and verifications relating to the registrations of the transactions referred to in Article 35, Article 36, Article 38, and Article 39 above, and the outcome of the checks and verifications relating to registrations of CET bids/offers referred to in Article 42, Article 44, and Article 45 above, by sending a notification to GME within 120 minutes of the decision of GME being disputed.

Article 82

Complaints about Billing Procedures

- 82.1 The Participant may dispute the results of the billing procedures referred to in Section IV, Subsection I above, by sending a notification to GME within 16:00 of the second working day following the one on which such results have been notified to the same Participant.

Article 83

Complaints about Invoicing and Settlement Procedures

- 83.1 The Participant may dispute the results of the invoicing procedures covered by Section IV, Subsection II or the determinations referred to in Section V, Subsection II above by sending a notification to GME, under penalty of inadmissibility, according to the modalities and within the time limits defined in the Technical Rules.
- 83.2 In the case referred to in para. 83.1 above, GME shall undertake the actions indicated in the Technical Rules in accordance with the procedures and within the time limits specified therein. Default interest on the amounts payable as a result of the complaint shall be calculated according to the provisions of Article 69 above.

Article 84

Complaint Resolution

- 84.1 GME shall notify the Participant concerned of the outcome of the verifications of the complaints specified in Articles 81, 82 and 83 above, by 16:00 of the second working day following receipt of such complaints.
- 84.2 Where a Participant brings a complaint as specified in Article 80 above and such complaint is upheld because GME is liable for errors or omissions, then GME shall pay to such Participant a compensation equal to a maximum of ten thousand Euro.
- 84.3 The acceptance of GME's compensation pursuant to para. 84.2 above shall imply the Participant's waiver of the dispute resolution procedure mentioned in Subsection II below of this section.
- 84.4 The compensation limit provided for in para. 84.2 above shall apply not only to the complaints indicated therein and to any dispute arising therefrom, but also to the results of the arbitration procedures referred to in Articles 86 and 87 below.
- 84.5 If a complaint brought in compliance with Articles 82 above is upheld, then GME shall

make the related adjustments.

- 84.6 If a complaint as referred to in Article 83 above is accepted, GME shall make the consequent adjustments according to the provisions of the Technical Rules.
- 84.6 The acceptance of a complaint shall not modify the result of the PCE session to which it refers.

SUBSECTION III DISPUTES

Article 85 Appeals to the Court of Arbitration

- 85.1 If a Participant does not accept the result of the verification of complaints covered in Article 84 above, it may file an appeal with the Court of Arbitration. In such cases, as well as against the result of the verification of the financial guarantees referred to in Article 56, paragraph 56.9 above, or against the outcome of the verification of the updating letter referred to in Article 57, paragraph 57.7 above, the arbitration procedure shall be initiated, under penalty of forfeiture, within thirty days of notification of the outcome of the checks being disputed.
- 85.2 Without prejudice to the provisions of Article 87 below, the Court of Arbitration shall have jurisdiction over any other dispute arising between GME and Participants over the interpretation and implementation of these Rules and of the Technical Rules.

Article 86 Court of Arbitration

- 86.1 The Court of Arbitration shall be composed of three members: one appointed by GME, one appointed by the Participant and a third member, acting as President, appointed by the members appointed by the parties or, in case of disagreement, by the President of the Court of Rome, under Article 810 of the Italian Civil Procedure Code.
- 86.2 The Court of Arbitration shall render its decisions in accordance with the applicable laws and the arbitration procedure shall be carried out in compliance with Article 806 and following Articles of the Civil Procedure Code.
- 86.3 The Court of Arbitration shall be based in Rome at GME's registered office.

Article 87
Settlement of Disputes

- 87.1 Without prejudice to the provisions of paragraph 87.2 above, on request of one of the interested parties, disputes between GME and Participants and between Participants shall be settled by arbitration as regulated by ARERA.
- 87.2 In addition to the cases referred to in Article 72, paragraph 72.2 above, disputes concerning failure to pay (in full or in part) the following fees and amounts shall be subject to the exclusive jurisdiction of Italian courts;
- a) the fees referred to in Article 7, paragraph 7.1 above;
 - b) the amounts specified in Article 74, paragraph 74.1, subpara. b) above;
 - c) the amount referred to in Article 75, paragraph 75.5 above.

SECTION VII
TRANSITIONAL PROVISIONS

SUBSECTION I
TRANSITIONAL PROVISIONS

Article 88
Transitional Provision on Settlement of Payments

- 88.1 Until further notice, the settlement of payments by debtors as referred in Article 65, paragraph 65.1, letter a) above is transiently made through an urgent SEPA Credit Transfer or equivalent procedure, according to the modalities and within the terms established in the Technical Rules.
- 88.2. During the transitional period referred in the previous paragraph:
- a) the provision referred in Article 24, paragraph 24.9 above shall not apply;
 - b) the amounts of default interest and penalties referred in Article 65, paragraph 65.2 above, due by debtors to GME for delayed payments, shall be paid to GME's creditors in the cases provided by the Technical

Rules, according to the modalities and within the terms established therein.

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Annex 1

PCE Participation Application

Participation Application form for admission to the PCE Platform referred to in Article 18, paragraph 18.1, subpara. a) of the PCE Platform

Mr./Mrs., (name and surname)
Place of birth, date of birth,
residence (prov. ...), (address)
taxpayer's code.....,
VAT number.....,
phone number, certified e-mail address.....,
e-mail address.....,

or

The company/*other* (company name)
With registered office in..... (prov. ...), (address)
taxpayer's code,
VAT number.....,
phone number, certified e-mail address,
e-mail address,
represented by....., in his/her capacity as (legal representative or duly authorised person)

WHEREAS

- the organisation and management of the Forward Account Registration Platform (hereinafter: PCE) are defined in the Rules governing the Forward Account Registration Platform, adopted in accordance with Annex A to Resolution 111/06 and updated pursuant to Resolution 345/2023/R/EEL of *Autorità di Regolazione per Energia Reti e Ambiente* (hereafter ARERA), as subsequently amended and supplemented (hereinafter: PCE Rules);
- the Technical Rules referred to in Article 4 of the PCE Rules are published on GME's website and enter into force on the date of publication;

Now, therefore

Mr./Mrs.....

or

the company/*other*

represented by in his/her capacity as
(*legal representative or duly authorised person*)

REQUESTS

pursuant to Article 18 of the PCE Rules, admission to the PCE through the procedure referred to in Article 20 thereof.

To this end, it attaches the documentation referred to in Article 19 of the PCE Rules, which forms an integral part of this application, as well as a signed copy of the Market Participation Agreement referred to in Article 18, paragraph 18.1, subpara b) of the PCE Rules, according to the form attached thereto.

Mr./Mrs.....

or

The company/*other*

represented by in his/her capacity as
(*legal representative or duly authorised person*)

DECLARES

- 1) to comply with the rules set out in the Regulation and the Technical Rules, which it declares to know and accept without any conditions or reservations.

- 2) to be endowed with adequate professionalism and competence in the use of computer systems and related security systems, or to have employees or auxiliary staff with such professionalism and competence;

3) that the contact person for any communication is Mr./Mrs....., whose contact information is: phone number, e-mail address,,,,,,,,,.....;

4) that the person(s) tasked with accessing the PCE information system on behalf of the Applicant is/are:

Mr./Mrs..... taxpayer's code/passport number (*)....., date of birth....., nationality (**), phone number, mobile phone number....., e-mail address

5) (if any) that the identification code assigned by Terna is:

6) that the Applicant is a party referred to in Article 16 of the PCE Rules.

In accordance with Regulation (EU) 2016/679, as subsequently amended and supplemented (GDPR), the personal data contained in this application shall be processed by electronic means in order to fulfil obligations arising from the same and from the PCE Rules. The electronic means used shall safeguard the privacy and security of such personal data, in accordance with the data privacy statement issued under articles 13 and 14 of the GDPR and posted on GME's website <https://gme.mercatoelettrico.org/it-it/Home/Privacy/InformativaUE> (Privacy Policy (mercatoelettrico.org)). The applicant has read and understood the above-mentioned privacy statement and gives its consent to the processing of and transfer of its personal data to third parties under the procedures and for the purposes indicated in the same privacy statement in compliance with the applicable legislation.

(*) The passport number may be specified as alternative to the taxpayer's code only for foreign nationals not residing in Italy and not having a taxpayer's code.

(**) Mandatory field only for the parties for whom the passport number has been specified.

Place, date

.....

Signature

.....



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Annex 2
Forward Account Registration Platform (PCE)
Participation Agreement

**Forward Account Registration Platform Participation Agreement under
article 18, para. 18.1 b), of the Rules Governing
the Forward Account Registration Platform**

BETWEEN

GME, Gestore dei Mercati Energetici S.p.A., having its registered office in Rome, Viale
Maresciallo Pilsudski no.122-124, taxpayer's and VAT number 06208031002 (hereinafter
referred to as "GME"),

AND

...../the company/other.....

(name and surname)

(company name or registered name)

residing in...../having its registered office in.....

(address)

taxpayer's code....., VAT number....., represented by.....

in his/her capacity of.....(hereinafter referred to as "the
Applicant/Participant);

GME and the Applicant/Participant, hereinafter referred to as the "Party" individually and
the "Parties" jointly,

WHEREAS

A. GME is the company that was set up in compliance with article 5, para. 1 of Legislative
Decree no. 79 of 16 March 1999 (hereinafter referred to as "Legislative Decree 79/99")
and vested with the economic management of the Electricity Market. Under Annex A to
Resolution 111/06, updated by Resolution 345/2023/EEL of "Autorità di regolazione per
Energia, Reti e Ambiente" (Regulatory Authority for Energy, Networks and Environment,
hereinafter ARERA), as subsequently amended and supplemented, GME - on its own
behalf and on behalf of "Terna-Rete Elettrica Nazionale SpA" (hereinafter referred to as
"Terna") - operates the service of registration of forward purchases and sales and of
injection and withdrawal schedules;

B. Terna is the company arising from the merger of ownership and
management/operation of the national transmission grid under article 1 of the Decree
of the President of the Council of Ministers of 11 May 2004, published in the "Gazzetta
Ufficiale, Serie Generale", no. 115 of 18 May 2004. Terna operates the electricity
transmission and dispatching service, including the unified management of the national

transmission grid and is responsible for registering forward purchases and sales and injection and withdrawal schedules under of Annex A to Resolution 111/06, updated by Resolution 345/2023/EEL of ARERA, as subsequently amended and supplemented;

- C. under Annex A to Resolution 111/06, updated by Resolution 345/2023/EEL of ARERA, as subsequently amended and supplemented, GME issued the Rules Governing the Forward Account Registration Platform (hereinafter referred to as the “PCE Rules”), approved by ARERA;
- D. under article 18, para. 18.1 b) of the PCE Rules, a party wishing to participate in the PCE shall submit a signed copy of the PCE Participation Agreement (hereinafter referred to as the “Agreement”) to GME;
- E. the Technical Rules referred to in article 4 of the PCE Rules are posted on GME’s website and enter into force upon the date of their publication;
- F. for the purposes and effects of Annex A to Resolution 111/06, updated by Resolution 345/2023/EEL of ARERA, as subsequently amended and supplemented, GME is the counterparty of Participants on the PCE with regard to the payables and receivables referred to in article 49, para. 49.1 b) and d) of the PCE Rules;
- G. for the purposes and effects of Annex A to Resolution 111/06, updated by Resolution 345/2023/EEL of ARERA, as subsequently amended and supplemented, and of Article 47 of the PCE Rules, the provisions on invoicing and settlement of the payables and receivables referred to in Article 49, para. 49.1 a) and c) are set out in the Integrated Text of the Electricity Market Rules approved by a Ministerial Decree of 19 December 2003, as subsequently amended and supplemented;
- H. the Applicant/Participant is one of the parties referred to in Article 16 of the PCE Rules;

NOW, THEREFORE,

the Parties have agreed as follows:

Article 1
Scope of the Agreement and Validity of the Whereas

- 1.1 This Agreement defines:
- a) the rights and obligations of the Applicant/Participant towards GME;
 - b) the terms and conditions on which GME undertakes to provide the service related to the registrations on the PCE (hereinafter referred to as the “Service”).
- 1.2 The Whereas shall be an integral part hereof.

Article 2
Applicant/Participant’s Obligations

- 2.1 The Applicant/Participant hereby declares that it has read, understood and unconditionally accepts to comply with the PCE Rules, as they arise from the applicable legislation. The Applicant/Participant also declares that it is familiar with the PCE information system (hereinafter referred to as “the System”) in its current configuration or anyway that it undertakes to familiarise therewith.
- 2.2 The Applicant/Participant agrees:
- a) to comply with the PCE Rules and the Technical Rules and to keep informed about any amendments thereto. Where the Applicant/Participant does not intend to accept any amendments to the PCE Rules and to the Technical Rules, the Applicant/Participant may withdraw therefrom by giving notice thereof according to the modalities and to the address mentioned in article 9, para. 9.6 below. However, such withdrawal shall have effect only after the Applicant/Participant has made one or more registrations on its forward accounts (the registrations shall be of opposite sign and for quantities equal to those appearing on the same accounts upon submission of the request for withdrawal) and anyway only after the Applicant/Participant has fulfilled the obligations arising from the registrations made on the PCE. If, fifteen days after the legal publication of such amendments, the Applicant/Participant has not given notice of its intent to withdraw here from, such amendments shall be deemed to have been tacitly accepted. Except for registrations that give effect to the aforesaid withdrawal, any further registration that the Applicant/Participant may make on the PCE pending the expiration of the above time limit shall be construed as implicit acceptance of the new terms and conditions.

However, such amendments shall not be a valid reason for the Applicant/Participant's non-fulfilment of the obligations undertaken on the PCE;

- b) to acquire technological systems suitable for the performance of the registration activity and compatible with the System, and to update/upgrade them as a result of any changes that GME may make to the System;
- c) to acquire technological systems suitable for issuing invoices for the transactions made on the PCE, compatible with the System and capable of ensuring a correct, timely and secure exchange of data and information transmitted in electronic form, under the modalities and within the time limits established in the PCE Rules and Technical Rules;
- d) to employ personnel with adequate professional qualifications and proficiency in the use of the technological systems covered by para. b) above;
- e) to join the system of settlement of payments and the guarantee systems referred to in Section V of the PCE Rules;
- f) to timely report to GME any malfunction or abnormal operating condition due to technical problems, or any other event causing GME's failure to provide the Service or incorrect provision of the Service. The Applicant/Participant shall, to the extent possible, report such malfunction, abnormal operating condition or event within such time as to enable GME to take prompt corrective action with a view to ensuring the proper operation of the PCE. In particular, the Applicant/Participant undertakes to notify GME, with the maximum speed and according to the procedures mentioned in article 9, para. 9.6 below, of the occurrence of events that may jeopardise the integrity and security of the System (including but not limited to thefts of confidential documentation regarding access to the System, or unauthorised access to the Applicant/Participant's premises where such documentation is kept);
- g) to cooperate with GME or with GME-designated third parties and allow their employees or assistants to access the premises of the Applicant/Participant for performing any jobs on the Applicant/Participant's hardware and software as may be required to ensure the proper operation of the PCE. It is hereby understood that, under article 2049 of the Italian Civil Code, GME shall be liable for damages which may be caused during such jobs;
- h) to respect the rights of ownership of GME on the data transmitted through the System and on trademarks or names registered or used by GME, as well the rights of ownership of GME or third-party suppliers on the software programs used for the provision of the Service;

- i) to maintain confidentiality on the devices mentioned in article 4, para. 4.1 below, and use them - or allow their use by duly authorised persons - only for access to and for the performance of the activity of registration on the PCE. Therefore, the Applicant/Participant shall be liable for any unauthorised access to PCE by third parties and hold GME harmless from any damage or threat to the integrity or security of the System arising from negligence of the Applicant/Participant or of its personnel in the safekeeping of such devices;
- j) to timely ask GME to disable the devices referred to in para. i) above and to assign new or different devices, whenever it deems that unauthorised persons may make an improper use thereof;
- k) to hold GME harmless from any damage, cost or third-party claim arising from any action or conduct of the Applicant/Participant and of its employees, assistants and consultants which may infringe this Agreement, the PCE Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument issued by GME or by appropriate authorities.

Article 3
Service provided by GME

- 3.1 GME shall provide the Service to the Applicant/Participant in compliance with this Agreement, the PCE Rules and the Technical Rules. GME's obligations in the provision of the Service shall constitute obligations of means.
- 3.2 GME shall provide the required cooperation so that the Applicant/Participant may access the System in accordance with the Technical Rules. It is hereby understood that the performance of the activities and the provision of the means of access to the System shall be the exclusive responsibility of the Applicant/Participant and performed and provided at its own expense.
- 3.3 GME reserves the right to change the technical, functional, administrative and operational procedures for the provision of the Service, as a result of amendments to the PCE Rules or Technical Rules.
- 3.4 Without prejudice to the PCE Rules and Technical Rules, if the provision of the Service is interrupted, suspended, delayed or malfunctioning due to technical problems with the System, GME shall take the necessary measures to overcome such

inconveniences. It is hereby understood that, if such events are due to technical problems with the hardware or software used by the Applicant/Participant for accessing the System, the Applicant/Participant shall remove the related causes with the maximum speed. GME and the Applicant/Participant, each within the scope of its responsibilities, agree to cooperate in order to identify the causes of such interruptions, suspensions, delays or malfunctions and to restore the operation of the System as soon as possible.

- 3.5 GME shall be responsible for the correct processing, reporting and transmission of any data which third parties may enter into the System or which may result from the PCE. GME and the Applicant/Participant acknowledge that GME's obligations exclude the checking of the truthfulness, accuracy and completeness of any data provided by third parties and made available to the Applicant/Participant within the scope of the provision of the Service.
- 3.6 GME and the Applicant/Participant acknowledge that GME shall not be liable for faults or malfunctions of telecommunication lines (e.g. telephone lines) and of access to the Internet.
- 3.7 The Applicant/Participant acknowledges that, for the provision of the Service, GME may resort to GME-designated third parties. Nevertheless, the contractual relationship shall be established solely between the Applicant/Participant and GME.
- 3.8 GME shall respect the Applicant/Participant's ownership rights on the data transmitted through the System and on trademarks or names registered or used by the Applicant/Participant and of which GME may become aware.
- 3.9 GME shall hold the Applicant/Participant harmless from any damage, cost or third-party claim arising from any action or conduct of GME or of its employees, assistants or consultants for the operation and provision of the Service which may infringe this Agreement, the PCE Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument applicable hereto.

Article 4
Access to the System

- 4.1 For access to the System, the Applicant/Participant shall use the technical security devices indicated by GME, including but not limited to: user code with password, smart card or other strong authentication tools.
- 4.2 Access to the System shall take place as set forth in the Technical Rules.

Article 5
Fees

- 5.1 For the Service provided in compliance herewith, the Applicant/Participant shall pay the fees established by GME under article 7 of the PCE Rules, according to the procedures defined in article 54 thereof.
- 5.2 In case of total disabling of the System, which prevents the Applicant/Participant from making registrations on the PCE, the fees referred to in para. 5.1 above shall be reduced proportionally to the period of occurrence of such disabling.
- 5.3 The provision of para. 5.2 above shall not apply if the Participant is also an Electricity Market Participant.

Article 6
Limitation of liability, force majeure and fortuitous events

- 6.1 Unless otherwise specified in the PCE Rules, GME shall, in the provision of the Service, be liable for contractual and non-contractual damages, to the extent that such damages are an immediate and direct consequence of its wilful misconduct or gross negligence and, in the latter case, are foreseeable upon the signature hereof. The Parties acknowledge that GME shall not be liable for damages which are an indirect or unforeseeable consequence of GME's conduct, including but not limited to damages arising from the loss of business opportunities, customers or profits.
- 6.2 The Applicant/Participant shall - under penalty of debarment - notify GME of any claim concerning the provision of the Service within fifteen working days, at the latest,

of the date when the Applicant/Participant has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event, providing a detailed account of the circumstances of the event and of the resulting damages. The related supporting documentation shall be notified to GME within twenty working days, at the latest, of the date when the Applicant/Participant has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event.

- 6.3 GME and the Applicant/Participant shall not be liable for defaults due to force majeure, fortuitous events or events beyond their control, including but not limited to wars, riots, earthquakes, floods, fires, strikes, interruptions of electricity supply or of the provision of the dedicated data transmission lines making part of the System, if such interruptions are ascribable solely to third parties.
- 6.4 In cases of force majeure and fortuitous events and generally in all cases where the activity of the Applicant/Participant may jeopardise the integrity or security of the System, GME may suspend the access to the System without giving prior notice of the circumstances giving rise to the suspension.

Article 7 **Duration**

- 7.1 This Agreement shall be deemed to have been executed upon the signature by the Applicant/Participant and upon receipt by GME of the original copy thereof. The Agreement shall have unlimited duration. The effectiveness of the Agreement shall be subject to the successful verification by GME of the completeness and regularity of the documents submitted by the Applicant/Participant Party, and of the fulfilment by the Applicant/Participant of the requirements for admission to the PCE. GME shall notify the Applicant/Participant of the outcome of such verifications under Article 20 of the PCE Rules.
- 7.2 This Agreement shall cease to have effect upon the occurrence of one of the following events:
- a) exclusion of the Applicant/Participant from the PCE;
 - b) total disabling of the System as a result of amendments to the applicable rules;

c) withdrawal of the Applicant/Participant from the Agreement.

7.3 The dissolution of the Agreement under this Article shall not impair any other right, which either Party may have hereunder or in compliance with applicable laws, or any right or obligation of either Party arising prior to the date of dissolution.

Article 8 Termination

8.1 Any loss for whatever reason of the status of Participant, acquired according to the provisions of article 20 of the PCE Rules, shall represent one of the grounds for *de jure* termination of this Agreement under article 1456 of the Italian Civil Code, without prejudice to GME's right to withhold the fixed fee specified in article 7, para. 7.1 b) of the PCE Rules by way of indemnity and to any other right to claim for additional damages, if any.

Article 9 General clauses

9.1 The invalidity of one or more of the clauses hereof shall not prejudice the remaining clauses hereof, which shall continue in full force and effect.

9.2 This Agreement and the rights and obligations of the Parties arising herefrom shall not be assigned to third parties, except as specifically provided herein.

9.3 Without prejudice to the provisions of article 6, para. 6.2 above, the failure or delay of either Party to exercise one of the rights arising herefrom shall not be construed as a waiver thereof.

9.4 Without prejudice to article 2, para. 2.2 a) above, any amendment hereto shall be made in writing.

9.5 For the purposes hereof, the Parties elect domicile at the following addresses:

- Gestore dei Mercati Energetici S.p.A., Viale Maresciallo Pilsudski, 122-124,
00197 Rome, Italy

-
(address)

9.6 Any notice to be given hereunder shall be made in writing and delivered by hand, courier service, or transmitted by registered letter with return receipt, or e-mail message with return receipt, or certified e-mail to the following addresses:

- Gestore dei Mercati Energetici S.p.A., Viale Maresciallo Pilsudski, n. 122 – 124,
00197 Roma, e-mail address info@mercatoelettrico.org;
gme@pec.mercatoelettrico.org.

-
(address)
e-mail address....., certified e-mail address.....

9.7 The notices shall be deemed to have been received upon the date of signature of the delivery receipt, if delivered by hand, or when they reach the address of the recipient, if they are sent by registered letter with return receipt, or upon the date of receipt of the return receipt of the e-mail message, if they are sent by e-mail, or upon the date of the delivery message, if sent by certified e-mail.

Article 10
Governing law

10.1 This Agreement shall be governed by the Italian law.

Article 11
Disputes

11.1 Any dispute between GME and the Applicant/Participant arising under, out of or in connection with this Agreement shall be settled in accordance with Section VI of the PCE Rules, which shall be deemed to be an integral part hereof and fully transcribed herein.

GME

the Applicant/Participant

.....

.....

For the purposes and effects of Articles 1341 and 1342 of the Italian Civil Code, I hereby specifically approve the following clauses of the Agreement: Article 2.2 (a) (PCE Rules, Technical Rules, and Amendments thereto); Article 2.2 (k) (Hold Harmless); Articles 3.5 and 3.6 (Limitation of Liability); Article 6 (Limitation of Liability, Debarment, Suspension of the Service); Article 7.2 (Cessation of the Effects of the Agreement); Article 8 (Termination); Article 9.2 (No Assignment); Article 10 (Governing Law); and Article 11 (Disputes).

The Applicant/Participant

.....

Rome, *(date)*

**Annex 3
to the
PCE
Rules**

***Form relating to PCE Bank
Guarantee with expiration***

**Bank Guarantee Form, as per article 56, para. 56.1 a) of the Rules
Governing the Forward Account Registration Platform**

Gestore dei Mercati Energetici S.p.A.
Viale Maresciallo Pilsudski, 122-124
00197 Roma

(place), (date)

Bank guarantee (ref. no.)

The bank, branch of, having its registered office in
....., taxpayer's code, VAT number, registered at no.
...

.....of the Register of Companies (*Registro delle Imprese*) and at no. of the
Register of Banks (*Albo delle Banche*)....., capital stock Euro
....., represented by its legal representatives
.....(hereinafter the "Bank"),

WHEREAS

-
(name and surname/company name or registered name) (date and place of birth)

.....
(place of residence and, if different, place of domicile/registered office)

taxpayer's code/VAT number
capital stock Euro, of which (*subscribed*), of which
..... (*paid-up*), registered with(hereinafter the
"Participant" or "Applicant") is a Participant of the Forward Account Registration
Platform (hereinafter "PCE") and has been entered into the Register of Participants in
the PCE as per article 23 of the Rules Governing the Forward Account Registration
Platform (hereinafter the "PCE Rules"), as amended; the PCE Rules were
successfully verified by the Director of Markets of "Autorità di regolazione per Energia,
Reti e Ambiente" (Regulatory Authority for Energy, Networks and Environment –

ARERA), under resolution of 7 February 2007;

- in accordance with Article 18, para. 18.1 b) of the PCE Rules, the Participant signed the PCE Participation Agreement, following the pro-forma defined in the PCE Rules, on(date);
- for the purposes and effects of Article 57, para. 57.1 of the PCE Rules, the Participant acquired financial obligations towards “Gestore dei Mercati Energetici S.p.A” (hereinafter GME) for the payment of transmission capacity fees (CCT), amounts due as penalty, default interest and enforcement fees;
- pursuant to article 56, para. 56.1 of the PCE Rules, for the purposes of submitting requests for registering transactions and schedules on the PCE, Participants are required to post a bank guarantee issued by banks meeting the requirements referred to in the same Article 56, para. 56.1;
- the above-mentioned bank guarantee shall be submitted to the bank in charge of GME’s treasury services (as set forth in Article 55 of the PCE Rules), which shall verify the guarantee;
- the Participant has submitted a formal request for the above-mentioned bank guarantee for a maximum amount of Euro, as a guarantee for the settlement of payments for the amounts referred to in Article 57, para. 57.1 of the PCE Rules.

NOW, THEREFORE,

the Bank issues this guarantee in favour of GME under the terms and conditions indicated below and, anyway, in accordance with the PCE Rules.

The Bank declares to be informed about and to accept the provisions set forth in the ME Rules, in the PCE Rules, in the Technical Rules in force from time to time and all the obligations of the Participant arising from the signing of the Participation Agreement mentioned in the introduction.

1. The bank guarantee shall be valid and effective from to
2. The Bank shall irrevocably, unconditionally and formally waiving the benefit of preventative enforcement as specified in Article 1944 of the Italian Civil Code, guarantee the fulfilment of the Applicant's financial obligations towards GME as a consequence of the billing of payables and receivables resulting from the confirmation of registration of transactions and schedules on the PCE in accordance with the PCE Rules, during the period of validity and effect of this bank guarantee.
3. Notwithstanding the provisions of para. 1 above, where the Bank loses one of the qualifications required for issuing bank guarantees or, in case of enforcement of the guarantee issued under Article 56, para. 56.1 of the PCE Rules, where the Bank fails to pay the guaranteed amount, this guarantee shall be valid within the time period established in the PCE Rules and related Technical Rules, in force at the time when the Bank has lost one of the requirements identified above or in force at the time when the Bank, in the event of enforcement of the guarantee, fails to pay the guaranteed amount. It is understood that the Bank shall be liable not only for the Applicant's financial obligations until such date, but also for any other obligation that may subsequently arise from this guarantee.
4. As a result of the provisions of para. 2 above, the Bank shall, irrevocably and without delay, pay any amount, without examining the grounds for the request for payment and regardless of any complaint or objection made by the Applicant in connection therewith, on the basis of a simple written request by GME, up to a maximum total of

Euro, as a guarantee for the settlement of payments for the amounts specified in Article 57, para. 57.1 of the PCE Rules;

5. After receiving the request referred to in para. 4 above, to be sent by registered letter, preceded by fax to or by e-mail with acknowledgment of receipt, or by certified e-mail (PEC) to, the Bank shall pay the amount in Euro indicated in the request for payment within ten days from the date of receipt of the registered letter or certified e-mail (PEC) and with value date on the same day, by means of bank transfer (SEPA Credit Transfer with High/*Priority*) or equivalent procedures. Where the date of payment falls on a holiday, the deadline shall be postponed to the next working day.
6. The Bank hereby explicitly relieves GME of the obligation to act in accordance with the provisions of Article 1957 of the Italian Civil Code, notwithstanding that, by derogation from such Article, the Bank shall remain bound by its obligations, even if GME has not submitted a request to the Applicant or has not persisted in such request.
7. This guarantee may also be partially enforced, but it shall remain valid and effective for the residual amount.
8. By way of derogation from Article 1939 of the Italian Civil Code, this guarantee shall be valid and effective even if the Applicant's principal obligation towards GME is declared invalid.
9. The Bank hereby explicitly and irrevocably waives its rights in accordance with Articles 1945,1947 and 1955 of the Italian Civil Code.
10. The Bank explicitly waives any defence, exception, right to compensation, claim or action towards GME in connection with the obligations arising herefrom, including but not limited to any defence, exception, compensation, claim or action that the Applicant may in any way institute against GME.
11. The Bank hereby accepts that GME's rights of enforcement of this guarantee be

exercised by GME or by a party appropriately designated by GME.

12. All communications or notifications shall be made by registered letter with acknowledgment of receipt or by e-mail with acknowledgment of receipt, or by fax or certified e-mail (PEC) to the following addresses:

.....
(name and surname/company name) (address)

e-mail address fax no..... certified mail (PEC)..... Communications or notifications shall be deemed to be received when they arrive at the recipient's address, if sent by registered letter with acknowledgment of receipt, or on the date of acknowledgement of receipt, if sent by e-mail or on the date of the confirmation message, if sent by fax, or on the date of receipt of successful delivery, if made by certified e-mail (PEC).

13. The Court of Rome shall have jurisdiction over any dispute arising herefrom.

Registered Name of the Bank
Signatures of its Legal Representatives

For the purposes and effects of articles 1341 and 1342 of the Italian Civil Code, the Bank hereby specifically approves the clauses and conditions specified in paras. 2 (*waiver of preventative enforcement*), 3 (*extension of Bank's liability*), 4 (*first-demand payment*), 6 (*derogation from the provisions of Article 1957 of the Italian Civil Code*), 7 (*partial enforcement*), 8 (*derogation from provisions on validity*), 9 (*waiver of rights specified in Articles 1945, 1947 and 1955 of the Italian Civil Code*), 10 (*waiver of claims or actions*) and 13 (*jurisdiction*) of this bank guarantee.

The Bank

N.B.: *the signatures of the legal representatives shall be certified in accordance with the applicable legislation.*

**Annex 4
to the
PCE
Rules**

***Pro-forma of Letter for Updating Bank Guarantees
posted pursuant to the form referred to in Annex 3***

**Pro-forma of Letter for Updating Bank Guarantees, as
per article 57, para. 57.3 of the Rules Governing the
Forward Account Registration Platform (PCE)**

Gestore dei Mercati Energetici S.p.A.
Viale Maresciallo Pilsudski, 122-124
00197 Roma

(place) (date)

Letter updating the bank guarantee of (date), ref. no.

The bank, branch of,
having its registered office in, taxpayer's code
....., VAT number, registered
at no. of the Register of Companies (*Registro delle Imprese*) and at no.
..... of the Register of Banks (*Albo delle banche*)....., with capital
stock of Euro, represented by its legal representatives
.....(hereinafter the "Bank"),

WHEREAS

- At the explicit formal request of
(Participant)
the Bank issued a guarantee (letter of (date), ref. no) in
favour of *Gestore dei Mercati Energetici S.p.A.* (hereinafter "GME"), with effect from
..... to, for a maximum amount of Euro....., as a guarantee
for the settlement of payments for the amounts referred to in Article 57, para. 57.1
of the PCE Rules.

the Participant has explicitly requested a change in the maximum guaranteed amount referred to in para. 4 of the above-mentioned bank guarantee, to take effect from.....(date);

or

the Participant has explicitly requested a change in the period of validity and effect referred to in para. 1 of the same guarantee;

NOW, THEREFORE,

- the Bank grants to.....
(Participant)

the modification of the maximum amount of the bank guarantee of(date), ref. no. ..., to take effect from(date). As a result, the amount of the aforesaid bank guarantee shall be equal to Euroas a guarantee for the settlement of payments for the amounts referred to in Article 57, para. 57.1 of the PCE Rules.

or

the modification of the period of validity and effect referred to in para. 1 of the same bank guarantee. As a result, the bank guarantee shall be valid and effective until (date).

The terms and conditions stated in the bank guarantee letter of (date), ref. no., shall remain valid.

Registered Name of the Bank
Signatures of its Legal Representatives

N.B.: the signatures of the legal representatives shall be certified in accordance with the applicable legislation.