Vademecum to the Forward Account Registration Platform (PCE)

Updated on 05.11.2026.

Gestore dei Mercati Energetici S.p.A.

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Introduction

1. GME's role

The Italian system for the exchange of electricity

The liberalisation process of the electricity sector was started in Italy in 1999 with the entry into force of Legislative Decree no. 79/99, which implemented Directive 96/92/EC **concerning common rules for the internal market in electricity**, subsequently repealed by Directive 2003/54/EC.
By virtue of this Decree (Art. 5), a regulated system for the purchase and sale of wholesale electricity was established in our country, which is the Electricity Market, commonly known as "Power Exchange", on which it is possible to buy and sell quantities of electricity for the next day (*spot* market).
The Electricity Market, active since 31 March 2004, is managed by *Gestore dei Mercati Energetici S.p.A.* (GME), a company established by the Decree, which acts as a central counterparty to trades concluded on the power exchange.

The power exchange, however, is not mandatory; electricity, in fact, can also be traded bilaterally, i.e. on the basis of free contracts between Market Participants. In these contracts, the prices and quantities are freely determined by the contracting parties.
Even in this area, GME plays an important role. GME, in fact, manages the Forward Account Registration Platform (PCE), which is the platform through which Participants that have concluded contracts outside the bidding system register their commercial obligations and declare the related CET bids/offers for injection and withdrawal of electricity, thus undertaking to act under those contracts.
GME manages the PCE under Annex A to ARERA Resolution 111/06, updated under Annex A to ARERA Resolution 345/2023/R/EEL as amended and supplemented. GME, therefore, built and manages the PCE, playing such a role in its own name and on behalf of Terna, based on what is contained in the Rules Governing the Forward Account Registration Platform (PCE Rules) and the Technical Rules (DTF) prepared by GME under criteria of neutrality, transparency, objectivity and competitiveness between Participants.

2. The registration of bilateral contracts

The Bilaterals Platform (PB) and the PCE

The physical execution of bilateral contracts requires the registration of such contracts, as provided by the rules established by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA), the national authority established by Law of 14 November 1995, no. 481 and in charge of the regulation and control of the electricity and gas sectors.
For registration of such contracts, in 2004, the Bilaterals Platform (PB) was introduced, managed by Terna, but whose operation, by virtue of a special agreement, was entrusted to GME.

ARERA Resolution 111/06 (as subsequently amended and supplemented) amended the procedures for registration of bilateral contracts, providing for a new registration system, which is a "system of forward accounts" (*Conti Energia*) designed to improve - through the removal of certain constraints and rigidity of the PB - the flexibility of the platform for registration of bilateral contracts and, thus, the ability of Participants to optimise the management of their electricity portfolios in the medium to long term. This Resolution provided for the introduction of a new platform, called Forward Account Registration

Platform (PCE); the operation and management of the PCE, in its own name and on behalf of Terna, were entrusted to GME.
The PCE replaced the previous PB on 1 April 2007.

3. The Forward Account Registration Platform (PCE)

The registration system of bilateral contracts

The PCE provides Participants with greater flexibility in the management of purchases and sales of electricity concluded through bilateral contracts.

The distinction between the registration activity of commercial transactions and the registration activity of the consequent physical CET bids/offers is one of the main elements of flexibility introduced with the PCE. So, on the PCE, Participants can register forward commercial transactions and, at a later stage, the related CET bids/offers for withdrawal and injection that they undertake to execute.

On the PCE, forward injection, withdrawal, storage and blank accounts are attributed to each Participant, depending on the type of unit (generating/consuming/commercial) that they hold.

On each account, both forward purchase and forward sale transactions can be registered as long as the net position of the account (obtained as the sum of purchases and sales registered) always remains consistent with the type of account, i.e. always a net sale - with reference to forward injection or storage accounts - and a net purchase - with reference to forward withdrawal, storage or blank accounts.

The purchase and sale of electricity between the parties (i.e. for the selling Participant, the obligation to inject into the grid the electricity sold and, for the buying Participant, the right to withdraw from the grid the purchased electricity) take place through the registration of a commercial transaction and are completely independent of the subsequent registration of CET bids/offers. Commercial transactions can be registered up to a maximum time horizon of two months.
After the registration of commercial transactions, the registration of CET bis/offers takes place. At this stage, each Participant declares, with reference to the production/consumption/storage portfolios that it holds, CET bids/offers for injection/withdrawal consistent with the net position acquired on its forward accounts.

The introduction of a margin control mechanism enables to define the step-up/step-down margin of each forward injection/withdrawal account as the sum of the step-up/step-down margins of the units associated with the individual portfolios belonging to the same account and corresponding to the capacity that can be produced/withdrawn by/from each portfolio.
The step-up/step-down margin of an account is the maximum amount of electricity that can be sold/purchased, in each hour, with reference to the same account. This mechanism, therefore, ensures that Participants do not sell more electricity than that they can actually produce.

The management system of the PCE also ensures more control on the financial exposure of Participants towards GME and Terna.
The financial condition of Participants is constantly monitored in order to prevent them from taking on debit positions not adequately guaranteed, putting at risk the successful completion of payments for the payables arising on the PCE towards GME and Terna.

4. Legislative and regulatory references

- **ARERA Resolution 111/06 (**as amended and supplemented)

Conditions for the provision of the public electricity dispatching service on the national territory and for the procurement of the relevant resources on the basis of economic merit, under Articles 3 and 5 of Legislative Decree of 16 March 1999 no. 79.

With effect from 1 April 2007 and valid from the day of flow of 1 May 2007, this Resolution introduced a platform for the registration of forward purchases and sales of electricity and the corresponding injection and withdrawal schedules (the Forward Account Registration Platform - PCE), placing this activity within the framework of the dispatching services that are the responsibility of Terna and that GME performs in its own name and on behalf of Terna.

- **ARERA** Resolution 345/2023/R/eel (TIDE) (as subsequently amended and supplemented)

Approval of Testo integrato del dispacciamento elettrico (TIDE - *Integrated Text of the Electricity Dispatching Rules)*.

With effect from 1 January 2025, this Resolution updated the provisions laid down in ARERA Resolution 111/06 concerning the PCE for the registration of forward electricity purchase and sale transactions and of the corresponding CET bids/offers (schedules) for injection and withdrawal, keeping this activity as part of the dispatching activity falling under the responsibility of Terna and that GME carries out in own name and on behalf of Terna.

- ***Codice di trasmissione, dispacciamento, sviluppo e sicurezza della rete*** (Code for electricity transmission, dispatching, grid development and security (Grid Code), as subsequently amended and supplemented

Prepared by Terna pursuant to Art. 1, paragraph 4, of the Decree of the President of the Council of Ministers of 11 May 2004 and entered into force on 1 November 2005, as subsequently amended and supplemented, this Code regulates the procedures related to the activities of connection, management/operation, planning, development and maintenance of the national transmission grid, as well as to electricity dispatching and metering.

- **Integrated Text of the Electricity Market Rules** (ME Rules)

Approved by the Ministerial Decree of 19 December 2003, as subsequently amended and supplemented, this Text contains the rules of operation of the Electricity Market pursuant to Art. 5 of Legislative Decree of 16 March 1999, no. 79.

- **Rules Governing the Forward Account Registration Platform** (PCE Rules)

Set forth in Art. 17 of ARERA Resolution 111/06 (as subsequently updated by ARERA Resolution 345/2023/R/EEL as subsequently amended and supplemented), positively verified by the Director of Markets of ARERA with a resolution of 7 February 2007, as subsequently amended and supplemented, these Rules regulate the procedures for the registration of forward purchases and sales of electricity and the corresponding CET bids/offers for injection and withdrawal through the PCE.

- **Technical Rules** (DTF)

They define the implementing and procedural provisions of the PCE Rules.

GUIDE TO THE FORWARD ACCOUNT REGISTRATION PLATFORM

1 PARTICIPATION REQUIREMENTS AND ADMISSION PROCEDURE

Participation in the PCE is open to **BRPs** and to parties **delegated by them** to register forward purchases and sales on the portfolios under their responsibility and/or CET bids/offers for injection or withdrawal. They should also possess adequate experience and proficiency in the use of ICT systems and related security systems, or make use of employees or assistants with such experience and competence.

To participate in the PCE, applicants must submit a **participation application** having the format of Annex 1 to the PCE Rules and sign a **participation agreement** in the format of Annex 2 to the PCE Rules. If the applicant is a legal person, the participation application must be signed by its legal representative or other duly authorised person and accompanied by a **self-certification stating his/her powers of representation.** If GME already holds the self-certification or other equivalent documentation, the applicant is exempted from submitting it, but should specify such fact upon submission of the application. Within fifteen days of receipt of the application, after checking whether the submitted documentation is valid and the applicant meets the requirements for participation in the PCE, GME will notify the applicant of the acceptance or rejection of the application. If the submitted documentation is irregular or incomplete, GME will notify the applicant thereof and suspend the 15-day time limit for admission. This time-limit will run again from the time at which GME receives the regular or complete documentation from the applicant.

Upon admission, the applicant acquires the status of **PCE Participant**[1]. This status is by-right attributed to *Acquirente Unico (AU), Gestore dei Servizi Energetici (GSE)* and Terna.

All the parties admitted to the PCE are entered into a **List of PCE Participants** that GME administers in compliance with U Regulation (EU) 679/2016 on personal data privacy. For each Participant included in the list, GME will specify (together with other information): 1) the code of the forward accounts of which the Participant is the holder and on which it can register transactions of purchase and sale of electricity, as well as CET bids/offers for injection and/or withdrawal; 2) the code of the forward

[1] Participant means the natural or legal person that is admitted to the PCE.

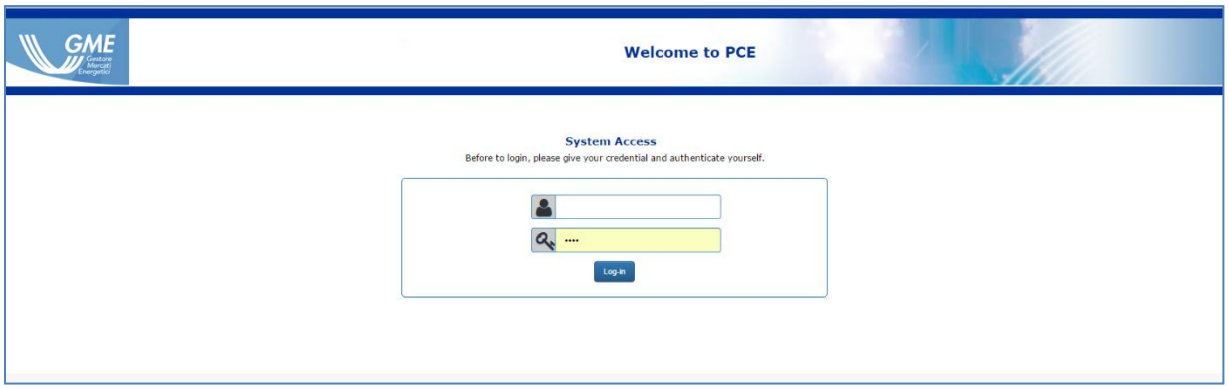
accounts of which the Participant is not the holder but on which it is entitled to register purchase and sale transactions of electricity as a party delegated by the holder of the forward account.

GME's website (www.mercatoelettrico.org) shows a list of PCE Participants, specifying only the first and last name (or company name) of each Participant and the place of residence (or registered office).

2 ACCESS TO THE PCE INFORMATION SYSTEM

Access to the PCE information system takes place through the Internet: users connect to the PCE website (https://pce.ipex.it/ceuserinterfacecert/) and complete the authentication procedure via their personal digital authentication certificate[2], issued by a trust service provider listed in the public register maintained by *Agenzia per l'Italia Digitale* (AgID) and compatible with the PCE platform.

After admission of the Participant to the PCE, GME will communicate the user ID and password to each of the users that the Participant has specified in the application for participation.



3 FEES

Fees consist of an **access fee, a yearly fixed fee** and **a fee per MWh of the registered commercial transactions.**

[2] To allow PCE participants/users to obtain their certificates and adapt their systems, access to the PCE may, on a provisional basis, take place with userIDs and passwords, via https://pce.ipex.it, for an additional 150 days following the publication of the updated Technical Rule no. 01 rev. 03 PCE – Access to the Information System,

The amount of the fees is approved by ARERA, upon proposal by GME. The fees currently applied and successfully verified with a resolution adopted by ARERA are published on the website of GME www.mercatoelettrico.org.

Participants that, upon admission, already qualify as Electricity Market Participants are not held to pay the access fee.

ACCESS FEE →	Where applicable, it is invoiced **within 5 days from the admission** of the Participant to the PCE (under the terms and conditions and within the timings set out in the Technical Rules). The settlement of the payment by the Participant shall occur **within 30 calendar days** from the date of the invoice issued by GME (under the terms and condition and within the time limits set out in the Technical Rules).
YEARLY FIXED FEE →	Where applicable, it is invoiced, for the first 12 months, as a single payment **within the third working day of the month following admission** of the Participant to the PCE and, subsequently, every 12 months (under the terms and conditions and within the time limits set out in the Technical Rules). The settlement of the payment by the Participant shall occur within the last working day of the month of issuing of the invoice by GME (under the terms and conditions and within the time limits set out in the Technical Rules).
FEE PER MWH →	It is applied separately to each transaction that is registered on the PCE (under the terms and conditions and within the timings set out in the Technical Rules).

4 FORWARD ACCOUNTS AND PORTFOLIOS

GME assigns to each PCE Participant a number of forward accounts. On these accounts, the Participant may register both **commercial transactions** of forward electricity sale and purchase and the **related CET bids/offers** for injection and withdrawal executing such transactions.

Forward accounts may be of four types:

1st type: FORWARD SALE ACCOUNT, which is associated with injection portfolios i.e.:

- portfolios associated with injection units, corresponding to generating units (UP);
- injection portfolios, belonging to foreign virtual zones;

2nd type: FORWARD PURCHASE ACCOUNT, which is associated with all withdrawal portfolios, i.e.:

- withdrawal portfolios corresponding to consuming units belonging to geographical zones (UC);

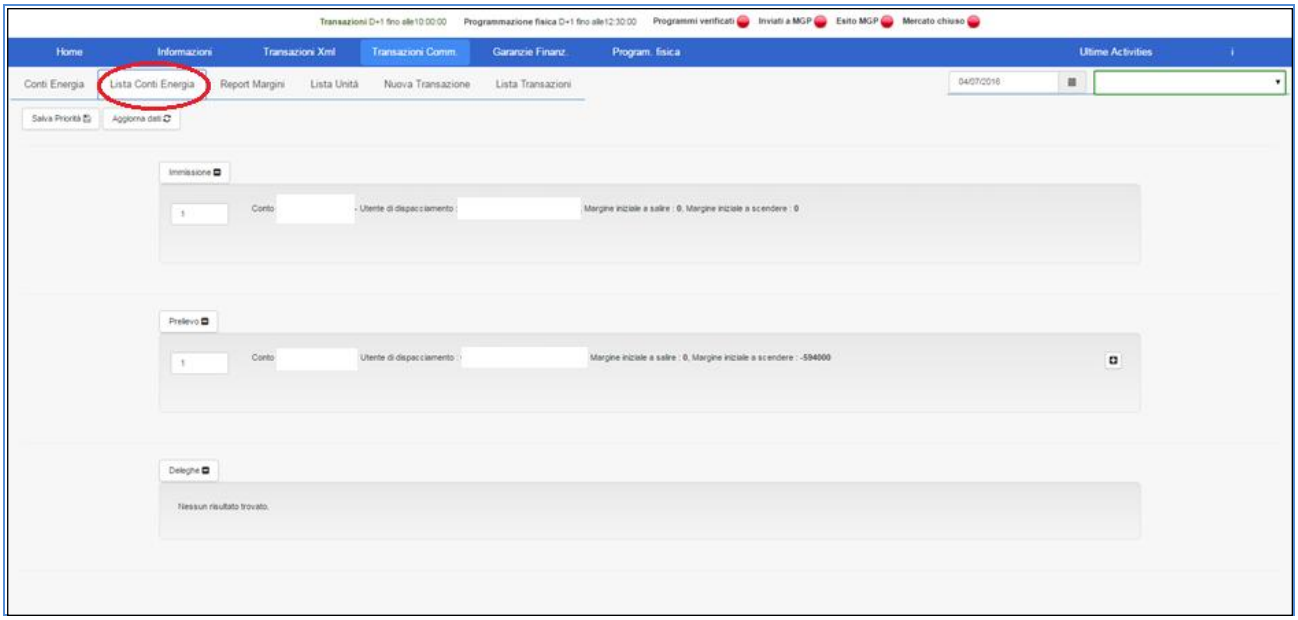
3rd type: FORWARD STORAGE ACCOUNT, which is associated with all storage portfolios, i.e.:

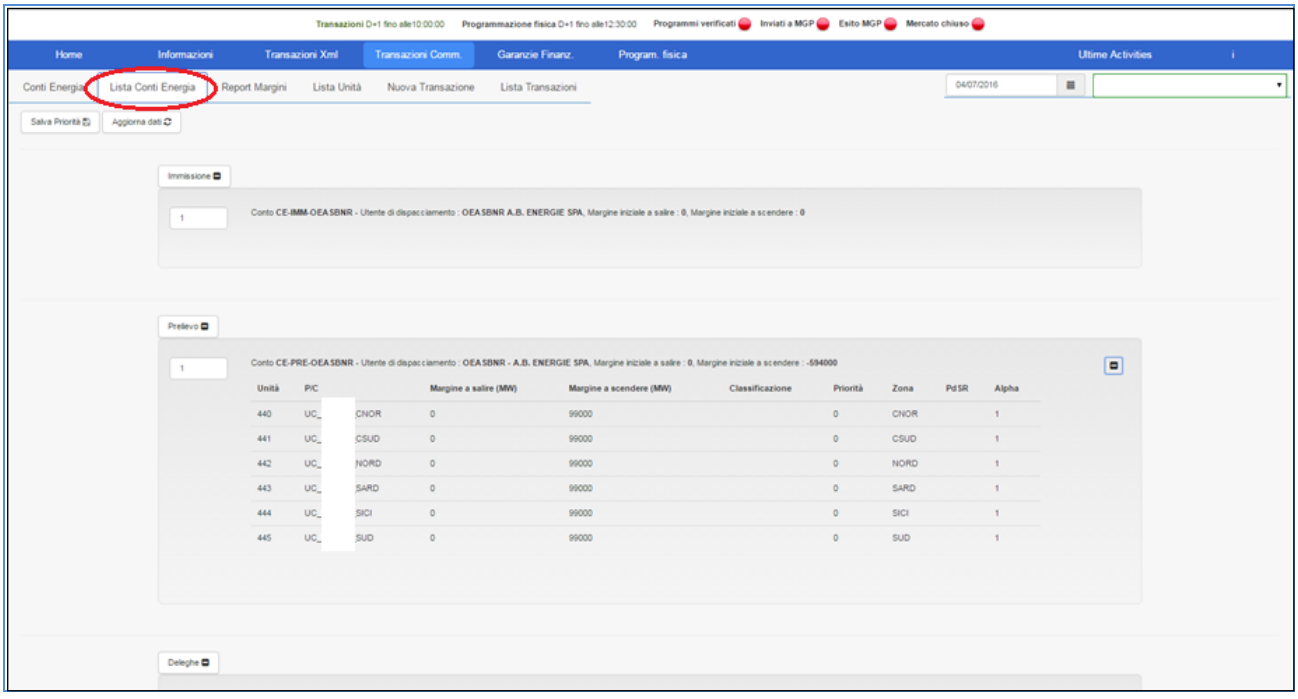
- storage portfolios corresponding to commercial storage units (UCS);

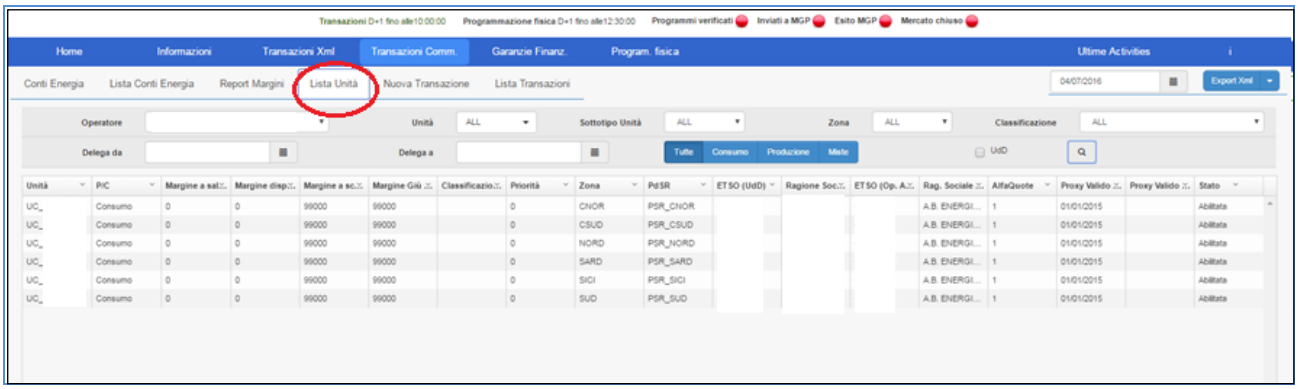
4th type: FORWARD BLANK ACCOUNT as per Art. 29 of the PCE Rules, which is not associated with any portfolio.

It is worth specifying that, based on the rules laid down in TIDE, pumped-storage units, auxiliary services units, and foreign virtual export units, albeit having step-down margins, are classified as UP. Therefore, these units are associated with the injection portfolios underlying the forward sale accounts on the PCE. Nevertheless, for the time being, GME has preferred to conventionally classify the portfolios associated with such units under the forward sale accounts for the capacity associated with the step-up margin only, and under the forward purchase accounts for the capacity associated with the step-down margin. This means that, as of 1 January 2025, a forward sale account will comprise the portfolios associated with pumped-storage units for the step-up margin only, whereas a forward purchase account will comprise the portfolios associated with pumped-storage units for the step-down margin only, and the portfolios related to auxiliary services units, as well as to foreign virtual export units. As a result, participants will be able to register net sales only on forward sale accounts and net purchases only on forward purchase accounts. At a later stage, when the portfolios associated with pumped-storage units, auxiliary services units, and foreign virtual units are classified under the forward sale accounts also for the step-down margin, then also net purchases may be registered on such accounts.

Moreover, storage portfolios will be available to participants from 2027 on, when the first auctions of the time-shifting market are expected to be held and through which commercial storage units (UCS) will be awarded to participants. Hence, as of 1 January 2025, the mechanisms of operation of the storage portfolios reported in this Vademecum will not apply.


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Deleghe
Nessun risultato trovato.


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5 DELEGATIONS

With a view to making the operation of the PCE more flexible, two types of delegations may be granted:

- a PCE Participant holding a forward account grants to another PCE Participant a delegation to register commercial transactions on such account (under Art. 24.2 of the PCE Rules);
- a BRP (not necessarily a PCE Participant) grants to a PCE Participant a delegation to register CET bids/offers in respect of his/her/its own portfolios (under Art. 24.3).

The delegation referred to in Art. 24.2 does not transfer the ownership of the account[3], which is retained by the delegating party. It only assigns to the delegated Participant the right to register purchase and sale transactions on the forward account for which the delegation has been granted. Hence, the transactions registered under such delegation will contribute to determining the net position of the forward account for which the delegation has been granted and the consequent CET bids/offers for injection and withdrawal to be registered by the holder of the account.

To be enabled to operate under delegation, the delegated Participant must submit to GME an appropriate request, by using the form available on GME's website, and attach to such request the delegation signed by the legal representative of the delegating Participant

With the delegation granted as per Art. 24.3, a BRP enables another PCE Participant to register CET bids/offers on its portfolios. In this instance, GME assigns to the delegated Participant a forward account that is associated with the portfolios for which the delegation has been granted. The commercial transactions of purchase and sale registered by the delegated Participant on such forward account will be executed through CET bids/offers for injection and withdrawal that the same Participant will register in respect of the portfolios under delegation.

To be enabled to operate under delegation, the delegated Participant must submit to GME an appropriate request, by using the form available on GME's website, and attach to such request the delegation signed by the legal representative of the delegating BRP. The delegation should specify the share α (from 0 to 1) of the portfolio that the BRP has assigned to the delegated Participant. A BRP

[3] For all the delegations granted under Art. 24.2 of the PCE Rules, the verifications of the technical adequacy with respect to the margins of the account and of the financial adequacy of the guarantees submitted to GME are made on the delegating party, as holder of the same account and trading counterparty towards GME.

may grant multiple delegations, for the same portfolio, to different Participants, provided that the sum of the assigned shares α is lower than or equal to one.

Thus, each Participant may hold the following forward accounts:

a) a forward sale account, which is associated with all the injection portfolios for which the Participant qualifies as a BRP;

b) a forward sale account for each BRP that has delegated the Participant as per Art. 24.3 of the PCE Rules; this account is associated with all the injection portfolios under delegation;

c) a forward purchase account, which is associated with all the withdrawal portfolios for which the Participant is the BRP;

d) a forward purchase account for each BRP that has delegated the Participant as per Art. 24.3 of the PCE Rules; this account is associated with all the portfolios under delegation;

e) a forward storage account, which is associated with all the storage portfolios for which the Participant is the BRP;

f) a forward storge account for each BRP that has delegated the Participant as per Art. 24.3 of the PCE Rules; this account is associated with all the storage portfolios under delegation;

g) a forward blank account, which is not associated with any portfolio, if the PCE Participant is also an ME Participant and has submitted an appropriate request under Art. 29 of the PCE Rules.

The latter account was introduced to give more flexibility to parties that, for instance, may have no withdrawal portfolio and that, otherwise, could not have a forward purchase account.

This distribution of accounts ensures that each forward account is associated with portfolios that uniquely belong to a single BRP.

The following are two examples of the above-mentioned delegations.

CASE 1
DELEGATION UNDER ART. 24.2 OF THE PCE RULES
PARTY A, HOLDER OF THE ACCOUNT, DELEGATES PARTY B

Registration of commercial transactions				**Registration of CET bids/offers**		
Sale account PARTY A	**Purchase/blank account PARTY A**	**Storage account PARTY A**		**Sale account PARTY A**	**Purchase/blank account PARTY A**	**Storage account PARTY A**
Party A and party B can register commercial transactions on the forward account of party A	*idem*	*idem*	→	Only party A can register CET bids/offers in respect of portfolios associated with the forward account of party A	• *idem* for the purchase account • *no CET bids/offers can be registered on the blank account*	*idem*

CASE 2
DELEGATION UNDER ART. 24.3 OF THE PCE RULES
PARTY A, AS A BRP, DELEGATES ONE OF ITS PORTFOLIOS TO PARTY B

Registration of commercial transactions				**Registration of CET bids/offers**		
Sale account PARTY A – BRP A	**Purchase account PARTY A – BRP A**	**Storage account PARTY A – BRP A**		**Sale account PARTY A – BRP A**	**Purchase account PARTY A – BRP A**	**Storage account PARTY A – BRP A**
Party A can register commercial transactions on its own forward account; this account is associated with portfolios consisting of units for which it is the BRP	*idem*	*idem*	→	Party A can register CET bids/offers in respect of portfolios consisting of the units for which it is the BRP and which are associated with its own forward account	*idem*	*idem*
Sale account PARTY B – BRP A	**Purchase account PARTY B – BRP A**	**Storage account PARTY B – BRP A**	→	**Sale account PARTY B – BRP A**	**Purchase account PARTY B – BRP A**	**Storage account PARTY B – BRP A**
Party B can register commercial transactions on its own forward account; this account is associated with portfolios consisting of units for which party A is the BRP	*idem*	*idem*		Party B can register CET bids/offers in respect of portfolios consisting of the units for which party A is the BRP and which are associated with its own forward account	*idem*	*idem*

6 MARGINS

For the purposes of the PCE, Terna defines the **step-up and step-down margins of units**[4] notifying GME of:

- the step-up margins of injection or storage units;
- the step-down margins of withdrawal or storage units.

The step-down margins of injection or storage units are set equal to k, whereas the step-up margins of withdrawal units are set equal to zero.

Moreover, Terna specifies the days of validity of the margins.

By using the margins notified by Terna for the units, GME calculates the step-up and step-down margins of each forward account as the sum of the margins of the portfolios (associated with such account) corresponding to the individual units.

↑↓ MARGINS

Each forward account has one step-up margin and one step-down margin defining its available amount

To define the **margin of a forward account**, a distinction should be made between:

a) a forward account whose holder is the BRP of the units corresponding to the portfolios associated with the account;

b) a forward account whose holder is not the BRP of the units corresponding to the portfolios associated with the account, but it can use such portfolios under a delegation received from the BRP under Art. 24.3 of the PCE Rules.

In case a), the margin of the forward account is equal to the summation (extended to all the portfolios associated with the account) of the product between the margin of each portfolio (corresponding to a single unit) assigned by Terna and the difference between one and the sum of the shares for which the same portfolio may have been delegated to other Participants[5]. Therefore, the margin of the forward

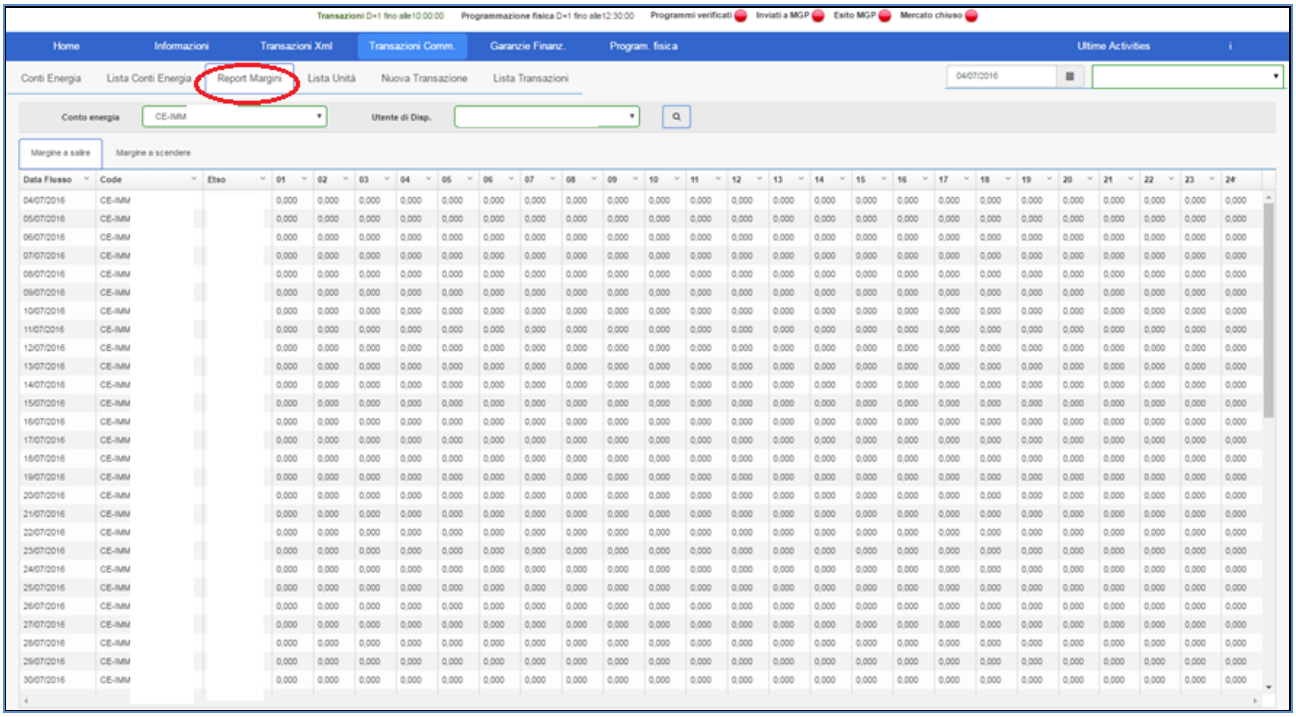
[4] Under the PCE Rules, the step-down margins are conventionally assumed to have a negative sign, whereas the step-up margins are assumed to have a positive sign (see Appendix).

[5] Margin of the portfolio (corresponding to a single unit) defined by Terna x (1 – Σ shares α of delegations issued to other Participants).

account is equal to the summation of the margins notified by Terna, after deducting the shares that have been assigned under delegation.

In case b), the margin of the forward account is equal to the summation (extended to all the portfolios associated with the account) of the product between the margin of the portfolio (corresponding to a single unit) assigned by Terna and the share for which the same portfolio has been delegated to the to the Participant holding the forward account[6].

Under Article 29 of the PCE Rules, the forward blank account assigned to PCE Participants that are also ME Participants, although not being associated with any portfolio, has a step-up margin of zero and an unlimited step-down margin.



[6] Margin of the portfolio (corresponding to a single unit) defined by Terna x share α of the delegation received.

7 OPERATION OF THE PCE

On each forward account, Participants may register commercial transactions of forward electricity sale and purchase. The algebraic sum of the registered transactions[7] will determine the net position of the account, based on which the Participant holding the account will register CET bids/offers for injection and withdrawal in respect of the portfolios associated with the account.

1. Electricity purchase and sale transactions may be registered by:

☞ Participant holding the account (BRP);

☞ Participant delegated by the account holder under Art. 24.2;

2. CET bids/offers for injection and/or withdrawal may be registered by:

☞ Participant holding the account (BRP) with which the portfolio is associated.

- Participant delegated by the account holder under Art. 24.3

7.1 REGISTRATION OF COMMERCIAL TRANSACTIONS OF FORWARD PURCHASE AND SALE

Commercial transactions may be registered at any time; however, commercial transactions in respect of day G can be registered from day G-60 to 10.00 AM of day G-1.

The Participant may request the registration of purchase or sale transactions, regardless of the type of account to which they refer, provided that such transactions meet the adequacy requirements (see below).

For registering a commercial transaction of electricity sale or purchase between two Participants, one of the two (**proposing Participant**) submits a request for registration into the PCE, specifying:

- type of transaction (sale/purchase);
- days of flow in respect of which the transaction is to be registered;
- market time intervals in respect of which the transaction is to be registered;

[7] For the purposes of the PCE, sale transactions are assumed to have a negative sign and purchase transactions to have a positive sign.

- quantity of electricity covered by the transaction, for each day of flow and each market time interval;
- forward accounts that the Participant holds and on which the transaction for each day of flow and each market time interval is to be registered;
- counterparty Participant of the transaction;
- time limit within which the counterparty Participant has to confirm the request for registration;
- matching code of the request for registration (to be shared with the counterparty).

The request for registration may be submitted by using the web-form available on the PCE electronic platform or by uploading an .xml file.

Through the web-form, Participants may register/confirm/reject transactions falling under one of the following standard profiles that the system will propose:

- **Base-Load** (BSLD), consisting of all the ISPs of all the days included in the validity period;
- **Peak-Load** (PKLD), consisting of the ISPs from the ninth (thirty-third) to the twentieth (eightieth), i.e. from 8:00 to 20:00 of the days included in the validity period, excluding Saturdays and Sundays;
- **Off-Peak** (OFPK), consisting of:
    - the ISPs from the first to the eighth (thirty-second), i.e. from 00:00 to 8:00, and from the twenty-first (eighty-first) to the twenty-fourth (ninety-sixth), i.e. from 20:00 to 24:00 of the days included in the period of validity, excluding Saturdays and Sundays;
    - all the ISPs of each Saturday and Sunday included in the period of validity;
- **Week-end** (WEND), consisting of all the ISPs of the Saturdays and Sundays included in the validity period.

At present, transactions having a non-standard profile cannot be registered via web-forms.

The request for registering a transaction first undergoes validation, which consists in checking whether it has been issued correctly and is complete with all the required data.

After validation, the request undergoes adequacy verifications, i.e.

- the net position arising on the forward accounts to which the request refers should be consistent with the account margins (technical adequacy with respect to the margin);

- if the request concerns the registration of a sale in respect of a forward injection or storage account, the request should be adequately guaranteed towards GME (sufficiency or financial adequacy of guarantees towards GME);
- if the request concerns the registration of a sale in respect of a forward injection or storage account, the request should be adequately guaranteed towards Terna (sufficiency of guarantees towards Terna).

If the adequacy verifications are successful, the request for registering the transaction is forwarded to the **counterparty Participant**. At this stage, the latter Participant may confirm, reject or change the same request by filling in the web-form or sending .xml files.

When confirming the request, the counterparty Participant should specify the same quantities of electricity and the same matching code as those indicated by the proposing Participant, as well as the forward accounts that it holds and to which the transaction is to be referred.

The counterparty Participant should submit the confirmation within the time limit specified by the proposing Participant.

Also the request for confirmation by the counterparty Participant undergoes validation and adequacy verifications.

If these verifications are successful, the transaction is deemed to be registered.

The sum of transactions registered on each forward account will give the net position of the account in each ISP.

As a result of the technical adequacy verifications with respect to the account margin (see Appendix), a forward sale or storage account may only have a net position corresponding to a net sale (net position lower than zero) or to zero. Conversely, a forward purchase or storage account may only have a net position corresponding to a net purchase (net position greater than zero) or to zero.

Registration of commercial transactions of forward purchase and sale



The request for registering a transaction is <u>accepted</u> and forwarded to the counterparty if validation and adequacy verifications are <u>successful</u>

The **COUNTERPARTY** Participant may

CONFIRM
the transaction, specifying the forward accounts on which it should be registered

↓

GME makes the same validation and adequacy verifications as those made upon submission of the proposal

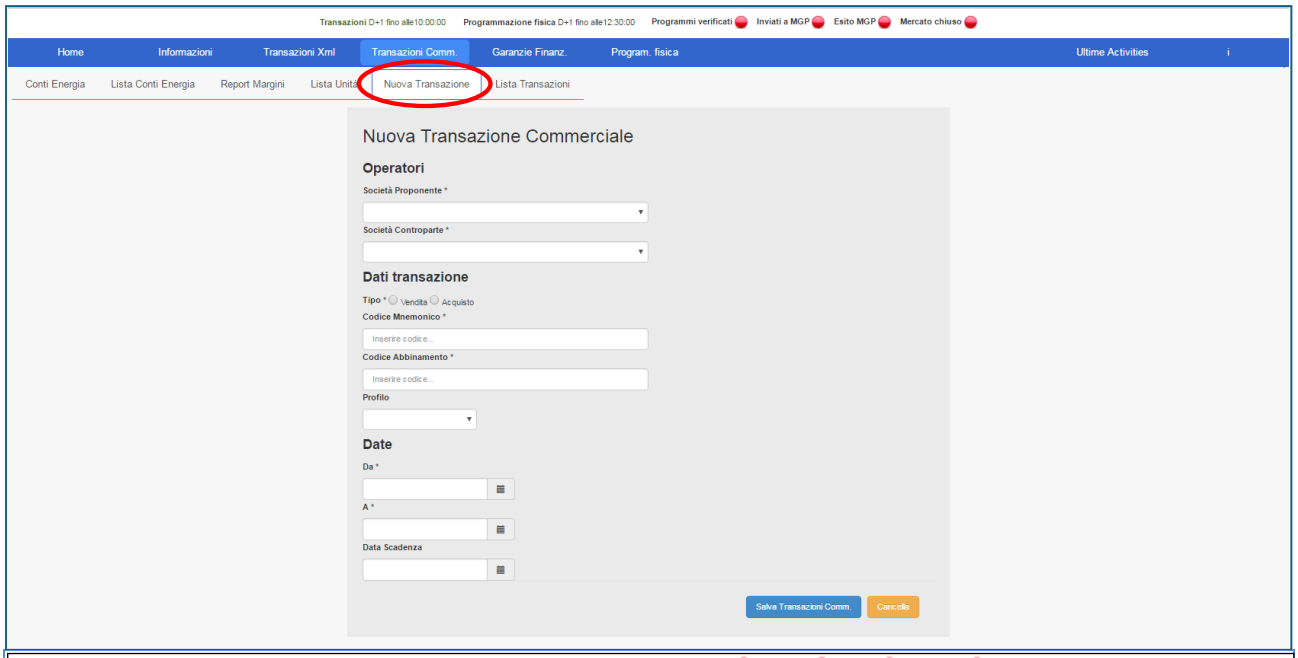
CHANGE
the transaction, sending a new registration proposal to the Participant

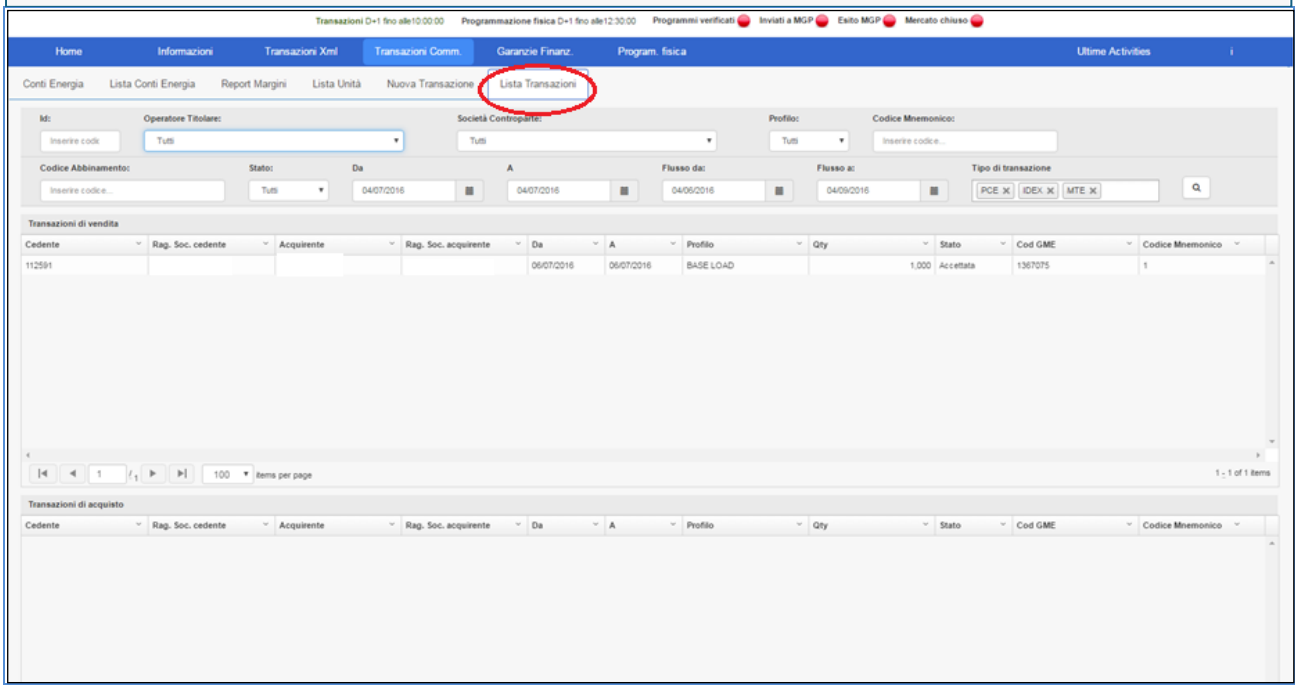
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The original proposal is cancelled and replaced by the the new one, on which GME makes the validation and adequacy verifications

REJECT
the transaction

If the counterparty Participant does not make any choice within the time limit specified by the proposing Participant, the request for registering the transaction is deemed to have expired.


Transazioni D+1 fino alle10:00:00
Programmazione fisica D+1 fino alle12:30:00
Programmi verificati
Inviati a MGP
Esito MGP
Mercato chiuso
Home
Informazioni
Transazioni Xml
Transazioni Comm.
Garanzie Finanz.
Program. fisica
Ultime Activities
Conti Energia
Lista Conti Energia
Report Margini
Lista Unità
Nuova Transazione
Lista Transazioni
Nuova Transazione Commerciale
Operatori
Società Proponente *
Società Controparte *
Dati transazione
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Codice Abbinamento *
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Date
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Data Scadenza
Salva Transazioni Comm.
Cancella


Transazioni D+1 fino alle10:00:00
Programmazione fisica D+1 fino alle12:30:00
Programmi verificati
Inviati a MGP
Esito MGP
Mercato chiuso
Home
Informazioni
Transazioni Xml
Transazioni Comm.
Garanzie Finanz.
Program. fisica
Ultime Activities
Conti Energia
Lista Conti Energia
Report Margini
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Tipo di transazione
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Rag. Soc. cedente
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Rag. Soc. acquirente
Da
A
Profilo
Qty
Stato
Cod GME
Codice Mnemonico
Transazioni di acquisto
items per page

FAQs

May a Participant make a commercial transaction with "himself/herself/itself" on the PCE?

Yes, by making movements on two different accounts that it has available. For instance, a Participant may sell electricity from one of its sale accounts in order to purchase it on one of its purchase accounts.

May sales be made on both the sale account and the purchase account?

Yes. Through the PCE, a Participant may make sales on both the sale account and the purchase account. Obviously, on a purchase account, the sale should not exceed the limits of what has been previously purchased. Likewise, on a sale account, the purchase should not exceed the limits of what has been previously sold.

When are the requests for registering forward purchases and sales on the CETs checked for adequacy?

The PCE Rules stipulate that the adequacy verifications are carried out immediately after submission of a request for registration or confirmation of a transaction.

7.2 REGISTRATION OF CET BIDS/OFFERS: GENERAL CRITERIA

At the end of each session for registering commercial transactions, for each market time interval of the following day, GME determines the net position of each forward account that the Participant holds.

The net position of a forward account is given by the algebraic sum of the transactions registered on and referring to the account.

The unique and single Participant holding[8] the account may "execute" such position by registering CET bids/offers for injection/withdrawal in respect of the portfolios that are associated with the account.

No CET bid/offer may be registered on the forward blank account referred to in Article 29 of the PCE Rules, as it is not associated with any zonal portfolio.

The request for registration of CET bids/offers can be made at any time; however, the deadline for submission of registration requests for CET bids/offers in respect of day G is set at 11:30 AM of day G-1.

The request for registering a CET bid/offer should specify at least the following data:

- identification code of the zonal portfolio to which it refers;
- day of flow;

[8] CET bids/offers may be registered only by the Participant holding the account, as the BRP of the units associated with such account, or by a party delegated under Art. 24.3 of the PCE Rules. No CET bids/offers may be registered by a party delegated under Art. 24.2 of the PCE Rules.

- market time interval;
- quantity of electricity covered by the CET bid/offer;
- unit price.

If the Participant holding the forward account is also an Electricity Market Participant, the price may exclusively have values falling within the technical limits of the offer. If, on the other hand, the Participant is not an Electricity Market Participant, the indicated price must be equal to the minimum technical limit of the offer for injection CET bids/offers and to the maximum technical limit of the offer for withdrawal CET bids/offers , respectively.

For each market time interval and each portfolio, up to a maximum of four CET bids/offers may be submitted.

Upon receipt, the CET bids/offers undergo validation, which consists in checking whether they have been issued correctly and are complete with all the required data.

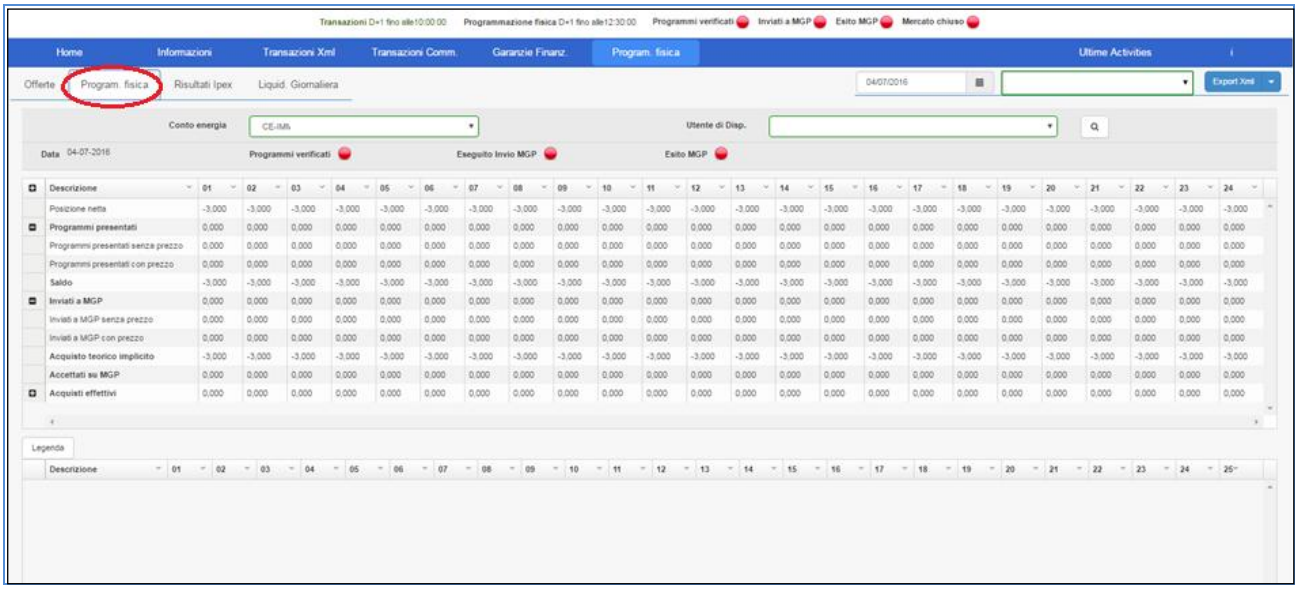
Upon the expiration of the time limit for sending CET bids/offers in respect of a day of flow, all CET bids/offers that have been validated undergo adequacy verifications. CET bids/offers which have been deemed to be adequate are sent to the Day-Ahead Market (MGP). In this market, CET bids/offers will be considered in the following way:

- injection CET bids/offers will be considered as supply offers with the same quantities and prices as those specified in the CET bid/offer;
- withdrawal CET bids/offers will be considered as demand bids with the same quantities and prices as those specified in the CET bid/offer.

CET bids/offers accepted after the MGP will be "registered" for the purposes of the PCE and their acceptance will not give rise to payables/receivables for electricity purchase or sale due/owed by the Participant, but only possible payables/receivables for CCTs.

The algebraic sum of the net position of the account (lower than zero for a net sale, higher than zero for a net purchase) and of the CET bids/offers registered on the account (higher than zero for CET bids/offers for injection, lower than zero for CET bids/offers for withdrawal) will give the physical balance of the account.

If the physical balance is other than zero, it will represent an "imbalance with respect to the schedule". Given the sign convention adopted on the PCE[9], the forward sale or storage account may have a physical balance lower than zero (negative schedule imbalance), corresponding to a purchase from the MGP, or equal to zero. Conversely, the forward purchase or storage account may have a physical balance greater than zero (positive schedule imbalance), corresponding to a sale in the MGP, or equal to zero.



[9] For the purposes of the PCE, CET supply offers are assumed to have a positive sign, while CET demand bids are assumed to have a negative sign.

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REGISTRATION OF CET SUPPLY OFFERS

Participants holding a forward sale or storage account may register CET supply offers only in respect of the portfolios that are associated with such account.

Upon the expiration of the time limit for registering CET supply offers in respect of a day of flow, the CET supply offers to be registered and which have already been validated will undergo adequacy verifications.

For the purposes of these verifications, CET supply offers are ranked by priority order, taking into account:

- price priority, starting with CET supply offers with the lowest price and proceeding by non-decreasing price order;
- dispatching priority, as defined in Art. 13.3.7 of ARERA Resolution on TIDE, if the price is equal;
- priority of time of submission of the request for registration if the dispatching priority is equal.

With reference to each market time interval, CET supply offers are deemed to be adequate if their sum is lower than or equal to the absolute value of the net sale registered on the forward sale or storage account that is associated with the portfolios to which the same CET supply offers refer.

If the above verification is not successful, CET supply offers having a lower priority are deemed to be inadequate and rejected or reduced until reaching the amount of the net sale.

CET supply offers that have been deemed to be adequate are sent to the MGP; for the purposes of this market, CET supply offers will be regarded as supply offers with the same quantities and prices as those quoted therein. CET supply offers are considered to have been accepted for the quantities verified after the MGP.

REGISTRATION OF CET DEMAND BIDS

Participants holding a forward purchase or storage account may register CET demand bids only in respect of the portfolios that are associated with such account.

Upon the expiration of the time limit for registering CET demand bids in respect of a day flow, the CET demand bids to be registered and which have already been validated will undergo adequacy verifications.

For the purposes of these verifications, CET demand bids are ranked by priority order, taking into account:

- price priority, starting with CET demand bids with the highest price and proceeding by non-increasing price order;
- priority of time of submission of the request for registration if the price priority is equal.

The adequacy verifications will be of two types:

- financial adequacy verifications;
- technical adequacy verifications with respect to the net purchase.

Financial adequacy verifications (see Appendix) are carried out when CET demand bids have been submitted in respect of zonal injection portfolios associated with a forward withdrawal account for the step-down margin only.

After the financial adequacy verifications, the technical adequacy verifications with respect to the net purchase are carried out. In each market time interval, CET demand bids are deemed to be technically adequate if their sum is, in absolute value, lower than or equal to the net purchase registered on the forward withdrawal account associated with the portfolios to which the same CET demand bids refer.

If the above verification is not successful, CET demand bids having a lower priority are deemed to be inadequate and thus rejected, or reduced until reaching the amount of the net purchase.

CET demand bids verified to be adequate are sent to the MGP, in which they are treated as demand bids with the quantities and prices quoted therein. CET demand bids are considered registered for the quantities verified after the MGP.

7.3. IMBALANCE WITH RESPECT TO THE SCHEDULE: GENERAL CRITERIA

In each Imbalance Settlement Period (ISP), the net balance of the account will be given by the algebraic sum of the net position of the account and of the CET bids/offers registered in respect of the portfolios associated with the account.

If this balance is equal to zero, the Participant holding the account has "executed" a physical schedule that is consistent with his/her/its commercial position; therefore, no "imbalance with respect to the schedule" will arise.
If, instead, the physical balance is other than zero, an imbalance with respect to the schedule will arise, since the Participant has "scheduled" to inject or withdraw into/from the grid a quantity of electricity that is lower than the electricity sold or purchased on a forward basis. This schedule imbalance represents a purchase or a sale in the MGP.
Let us analyse the different cases of schedule imbalance that may arise on the different forward accounts.

NEGATIVE IMBALANCE WITH RESPECT TO THE SCHEDULE – PURCHASE IN THE MGP

The imbalance with respect to the schedule arising on a forward sale or storage account (negative schedule imbalance) represents a purchase from the MGP. It takes place when the account holder has registered CET supply offers for a quantity of electricity lower than the absolute value of the net sale.
This purchase due to the schedule imbalance is valued at the PUN Index GME and attributed to:

- the Participant holding the account, if it is also an Electricity Market Participant and has sufficient financial guarantees in the Electricity Market (and not on the PCE);
- Terna, if the Participant holding the account is also an Electricity Market Participant but has not sufficient financial guarantees in the Electricity Market (and not on the PCE);
- Terna, if the Participant holding the account is not also an Electricity Market Participant.

In the latter two cases, Terna recoups the cost of the purchase from the BRP of the portfolios that are associated with the account where the negative schedule imbalance has arisen. If the imbalance has arisen on an account whose holder has received a delegation under Art. 24.3, then the BRP from which Terna will recoup the cost of the purchase is a party that is different from the Participant holding the account.

POSITIVE IMBALANCE WITH RESPECT TO THE SCHEDULE – SALE IN THE MGP

An imbalance with respect to the schedule arising on a forward purchase or storage account (positive schedule imbalance) represents a sale in the MGP. It occurs when the account holder has registered CET demand bids for a quantity of electricity that, in absolute value, is lower than the net purchase.

This sale due to the schedule imbalance is valued at the PUN Index GME and attributed to:

- the Participant holding the account if it is at the same time an Electricity Market Participant;
- Terna, if the Participant holding the account is not also an Electricity Market Participant.

In the second case, Terna will attribute the sale to the BRP of the units corresponding to the portfolios that are associated with the account where the positive schedule imbalance has arisen. If the schedule imbalance has arisen on an account whose holder has received a delegation under Art. 24.3 of the PCE Rules, then the BRP to which Terna will attribute the sale will be a party that is different from the Participant holding the account.

The physical balance arising on a forward blank account, as referred to in Article 29 of the PCE Rules, will necessarily be equal to the net position of the account; indeed, as this account is not associated with any portfolio, no CET bids/offers may be registered thereon.

FAQs

When is the registration of CET demand bids/supply offers confirmed?

Participants must await the results of the MGP to be sure that the submitted CET bids/offers have been registered.

What is the time limit for registering CET bids/offers?

CET demand bids/supply offers referring to a day of flow may be sent to the PCE at any time until 11:30 AM of the day preceding the day of flow to which the same CET bids/offers refer.

On the PCE, are the CET bids/offers verified for technical adequacy with respect to the margin of the portfolio?

The CET bids/offers to be registered on the PCE are not checked for technical adequacy with respect to the margins of the portfolios to which they refer. Indeed, the margins of the portfolios are used on the PCE only to determine the margin of the forward account associated with such portfolios.

The technical adequacy of CET bids/offers with respect to the margins of portfolios is verified in the MGP.

For performing these verifications in the MGP, all bids/offers (both those corresponding to CET bids/offers on the PCE and those directly submitted into the MGP) that have been submitted in respect of the same portfolio are ranked by priority order and are deemed to be technically adequate until reaching the margin of the portfolio.

8 FEE FOR ASSIGNMENT OF RIGHTS OF USE OF TRANSMISSION CAPACITY (CCT)

Art. 2-23.4 of ARERA Resolution 304/2024/R/eel (TIDE), provides that Participants registering CET bids/offers on the PCE in respect of injection portfolios associated with forward sale or storage accounts and of injection portfolios associated with a forward withdrawal account for the step-down only shall pay to GME (if negative) or receive from GME (if positive) the **fees for assignment of rights of use of transmission capacity or transmission capacity fees (CCTs).**

The transmission capacity fee is applied to the Participant holding the account and registering the CET bids/offers on the PCE. The fee is equal to the product between:

- CET bids/offers for injection or withdrawal (limited to injection portfolios associated with a forward withdrawal account for the step-down margin only);
- the difference between the price of the zone to which the portfolio belongs and the PUN Index GME.

Therefore, GME will receive/pay the transmission capacity fee that is due from/to the Participant holding the account.

9 BILLING, INVOICING AND SETTLEMENT OF PAYMENTS

Payables and receivables are **billed** on a daily basis and they consist of:

- transmission capacity fee (CCT), calculated in compliance with Art. 2-23.4 of ARERA Resolution 304/2024/R/eel (TIDE) ;
- purchases and sales due to program imbalances;
- fees due to GME for the service provided.

Based on these calculations, GME will determine the values of the amounts being billed.
The purchases and sales made on the MGP due to program imbalances are invoiced and settled in accordance with the same terms and conditions and within the same time limits as those established for the Electricity Market.

The payables and receivables arising on the PCE are only the fees for participation in the PCE itself and the transmission capacity fees (CCT).

The settlement period of payables/receivables relating to the PCE is the week (W+1) following the week (W) going from Monday (T-6) to Sunday (T), in which the power covered by the registration of a CET bid/offer (schedules) has been delivered on the PCE.

For the purposes of **settlement of payments**, on the first working day of the week (W+1), GME will determine the net position for each Participant towards GME with reference to the week W, offsetting the amounts, including VAT (where chargeable), referring to:

- the CCT that the Participant must pay to GME;
- the CCT that GME must pay to the Participant.

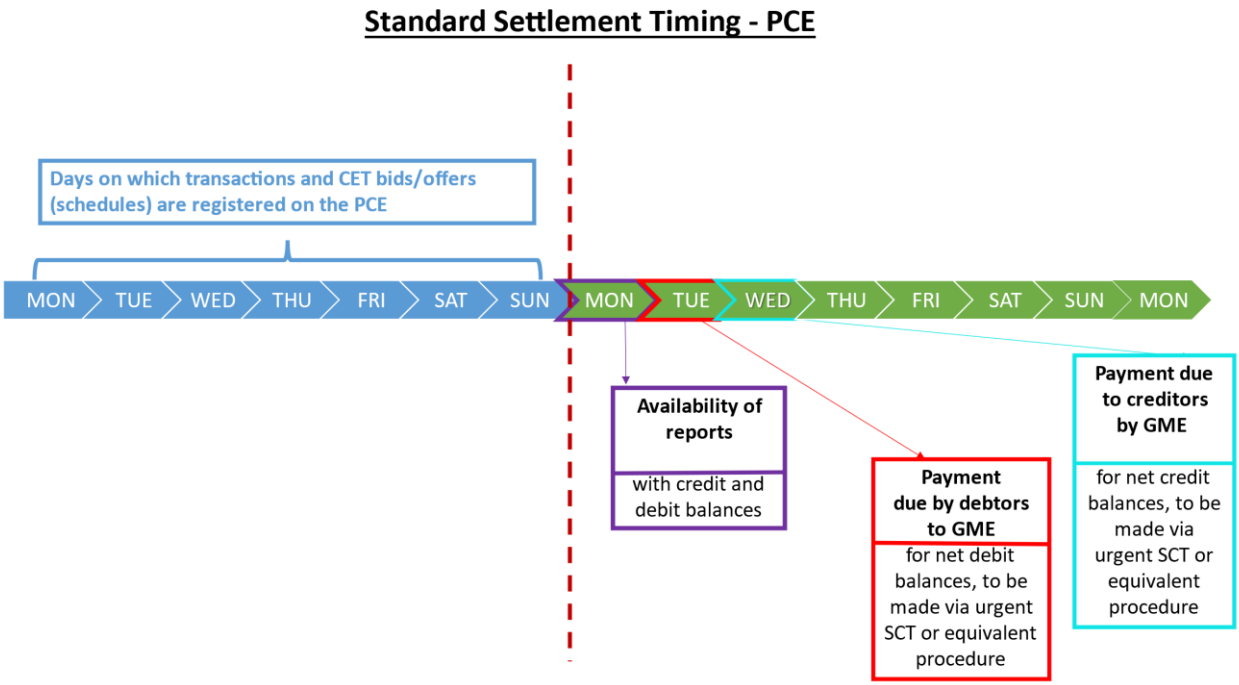
This calculation does not include the amounts of the fees for each MWh underlying the transaction registered on the PCE as well as those related to the program imbalance.

For the purposes of participation in the PCE, Participants must submit to GME an appropriate form for communicating their bank details.

Exclusively for PA Participants, if, after the determinations above, they qualify as net debtors of GME, the latter will satisfy its receivables from them, after the end of the invoicing process set out in the regulations on electronic invoicing to the administrations above, by utilising their non-interest bearing cash deposit posted as a guarantee, until reaching the amount of such receivables.

The settlement in W+1 follows a specific calendar published on GME's website and Participants of net payables are settled through the use of the Urgent/Priority Sepa Credit Transfer procedure. GME will, through Urgent/Priority Sepa Credit Transfer with value day on the same day, make payments in favour of all of its net creditors (i.e. PA and non-PA Participants).

Payments are settled according to the following standard timing:



These time limits can be subject to possible changes due to the presence of public holidays or other circumstances within the settlement week. For this reason, a special calendar of the settlement deadlines of each month is annually published on GME's website.

Given that W is the week in which the electricity subject to the registration of CET bids/offers (schedules) has been delivered on the PCE, the invoicing period of payables/receivables in respect of the CCTs in favour of GME (except for PA Participants) and in favour of Participants, is the calendar month in which those payables/receivables were settled financially.

By the last working day included in the invoicing period, GME:

- on the SetService Platform, provides all non-PA Participants with one or more of pro-forma invoice communications with the sum of the CCTs that the Participant has financially settled in favour of GME during the same calendar month;
- on the SetService Platform, provides all Participants with one or more of pro-forma invoice communications with the sum of the CCTs that GME has financially settled in favour of the Participant during the same calendar month;
- issues to all non-PA Participants one or more deferred invoices with the sum of the CCTs financially settled, for each week, by the Participant in favour of GME during the same calendar month;

- receives from each creditor Participant one or more deferred invoices with the sum of the CCTs financially settled, for each week, by GME in favour of the Participant during the same calendar month.

The invoices issued by GME shall be available on the "SetService" Platform and transmitted to Participants, exclusively under the conditions provided for by the legislation in force from time to time concerning electronic invoicing and the related implementing provisions, through *Sistema di Interscambio* (SDI).

Invoicing relating to all purchase transactions registered on the PCE by PA Participants

GME shall send each PA Participant, through the SDI, one or more invoices with the sum of the CCTs to be paid to GME in relation to the electricity covered by the registration of CET bids/offers delivered on the PCE in the week W; this sending will be performed on the first working day of the week W+1. If the sending of the invoice by the SDI to the PA Participant is not successful, in accordance with the timings identified in the Law of 24 December 2007, no. 244 and related implementation provisions on electronic invoicing, GME will forward, through channels alternative with respect to SDI, the certificate of transfer of the invoice with the delivery inability containing the invoice.

Invoicing of variable fees

The invoicing period of variable fees is the calendar month.

GME:

- by the 4th working day of the month following the last day included in the invoicing period, shall provide, on the SetService Platform, all Participants with one or more notifications showing the fees that they must pay to GME for the MWh subject of the transactions registered on the PCE;
- by the 6th working day of the month following the last day included in the invoicing period, shall issue to each Participant one or more invoices for the fees that the Participant must pay to GME for the MWh covered by the transactions registered on the PCE.

The invoices issued by GME for the fees shall be available on the "SetService" Platform and transmitted to Participants, exclusively under the conditions provided for by the legislation in force from time to time concerning electronic invoicing and the related implementing provisions, through *Sistema di Interscambio* (SDI).

The invoices and notifications will specify at least the following data, where applicable:

- quantities (in MW) of the registered transactions and CET bids/offers;
- price at which the quantities have been valued;
- fees for each MWh of the registered transaction;
- taxes applied;
- total amount.

PCE Participants must pay the variable fees on the PCE via Urgent/Priority Sepa Credit transfer to GME by the 16th working day of the month in which the related invoice has been made available to them. This time limit is valid also for PA Participants, as the same is consistent with the application of the provisions of Law 244/2007 and related implementing provisions.

10 GME'S GUARANTEE SYSTEM

To participate in the PCE, Participants that may acquire debit positions deriving from the application of the CCT (or of the estimated CCT when the PUN Index GME is not known yet and the portfolios have not been assigned yet) are required to post adequate financial guarantees towards GME.

Therefore, guarantees shall be posted by Participants which are:

- holders (BRPs or their delegated agents) of an injection portfolio submitting or confirming a registration on the PCE of transactions that increases, in absolute value, the net sell position of the forward injection account (this registration gives rise to the application of the estimated CCT);
- holders (BRPs or their delegated agents) of a storage portfolio submitting or confirming a registration on the PCE of transactions that increases, in absolute value, the net sell or buy position of the forward storage account (this registration gives rise to the application of the estimated CCT);
- holders (BRPs or their delegated agents) of a zonal injection portfolio associated with a forward withdrawal account for the step-down margin only submitting or confirming a registration on the PCE of a CET demand bid (this registration gives rise to the application of the estimated CCT);
- submitting CET supply offers registered on the related forward injection account (these offers give rise to the application of the CCT);

- submitting CET supply offers and demand bids registered on the related forward storage account (these bids/offers give rise to the application of the CCT);
- submitting CET demand bids pertaining to zonal injection portfolios associated with a forward withdrawal account for the step-down margin only and registered on the related account (these bids give rise to the application of the CCT).

Participants that do not fall under the above categories are not required to post a financial guarantee to participate in the PCE.

For non-PA Participants, the guarantees required for participation in the PCE must be submitted in the form of **first-demand bank guarantees** in the format annexed to the PCE Rules. The guarantee must be issued by banks having a long-term rating not lower than BBB- on Standard & Poor's and Fitch's scale, or Baa3 on the scale of Moody's Investor Service or BBB low of DBRS's scale.

As an alternative or in addition to the bank guarantee, the Participant may post a guarantee towards GME in the form of a non-interest bearing cash deposit.

For PA Participants, however, the guarantees necessary for participation in the PCE must be submitted exclusively in the form of a non-interest bearing cash deposit to be posted into the account held by GME with the bank in charge of the Electricity Market treasury services.

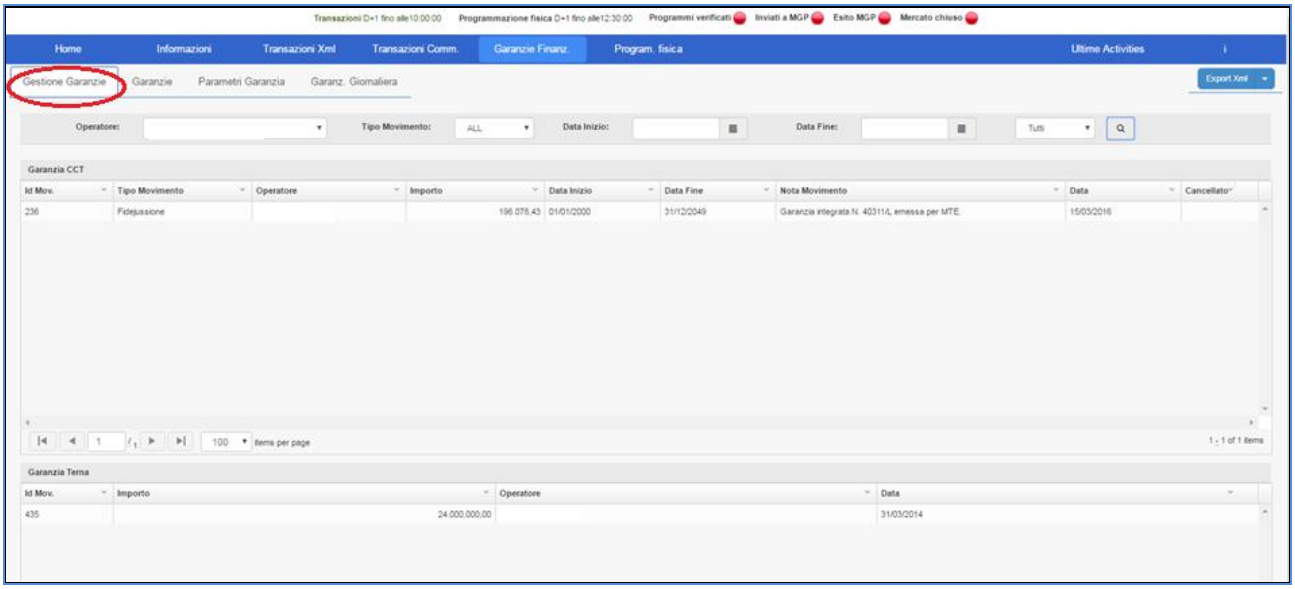
The guarantees posted by Participants are decreased by an amount known as maintenance margin and whose value is defined in the Technical Rules.

To cover financial obligations arising on the PCE, **Participants that are at the same time Electricity Market and/or Gas Market Participants** may use the first-demand bank guarantee, posted in the Electricity Market in the formats annexed to the ME Rules (Annexes 3 and 5), or to the Natural-Gas Market Rules (Annexes C and E), as well as the amount of the non-interest bearing cash deposit possibly posted to the account held by GME with the bank in charge of its treasury services, as referred to in Article 99 of ME Rules and Article 69 of the Natural-Gas Market Rules.

In this case, for the Participant that decides to use the guarantee instruments submitted in the Electricity Market and/or in the Natural-Gas Market, in the form of both a first-demand bank guarantee and a non-interest bearing cash deposit, the Technical Rules of the Electricity Market or of the Natural-Gas

Market specify the procedures for autonomously determining the amount to be allocated to the coverage of payables resulting from transactions carried out on the PCE.

The amount of the guarantees must, in any case, be sufficient to cover the payment of the amounts due and not yet settled, as well as potential future payables. For the manner of determining the amount guaranteed, see the Appendix.



APPENDIX

A SIGN CONVENTIONS

For transactions on the PCE, the following sign conventions are assumed:

- Step-up margins > 0
- Step-down margins < 0
- Sale transaction < 0
- Purchase transaction > 0
- CET supply offer > 0
- CET demand bid < 0
- (sale + purchase transactions) = net position of the account
- for forward sale account: sales + purchases = net position $\leq 0 \rightarrow$ net sale
- for forward purchase account: sales + purchases = net position $\geq 0 \rightarrow$ net purchase
- for forward storage account: sales + purchases = net position $\geq \leq 0 \rightarrow$ net purchase or sale
- Net position + CET bids/offers registered on the account = physical balance of the account (schedule imbalance)
- for forward sale or storage account: net sale + CET supply offer = physical balance $\leq 0 \rightarrow$ purchase from MGP
- for forward purchase or storage account: net purchase + CET demand bid = physical balance $\geq 0 \rightarrow$ sale to MGP

B ACRONYMS AND DEFINITIONS

ARERA: *Autorità di Regolazione per Energia Reti e Ambiente* (Regulatory Authority for Energy, Networks and Environment), established under the Law of 14 November 1995, no. 48.

AU: *Acquirente Unico S.p.A.:* the company referred to in Article 4 of Legislative Decree no. 79/99.

BRP: Balance Responsible Party, i.e. a party that entered into a contract for the dispatching service with Terna.

CE: see CET

CET (or CE): forward account held by each BRP or its delegated agent on the PCE.

CCT: fee for the assignment of rights of use of transmission capacity as provided for in Article 2-24.3 of ARERA Resolution 304/2024/R/eel.

Counterparty Participant: a Participant referred to as the counterparty in a request for registration of a transaction entered by a proposing Participant.

Electricity Market (or ME): the set of the MPE and MTE.

Electricity Market Participant (or ME Participant): a natural or legal person permitted to operate in the Electricity Market.

Estimated CCT: Estimated value of the CCT applied for carrying out financial adequacy verifications when is value cannot be determined.

Flow date: flow day, i.e. a day on which the consumption/injection of electricity covered by demand bids/supply offers submitted into IPEX and CET demand bids/supply offers registered on the PCE takes place.

Foreign import/export units: units belonging to foreign virtual zones, corresponding to import and export units.

Forward blank account: a forward account that is not associated with any zonal portfolio and that is assigned by GME to a PCE Participant also qualifying as an Electricity Market Participant.

Forward purchase account: a forward account associated with physical zonal withdrawal portfolios, and commercial zonal withdrawal portfolios for which the Participant holding the forward account qualifies as a BRP, or for which the holder of the forward account has received a delegation to operate from the related BRP, as per Article 24, para. 24.3 of the PCE Rules.

Forward sale account: a forward account associated with zonal injection portfolios for which the holder of the forward account qualifies as a BRP, or for which the Participant holding the forward account has a received a delegation to operate from the related BRP, pursuant to Article 24, para. 24.3 of the PCE Rules.

Forward storage account: a forward account associated with commercial zonal storage portfolios for which the holder of the forward account qualifies as a BRP, or for which the holder of the forward account has received a delegation to operate from the related BRP, under Article 24, para. 24.3 of the PCE Rules.

GME: *Gestore dei Mercati Energetici S.p.A.*, i.e. the company referred to in Art. 5 of Legislative Decree 79/99.

Grid code: *Codice di trasmissione, dispacciamento, sviluppo e sicurezza della rete* (Code for transmission, dispatching, development and security of the grid) prepared by Terna pursuant to Article 1, para. 4 of the Decree of the President of the Council of Ministers of 11 May 2004 and entered into force on 1 November 2005.

Holder: a party holding one or more forward accounts.

IPEX: *Italian Power Exchange,* i.e. the IT platform through which electricity purchase and sale transactions in the Italian Electricity Market are performed.

ME: see Electricity Market

ME Rules: Integrated Text of the Electricity Market Rules, approved by the Decree of the Ministry of Productive Activities of 19 December 2003, published in Sup*plemento Ordinario, Gazzetta Ufficiale* no. 301 of 30 December 2003, *Serie Generale*, and subsequent amendments and additions.

MI: Intra-Day Market, i.e. the venue for trading demand bids and supply offers for adjusting the commercial positions of injection and withdrawal defined in the MGP.

MGP: Day-Ahead market, the venue for trading electricity demand bids and supply offers in respect of market time intervals of the next day.

MPE: Spot Electricity Market, the set of the MI, MGP, MPEG and MSD.

MPEG: Daily Products Market, the venue for trading demand bids and supply offers for daily products.

MSD: Balancing and Redispatching Market (or Integrated Scheduling Process), the venue where Terna procures resources for its balancing and redispatching service.

MTE: Forward Electricity Market, the venue for trading forward electricity contracts with delivery and withdrawal obligation.

Non-PA Participant: a Participant that does not fall under the definition of PA Participant.

PA Participant: the administration referred to in Article 1, para. 209 of the Law of 24 December 2007, no. 244.

Participant: a natural or legal person, including a PA Participant, permitted to operate on the PCE.

PB: Bilaterals Platform, introduced as of 31 March 2004, simultaneously with the start of the Electricity Market, for the registration of contracts concluded off the bidding system (bilateral or OTC contracts). The PB was replaced by the PCE on 1 May 2007.

PCE: Forward Account Registration Platform under ARERA Resolution 111/06, updated by Annex A to ARERA Resolution 345/2023/R/EEL, as subsequently amended and supplemented, through which Participants register commercial transactions of purchase and sale of electricity corresponding to

contracts concluded off the bidding system (bilateral or OTC contracts), as well as CET demand bids and supply offers executing the net balance resulting from the registration of such transactions.

PCE Rules: Rules Governing the Forward Account Registration Platform under Article 17 of ARERA Resolution 111/06 (as subsequently updated by ARERA with Resolution 345/2023/R/EEL as subsequently amended and supplemented), positively verified by the Director of Markets of ARERA with Resolution of 7 February 2007, as subsequently amended and supplemented. These rules govern the procedures for the registration of forward purchases and sales of electricity and the corresponding CET demand bids and supply offers through the PCE.

Proposing Participant: a Participant that submits a request for registration of a transaction.

PUN Index GME: average of zonal prices in the MGP, weighted with total purchases in respect of the physical or commercial withdrawal portfolios referred to in Article 42 of the ME Rules.

Purchase transaction: a forward purchase of electricity registered on the PCE.

Sale transaction: a forward sale of electricity registered on the PCE.

Settlement: the payment settlement process of the PCE.

Terna: *Terna - Rete Elettrica Nazionale S.p.A*, i.e. the company (*società per azioni*) resulting from the process of merger of ownership and management/operation of the national transmission grid under Art. 1 of the Decree of the President of the Council of Ministers of 11 May 2004; Terna carries out activities of electricity transmission and dispatching, including the unified management/operation of the national transmission grid.

Transaction: a forward purchase/sale of electricity registered on the PCE.

UC: consuming unit, a set of electrical installations for the consumption of electricity connected to grids with third-party connection obligation also by means of direct lines or internal user networks, such that electricity withdrawals related to this set can be separately metered.

Unit: a physical, commercial or foreign import/export unit, in respect of which Terna or a BRP communicates the step-up and step-down margins; it corresponds to the portfolios to which the quantities specified in demand bids and supply offers entered into the market and the quantities covered by CET demand bids and supply offers executing the purchase and sale contracts concluded off the bidding system refer.

UP: generating unit, a set of one or more of generating units held by a BRP, grouped under the criteria defined in the Grid Code and such that electricity injections or withdrawals related to this set can be separately metered.

C TECHNICAL ADEQUACY VERIFICATIONS WITH RESPECT TO THE MARGINS OF THE FORWARD ACCOUNT

Requests for registration and confirmation of commercial transactions are checked for technical adequacy; in other words, the net position of the forward account arising from the registration of the request should be consistent with the margins of the account. To this end, for each request for registration and confirmation of a purchase transaction, GME will ensure that:

- (in the case of a transaction pertaining to a forward purchase or storage account) the algebraic sum of the net position of the account, of the purchase transactions already deemed to be adequate but not yet confirmed, and of the purchase transaction to be registered is not higher in absolute value than the step-down margin of the account[10];
- (in the case of a transaction pertaining to a forward sale or storage account) the algebraic sum of the net position of the account, of the purchase transactions already deemed to be adequate but not confirmed, and of the purchase transaction to be registered is lower than or equal to zero.

For each request for registration and confirmation of a sale transaction, GME will ensure that:

- (in the case of a transaction pertaining to a forward sale or storage account) the algebraic sum of the net position of the account, of the sale transactions already deemed to be adequate but not yet confirmed, and of the sale transaction to be registered is not higher in absolute value than the step-up margin of the account;
- (in the case of a transaction pertaining to a forward purchase or storage account) the algebraic sum of the net position of the account, of the sale transactions already deemed to be adequate but not yet confirmed, and of the sale transaction to be registered is higher than or equal to zero.

D ADEQUACY VERIFICATIONS OF FINANCIAL GUARANTEES TOWARDS GME

If a Participant wishes to submit or confirm a transaction that increases, in absolute value, the net sell position of a forward injection account, GME will carry out adequacy verifications in order to check whether the Participant has sufficient financial guarantees to cover his/her/its potential debit exposure towards GME arising from such transaction.

[10] For the forward blank accounts referred to in Article 29 of the PCE Rules, this verification is always successful.

The registration of sale transactions on forward injection accounts will contribute to determining a net sell position on such accounts. The Participant holding the account may execute this position by registering CET offers for injection in respect of the injection portfolios that are associated with the same account.

As the CCT is applied to CET supply offers registered on the related forward injection account, GME will check – upon the moment of registration of the sale transactions - whether the Participant holding the account has sufficient financial guarantees to cover the exposure resulting from the estimated CCT.

The estimated CCT is determined according to an internal quantitative model based both on the analysis of historical data and on its consistency with the recent scenario represented by the monetary CCT recorded in the last rolling month. The value of the estimated CCT is made available to Participants on the PCE platform.

After the determination of the market results, i.e. as soon as the PUN Index GME is known and the portfolios have been assigned, GME updates the exposure based on the actual value of the CCT and, if the CCT is owed by the Participant, it will check whether the same Participant - account holder - owns sufficient financial guarantees.

In order to check the final adequacy of the guarantee posted with respect to the exposure held, GME determines, for each Participant, the available amount of the financial guarantee, which is obtained as the algebraic sum of:

- the sum of guarantees (bank guarantees and/or deposits) posted by the Participant[11] for transactions on the PCE, decreased by the maintenance margin[12];
- the exposure on the PCE, equal to the sum of debit positions arising for each settlement date, each resulting from the sum of the positions related to transactions on the PCE referred to the flow days included in the settlement period.

In detail, please note that, at the proposal stage, the exposure for flow day g is equal to the product between the estimated CCT and the absolute value of the quantities expressed in MW subject of the

[11] The amount of guarantees is deemed to have a positive sign. Bank guarantees cover exposures pertaining to settlement dates shorter than or equal to their expiry dates.
[12] The amount is defined in the Technical Rules.

proposal for which the estimated CCT is potentially due[13]. After the determination of result and after assigning the portfolios, the exposure for flow day g is equal to the product between the actual CCT, determined as the difference between the zonal price and the PUN Index GME (if negative), and the quantities accepted in the MGP for the specific zone expressed in MW.

If the available amount of the financial guarantee is greater than or equal to zero, the registration request is adequate and therefore executed; otherwise, it is rejected.

No financial adequacy verification is made on requests for registering transactions on forward withdrawal accounts. Indeed, the net buy positions resulting from these transactions are supposed to be executed through the registration of CET bids/offers for withdrawal in respect of withdrawal portfolios belonging to geographical zones to which no CCT is applied.

Nevertheless, if a Participant requests the registration of a CET demand bid pertaining to zonal injection portfolios associated with a forward withdrawal account for the step-down margin only, or if a Participant registers a purchase or sale transaction on a forward storage account, the adequacy verification will be identical to the one made for sale transactions in respect of forward injection accounts in order to verify their financial adequacy with respect to the estimated CCT. Additionally, once the PUN Index GME is known and the portfolios have been assigned, an adequacy verification for the CCT will be carried out, identically to the one made for CET supply offers registered on forward injection accounts; this adequacy verification will concern CET supply offers and demand bids registered on the related forward storage account and CET demand bids in respect of zonal injection portfolios associated with a forward withdrawal account for the step-down margin only, registered on the related forward account.

[13]As exposure should have a negative sign, the sign of the result is changed.

TECHNICAL/FINANCIAL ADEQUACY VERIFICATIONS

	Forward sale or storage account	Forward purchase or storage account
Registration of sale	1)|net sale already registered + adequate but not yet confirmed sales + sale to be registered| ≤ step-up margin of the account 2)[|net sale already registered| + |adequate but not yet confirmed sales| +|sale to be registered|] * CCT_{St} ≤ residual guarantee towards GME 3)[|net sale already registered| + |adequate but not yet confirmed sales|+|sale to be registered|] * $PSbil_{St}$ ≤ residual guarantee towards Terna	[net purchase already registered + adequate but not yet confirmed sales + sale to be registered] ≥ 0
Registration of purchase	1)net sale already registered + adequate but not yet confirmed purchases + purchase to be registered ≤ 0	net purchase already registered + adequate but not yet confirmed purchases + purchase to be registered ≤ |step-down margin of the account| 2) |net purchase on forward storage account already registered| + |adequate but not yet confirmed purchases| + |purchases on the forward storage account to be registered| * CCT_{St} ≤ residual guarantee towards GME
Time limit for nominating CET supply offers	Σ CET supply offers ≤ |net sale|	not submittable
Time limit for nominating CET demand bids	not submittable	1)|Σ CET demand bids | ≤ net purchase 2) for injection portfolios associated with a forward purchase account for the step-down margin only: | CET demand bids| * CCT_{St} ≤ residual guarantee towards GME

where:

- $PSbil_{St}$ = estimated imbalance price, used for verifications of adequacy towards to Terna
- CCT_{St} = estimated fee for rights of use of transmission capacity, used for verifications of financial adequacy towards Terna.

This document has been prepared to provide all interested parties with general information about the operation of the PCE, also on the basis of questions that GME receives every day.

For additional information, write to **info@mercatoelettrico.org** or contact us at **+39-06 80121**.

For details about the process that has led to the issuing of the PCE Rules, you may download the following presentations from GME's website www.mercatoelettrico.org, in the Media/Events/Presentations section (Italian version only):

"La piattaforma dei conti energia a termine: modalità di funzionamento"
Presentation of 26 July 2006 by GME's Markets

"La piattaforma dei conti energia a termine: sistema di garanzia e regolazione dei pagamenti"
Presentation of 26 July 2006 by GME's Markets

"Il Regolamento della Piattaforma dei Conti Energia a Termine definito a seguito della consultazione con gli operatori e delle delibere ARERA n. 111/06 e n. 253/06"
Presentation of 10 and 11 January 2007 by GME's Markets

"Dalla Piattaforma dei Bilaterali alla Piattaforma dei Conti Energia: cosa cambia per gli operatori"
Presentation of 20 and 22 March 2007 by GME's Markets.