

**Technical Rule no. 7 PCE
rev. 1**

(under article 4 of the Rules Governing the Electricity Account Registration Platform
– PCE Rules)

Title	Criteria for determining the estimated transmission capacity fee (CCT)
Reference Legislation	Article 35, para. 35.1 b); Article 38, para. 38.1 b); Article 45, para. 45.1; Article 58, para. 58.2; Article 59, para. 59.1; and Article 60 of the PCE Rules.

In force from 1 December 2016

successfully verified by the Director of Markets of AEEG (Autorità per l'Energia Elettrica e il Gas – electricity & gas regulator) under Resolution of 5 April 2007

1. Foreword

Article 59, para. 59.1 of the PCE Rules provides that GME shall determine the economic balance of the forward electricity accounts. For this purpose, i) requests for registering sale transactions in respect of electricity injection accounts that have not yet been confirmed but already verified to be technically adequate, ii) the net sales registered for the days for which the Day-Ahead Market (MGP) has not yet taken place, and iii) the withdrawal schedules in respect of mixed offer points or withdrawal points belonging to neighboring countries' virtual zones shall be valued at the estimated transmission capacity fee (CCT), increased by VAT and by one per cent.

Article 60 stipulates that, for each Participant and each month, GME shall determine the sufficiency of the financial guarantee as the algebraic sum of the amount of the guarantee and the economic balance of the electricity accounts referred to in Article 59.

Article 58, para. 58.2 provides that, in the Technical Rules, GME shall define the criteria for determination, as well as the modalities and time periods for updating the estimated CCT.

Article 35, para. 35.1 and Article 38, para. 38.1 of the PCE Rules provide that, for the technical adequacy verification, the request for registering or the confirmation of recording of a sale in respect of an electricity injection account shall be valued at the estimated CCT, increased by VAT and by one per cent.

Article 45, para. 45.1 of the PCE Rules provides that, for the technical adequacy verification, the requests for registering withdrawal schedules that refer to mixed offer points or withdrawal points belonging to neighboring countries' virtual zones shall be valued at the estimated CCT, increased by VAT and by a penalty of one per cent.

2. Definition of the estimated CCT

The value of the estimated CCT is used for conducting the adequacy verifications and for determining the economic balance of the forward electricity accounts, as well as the sufficiency of the financial guarantee. It is established as an equal amount for all Market Participants and for all applicable periods.

It is calculated considering the estimated CCT, as determined by an internal quantitative model based on the analysis of historical data, and verifying the consistency over the recent scenery represented by the monetary mean of CCT occurred in the last *rolling* month.

The formula for calculating the estimated CCT is as follows:

$$CCT\ stimato_{g,h} = (CCT\ proxy_{g,h} \times \alpha) + [media(CCT_{m,h}) \times (1 - \alpha)]$$

where:

$CCT\ stimato_{g,h}$ = estimated CCT referred to the day g and hour h of the registration;

$CCT\ proxy_{g,h}$ = approximation of the CCT modeled on the day g and hour h of the registration;

$media(CCT_{m,h})$ = monetary mean of CCT in the last rolling month m for reference hour h;

α = weighting factor, equal to 0,85;

g = g-th day of the registration;

h = h-th hour of the registration.

3. Updating of the estimated CCT

The value of the estimated CCT referred to the flow day g is calculated on a daily basis starting from the beginning of the recording time-frame (g-60).

It will then be notified Participant with advance daily basis than the day of application in the calculation of exposure as indicated in the Technical Rule DTF4 PCE, through publication on the platform of the data resulting from the equation referred to in Paragraph 2.

4. Estimated CCT for recordings in respect of mixed offer points and withdrawal points belonging to neighboring countries' virtual zones

Where the need arises and with exception to para. 2 above, GME may define a different value of the estimated CCT for the purpose of verifying the technical adequacy of requests for registering schedules that pertain to mixed offer points or withdrawal points belonging to neighboring countries' virtual zones.