

Energy Efficiency Certificates Market



Guide for Access to and Participation in GME's Energy Efficiency Certificates Market

For additional information or clarifications, feel free to contact us at
certificatibianchi@mercatoelettrico.org

Energy Efficiency Certificates Market

1. How do I trade GME's Energy Efficiency Certificates?

If you wish to buy and/or sell Energy Efficiency Certificates (TEE), you have two options:

- a) trading them on the Energy Efficiency Certificates Market (MTEE), which is organised and managed by GME in the role of central counterparty in the negotiations;
- b) trading them on a bilateral or over-the-counter (OTC) basis, i.e. off the MTEE, and then registering the related transactions onto the Register of Energy Efficiency Certificates (TEE Register).

If you choose to trade the TEE on GME's market, you must file a prior application for enrolment into the TEE Register, which is organised and administered by GME. Indeed, your transactions on the MTEE must be entered into the Register.

If you opt for OTC trading (i.e. off the market organised and managed by GME), you must enrol into the TEE Register only.

2. How do I enrol into the TEE Register?

Any interested party may enrol into the TEE Register. To do so, you must fill in the appropriate [mask](#) after connecting to GME's website and selecting the "Energy Efficiency Certificates Register" link (in the "Access to GME's Markets" section). For the enrolment procedure, refer to the "[TEEs Register User Guide](#)". At the end of the procedure, you may view and print your application for participation in the TEE Register.

The rules governing the operation of the TEE Register are laid down in the documents: "Rules for Registering Bilateral Transactions of Energy Efficiency Certificates" and in the "Register of Energy Efficiency Certificates User Guide".

You must complete your application with place, date and signature by legal representative and submit it and send it - by ordinary mail or courier or CEM - to GME.

Energy Efficiency Certificates Market

Remember:

- if you are a legal person, your application must be accompanied by [a self-certification stating your powers of representation](#) in accordance with Decree of the President of the Republic 445/00 and by the copy of a valid identity document of the legal representative of the organisation;
- if you are a natural/legal person not holding a VAT number your application must be accompanied by a “Release of liability statement” (form downloadable from GME’s website, in the “The Markets/Environmental Markets/Energy Efficiency Certificates/Register/How to Participate/Forms” section).

After receiving your application and all documents for participation in the TEE register, GME will check whether the data that you have supplied are correct and open an ownership account in your name on the Registry platform. Then, GME will send a letter to the “Contact Person” specified in your application, confirming your enrolment into the TEE Register and notifying your “Participant’s Code” and “Ownership Account Code”.

After completing the enrolment procedure, you will be entered into the list of TEE Register Participants, which is posted on GME’s website (“Environmental Markets/Energy Efficiency Certificates/Register/List of Register Participants” section).

The ownership account is a kind of “electronic portfolio”, where the number of TEE owned by each Participant is recorded.

You may access the TEE Register at any time and in real time in order to:

- check the status of your TEE portfolio;

Energy Efficiency Certificates Market

- check the number of TEE (of each type) issued to you on your ownership account¹;
- check the total number of TEE recorded and available on your ownership account;
- display the historical data of all the movements (issues, purchases, sales, cancellations, etc.) that have occurred in your ownership account;
- *(if you are an obliged party)* display the TEE which have been cancelled by AEEGSI under the Ministerial Decrees of 20 July 2004, as subsequently amended and supplemented and by GSE under the Ministerial Decree of 28 December 2012 and Ministerial Decree of 11 January 2017.

TEE Register allows you also to record directly the trading conducted bilaterally (see [“Register of Energy Efficiency Certificates User Guide”](#) in [“GME’ Markets/Energy Efficiency Certificates/Register/How to Participate”](#) section).

According to the Ministerial Decree of 11 January 2017, the TEE exchanged are equal to the sum of the TEEs held without any distinction by type.

N.B.: Under article 14, para. 14.4 of the “Rules for Registering Bilateral Transactions of Energy Efficiency Certificates”, if you have enrolled into the Register as an individual/legal person not holding a VAT number, you are only allowed to enter requests for registration of OTC transactions of sale for a maximum volume equal to the number of received from GME, entered into your ownership account and still valid.

Access via login and password will ensure the confidentiality and security of the data contained in the Register.

3. Who can access GME’s Energy Efficiency Certificates Market?

If you wish to participate in the MTEE, you must meet the following qualifications:

- a) **competency** - i.e. you have adequate professional qualifications and are proficient in the use of Information Technology (IT) or Information Communication Technology (ICT) systems and related security systems, or you have employees or assistants

¹ Pursuant to the Decree of the Ministry of Economic Development of January 11, 2017, TEEs issued by GME on the indication of the GSE are displayed on the TEE Register according to the four types there provided.

Energy Efficiency Certificates Market

meeting such professional and proficiency qualifications (Art. 14, para. 14.1 of the “Rules of Operation of the Energy Efficiency Certificates Market” - hereafter the “Rules”),

b) **integrity** - i.e. you have never been convicted with a final judgement (or with a judgement inflicting the penalty at the request of the parties) for crimes such as “agiotage”, violations of the privacy of IT or ICT communications, computer fraud, fraud to the damage of the State or other public bodies or income tax and value added tax crimes (Art. 14, para. 14.2 letter a) of the Rules).

You will not be allowed to participate in the market if you have been excluded therefrom in the sixty months preceding the submission of the new Market Participation Application - except in cases of on-demand exclusion, executed by GME under Art. 22 of the Rules - and, anyway, if, upon the date of submission of the new Market Participation Application, GME still has an overdue credit towards you on the market (Art. 14, para. 14.2 letter b) and c) of the Rules).

If you meet the above qualifications, you can priorly enrol into the TEE Register and file a Market Participation Application, together with a Market Participation Agreement and the required documents.

GME reserves the right to check whether Market Participants still qualify under the above market participation requirements. To this end, GME may require Market Participants to submit additional documents or to update the already submitted ones (Art. 20, para. 20.2 of the Rules).

4. How do I complete the Market Participation Application and the Market Participation Agreement?

The [Application](#) and [Market Participation Agreement](#) forms (“Annex 1” and “Annex 2” to the Rules, respectively) are available (in Word format) on GME’s website (“Environmental Markets/Energy Efficiency Certificates/Market/How to Participate/Forms” section).

After filling in the parts of the forms reserved for Market Participants, sign them if you are applying as an individual, or have them signed by the legal representative of your

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Energy Efficiency Certificates Market

organisation or by a duly authorised person if you are applying as an organisation. In addition to completing the fields concerning the Market Participant's data in both forms, do not forget the following points:

- in the Market Participation Application:
 - specify surname, name and address (telephone number and e-mail address) of the contact person for GME's notifications, if any;
 - specify surname, name, date and place of birth, taxpayer's number, address (telephone number and e-mail address) of the person/s that you wish to authorise to access GME's information system on your behalf;
- Place a "flag" in the box next to the consent disclosure/request for the purposes of EU Regulation 679/2016 (Privacy Code).

- as regards the Market Participation Agreement,
 - complete and sign the original of the Agreement;
 - put your initials on each page of the Agreement;
 - specifically approve the clauses (as per articles 1341 and 1342 of the Italian Civil Code) listed on the last page of the Agreement, by putting a second signature after such clauses;
 - complete paras. 9.5 and 9.6 of the Agreement with your addresses.

Then, send or submit your Market Participation Application and Market Participation Agreement, duly completed and signed, together with the required documents (see point 5. below), by ordinary mail or courier or CEM.

5. Which documents should I enclose?

If you have signed the Application and the Agreement as an individual:

- and you are an Italian, EU or non-EU citizen having your place of business in Italy: enclose a [self-certification](#) as per Decree of the President of the Republic 445/00

Energy Efficiency Certificates Market

(form available on GME's website, in the "Environmental Markets/Energy Efficiency Certificates/Market/How to Participate/Forms/Declaration of No Conviction" section), or other equivalent documents, based on which GME will carry out a substantial equivalence evaluation, specifying that you qualify under the integrity requirements, i.e. that:

- in Italy, you have never been convicted (with a final judgement or with a judgment inflicting the penalty at the request of the parties, except in cases of extinction of the offence and notwithstanding the effects of rehabilitation/reinstatement of offenders) to imprisonment for agiotage or violations of the privacy of IT or ICT communications, computer fraud, fraud to the damage of the State or other public bodies, or income tax and value added crimes;
- abroad, you have never been subject to measures which would imply the loss of the above qualifications in the Italian legal system;

or

- if you are a non-EU citizen not having your place of business in Italy: enclose documents equivalent to the above-mentioned self-certification, based on which GME will carry out a substantial equivalence evaluation; the documents must specify that you qualify under the integrity requirements, i.e. that
 - in Italy, you have never been convicted (with a final judgement or with a judgment inflicting the penalty at the request of the parties, except in cases of extinction of the offence and notwithstanding the effects of rehabilitation/reinstatement of offenders) to imprisonment for agiotage or violations of the privacy of IT or ICT communications, computer fraud, fraud to the damage of the State or other public bodies, or income tax and value added crimes;
 - abroad, you have never been subject to measures which would imply the loss of the above qualifications in the Italian legal system.

If you have signed the Application and the Agreement as the legal representative of an organisation, or as a person duly authorised to represent **an organisation**:

- and you are an Italian, EU or non-EU citizen having your place of business in Italy: enclose a self-certification as per Decree of the President of the Republic 445/00 (form available on GME's website, "Environmental Markets/Energy Efficiency Certificates/Market/How to Participate/Forms/Declaration of No Conviction" section),

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Energy Efficiency Certificates Market

or other equivalent documents, based on which GME will carry out a substantial equivalence evaluation, specifying that you qualify under the integrity requirements, i.e. that:

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- abroad, you have never been subject to measures which would imply the loss of the above qualifications in the Italian legal system;

or

- if you are a non-EU citizen not having your place of business in Italy: enclose a document equivalent to the above-mentioned [self-certification](#), based on which GME will carry out a substantial equivalence evaluation; the document must specify that you qualify under the integrity requirements, i.e. that
 - in Italy, you have never been convicted (with a final judgement or with a judgment inflicting the penalty at the request of the parties, except in cases of extinction of the offence and notwithstanding the effects of rehabilitation/reinstatement of offenders) to imprisonment for agiotage or violations of the privacy of IT or ICT communications, computer fraud, fraud to the damage of the State or other public bodies, or income tax and value added crimes;
 - abroad, you have never been subject to measures which would imply the loss of the above qualifications in the Italian legal system;
- if you are an Italian, EU or non-EU citizen having your place of business in Italy: enclose a [self-certification](#) as per Decree of the President of the Republic 445/00, or other equivalent documents based on which GME will carry out a substantial equivalence evaluation, specifying your **powers of representation**;

or

- if you are a non-EU citizen not having your place of business in Italy: enclose documents equivalent to the above-mentioned [self-certification](#), based on which GME will carry out a substantial equivalence evaluation, specifying your **powers of representation**.

Energy Efficiency Certificates Market

If GME already holds the above documents, you are exempted from resubmitting them. However, in your application, specify such fact and the date of your previous submission adding the confirmation that previous documents submitted are still updated (Art. 16, para. 16.2 of the Rules).

6. When do I acquire the status of Market Participant?

Within 15 calendar days of receipt of your application, after checking your documents and qualifications, GME will notify you of the acceptance or rejection of your application (and the reasons for the rejection) by registered letter with return receipt or CEM.

GME will suspend the above-mentioned time limit of 15 days, if it determines that the submitted documents are irregular and/or incomplete. Therefore, the time limit of 15 days will run again as soon as GME receives the regular or complete documents. The number of days that you have available to submit the required regular and/or complete documents will be specified in GME's notification of suspension of the above time limit.

Upon admission, you will acquire the status of Market Participant. As such, you will be entered into the List of the Energy Efficiency Certificates Market Participants, posted on GME's website ("Environmental Markets/Energy Efficiency Certificates/Market/List of Market Participants" section).

7. What should I not forget?

As a Market Participant, you should notify GME, within three working days of its occurrence, of any event which may involve the loss or change of your market participation qualifications or which may result into a change of your data in the List of Market Participants (Art. 21, para. 21.1 of the Rules).

8. Are there any costs for participation in GME's Energy Efficiency Certificates Market?

Participation in the Energy Efficiency Certificates Market only involves the costs of the fees that are owed for trading on the electronic platform. You may buy and sell the certificates in a venue that is more secure and more efficient than on an OTC basis, thanks to the system of protection of sellers and purchasers provided for in the Rules.

Energy Efficiency Certificates Market

All parties wishing to make OTC transactions and/or trade on the MTEE should priorly enrol into the TEE Register and pay a variable fee to GME for each TEE traded on the MTEE or on an OTC basis.

GME will issue quarterly invoices for this fee in compliance with the Technical Rules (Technical Rule no. 04 MTEE, “Invoicing of accounting items and market payment of the energy efficiency certificates”). The fees must be paid by bank transfer to GME’s designated account with:

Banca Popolare di Sondrio
Società Cooperativa per Azioni
Viale Cesare Pavese, 336
00144 Roma
IBAN IT19 B056 9603 2110 0000 7200 X26
SWIFT POSOIT22

On a yearly basis, GME will determine the extent of the fees - with ARERA’s prior approval - applicable from 1 January of the following year. The fees will be published on GME’s website (Art. 6, para. 6.2 of the Rules).

9. How do I access the information system of GME’s Energy Efficiency Certificates Market?

After receiving notification of your admission to the market, you must access the information system of the MTEE through the Internet, by connecting to GME’s website (home page, “The Markets/Access to GME’s Markets” section), and register as a user. You may register and directly access the information system or you may register and authorise other persons (that you may have specified in the Market Participation Application, see point 4 above) to access the information system and trade on the MTEE on your behalf. You may register on line, using the appropriate [user registration form](#), as described in [Technical Rule no. 01 MTEE](#), “Access to the Information System and Entry of Trading Orders”.

Energy Efficiency Certificates Market

At the end of the registration process, you will receive a **PIN code** for access to the market, to be subsequently validated by GME.

10. What is the order book?

The order book is an on-line listing of trading orders that Market Participants have entered into the market information system. The orders are ranked by price and time of entry.

You may display the order book by accessing GME's home page ("The Markets/Access to GME's Markets/Energy Efficiency Certificates Market/Energy Efficiency Market sessions" section).

11. How does trading take place?

Trading in the market takes place on a continuous basis.

Each certificate represents one toe (one tonne of oil-equivalent). The minimum tradable volume is equal to one certificate.

During the trading session, Market Participants enter their trading orders into the order book, specifying the number of certificates to be traded, and their price with reference to one toe (see [Technical Rule no. 01 MTEE](#) "Access to the Information System and Entry of Trading Orders").

During a market session, you may enter an order:

a) with price limit

The price is lower limit at which the seller is willing to sell and the upper limit at which the buyer is willing to buy.

b) at market price.

Trading orders are matched with the best order of opposite sign available on the market.

In case of partial matching of the specified volume, the system will re-propose an order for the unexecuted part at the last matching price.

Energy Efficiency Certificates Market

Trading orders (divided by buy and sell orders) will give rise to lists of certificates admitted to trading. The certificates in such lists will be ranked by price and, in case of identical price, by time of entry. Buy orders will be ranked by decreasing price, whereas sell orders will be ranked by increasing price. The order book will show the best buy and sell orders.

Orders with a zero price limit or a negative price limit will be rejected.

Buy or sell orders without a price limit will be accepted only if sell or buy orders with a price limit are already present in the order book, respectively.

Market Participants may withdraw their orders by cancelling them directly from the order book, if such orders have not been automatically matched.

If orders have been partially matched, the cancellation will only apply to the unexecuted part.

Market Participants may also change the orders that they have entered into the market, if such orders have not been automatically matched in their entirety (Art. 25 of the Rules). Changed orders will lose the time priority that they have acquired.

The orders that have not been matched will be automatically cancelled upon the closing of the trading session.

REMEMBER: The price quoted in trading orders should exclude VAT.

At the end of the market session, the value of the transactions will be recalculated by applying VAT, where chargeable for the relevant invoicing from/to GME.

12. When should I make the deposit for participating in the MTEE sessions?

The deposit to be made for participating in the market sessions must cover the entire value of transactions carried out on the market, including VAT (where chargeable).

Before making the bank transfer for the cash deposit, you must notify GME of its amount by filling in the appropriate form available on the home page of GME's website ("The Markets/Access to GME's Markets/Energy Efficiency Certificates Market/Energy Efficiency Certificates Market Sessions" section and, after entering your access PIN, "Sessione di

Energy Efficiency Certificates Market

mercato dei TEE”/”Gestione Finanze” (Energy Efficiency Certificates Market Session/Finance Management) section.

For managing the deposit, refer to Technical Rule no. 01 MTEE.

To facilitate GME’s verification of your payment, send a copy of the receipt of the bank transfer to GME by e-mail to certificatibianchi@mercatoelettrico.org.

The amount of the deposit must be made available on the current account, in the name of Gestore dei Mercati Energetici S.p.A., No. 000007250X76, at the bank in charge of the treasury service, Banca Popolare di Sondrio, Società Cooperativa per Azioni, Viale Cesare Pavese, 336 – 00144 - Rome, IBAN IT03 S056 9603 2110 0000 7250 X76, SWIFT CODE POSOIT22 within 12:00 pm of the working day preceding the day of opening of the trading session.

If you decide to utilise the possible residual amount of the deposit for the next trading session, you must notify GME thereof in accordance with the modalities indicated in the Technical Rules.

13. Under which criteria are buy and sell orders rejected?

A **buy order** is rejected if its value exceeds the amount of the deposit made by the Market Participant, updated with the values of purchase and sale transactions possibly carried out during the same session, as well as with the values of buy orders not yet matched.

A **sell order** is rejected if the number of certificates quoted therein exceeds the number of certificates available in the Market Participant’s ownership account with GME’s Register, updated with the certificates covered by purchase and sale transactions possibly carried out during the session, as well as with those temporarily committed in sell orders not yet matched.

A buy or sell order entered by a Market Participant is rejected, if it matches a sell or buy order that is already present in the order book and that has been submitted by the same Market Participant.

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Energy Efficiency Certificates Market

14. When do the trading sessions take place?

The trading sessions take place at least once a week in the period from February to May of each year and at least once a month in the remaining months (Art. 24 of the Rules). The days and hours of the market trading sessions are posted on GME's website ("The Markets/Environmental Markets/Energy Efficiency Certificates/Market/How to Operate" section) and in the screen of access to the MTEE.

15. How many Energy Efficiency Certificates am I allowed to buy and sell?

The **number of certificates that you are allowed to buy** during a trading session is equal to the ratio of the initial deposit, as possibly increased during the session (possibly decreased by the values committed in buy orders not yet matched) to the unit price of the TEE specified in the buy orders, including VAT (where chargeable) in case of orders with price limit, or of the best sell order in case of orders at market price.

The **maximum saleable number of TEE of each type** is equal to the number of certificates recorded in the Market Participant's ownership account with the TEE Register held by GME; this number is: i) decreased by the number of certificates that the Market Participant has already sold in the same session or for which the Market Participant has already entered sell orders that have not yet been matched; and ii) increased by the possible certificates already bought during the same trading session.

16. How should I pay for the Energy Efficiency Certificates bought?

By the end of the working day following the end of each session, GME will make payments (on behalf of the buying Participant) to each selling Participant for the value of transactions concluded in the related session, by utilising the deposit made by the buying Participant (refunding the possible difference between the amount of the deposit and the amount paid to sellers).

17. What should I do to request exclusion from the Energy Efficiency Certificates Market?

If you wish to be excluded from the MTEE, you must deliver an appropriate written request to GME, by hand or by registered letter with return receipt or courier or CEM. In the request, you must specify the date from which you wish to be excluded.

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Energy Efficiency Certificates Market

On-demand exclusion from the market will become effective from one of the following dates, whichever is later:

- a. the second working day following receipt of the request for exclusion by GME;
- b. the date specified in the request.

On-demand exclusion from the market will not relieve you of the obligations arising from commitments that you have made in the market (Art. 22.3 of the Rules).

Remember:

During the period of suspension from the market decided by GME, the Participant is not allowed to request exclusion on-demand therefrom (Art. 22.4 of the Rules).