

	Technical Rule no. 10 rev.1 PCE	Page 1 of 3
---	---------------------------------	-------------

Technical Rule no. 10 rev. 1 PCE

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

Title	Allocation of guarantees
--------------	---------------------------------

Reference Legislation	Article 56, para. 56.1 b) and Article 57, para. 57.8 of the PCE Rules
-----------------------	---

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

updated as of 1 November 2009

1. Foreword

Article 56, para. 56.1 b) and Article 57, para. 57.8 of the PCE Rules provide that a PCE Participant that is also an Electricity Market Participant may use part of the financial guarantees already posted under Title V of the Integrated Text of the Electricity Market Rules (hereafter “Electricity Market Rules”) and that such amount may be modified at any time in accordance with the modalities defined in the Technical Rules.

2. Utilisation of the guarantee

A PCE Participant that is also an Electricity Market Participant and has already submitted a bank guarantee may allocate part of such guarantee to cover payables arising on the PCE, provided that it has submitted to GME a bank guarantee in the format of Annex 3 to the Electricity Market Rules; this Annex provides that the amount of the bank guarantee covers the payables arising both in the different energy markets and/or on the PCE, as per Title V of the Electricity Market Rules and article 57, para. 57.1 of the PCE Rules.

A Participant that has posted a guarantee in accordance with the modalities stated in this paragraph must also submit to GME a declaration signed by its legal representative or other duly authorised person. The declaration, having the format posted on GME’s website, must specify the amount of the bank guarantee that the Participant intends to allocate for:

- a) covering the settlement of payables arising in the MGP and MI;
- b) covering the settlement of payables arising in the MTE;
- c) covering the settlement of payments of the amounts referred to in Article 57, para. 57.1 of the PCE Rules.

The declaration may be re-submitted at any time, whenever the PCE Participant intends to modify the allocation of the guaranteed amount for covering the various payables, as per Article 57, para. 57.8 of the PCE Rules.

For the purpose of verifying the technical adequacy of requests for registering transactions and schedules onto the PCE, the declaration will have effect from the later of the following dates:

- a) second working day after the one on which GME receives the declaration;
- b) date specified in the declaration as the date of effect of the allocation.

If the declaration involves a reduction in the amount allocated for covering payables arising on the PCE or in the Electricity Market, GME will accept the request after ensuring that the requesting Participant's payables on the PCE and in the Electricity Market are adequately guaranteed.

If the Participant does not submit any declaration concerning the sharing of the bank guarantee between the Electricity Market and the PCE, the amount of the bank guarantee will be entirely allocated for covering payables arising in the MGP and MI.