Technical Rule no. 03 P-RECO

(under article 4 of the Rules governing the regulated market and the platform for registering bilaterals of guarantees of origin, successfully verified by the Director of Markets of "Autorità per l'energia elettrica e il gas" on 22 December 2011, as subsequently amended and supplemented)

Title	**Guarantee system for buy orders in the M-RECO, guarantee system for requests of registration with technical adequacy verification on the PB-RECO and emergency conditions in the P-RECO**
Reference Legislation	Article 40, paras. 40.2 and 40.3, Article 42, paras. 42.1, 42.2 and 42.3, Article 43, para. 43.8, Article 46, paras. 46.2 and 46.3 and Article 53, paras. 53.1 and 53.2, Rules governing the regulated market and the platform for registering bilaterals of guarantees of origin
	Published on 15 May 2012

1. Foreword

Article 40, para. 40.2 of the "Rules governing the regulated market and the platform for registering bilaterals of guarantees of origin" (hereafter P-RECO Rules) provides that, in the case referred to in the previous para. 40.1 a), GME shall - under the modalities indicated in the Technical Rules - notify Participants of the occurrence of the emergency condition and of the new opening time of the session of the M-RECO or of the PB-RECO. If, by the new opening time of the session of the M-RECO or of the PB-RECO, the emergency condition persists, GME shall temporarily suspend transactions in the M-RECO or on the PB-RECO.

Article 40, para. 40.3 of the P-RECO Rules provides that, in the cases referred to in previous para. 40.1 b) and c), GME shall suspend transactions in the M-RECO or on the PB-RECO and notify Participants – under the modalities indicated in the Technical Rules – of the occurrence of the emergency condition.

Article 42, para. 42.1 of the P-RECO Rules that a Participant wishing to enter buy orders into the M-RECO shall make an interest-bearing deposit into the designated account of GME and notify GME of the amount thereof in accordance with the modalities and within the time limits established in the Technical Rules.

Article 42, para. 42.2 stipulates that, during the M-RECO session, the Participant may increase the deposit covered by para. 42.1, by making an additional deposit into the designated account of GME, in accordance with the modalities and within the time limits defined in the Technical Rules, and notifying GME of the amount thereof. The payment shall have effect within one hour of the time at which it has been credited to GME's bank account. The payment shall be deemed to have been received on the date and at the time recorded by the information system of the bank in charge of GME's treasury services. GME shall update the deposit by an amount equal to the additional payment made.

Article 42, para. 42.3 stipulates that, if the Participant takes part in the M-RECO through multiple access profiles, he/she/it may - under the procedures and within the time limits

established in the Technical Rules - allocate the amount of the deposit mentioned in para. 42.1, as possibly increased under para. 42.2, among the above profiles. Failing indications about the allocation of the deposit, GME shall proceed in accordance with the modalities set out in the Technical Rules.

Article 43, para. 43.8 provides that, without prejudice to the provisions of article 51 of the P-RECO Rules, GME shall refund the amount of the available deposit under the procedures and within the time limits defined in the Technical Rules.

Article 46, para. 46.2 provides that, for requests of registration of bilateral transactions with technical adequacy verification (art. 32, para. 32.4 b), the buying Participant shall make an interest-bearing deposit into the designated account of GME, in accordance with the modalities and within the time limits defined in the Technical Rules, and notify GME of the amount thereof.

Under para. 46.3, if the buying Participant takes part in the PB-RECO through multiple access profiles, he/she/it may - in accordance with the procedures and within the time limits defined in the Technical Rules - allocate the amount of the deposit referred to in para. 46.2 among the above profiles. Failing indications about the allocation, GME shall proceed as established in the Technical Rules.

Article 53, para. 53.1 provides that, with regard to the requests for registration with technical adequacy verification pursuant to article 32, para. 32.4 b), GME shall – within the time limits indicated in the Technical Rules – make the payment for each concluded registration to the selling Participant, by utilising the buying Participant's available deposit referred to in article 46.

Para. 53.2 stipulates that, at the end of the payments mentioned in para. 53.1, GME shall - under the procedures and within the time limits indicated in the Technical Rules - refund the residual amount (if positive) of the guarantee deposit referred to in article 46 to the buying Participant, unless otherwise specified by the same Participant in accordance with the modalities and within the time limits established in the Technical Rules.

2. Finance management in the M-RECO

To access the finance management page, select the "Sessioni di mercato" (market sessions) link available at www.mercatoelettrico.org, in the "The Markets/Access to GME's markets"/M-RECO/Access to the market" section and enter your "**ID_Profilo**" (profile ID) and the related **password**. After access, by clicking on "**Gestione finanze**" (finance management), you will get the following form:

Figure 1

Figure captions
RECO platform
Deposit management
Logout – Main
Participant
Profile: Producer - Profile ID - Account code
M-RECO role: general - PB-RECO role: general
Finance management
Operational deposit
Deposit management
Requests on the deposit at the end of the market
Refund entire deposit
Keep entire deposit
Refund an amount of
Submit request

Request of notification of new deposit
Submit request

Requests awaiting validation (notification of new amount/refund of surplus deposit)
No current request

In the upper right part of the form (Figure 1), you will see the "**Deposito operativo**" (operational deposit), pertaining to the access profile that you wish to use for making purchases during the market session.

2.1 Notification of the initial deposit for participation in the M-RECO

As per article 42, para. 42.1 of the P-RECO Rules, a Participant wishing to purchase in the M-RECO must make an initial interest-bearing deposit (by bank transfer) into the designated account of GME. The deposit must be available by 12:00 of the working day before the one of the market session (with value date on the same day); by the same time limit, the Participant must also notify the amount of the deposit on the platform.

The deposit must cover the total value of purchases, including VAT (where applicable).

To notify the payment, use the "Gestione Finanze" (finance management) form (Figure 1).

In the "**Richiesta notifica nuovo deposito**"(request of notification of new deposit) field, specify the amount (in euro and cents of euro) of the payment and click on the Invia Richiesta (submit request) button.

If a Participant wishes to operate through multiple access profiles (each associated with each of the different RECO ownership accounts that he/she/it holds) and - under article 42, para. 42.3 of the P-RECO Rules - to allocate the amount of the deposit among the

different profiles, he/she/it must notify - by accessing the system through the respective profiles - the share of the amount of the bank transfer to be used for participating in the market session through each access profile. If the Participant fails to give the above notifications or if the notifications given through the different profiles are incomplete and/or do not match the amount paid by the Participant (e.g. the amount paid is higher/lower than the total of the amounts specified for the individual profiles), GME will - under article 42, para. 42.3 of the P-RECO Rules - share the received amount in equal parts among all the profiles.

The notifications of deposits awaiting validation by GME are listed in the "**Richieste in attesa di validazione**" (requests awaiting validation) section.

After verifying the actual availability of the notified amounts on its account, GME will accept or reject the request.

2.2 Notification of the additional deposit

Under article 42, para. 42.2 of the P-RECO Rules, the Participant may increase his/her/its initial deposit during the market session, by making a payment (by bank transfer) into the designated account of GME, with value date on the same day, notifying GME thereof by sending an e-mail to cofer@mercatoelettrico.org and notifying the amount thereof in the "Gestione Finanze" (finance management) section (para. 2.1) before the closing of the session. If the same Participant is operating in the market through multiple profiles, GME will – under article 42, para. 42.3 of the P-RECO Rules - share the received amount in equal parts among all the profile, unless the Participant has - under article 42, para. 42.3 of the P-RECO Rules - specified the allocation of the additional deposit, notifying the amount/amounts for each profile on the platform.

GME will accept the request within one hour of the time at which the payment has been credited to its designated bank account.

2.3 Request of refund of the available deposit at the end of the M-RECO session

At the end of the market session, the system will automatically refund the entire deposit (under article 43, para. 43.8 of the P-RECO Rules). If the Participant wishes to keep the available deposit on the account through which he/she/it has operated, in order to utilise it in the subsequent market session, he/she/it must select the "**Mantieni intero deposito**" (keep entire deposit) option (Figure 1), which will remain highlighted in the subsequent market sessions until new notice. If, instead, the Participant wishes to receive the partial refund of the deposit, he/she/it may select the "**Rimborsa un importo pari a**" (refund an amount of) option (Figure 2) and specify the amount to be refunded in the appropriate window. If the deposit available upon the closing of the session is lower than the specified amount, GME will refund the entire deposit.

At the end of the session, GME will refund the entire or residual deposit by bank transfer, with value date on the working day following the one of the session, to the bank account specified by the Participant upon registration with the electronic market platform.

If the same Participant has used multiple profiles to operate in the market, he/she/it must specify the details for the possible refund of the deposit for each profile, making notifications on the platform as indicated above.

Figure 2

Figure captions
RECO platform
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Finance management
Operational deposit
Deposit management

Requests on the deposit at the end of the market
Refund entire deposit
Keep entire deposit
Refund an amount of
Submit request

Request of notification of new deposit
Submit request

Requests awaiting validation (notification of new amount/refund of surplus deposit)
No current request

3. Deposit management on the PB-RECO for registration of bilateral transactions with technical adequacy verification

To access the finance management page of the platform for registration of bilateral transactions, available at www.mercatoelettrico.org, in the "The Markets/Access to GME's Markets/PB-RECO" section, enter your **ID_Profilo** (profile ID) and the related **password**. After access, by clicking on "**Gestione finanze**" (finance management), you will open the following form:

Figure 3

Figure captions
RECO platform
Deposit management
Logout – Main
Participant
Profile: Producer - Profile ID – Account code
M-RECO role: general – PB-RECO role: general
Finance management
Operational deposit
Deposit management

Requests on the deposit at the end of the market
Refund entire deposit
Keep entire deposit
Refund an amount of
Submit request

Request of notification of new deposit
Submit request

Requests awaiting validation (notification of new amount/refund of surplus deposit)
No current request

In the upper right part of the form, you will see the "**Deposito operativo**" (operational deposit), pertaining to the access profile that you wish to use for making purchases on the PB-RECO.

Bilateral transactions with technical adequacy verification are validated by GME on the day before each RECO market session.

Under article 46, para. 46.2 of the P-RECO Rules, if a Participant wishes to register bilateral transactions of purchase with technical adequacy verification on the PB-RECO, he/she/it must make an interest-bearing deposit (by bank transfer) into the designated account of GME. The deposit must be available by 12:00 of the working day before the market session (with value date on the same day); by the same time limit, the Participant must also notify the amount of the payment on the platform.

The deposit must cover the total value of purchases for which registration is requested, including VAT (where applicable).

The Participant must notify the payment through his/her/its operating profile, by using the appropriate form on the right side of the screen (Figure 3).

In the "**Richiesta notifica nuovo deposito**"(request of notification of new deposit), specify the amount (in euro and cents of euro) of the payment and then submit the notification by clicking on the [Invia Richiesta] (submit request) button.

If a Participant wishes to operate through multiple access profiles (each associated with each of the different RECO ownership accounts that he/she/it holds) and – under article 46, para. 46.3 – to allocate the amount of the deposit among the different profiles, he/she/it must notify – using the respective access profiles – the share of the bank transfer to be used for purchases on the PB-RECO through each access profile. If the Participant fails to

give the above notifications or if the notifications given through the different profiles are incomplete or do not match the amount paid (e.g. the amount paid is higher than the total of the amounts specified by the individual users), GME will share the received amount in equal parts among all the profiles associated with the Participant.

The notifications of deposits awaiting validation by GME are listed in the "**Richieste in attesa di validazione**" (requests awaiting validation) section.

After verifying the actual availability of the notified amounts (guaranteeing the payment for the purchase of RECOs) on its account, GME will accept and/or reject the request.

For the purposes of acceptance of bilateral transactions with technical adequacy verification, GME will ensure that the value of the request for registration accepted by the purchaser (increased by VAT, where applicable) is lower than or equal to the amount of the guarantee deposit, as possibly

a) increased by the value of concluded bilateral transactions of sale with technical adequacy verification, and/or

b) decreased by the value of concluded bilateral transactions of purchase with technical adequacy verification.

If the selling Participant is registered also with the M-RECO, the amount of the bilateral sale will be made available on his/her/its budget for participation in the M-RECO session to be held on the following working day.

3.1 Request of refund of the available deposit at the end of the M-RECO session

After the closing of the M-RECO session pursuant to article 53, para. 53.1 of the P-RECO Rules, the amount of the bilateral transaction accepted by GME will be paid to the selling Participant by bank transfer, with value date on the day following the one of the session, unless otherwise specified by the same Participant.

Indeed, the Participant may also select the "**Mantieni intero deposito**" (keep entire deposit) option.

If the selling Participant is registered also with the M-RECO, the amount of the bilateral transaction/s will be decreased by the amounts of purchases, if any, made in the market.

If the Participant has operated through multiple access profiles, also the requests of refund (as part of the deposit management procedure) must be entered for each access profile.

If the Participant wishes the partial refund of the deposit, he/she/it may select the "**Rimborsa un importo pari a**" (refund an amount of) option (Figure 4), specifying the amount to be refunded in the appropriate window. If the deposit available upon the closing of the session is lower than the specified amount, GME will refund the entire deposit.

Figure 4

Figure captions
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Profile: Producer - Profile ID – Account code
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Finance management
Operational deposit
Deposit management

Requests on the deposit at the end of the market
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Submit request

Request of notification of new deposit
Submit request

Requests awaiting validation (notification of new amount/refund of surplus deposit)
No current request

3.2 Request of change of IBAN code

To notify the change of the IBAN code entered upon registration of the Participant with the platform, the Participant must send a notification (on letterheaded paper of the company and signed by its legal representative) to: Unità Legale e Regolazione, GME.

4. Emergency conditions

If emergency conditions arise, as provided in article 40 of the P-RECO Rules, GME will immediately notify users thereof by e-mail.