



ALLOCATION OF CROSS-BORDER CAPACITY  
BIH  
REAP ANALYSIS 5-26-09

Suggested	Proposed Rule
<p>Many definitions missing.</p> <p>Advance payment invoice – Transco charges for annual/monthly capacity. Define time required to settle.</p> <p>Auction Administrator</p> <p>Auction Operator (Could be same as adminstrator)</p> <p>etc. See Slovenia/Italy rules.</p>	
Conduct of users	
Currency	
Basis of offer of auction (MW)	
Firmness of capacity: details of curtailment. Same as defined in Grid Code?	
Need steps detailed and joint activity described.	ISO Calculates Net Transfer Capacity (NTC) (3)
ISO administers the auction only.	ISO allocates right to use X-border capacity (PKPK) through ISO-conducted auction. (4)
Joint activity. Development of products needs to be agreed by Transco and ISO.	Designation of types of auction by time period (annual, monthly, weekly, daily) (5)
Joint activity. Simplify to avoid laborious checking back and forth manually. Requirement of <b>bank financial guarantee</b> and <b>statement of acceptance</b> simplifies process. Should execute grid access contract with Transco and get EIC code in advance.	Participant Requirements: SERC International trade license (6) Registration at the ISO (6) Application for participation (7) Sign standard contract with ISO (7)
Transco, not ISO.	On application approval, ISO submits K to participant for signing (8)
Joint activity Transco and ISO.	ISO can prohibit participant participation for breach of rules and reinstate (9)
	PKPK allocated in Standardized Products

	consisting of time and duration, profile, boundary and direction (10). Each product has a code. (11)
	Publication of info on ISO website: annual (15 days ahead); monthly (7 days); weekly (3 days); and daily (1 day) (12)
Joint activity. Need some parameters here.	ISO can change timing of auction and procedure; published on website (13)
	ETSO Scheduling System Auction Client (14)
Downgrade mode due to IT problems more practical than postponement. Can do it by fax.	Technical problems postponement (15)
	All or nothing bids allowed (16)
	Contents of bids: ID # (EIC code); auction code; requested PKPK in MW; price can be less or = 0 (17)
	Participant obligated to pay marginal price w/o VAT(18)
	Time system receives bid is the time stamp (19)
	No participant (20) nor ISO (21) sees any bid other than theirs during auction
	Ranking of bids by price/time stamp (22)
	During auction, participants can change/withdraw bids (23)
	Where ATC > or = to sum of requested capacity, price = 0 (24)
	Where ATC < request, PKPK allocated according to list of bids (25)
	Participants pay marginal price, which is offered price of the last fully or partially accepted bid from the list for a product (26)
	Participants in auction can see results at closing. PKPK code to accepted bid. (27)
Notification of auction results. Automatic?	
Dispute of auction results	
	ISO publishes auction result (28)
Invoiced by Transco	Fee for PKPK = marginal price x MW, on which VAT calculated (29)
Designation of use of Revenues – for Transco, first to invest in interconnect.	
	Use of PKPK?? (30)
Process needs to be elaborated.	Secondary capacity market (31) Notification of ISO not later than 1 hr prior

	to nomination deadline. Transfer only with approval of ISO. Only to registered participant in auctions.
Do Transco and ISO need to cooperate? Think not, since this is scheduling/nomination.	Daily Use-it-or-lose it. Remaining ATC allocated intra-day. (32)
No settlement by ISO. Invoicing by Transco.	ISO settles the financial obligations on a monthly basis. (33)
Joint activity.	ISO can disable participants who fail to meet the obligations of the contract to participate in auctions. (34)
Here, ISO needs system services contract to have privity of contract to curtail.	Restrictions (curtailments) works from intra-day, daily, weekly, monthly, annual. If any participant doesn't comply with the Grid Code, ISO may curtail or withdraw PKPK. (35) Rationale in writing (36) No right to reimbursement (37).
	All info on ISO website (38)
Nothing in rule – must be elaborated.	Amendments to rule as set forth in Rule (39)
Miscellaneous provisions Notices Limitation of liability Confidentiality Severability Disputes Force Majeure	
	Effective on approval by SERC (40)

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