

**RULES ON THE ORGANIZATION OF THE GAS MARKET**, Official Gazette 50/2018 [with Amendments to the RULES ON THE ORGANIZATION OF THE GAS MARKET](#), Official Gazette 154/2022

# **RULES ON THE ORGANIZATION OF THE GAS MARKET**

## **I. GENERAL PROVISIONS**

### **Scope**

#### Article 1

- (1) The Rules on the organization of the gas market (hereinafter referred to as: Rules) shall regulate the organization and functioning of the gas market.
- (2) The Rules shall define:
  - procedures, principles and standards applied in the organization and functioning of the gas market in accordance with the balance group model;
  - organization of balance groups, their responsibilities and keeping the register of the balance responsible parties and their direct members;
  - contractual relationships between the gas market operator and balance responsible party, balancing service provider and transmission system operator;
  - gas transactions at the virtual trading point;
  - trading on the gas trading platform;
  - settlement of daily imbalance charges for each balance group;
  - settlement of balancing actions, in other words, trading on the trading platform and the activated balancing energy through the use of balancing services;
  - calculation of neutrality charges for balancing;
  - other rules necessary for the organization and operation of the gas market,
  - [general terms of the contract regulating the relations with the balance responsible party, general terms of the contract on the settlement of negative imbalance and general terms of the contract on the settlement of positive imbalance](#)

### **Terms and definitions**

#### Article 2

- (1) The terms used in this Rules shall bear the meaning laid down by the primary and secondary legislation establishing the energy sector and regulating the energy activities.

- (2) Besides the terms referred to in paragraph 1 hereof these Rules also contain the terms bearing the following meaning:
1. *day ahead* means a single gas day on which the transaction or trading is contracted that is meant to be realized on the following gas day;
  2. *EIC (Energy Identification Code)* means a unique code used by each participant on the European energy market;
  3. *information system* means a software solution set developed by the gas market operator to manage its business processes;
  4. *final report* means a monthly report made by the transmission system operator in accordance with the provisions of the Transmission system's network code;
  5. *locational product* means a product traded on a trading platform where there is a precisely defined change in gas ownership i.e. at the specific entry and exit points of the transmission system;
  6. *marginal buy price* means the price that used for the calculation where the daily imbalance is negative;
  7. *marginal sell price* means the price that is used for the calculation where the daily imbalance is positive;
  8. *daily imbalance charge of the balance group* means the amount of money that a balance responsible party pays or receives in respect of the established daily imbalance;
  9. *title product* means the product that is traded on the trading platform without a specific location of the change in gas ownership;
  10. *neutrality charges* means the amount of money for balancing that shall be paid by or to the balance responsible party concerned according to the principle of neutrality;
  11. *neutrality* means the principle according to which the gas market operator should record neither gain nor losses due to the performance of its transmission system balancing activities;
  12. *negative daily imbalance* means a negative daily deviation of the balance group where the network user's gas off-takes from the transmission system for that gas day exceed its inputs to the transmission system for that gas day;
  13. *negative balancing energy* means quantity of gas off-take from the transmission system or the product that the transmission system operator sells on the trading platform with the view to balancing the transmission system;
  14. *negative balancing through the use of balancing services* means quantity of gas off-take from the transmission system by the balancing service provider with the view to balancing the transmission system;
  15. *accounting period* means a time period from the first gas day to the last gas day in the month included in the final report;

16. *positive daily imbalance* means a daily deviation of the balance group where the input quantity of gas to the transmission system exceeds the off-take from the transmission system for the gas day concerned;
17. *positive balancing energy* means quantity of gas input in the transmission system or the product that the transmission system operator buys on the trading platform with the view to balancing the transmission system;
18. *positive balancing through the use of balancing services* means quantity of gas input in the transmission system by the balancing service provider with the view to balancing the transmission system;
19. *product* means a short-term standardised product means a product which is traded on the trading platform with the view to changing gas ownership in the transmission system;
20. *average applicable day price* is the price calculated as arithmetic mean of a marginal buy price and a marginal sell price for each gas day;
21. *average applicable monthly price* is the price calculated as arithmetic mean of all average applicable day prices in a particular month;
22. *working day* means all days except Saturday and Sunday and public holidays in the Republic of Croatia;
23. *official website* means the website of the gas market operator ([www.hrte.hr](http://www.hrte.hr));
24. *participants on the trading platform* means the balance responsible party or transmission system operator that meets the mandatory requirements for trading on the trading platform;
25. *transaction* means the volume of gas exchanged between two participants at the virtual trading point;
26. *within day* means a gas day on which the transaction or trading is contracted for the remaining hours of the gas day concerned;
27. *day obligation* – within the meaning of these Rules it shall mean the amount of the claim of the balance responsible party i.e., the negative balancing energy provider of balancing services, to the gas market operator, calculated on the basis of the informative day charge of the balance group that is made by the gas market operator pursuant to the delivered daily report of the transmission system operator and published its information system until 14.00 hours of the current day for the previous gas day.

## II. BALANCE GROUP MODEL

### Article 3

For the purpose of ensuring a smooth-running conduct and settlement of the purchasing transactions in the gas market, balanced gas inputs in the and offtakes from the transmission

system and a separation of the financial transactions from the physical gas delivery, the Rules define the responsibilities of the gas market participants based on the balance group model.

## Organization of a balance group

### Article 4

- (1) A balance group is an interest organization of the gas market participants carrying out commercial activities particularly relating to balancing and optimisation of balancing costs whose work is run by the balance responsible party.
- (2) Every gas buyer shall be a member of a balance group.
- (3) The balance group consists of direct and indirect members.
- (4) A balance group can consist of one direct member, where the gas supplier or gas trader as a direct member is at the same time the balance responsible party, or of more direct members, where the direct members of the balance group are the balance responsible party and the gas suppliers or gas traders, on behalf of which the balance responsible party files the application to the transmission system operator for the capacity reservation in the transmission system.
- (5) An indirect member of the balance group is the end-buyer of gas that enters into a gas supply contract with the direct member of the balance group.
- (6) The balance group is organized and run by the balance responsible party as a gas supplier or a gas trader.
- (7) Where there are two or more gas traders and/or gas suppliers that supply other gas suppliers and/or gas buyers from the transmission system members of the same balance group, they designate one of them to be the balance responsible party.
- (8) The metering point of the end-buyer can belong only to one balance group unless otherwise regulated by a separate rule in a particular case.
- (9) The balance responsible party shall be liable for the balancing of the balance group that it runs and organizes, in other words, for the balancing of the per-day gas quantities that are injected into the transmission system and taken from the transmission system so as to ensure that the transmission system operator engages in at least possible balancing actions.
- (10) The balance responsible party shall answer for all costs relating to the balancing and deviations of the balance group it organizes and runs.

- (11) The balance responsible party shall keep the register of the direct members of the balance group that it organizes and runs and shall publish it and update the changes thereof on its website.
- (12) The balance responsible party shall inform the gas market operator and the transmission system operator in writing about any change in data referred to under paragraph 11 hereof.
- (13) The gas market operator shall publish the register of the direct members of all balance groups on its official website and update it following the receipt of the written information referred to in paragraph 12 hereof.
- (14) [The gas trader and/or the gas supplier can be a balance responsible party only of one single balance group.](#)

## **Register of balance responsible parties**

### Article 5

The gas market operator shall keep the Register of balance responsible parties and publish it on its official web site. It shall contain the following data:

- full name of the balance responsible party,
- seat and address of the balance responsible party,
- personal identification number (VAT ID) of the balance responsible party,
- registration number of the balance responsible party,
- EIC of the balance responsible party,
- licence for undertaking energy activities which the BRP performs
- register number of the license for carrying out the energy activity,
- issuance/renewal date of the license for carrying out the energy activity,
- date of entry into the Register of balance responsible parties;
- list of direct members of the balance group.

## **Entry into the Register of balance responsible parties**

### Article 6

- (1) The application for entry into the Register of balance responsible parties shall be submitted to the gas market operator in a form available in the information system.
- (2) The gas market operator shall publish the form referred to under paragraph 1 hereof on its official website.
- (3) After the entry into the Register of balance responsible parties has been granted, the applicant enters into a contract with the gas market operator referred to under Article 7

paragraph 1 of these Rules and submits to the gas market operator the relevant payment instruments within a time period not exceeding 10 days from the day the contract has been concluded.

- (4) After the requirement under paragraph 3 hereof has been fulfilled, the gas market operator shall issue a certificate to the balance responsible party confirming the entry into the Register of balance responsible parties.
- (5) The gas market operator shall inform the Agency, the Ministry and the transmission system operator about the entry into and removal from the Register of balance responsible parties.

### **Removal of the balance responsible party from the Register of balance responsible parties**

#### **Članak 6a**

- (1) Should the balance responsible party's license for the performance of energy activities expire or be revoked, or should the contract referred to in Article 7 paragraph 1 of these Rules be terminated or cease to be in effect for any reason whatsoever, the gas market operator shall remove the balance responsible party concerned from the Register of balance responsible parties by which act it shall lose its status of the balance responsible party and consequently the balance group shall cease to exist. The balance responsible party shall receive a written notice thereabout from the gas market operator.
- (2) About any case or circumstance referred to under paragraph 1 of this Article as well as the day of the termination of the contract with the balance responsible party the gas market operator shall without delay inform in writing the direct members of the balance group of the balance responsible party concerned, the transmission system operator, the competent ministry and the Agency that may have to take necessary steps within its powers.
- (3) In the case referred to under paragraph 1 of this Article the direct member of the balance group shall not later than 5 days before the date of the removal of the balance responsible party of its balance group from the Register of balance responsible parties become a member of another active balance group or it shall organize a new balance group.
- (4) A direct member of the balance group cannot organize a new balance group if it has outstanding due debts unsettled with the gas market operator or the transmission system operator, as long as the debt has been fully cleared.
- (5) About the direct member of the balance group that has not complied with the requirement referred to under paragraph 3 of this Article the gas market operator shall without delay

inform in writing the transmission system operator, the competent ministry and the Agency that may have to take necessary steps within its powers.

- (6) The gas market operator shall not be liable for any harm caused to the end-buyer or any other participants in the gas market where the direct member of the balance group fails to act in compliance with paragraph 3 of this Article.
- (7) Paragraph 3 of this Article shall not apply to the balance responsible party that is a gas trader and at the same time one and only direct member of its balance group if it has been removed from the Register of balance responsible parties due to a termination of the contract referred to under Article 7 paragraph 1 of these Rules based on mutual consent.

### III. CONTRACTUAL RELATIONSHIPS

#### Contractual relationships with the gas market operator

##### Article 7

- (1) The gas market operator and the balance responsible party shall regulate their rights and obligations under the Contract regulating mutual rights and obligations between the gas market operator and the balance responsible party, laying down in particular:
  - the calculation, the settlement of payment and payment security with respect to all charges in line with these Rules;
  - the duration of the contract and the terms of termination,
  - the contact information of the persons in charge of the communication relevant for the operation and implementation of the contract,
  - dispute settlement, and
  - other relations between the contracting parties,where the General terms of the contract regulating the relationship between the gas market operator and the balance responsible party listed in Appendix I hereof are a constituent part of the contract.
- (2) The gas market operator and the negative balancing energy provider of balancing services shall regulate their rights and obligations under the contract on the settlement of negative imbalance, laying down in particular:
  - the calculation, the settlement of payment and payment security relating to the activated negative balancing energy through the use of balancing services in line with these Rules;
  - the duration of the contract and the terms of termination,
  - the contact information of the persons in charge of the communication relevant for the operation and implementation of the contract,
  - dispute settlement, and
  - other relations between the contracting parties,

where the General terms of the contract regulating the settlement of negative imbalance listed in Appendix II hereof are a constituent part of the contract.

- (3) The gas market operator and the positive balancing energy provider of balancing services shall regulate their rights and obligations under the contract on the settlement of positive imbalance, laying down in particular:
- the calculation and settlement of the activated positive balancing energy through the use of balancing services in line with these Rules;
  - the duration of the contract and the terms of termination,
  - the contact information of the persons in charge of the communication relevant for the operation and implementation of the contract,
  - the dispute settlement, and
  - other relations between the contracting parties,

where the General terms of the contract regulating the settlement of positive imbalance listed in Appendix III hereof are a constituent part of the contract.

- (4) The gas market operator and the transmission system operator shall regulate the mutual rights and obligations under the contract regulating mutual rights and obligations between the gas market operator and the transmission system operator, laying down in particular:
- the relations between the contracting parties with respect to the proceedings and activities in the gas market in compliance with these Rules and the Transmission system network code,
  - the duration of the contract and the terms of termination,
  - the contact information of the persons in charge of the communication relevant for the operation and implementation of the contract,
  - the dispute settlement, and
  - other relations between the contracting parties.
- (5) The gas supplier, the gas trader, the transmission system operator and the distribution system operator shall conclude an agreement with the gas market operator on the access to the information system of the gas market operator.
- (6) The contracts referred to under paragraphs 1, 2, 3 and 5 hereof shall be concluded using the standard form available on the website of the gas market operator.

## **Payment security**

### **Article 8**

- (1) The format and the amount of the payment guarantee that the balance responsible party is obligated to submit to the gas market operator pursuant to the contract referred to under Article 7 paragraph 1 of these Rules shall be regulated by the provisions of the General terms of the contract regulating mutual rights and obligations between the gas market operator and the balance responsible party in Appendix I hereof.



- (2) The format and the amount of the payment guarantee that the negative balancing energy provider through the use of balancing services is obligated to submit to the gas market operator pursuant to the contract referred to under Article 7 paragraph 2 of these Rules shall be regulated by the provisions of the General terms of the contract regulating the settlement of negative imbalance in Appendix II hereof.

## IV. TRANSACTIONS AT THE VIRTUAL TRADING POINT

### Article 9

- (1) A balance responsible party reserves the right to register a transaction at the virtual trading point.
- (2) The gas market operator shall enable the balance responsible parties to notify the transactions at the virtual trading point on a day-to-day basis.
- (3) The notified transaction referred to in paragraph 2 hereof shall contain the following information:
  - full name and EIC of the seller;
  - full name and EIC of the buyer;
  - gas day/s relating to the transaction;
  - quantity of gas expressed in kWh for the gas day/s relating to the transaction;
  - quantity of gas expressed in kWh for the remaining hours of the gas day where the transaction is notified within gas day.
- (4) The balance responsible parties shall independently arrange their mutual rights and obligations arising from the notified transaction at the virtual trading point, without any interference from the transmission system operator and gas market operator.

### Article 10

- (1) The balance responsible parties shall reconcile the notified transactions at the virtual trading point using the information system of the gas market operator not later than 05:00 hours of the current gas day for the following gas day/days, in other words, at least 30 minutes before the transaction has been carried out within gas day.
- (2) Using its information system, the gas market operator shall in not later than 30 minutes inform:
  - the transaction participants about the notified and accepted transaction;
  - the transmission system operator on the accepted transactions between the transaction participants.
- (3) An accepted transaction at the virtual trading point for gas day shall not affect the amount of the previously accepted transactions for the same gas day.

- (4) On a day-to-day basis until 09:00 hours of the current day the gas market operator shall ensure the transmission system operator and the Agency access to the daily report on all accepted transactions at the virtual trading point on the previous gas day. The daily report shall consist of the following information about each transaction:
  - full name and EIC of the seller;
  - full name and EIC of the buyer;
  - quantity of gas involved in the transaction expressed in kWh/d;
  - hourly volume of gas in the transaction expressed in kWh/h;
  - unique transaction code.
- (5) The gas market operator shall submit to the Agency the aggregate monthly report including all accepted transactions at the virtual trading point. The aggregate monthly report shall include a list of accepted transactions at the virtual trading point allotted accordingly to each balance responsible party as well as a detailed description of the accepted transactions per each day. The report shall be submitted not later than on the 25<sup>th</sup> day of the month for the previous month.

## V. Trading on trading platforms

### Article 11

- (1) A trading platform means an electronic platform provided and operated by the gas market operator where trading in products is possible.
- (2) A trading platform provides transparent and non-discriminatory trading and ensures anonymous trading in products in line with the Guidelines for the use of trading platform (hereinafter referred to as: Guidelines).
- (3) The gas market operator shall publish on its official website the Guidelines that describe the trading on the trading platform and its working hours.
- (4) The gas market operator shall inform all the trading participants on the trading platform and the Agency about any change in the Guidelines at least 15 days before the revisions have been published on its official website.
- (5) The balance responsible party and the transmission system operator have the right to carry out trades on the trading platform pursuant to an Agreement concluded within the meaning of Article 7 paragraph 5 of these Rules.
- (6) The trading on the trading platform is performed in title products and locational products on a day-to-day basis.
- (7) Locational products can be traded exclusively between the transmission system operator and the balance responsible party.

- (8) The balance responsible party can offer a locational product at the entry points to the transmission system and the exist points of the transmission system that have been determined by the transmission system operator provided that the transmission system capacities have been established at the points concerned.
- (9) The gas market operator is entitled to deny access to the trading platform to a balance responsible party that violates the provisions set up in these Rules.

#### Article 12

- (1) The products may be offered within gas day or for the following gas day – day ahead.
- (2) The posted offer shall contain the following information:
  - type of offer – sale or purchase;
  - point of sale or purchase (connection point's name and code);
  - gas day referred to in the offer;
  - unit price expressed in HRK/MWh;
  - quantity of gas expressed in kWh/day.
- (3) Every offer referred to in paragraph 2 hereof shall be assigned a unique product code.
- (4) The trading shall be deemed concluded by the acceptance of the offer by the trading participant on the trading platform.
- (5) After each trade has been concluded the gas market operator shall without undue delay:
  - make available to the trading participants in the trading concerned sufficient details to confirm the trade;
  - submit trade notification to the transmission system operator about the trading participants, quantities of gas and the day of delivery with respect to the trading concerned;
  - publish on the trading platform and on the official website the evolution of the marginal buy price and the marginal sell price after each trade without undue delay as well as an overview of the previously set prices.
- (6) The gas market operator shall ensure to the transmission system operator and the Agency access to daily reports on concluded trades on the trading platform on the previous gas day on a day-to-day basis until 09:00 hours on the current day. For every trading concluded such a report shall contain the following information:
  - full name and EIC of the seller;
  - full name and EIC of the buyer;
  - traded quantity of gas expressed in kWh/day;
  - hourly quantity of gas with respect to the trading expressed in kWh/h;
  - unique trading code;
  - point of sale or purchase (connection point's name and code);
  - gas day or trading delivery days.
- (7) The gas market operator shall submit to the Agency the aggregate monthly report of all the trades on the trading platform. The aggregate monthly report shall contain a list of

trades for each balance responsible party and for each day. The report shall be submitted not later than on the 25<sup>th</sup> day in the month for the previous month.

## VI. DAILY IMBALANCE CHARGE CALCULATION

### Daily imbalance of the balance group

#### Article 13

Daily imbalance of the balance group shall be determined by the transmission system operator and submitted in the final report to the gas market operator.

### Applicable price

#### Article 14

- (1) Applicable price is the price used for daily imbalance charge calculation. It shall be determined for each gas day as a marginal sell price and a marginal buy price.
- (2) A marginal sell price is the lower of:
  - the lowest unit price of the product that was used by the transmission system operator as the negative energy balancing on the gas day concerned, or
  - the weighted average price of gas in respect of that gas day, minus 10 %.
- (3) A marginal buy price is the higher of:
  - the highest unit price of the product that was used by the transmission system operator as the positive energy balancing on the gas day concerned, or
  - the weighted average price of gas in respect of that gas day, plus 10 %.
- (4) The weighted average price of gas shall be the weighted average price of the prices per unit relating to the concluded trades in title products, in other words, quantities of gas traded between balance responsible parties, carried out on the trading platform in respect of a gas day.
- (5) Where there have been no trades carried out on the gas trading platform on a particular gas day the derivation of a marginal sell price and a marginal buy price shall be based on the marginal sell price and the marginal buy price recorded on the last gas day on which trades have been concluded on the gas trading platform.
- (6) The gas market operator shall publish the following information on its official website for each gas day:
  - a marginal buy price;
  - a marginal sell price;
  - the average applicable day price;

- the price of positive balancing through the use of balancing services
  - the price of negative balancing through the use of balancing services.
- (7) After the month has passed the gas market operator shall publish on its official website the month average applicable **monthly** price derived in the preceding month.

## Daily imbalance charge calculation for the balance group

### Article 15

- (1) Based on the final report the gas market operator shall calculate the daily imbalance charge for the balance group and communicate it to the balance responsible party until 16:00 hours of the third working day of the month after the final report for the previous month has been published.
- (2) To calculate the daily imbalance charge for the balance group the gas market operator shall multiply the balance group's daily imbalance quantity on a particular gas day by the determined applicable price.
- (3) If the balance group's daily imbalance quantity for the particular gas day is positive, to calculate the daily imbalance charge for the balance group the gas market operator shall multiply the determined balance group's daily imbalance quantity by the marginal sell price for that particular gas day.
- (4) If the balance group's daily imbalance quantity for the particular gas day is negative, to calculate the daily imbalance charge for the balance group the gas market operator shall multiply the determined balance group's daily imbalance quantity by the marginal buy price for that particular gas day.
- (5) The total balance group's positive daily imbalance charge in the settlement period equals the sum of all the positive daily imbalance charges.
- (6) The total balance group's negative daily imbalance charge in the settlement period equals the sum of all the negative daily imbalance charges.
- (7) If for a particular balance group, the aggregate positive daily imbalance charge is higher than the aggregate negative daily imbalance charge, the balance responsible party shall invoice the gas market operator for the difference in the respective charges not later than on the 20<sup>th</sup> day of the month for the previous month.
- (8) If for a particular balance group, the aggregate negative daily imbalance charge is higher than the aggregate positive daily imbalance charge, the gas market operator shall invoice the balance responsible party for the difference in the respective charges within the time period specified under paragraph 1 hereof.
- (9) The gas market operator shall communicate the calculated daily imbalance charges of all balance groups to the Agency until the 25<sup>th</sup> day of the month for the previous month.

## VII. SETTLEMENT OF BALANCING ACTIONS

### Article 16

- (1) The transmission system operator shall undertake balancing actions by buying or selling of products on the trading platform and/or by activating the balancing energy through the use of balancing services.
- (2) The gas market operator shall carry out the settlement for the balance responsible party that participated in the trading of products on the trading platform with respect to the balancing actions undertaken by the transmission system operator and for the balancing energy provider through the use of balancing services.

### Settlement of trading on the trading platform

### Article 17

- (1) Based on the final report the gas market operator shall settle the concluded trades in products on the trading platform with respect to the balancing actions undertaken by the transmission system operator. It shall submit the settlement concerned to the balance responsible party not later than until 16:00 hours on the third working day after the day on which the final report for the previous month has been published.
- (2) The cash amount for the product on the trading platform is obtained by multiplying the unit price and the quantity of gas.
- (3) For the balance responsible party, the gas market operator shall determine the total cash amount for the product used by the transmission system operator for negative balancing energy and the total cash amount for the product used by the transmission system operator for positive balancing energy.
- (4) If the total cash amount for the products used as negative balancing energy is higher than the total cash amount for the products used as positive balancing energy, the gas market operator shall invoice the balance responsible party for the difference in the respective cash amounts within the time period specified under paragraph 1 hereof.
- (5) If the total cash amount for the products used as positive balancing energy is higher than the total cash amount for the products used as negative balancing energy, the balance responsible party shall invoice the gas market operator for the difference in the respective cash amounts not later than until the 20th day of the month for the preceding month.
- (6) The trade settlements involving the trades on the trading platform shall be submitted by the gas market operator to the Agency and the transmission system operator until the 25th day of the month for the preceding month.

- (7) The balance responsible parties shall be independent in regulating their contractual relationships relating to trades on the trading platform with no interference of the gas market operator and comply with the provisions under the Regulation (EU) no 1227/2011 of the European parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

## **Settlement of activated balancing energy through the use of balancing services**

### Article 18

- (1) Based on the final report the gas market operator shall settle the activated negative or positive balancing energy through the use of balancing services. It shall submit the settlement concerned to the balancing service provider with respect to the negative or positive balancing energy not later than until 16:00 hours on the third working day after the day on which the final report for the previous month has been published.
- (2) The cash amount for activated negative or positive balancing energy through the use of balancing services is obtained by multiplying the unit price and the quantity of activated balancing energy.
- (3) The unit price referred to under paragraph 2 hereof shall be determined within the meaning of the contract concluded between the transmission system operator and the balancing service provider with respect to the negative or positive balancing energy.
- (4) For the calculated cash amount relating to the activated negative balancing energy through the use of balancing services the gas market operator shall invoice the balancing service provider with respect to the negative balancing energy through the use of balancing services within a time period referred to in paragraph 1 hereof.
- (5) For the calculated cash amount relating to the activated positive balancing energy through the use of balancing services the balancing service provider with respect to the positive balancing energy through the use of balancing services shall invoice the gas market operator not later than until the 20<sup>th</sup> day in the month for the preceding month.
- (6) If the balancing service provider with respect to the negative or positive balancing energy through the use of balancing services is one and the same legal entity and if the total cash amount for the activated negative balancing energy is higher than the total cash amount for the activated positive balancing energy, the gas market operator shall invoice the balancing service provider with respect to the balancing energy through the use of balancing services for the difference in the respective cash amounts within the time period specified under paragraph 1 hereof.
- (7) If the balancing service provider with respect to the negative or positive balancing energy through the use of balancing services is one and the same legal entity and if the total

cash amount for the activated negative balancing energy is lower than the total cash amount for the activated positive balancing energy, the balancing service provider through the use of balancing services shall invoice the gas market operator for the difference in the respective cash amounts not later than until the 20<sup>th</sup> day in the month for the preceding month.

- (8) The settlements of activated balancing energy through the use of balancing services shall be submitted by the gas market operator to the Agency and the transmission system operator until the 25<sup>th</sup> day of the month for the preceding month.

## VIII. CALCULATION OF NEUTRALITY CHARGES FOR BALANCING

### Article 19

- (1) For any settlement period the gas market operator shall determine the sum of all cash amounts deriving from the settlements of daily imbalance charges for the balance group, charges for trading on the trading platform with respect to the balancing actions of the transmission system operator and charges for activated balancing energy through the use of balancing services. Additionally, the gas market operator calculates the gain or loss on the account of the gas market operator in the settlement period concerned.
- (2) For the gain or loss on the account of the gas market operator, the gas market operator calculates the neutrality charge for balancing that is submitted to the balance responsible party not later than until 16:00 hours of the third day after the final report for the previous month has been published.
- (3) If after making the calculations of the neutrality charge for balancing referred to in paragraph 2 hereof the gas market operator makes gain, the balance responsible parties whose daily imbalances have been of the opposite sign from the sign of the total daily imbalance of all balance groups shall receive a cash amount that is calculated by the gas market operator in accordance with the following formula:

$$D_{bs} = \frac{\sum_{i=1}^n |q_{bs,i}|}{\sum_{i=1}^n |q_{BS,i}|} \cdot D_{OTP} \text{ [kn]}$$

Where:

- $D_{bs}$  - is the calculated neutrality charge for balancing receivable by a particular balance group [HRK];
- $q_{bs,i}$  - is the daily imbalance of a particular balance group that is of the opposite sign from the sign of the total daily imbalance of all balance groups [kWh];
- $q_{BS,i}$  - is the total daily imbalance of the balance groups whose daily imbalance is of the opposite sign from the sign of the total daily imbalance of all balance groups [kWh];



$D_{OTP}$  - is the gain on the account of the gas market operator that is subject to calculation of neutrality charge [HRK];

$i=1...n$  - is the number of gas days in the settlement period.

- (4) The balance responsible party of the balance group entitled to receiving the calculated neutrality charge shall invoice the gas market operator specifying the amount of neutrality charge concerned at the latest until the 20<sup>th</sup> day of the month for the previous month.
- (5) If after the making the calculations of the neutrality charge for balancing referred to in paragraph 2 hereof the gas market operator makes a loss, the balance responsible parties whose daily imbalances have been of the same sign as the sign of the total daily imbalance of all balance groups shall pay to the gas market operator a cash amount that is calculated in accordance with the following formula:

$$G_{bs} = \frac{\sum_{i=1}^n |q_{bs,i}|}{\sum_{i=1}^n |q_{BS,i}|} \cdot G_{OTP} \text{ [kn]}$$

Where:

$G_{bs}$  - is the amount of the calculated neutrality charge for balancing payable by a particular balance group [HRK];

$q_{bs,i}$  - is the daily imbalance of a particular balance group that is of the same sign as the sign of the total daily imbalance of all balance groups [kWh];

$q_{BSi}$  - is the total daily imbalance of the balance groups whose daily imbalance is of the same sign as the sign of the total daily imbalance of all balance groups [kWh];

$G_{OTP}$  - is the loss on the account of the gas market operator used for the calculation of neutrality charge [HRK];

$i=1...n$  - is the number of gas days in the settlement period.

- (6) The gas market operator shall invoice the balance responsible party for the neutrality charge amount payable by the particular balance group within a time period specified under paragraph 2 hereof.
- (7) The gas market operator shall submit the calculation of the neutrality charge for balancing to the Agency until the 25<sup>th</sup> day of the month for the preceding month.

## IX. CALCULATION OF THE NOMINATION IMBALANCE

### Article 20

- (1) Based on the final report the gas market operator shall calculate the nomination imbalance and submit it to the balance responsible party no later than until 16:00 hours on the third working day after the final report for the previous month has been published.

- (2) Nomination imbalance shall ( $\Delta N_{bs}$ ) shall be calculated in an absolute amount for each balance group and gas day, applying the following formula:

$$\Delta N_{bs} = |N_{bs} - V_{bs}| \text{ [kWh]}$$

Where:

- $N_{bs}$  - is the gas quantity nominated at the exit points of the transmission system for an end buyer connected to the transmission system or at the entry points to the transmission system from gas generation (gas pipeline network) in a gas day, determined for each balance group based on the information on determined gas quantities from the final report in [kWh],
- $V_{bs}$  - is the gas quantity taken from the transmission system at the exit points of the transmission system for an end buyer connected to the transmission system or fed-in at the entry points to the transmission system from gas generation (gas pipeline network) in a gas day, determined for each balance group based on the information on the determined gas quantities from the final report in [kWh].
- (3) The nomination imbalance figure calculated for a gas day is obtained by multiplying of the 3 % of the average applicable **monthly** price and the nomination imbalance.
- (4) Where at the end of a gas day nomination imbalance ( $\Delta N_{bs}$ ) has been established for a particular balance group, the gas market operator shall invoice the balance responsible party for the difference in the amounts within the time period referred to in paragraph 1 hereof.
- (5) The gas market operator shall use the collected amounts referred to in paragraph 4 hereof and make payments to the forecasting party.
- (6) The gas market operator shall submit the aggregate figures relating to nomination imbalance calculation for each balance group to the Agency until the 25<sup>th</sup> day of the month for the previous month.

## X. SETTLEMENT BREAKDOWN

### Article 21

- (1) The settlement relating to calculation of daily imbalance charges of a balance group, for the balance responsible party, for a settlement period, shall contain the following information:
- total quantity of positive daily imbalance of the balance group expressed in kWh;
  - total amount of positive daily imbalance charges of the balance group expressed in HRK;
  - total quantity of negative daily imbalance of the balance group expressed in kWh;
  - total amount of negative daily imbalance charges of the balance group expressed in HRK;

- 
- total amount of calculated daily imbalance charges of the balance group expressed in HRK;
  - quantity of gas input into the transmission system on every day of the settlement period expressed in kWh;
  - quantity of gas off-take from the transmission system on every day of the settlement period expressed in kWh;
  - quantity of positive imbalance of the balance group on every day of the settlement period expressed in kWh;
  - quantity of negative imbalance of the balance group on every day of the settlement period expressed in kWh;
  - marginal sell price on every day of the settlement period expressed in HRK/kWh;
  - marginal buy price on every day of the settlement period expressed in HRK/kWh;
  - amount of daily imbalance charge on every day of the settlement period expressed in HRK.
- (2) The settlement relating to the trading on the trading platform for the balance responsible party that has concluded the trade/s in products on the trading platform with the transmission system operator, in a settlement period, shall contain the following information:
- total quantity of products used as negative balancing energy expressed in kWh;
  - total cash amount for products used as negative balancing energy expressed in HRK;
  - total quantity of products used as positive balancing energy expressed in kWh;
  - total cash amount for products used as positive balancing energy expressed in HRK;
  - total amount of the settled trades of the balance group on the trading platform expressed in HRK;
  - unique code of each concluded trade;
  - type of product in each concluded trade;
  - volume of products in each concluded trade expressed in kWh;
  - unit price of the product in each concluded trade expressed in HRK/kWh;
  - cash amount for products in each concluded trade expressed in HRK.
- (3) The settlement of the activated balancing energy for the provider of balancing services, in a settlement period, shall contain the following information:
- total quantity of activated balancing energy through the use of balancing services expressed in kWh;
  - cash amount for the total activated balancing energy through the use of balancing services expressed in HRK;
  - per day activated balancing energy through the use of balancing services expressed kWh;
  - unit price for the balancing energy through the use of balancing services expressed in HRK/kWh.
- (4) The settlement of the neutrality charge for each balance group, for the balance responsible party, in a settlement period, shall contain the following information:
- total daily imbalance of all balance groups expressed in kWh;
  - daily imbalance of the balance group expressed in kWh;
  - absolute daily imbalance of the balance group of the opposite sign from the sign of the total daily imbalance of all balance groups expressed in kWh;
-

- 
- absolute daily imbalance of the balance group of the same sign as the sign of the total daily imbalance of all balance groups expressed in kWh;
  - sum of absolute daily imbalances of all balance groups of the same sign as the total daily imbalance of all balance groups expressed in kWh;
  - sum of absolute daily imbalances of all balance groups of the opposite sign from the total daily imbalance of all balance groups expressed in kWh;
  - balance group's share in neutrality charge in the case of loss expressed as %;
  - balance group's share in neutrality charge in the case of gain expressed as %;
  - total amount of the calculated daily imbalance charge for all balance groups expressed in HRK;
  - total accounted amount of the concluded trades on the trading platform expressed in HRK;
  - total amount of the accounted activated balancing energy through the use of balancing services expressed in HRK;
  - statement of account (gain/loss) of the gas market operator expressed in HRK;
  - total amount of settled neutrality charge expressed in HRK.
- (5) The settlement of nomination imbalance for the balance responsible party, in the settlement period, shall contain the following information:
- nominated quantity of gas at the exit points from the transmission system or at the entry points to the transmission system for which nomination imbalance has been calculated, expressed in kWh;
  - quantity of gas off-take at the exit points of the transmission system or quantity of gas in-flow at the entry points of the transmission system for which nomination imbalance has been calculated, expressed in kWh;
  - nomination imbalance expressed in kWh;
  - quantity that has been calculated for nomination imbalance expressed in kWh,
  - average applicable [monthly](#) price expressed in HRK;
  - cash amount relating to nomination imbalance expressed in HRK.
- (6) The gas market operator shall publish on its official website the aggregated data with respect to all settlements referred to under Chapter VI, VII and VIII hereof until the 25<sup>th</sup> day of the month for the preceding month.
- (7) [The invoicing and the settlement due date relating to the mutual liabilities between the gas market operator and the balance responsible party based on the settlement referred to under this Article shall be regulated in Appendix I hereof.](#)
- (8) [The invoicing and the settlement due date relating to the liabilities of the negative balancing energy provider through balancing services of the activated negative balancing energy based on the settlement referred to under this Article shall be regulated in Appendix II hereof.](#)
- (9) [The invoicing and the settlement due date relating to the liabilities of the gas market operator relating for the activated positive balancing energy based on the settlement referred to under this Article shall be regulated in Appendix III hereof.](#)
-

## **TRANSITIONAL AND FINAL PROVISIONS**

### **(Official Gazette 154/2022)**

#### **Article 9**

- (1) Any balance responsible party, any negative balancing energy provider of balancing services and any positive balancing energy provider of balancing services shall conclude a new contract referred to under Article 7 paragraphs 1, 2 and 3 hereof that must be brought into compliance with these Amendments to the Rules, with the gas market operator within 7 days from the entry into force of these Amendments to the Rules.
- (2) Any balance responsible party shall deliver to the gas market operator additional financial safeguards in the sense of Appendix I of the Rules within 15 days from the entry into force of these Amendments to the Rules, where the appropriate payment instrument in the total amount delivered to the gas market operator pursuant to the contract referred to under Article 7 paragraph 1 hereof shall equal a double amount of the average monthly obligation of the balance responsible party pursuant to the contract referred to under Article 7 paragraph 1 of the Rules in the period of the last 12 months (or in a shorter period where less than 12 months have lapsed since the conclusion of the contract). When calculating the average monthly obligation no account shall be taken of the highest monthly obligation and the lowest monthly obligation derived from the calculation of the balance group in the last 12 months (or in a shorter period where less than 12 months have lapsed since the conclusion of the contract), whereby it shall be rounded up to the nearest multiple of 10,000 but not lower than the minimum amount stipulated in Appendix I hereof.
- (3) For the purpose of calculation of the appropriate financial safeguards referred to in paragraph 2 hereof and Article 7 paragraphs 1 and 4 of the Rules the gas market operator shall not take into account the monthly payment obligation derived from the calculation of the balance group for October 2022 but instead it shall take into account the monthly obligation derived from the calculation of the balance group for the month preceding the first month in which the average monthly obligation of the balance responsibility party is calculated in compliance with paragraph 2 hereof and paragraphs 1 and 4 of Article 7 of Appendix I of the Rules.
- (4) Paragraph 2 hereof shall not apply to any balance responsible party that had delivered to the gas market operator financial safeguards in the amount that is equal to or higher than the amount specified under paragraph 2 hereof before the entry into force of these Amendments to the Rules.
- (5) The Amendments to the Rules shall be published in Official Gazette and shall enter into force on 1 January 2023.

Class: 310-05/18-01/05

Reg.No: 251-544-05-22-2

Zagreb, 22 December 2022

**Director**

Boris Abramović, m.p.

UNOFFICIAL VERSION

## Appendix I

### GENERAL TERMS OF THE CONTRACT REGULATING THE RELATIONSHIP BETWEEN THE GAS MARKET OPERATOR AND THE BALANCE RESPONSIBLE PARTY

(hereinafter referred to as: BRP GTC)

#### Article 1

- (1) These BRP GTC shall regulate mutual rights and obligations of the gas market operator and the balance responsible party that are not regulated under the contract regulating the relations with the balance responsible party.
- (2) These BRP GTC are a constituent part of the contract regulating the relations with the balance responsible party concluded between the gas market operator and the balance responsible party (hereinafter referred to as: Contract).
- (3) Should there be any issue not falling under the Contract or the BRP GTC, the mutual rights and obligations of the gas market operator and the balance responsible party shall be subject to the provisions of the Rules on the organization of the gas market (hereinafter referred to as: Rules) and other provisions regulating the energy sector, energy activities and the gas market, and the civil obligations rules.

#### Article 2

Should there be matters not covered by these BRP GTC, the definitions and terms used in these BRP GTC shall bear the meaning set by the Rules and other provisions regulating the energy sector, energy activities and the gas market.

#### Article 3

- (1) The balance responsible party shall pay the gas market operator the annual and monthly fee for discharging the service of public interest in carrying out businesses relating to the organization of the gas market, where the fee is defined by the decision of the competent authority.
- (2) The gas market operator shall invoice the annual fee in the current year.
- (3) The gas market operator shall invoice the monthly fee until the 20th day of the month for the previous month.
- (4) The balance responsible party shall settle the payments referred to in paragraphs 2 and 3 hereof within 15 days from the day on which the invoice has been made out.
- (5) In case the payment is overdue, default interest rate shall be accrued.

#### Article 4

- (1) The gas market operator shall invoice the balance responsible party for its liabilities based on the settlement provisions referred to under Article 21 of the Rules at the same moment as it makes the calculation.
- (2) The balance responsible party shall settle the payment calculated and invoiced by the gas market operator under the settlement provisions referred to under Article 21 of the Rules within 10 days from the day on which the invoice has been made out.
- (3) Based on the settlement provisions referred to under Article 21 of the Rules and the notification communicated by the gas market operator, the balance responsible party shall invoice the gas market operator on any working day but not later than on the 20th day of the month concerned.
- (4) The gas market operator shall settle the payment as invoiced in line with paragraph 3 of this Article within 20 days from the day on which the invoice has been made out.
- (5) In case the payment is overdue, default interest rate shall be accrued.

#### Article 5

- (1) With the view to securing the payment the balance responsible party shall within 10 days from the day of the conclusion of the Contract submit to the gas market operator a payment instrument in the amount that shall be specified in line with Article 7 of these BRP GTC in the format of:
  - a) an unconditional, irrevocable and incontestable bank guarantee payable at its first written demand, issued by a bank acceptable to the gas market operator and complying with the content acceptable to the gas market operator, and/or
  - b) a cash deposit into the deposit account of the gas market operator.
- (2) An acceptable bank referred to in paragraph 1 hereof shall be considered a bank with its seat in the Republic of Croatia that meets the following capital requirements (IRC): the minimum 4.5 % CET 1 ratio, minimum 6 % Tier 1 ratio and the rate of own funds of at least 8 %. If the bank has its seat outside of the Republic of Croatia, the bank of the balance responsible party shall send a SWIFT message format with the bank guarantee to the gas market operator's bank that, in that case, shall check the creditworthiness of the balance responsible party's bank.
- (3) All the costs relating to the issuance, terms of validity and renewal of the payment security instrument and the costs relating to the use (activation) of the payment security instrument shall be borne by the balance responsible party.
- (4) The bank guarantee must be issued in a written form in Croatian or English and in Latin script. If the balance responsible party submits a bank guarantee in a foreign language other than English, the balance responsible party is obliged to submit a certified translation into Croatian alongside the original of the bank guarantee.



- (5) It shall be assumed that the balance responsible party has delivered a payment security instrument when the gas market operator receives the original of the bank guarantee at the address of its seat, i.e., when the payments are booked into the cash deposit account and the gas market operator can dispose of these funds.
- (6) The period of validity of the bank guarantee shall be at least 12 months.
- (7) Not later than 7 days before the expiration of the period of the validity of the bank guarantee the balance responsible party shall be obliged to renew and deliver a new bank guarantee or provide a cash deposit in the amount specified in Article 7 of these BRP GTC, whereas any new bank guarantee shall be issued for a period of validity of at least 12 months.
- (8) The procedure referred to under paragraph 7 of this Article shall be repeated during the full period of duration of the Contract so as to enable the gas market operator to dispose of the valid payment security within the meaning of these BRP GTC.
- (9) In the event that a new bank guarantee has not been issued and delivered to the gas market operator within the time period specified under paragraph 7 of this Article, and the balance responsible party has failed to deliver any other financial safeguards within the meaning of this Article, the gas market operator shall be entitled to invoke the bank guarantee and deposit the received cash amount into a special purpose account of the gas market operator. The received cash amount shall be considered as financial safeguards as long as the balance responsible party submits to the gas market operator a new bank guarantee within the meaning of this Article.
- (10) The gas market operator shall pay no interest rate to the balance responsible party relating to the amount of the deposit serving as financial safeguards within the meaning of these BRP GTC, including the deposit referred to in paragraph 9 of this Article.

## Article 6

- (1) The gas market operator shall be entrusted to use the financial safeguards under these BRP GTC to settle any claims that may arise pursuant to or with respect to the Contract, including the claims that may arise following the termination of the Contract.
- (2) Should the gas market operator use the payment security instrument for the settlement of the liabilities of the balance responsible party, regardless of the fact whether in part or in its full amount, the balance responsible party shall deliver to the gas market operator a new payment security instrument, in compliance with Article 5 of these BRP GTC and in the amount that equals the invoked amount of the security payment instrument used for the settlement within 7 days from the day on which the gas market operator used the payment security instrument concerned.
- (3) Without prejudice to any other rights enjoyed by the gas market operator within the meaning of the Contract and the Rules, should the balance responsible party fail to deliver any payment security instrument or any additional financial safeguards or should

it fail to renew a payment security instrument in compliance with the requirements and within the time periods laid down by these BRP GTC, the gas market operator shall be empowered to:

- a) immediately block access to the trading platform and prevent trading with the transmission system operator and other balance responsible parties for the balance responsible party concerned and/or,
  - b) terminate the Contract in compliance with Article 9 of these BRP GTC, leaving a subsequent five-day-compliance period.
- (4) About the non-compliance of the balance responsible party with its obligations referred to in paragraph 3 of this Article, the gas market operator shall inform the transmission system operator, the competent ministry and the Agency that may have to take necessary steps within its powers.

#### Article 7

- (1) The amount of the payment instrument referred to under Article 5 of these BRP GTC that must be delivered by the balance responsible party to the gas market operator shall equal a double amount of the average monthly obligation of the balance responsible party pursuant to the Contract in the period of the last 12 months. When calculating the average monthly obligation no account shall be taken of the highest monthly obligation and the lowest monthly obligation derived from the calculation of the balance group in the last 12 months, rounded up to the nearest multiple of 10,000.
- (2) The minimum payment security shall amount to EUR 130,000.
- (3) By way of derogation from paragraph 1 of this Article, the amount of the first payment security that the balance responsible party must deliver to the gas market operator pursuant to the Contract shall amount to EUR 130,000, whereas after the time period of 3 months has expired from the conclusion of the Contract, and following the request of the gas market operator, the balance responsible party shall deliver additional financial safeguards within the meaning of paragraph 4 of this Article.
- (4) Should the delivered financial safeguards not cover twice the amount of the average monthly obligation of the balance responsible party under the Contract in the last 12 months (or in a shorter period, as in the case referred to under paragraph 3 of this Article), where in the calculation of the average monthly obligation no account will be taken of the highest monthly obligation and the lowest monthly obligation derived from the calculation of the balance group in the last 12 months (or in a shorter period, as in the case referred to under paragraph 3 of this Article), the balance responsible party shall deliver additional financial safeguards within a period of 7 days from the day of the receipt of the written request by the gas market operator in compliance with Article 5 of these BRP GTC, in the amount that equals the difference between the delivered payment security instrument and the mandatory double amount of the average monthly obligation of the balance responsible party, rounded up to the nearest multiple of 10,000.

- (5) In the event that based on the monitoring of the daily report of the transmission system operator on any day during the current accounting period the gas market operator finds that the unsettled debt of the balance responsible party for the preceding accounting periods combined with the daily obligations of the balance responsible party to the gas market operator in the current accounting period, that can be identified on the basis of the daily reports of the transmission system operator, hold a share of 75 % to 100 % in the amount of the delivered financial safeguards, following the request of the gas market operator the balance responsible party shall deliver to the gas market operator additional financial safeguards in the sense of Article 5 of these BRP GTC, in the amount of 25 % of the previously delivered financial safeguards, rounded up to the nearest multiple of 10,000.
- (6) In the event that based on the monitoring of the daily report of the transmission system operator on any day during the current accounting period the gas market operator finds that the unsettled debt of the balance responsible party for the preceding accounting periods combined with the daily obligations of the balance responsible party to the gas market operator in the current accounting period, that can be identified on the basis of the daily reports of the transmission system operator, amount to more than 100 % of the delivered financial safeguards, following the request of the gas market operator the balance responsible party shall deliver to the gas market operator additional financial safeguards in the sense of Article 5 of these BRP GTC, in the amount of the difference between: the sum of the total daily obligations for the current accounting period and the unsettled obligations for the previous accounting periods, increased by 50 %, and the amount of the previously delivered financial safeguards, rounded up to the nearest multiple of 10,000.
- (7) The balance responsible party shall deliver to the gas market operator additional financial safeguards in compliance with paragraphs 5 and 6 of this Article on the first working day following the receipt of the request of the gas market operator.
- (8) Should the balance responsible party deliver to the gas market operator financial safeguards in the amount that is higher than the amount stipulated under this Article, the gas market operator can refund the difference upon the request of the balance responsible party:
  - a) by depositing the difference into the business account of the balance responsible party, where the payment security instrument has been a cash deposit, or
  - b) by returning the delivered bank guarantee, provided that the balance responsible party has previously delivered a new bank guarantee or made a cash deposit into the deposit account in the amount complying with the relevant provisions of this Article,provided that the balance responsible party has no unsettled debts against the gas market operator.

#### Article 8

- (1) The Contract is concluded for indefinite duration.
- (2) The balance responsible party can cancel the Contract without stating any particular reason with 15-day-cancellation notice.
- (3) The gas market operator can terminate the Contract if the license that has been issued to the balance responsible party for the provision of energy activities has expired, taking immediate effect and leaving no period for subsequent compliance.

#### Article 9

- (1) Any of the contracting parties can terminate the Contract where the other contracting party fails to comply with its obligations, delays or improperly fulfils its obligations, by sending a written termination notice to the other contracting party, leaving a subsequent five-day-compliance period from the day of the receipt of the termination notice, unless otherwise provided by this BRP GTC in a particular case.
- (2) All correspondence under the Contract shall be delivered by email, personal delivery, mail or a courier service, onto the addresses specified under the Contract.
- (3) It shall be assumed that the correspondence has been properly delivered:
  - a) if the delivery is made by email: on the day when a confirmation email about successful delivery has been received on the sender's e-mail address. Where such verification of the receipt is received after 4:00 p.m. on any day, the correspondence shall be considered received at 8:00 a.m. on the following working day;
  - b) if the delivery is made by hand (personal delivery): on the date indicated on the correspondence or other acknowledgement of the receipt bearing the signature of the addressee under the Contract, by which they confirm the receipt (delivery) of the postal item;
  - c) if the delivery is made by mail or a courier service: after two working days have passed from the day on which the correspondence was handed over to the post office or a courier service.
- (4) The Contract shall be deemed terminated and ceases to produce legal effects 15 days after the expiration of the subsequent compliance period.

#### Article 10

- (1) In the event of termination or cancellation of the Contract the contracting parties undertake to clear all the debts that have arisen within the meaning of the Contract from the day of its conclusion until the day of its termination.
- (2) The termination of this contract results in deleting of the balance responsible party from the Register of balance responsible parties.

### Article 11

The gas market operator is empowered to revise and amend the provisions of the BRP GTC as a constituent part of the Rules in compliance with the proceeding stipulated by the law regulating the gas market.

UNOFFICIAL VERSION

## Appendix II

### GENERAL TERMS OF THE CONTRACT ON THE SETTLEMENT OF NEGATIVE IMBALANCE

(hereinafter referred to as: NEB GTC)

#### Article 1

- (1) These NEB GTC shall regulate mutual rights and obligations of the gas market operator and the negative balancing energy provider of balancing services (hereinafter referred to as: provider) that are not regulated under the contract on the settlement of negative imbalance.
- (2) These NEB GTC are a constituent part of the contract on the settlement of negative imbalance concluded between the gas market operator and the provider (hereinafter referred to as: Contract).
- (3) Should there be any issue not falling under the Contract or the NEB GTC, the mutual rights and obligations of the gas market operator and the provider shall be subject to the provisions of the Rules on the organization of the gas market (hereinafter referred to as: Rules) and other provisions regulating the energy sector, energy activities and the gas market, and the civil obligations rules.

#### Article 2

Should there be matters not covered by these NEB GTC, the definitions and terms used in these NEB GTC shall bear the meaning set by the Rules and other provisions regulating the energy sector, energy activities and the gas market.

#### Article 3

- (1) For the calculated amount of the activated negative balancing energy through the use of balancing services the gas market operator shall invoice the provider.
- (2) The provider shall settle the payment within 10 days from the day on which the invoice has been made out by the gas market operator.
- (3) In case the payment is overdue, default interest rate shall be accrued.

#### Article 4

- (1) With the view to securing the payment the provider shall within 10 days from the day of the conclusion of the Contract submit to the gas market operator a payment instrument in the amount that shall be specified in line with Article 6 of these NEB GTC in the format of:

- a) an unconditional, irrevocable and incontestable bank guarantee payable at its first written demand, issued by a bank acceptable to the gas market operator complying with the content acceptable to the gas market operator, and/or
  - b) a cash deposit into the deposit account of the gas market operator.
- (2) An acceptable bank referred to in paragraph 1 hereof shall be considered a bank with its seat in the Republic of Croatia that meets the following capital requirements (IRC): the minimum 4.5 % CET 1 ratio, minimum 6 % Tier 1 ratio and the rate of own funds of at least 8 %. If the bank has its seat outside of the Republic of Croatia, the bank of the provider shall send a SWIFT message format with the bank guarantee to the gas market operator's bank that, in that case, shall check the creditworthiness of the provider's bank.
  - (3) All the costs relating to the issuance, terms of validity and renewal of the payment security instrument and the costs relating to the use (activation) of the payment security instrument shall be borne by the provider.
  - (4) The bank guarantee must be issued in a written form in Croatian or English and in Latin script. If the provider submits a bank guarantee in a foreign language other than English, the provider is obliged to submit a certified translation into Croatian alongside the original of the bank guarantee.
  - (5) It shall be assumed that the provider has delivered a payment security instrument when the gas market operator receives the original of the bank guarantee at the address of its seat, i.e., when the payments are booked into the cash deposit account and the gas market operator can dispose of these funds.
  - (6) The validity of the bank guarantee shall last until at least 2 months after the expiry of the contract period for which the gas sales contract (negative balancing energy) between the transmission system operator and the provider has been concluded.
  - (7) The gas market operator shall pay no interest rate to the provider relating to the amount of the deposit serving as financial safeguards within the meaning of these NEB GTC.

#### Article 5

- (1) The gas market operator shall be entrusted to use the financial safeguards under these NEB GTC to settle any claims that may arise pursuant to or with respect to the Contract, including the claims that may arise following the termination of the Contract.
- (2) Should the gas market operator use the payment security instrument for the settlement of the liabilities of the provider, regardless of the fact whether in part or in its full amount, the provider shall deliver to the gas market operator a new payment security instrument, in compliance with Article 4 of these NEB GTC and in the amount that equals the invoked amount of the security payment instrument used for the settlement within 7 days from the day on which the gas market operator used the payment security instrument concerned.

- (3) Without prejudice to any other rights enjoyed by the gas market operator within the meaning of the Contract and the Rules, should the provider fail to deliver any payment security instrument or any additional financial safeguards or should it fail to renew a payment security instrument in compliance with the requirements and within the time periods laid down by these NEB GTC, the gas market operator shall be empowered to:
  - a) immediately block access to the trading platform and prevent trading with the transmission system operator and balance responsible parties on the trading platform and/or,
  - b) terminate the Contract in compliance with Article 8 of these NEB GTC, leaving a subsequent five-day-compliance period.
- (4) About the non-compliance of the provider with its obligations referred to in paragraph 3 of this Article, in the sense of termination of the gas sales contract (negative balancing energy), the gas market operator shall inform the transmission system operator, as well as the competent ministry and the Agency that may have to take necessary steps within its powers.

#### Article 6

- (1) The amount of the payment instrument referred to under Article 4 of these NEB GTC that must be delivered by the provider to the gas market operator shall equal a double amount of the average monthly obligation of the provider pursuant to the Contract in the period of the last 12 months. rounded up to the nearest multiple of 10,000.
- (2) The minimum payment security shall amount to EUR 260,000.
- (3) By way of derogation from paragraph 1 of this Article, the amount of the first payment security that the provider must deliver to the gas market operator pursuant to the Contract shall amount to EUR 260,000, whereas after the time period of 3 months has expired from the conclusion of the Contract, and following the request of the gas market operator, the provider shall deliver additional financial safeguards within the meaning of paragraph 4 of this Article.
- (4) Should the delivered financial safeguards not cover twice the amount of the average monthly obligation of the provider under the Contract in the last 12 months (or in a shorter period, as in the case referred to under paragraph 3 of this Article, the provider shall deliver additional financial safeguards within a period of 7 days from the day of the receipt of the written request by the gas market operator in compliance with Article 4 of these NEB GTC, in the amount that equals the difference between the delivered payment security instrument and the mandatory double amount of the average monthly obligation of the provider, rounded up to the nearest multiple of 10,000.
- (5) In the event that based on the monitoring of the daily report of the transmission system operator on any day during the current accounting period the gas market operator finds that the unsettled debt of the provider for the preceding accounting periods combined with the daily obligations of the provider to the gas market operator in the current accounting period, that can be identified on the basis of the daily reports of the



transmission system operator, holds a share of 75 % to 100 % in the amount of the delivered financial safeguards, following the request of the gas market operator the provider shall deliver to the gas market operator additional financial safeguards in the sense of Article 4 of these NEB GTC, in the amount of 25 % of the previously delivered financial safeguards, rounded up to the nearest multiple of 10,000.

- (6) In the event that based on the monitoring of the daily report of the transmission system operator on any day during the current accounting period the gas market operator finds that the unsettled debt of the provider for the preceding accounting periods combined with the daily obligations of the provider to the gas market operator in the current accounting period, that can be identified on the basis of the daily reports of the transmission system operator, amounts to more than 100 % of the delivered financial safeguards, following the request of the gas market operator the provider shall deliver to the gas market operator additional financial safeguards in the sense of Article 4 of these NEB GTC, in the amount that equals the difference between: the sum of the total daily obligations for the current accounting period and the unsettled obligations for the previous accounting periods, increased by 50 %, and the amount of the previously delivered financial safeguards, rounded up to the nearest multiple of 10,000.
- (7) The provider shall deliver to the gas market operator additional financial safeguards in compliance with paragraphs 5 and 6 of this Article on the first working day following the receipt of the request made by the gas market operator.
- (8) Should the provider deliver to the gas market operator financial safeguards in the amount that is higher than the amount stipulated under this Article, the gas market operator can refund the difference upon the request of the provider:
  - a) by depositing the difference into the business account of the provider, where the payment security instrument has been a cash deposit, or
  - b) by returning the delivered bank guarantee, provided that the provider has previously delivered a new bank guarantee or made a cash deposit into the deposit account in the amount complying with the relevant provisions of this Article,provided that the provider has no unsettled debts against the gas market operator.

#### Article 7

- (1) The Contract is concluded for a definite term as specified in the Contract.
- (2) In case of the termination of the gas sales contract (negative balancing energy) between the transmission system operator and the provider, the Contract shall be automatically terminated, which shall produce the following effects: the gas market operator shall issue the invoice for the remaining obligations of the provider for the period preceding the termination of the Contract, the provider shall settle the debt concerned and after the provider has settled the debt concerned, the gas market operator shall return the received financial safeguards to the provider to the extent to which it has not been used for the settlement of the payments under the Contract.

- (3) The gas market operator shall be empowered to terminate the Contract if the license that has been issued to the provider for the provision of energy activities has expired, taking immediate effect and leaving no period for subsequent compliance and producing the effects referred to under paragraph 2 of this Article.

#### Article 8

- (1) Any of the contracting parties can terminate the Contract where the other contracting party fails to comply with its obligations, delays or improperly fulfils its obligations, by sending a written termination notice to the other contracting party, leaving a subsequent five-day-compliance period from the day of the receipt of the termination notice, unless otherwise provided by this NEB GTC in a particular case.
- (2) All correspondence under the Contract shall be delivered by email, personal delivery, mail or a courier service, onto the addresses specified in the Contract.
- (3) It shall be assumed that the correspondence has been properly delivered:
  - a) if the delivery is made by email: on the day when a confirmation email about successful delivery has been received on the sender's e-mail address. Where such verification of the receipt is received after 4:00 p.m. on any day, the correspondence shall be considered received at 8:00 a.m. on the following working day;
  - b) if the delivery is made by hand (personal delivery): on the date indicated on the correspondence or other acknowledgement of the receipt bearing the signature of the addressee under the Contract, by which they confirm the receipt (delivery) of the postal item;
  - c) if the delivery is made by mail or a courier service: after two working days have passed from the day on which the correspondence was handed over to the post office or a courier service.
- (4) The Contract shall cease to be in effect after the expiration of the subsequent compliance period.

#### Article 9

In the event of the termination of the Contract the contracting parties undertake to clear all the debts that have arisen within the meaning of the Contract from the day of its conclusion until the day of its termination.

#### Article 10

The gas market operator is empowered to revise and amend the provisions of the NEB GTC as a constituent part of the Rules in compliance with the proceeding stipulated by the law regulating the gas market.

## Appendix III

# GENERAL TERMS OF THE CONTRACT ON THE SETTLEMENT OF POSITIVE IMBALANCE

(hereinafter referred to as: PEB GTC)

### Article 1

- (1) These PEB GTC shall regulate mutual rights and obligations of the gas market operator and the positive balancing energy provider of balancing services (hereinafter referred to as: provider) that are not regulated under the contract on the settlement of positive imbalance.
- (2) These PEB GTC are a constituent part of the contract on the settlement of positive imbalance concluded between the gas market operator and the provider (hereinafter referred to as: Contract).
- (3) Should there be any issue not falling under the Contract or the PEB GTC, the mutual rights and obligations of the gas market operator and the provider shall be subject to the provisions of the Rules on the organization of the gas market (hereinafter referred to as: Rules) and other provisions regulating the energy sector, energy activities and the gas market, and the civil obligations rules.

### Article 2

Should there be matters not covered by these PEB GTC, the definitions and terms used in these PEB GTC shall bear the meaning set by the Rules and other provisions regulating the energy sector, energy activities and the gas market.

### Article 3

- (1) For the calculated amount of the activated positive balancing energy through the use of balancing services the provider shall invoice the gas market operator on any working day but not later than on the 20th day of the month.
- (2) The gas market operator shall settle the payment referred to in paragraph 1 of this Article not later than 20 days from the day on which the invoice has been made out by the provider.
- (3) In case the payment is overdue, default interest rate shall be accrued.

### Article 4

- (1) The Contract is concluded for a definite term as specified in the Contract.

- (2) In case of the termination of the gas sales contract (positive balancing energy) between the transmission system operator and the provider, the Contract shall be automatically terminated, which shall produce the following effects: the provider shall invoice the gas market operator for the remaining obligations of the gas market operator with respect to the activated positive balancing energy for the period preceding the termination of the Contract, whereas the gas market operator shall settle the debt concerned.
- (3) The gas market operator shall be empowered to terminate the Contract if the license that has been issued to the provider for the provision of energy activities has expired, taking immediate effect and leaving no period for subsequent compliance and producing the effects referred to under paragraph 2 of this Article.

#### Article 5

- (1) Any of the contracting parties can terminate the Contract where the other contracting party fails to comply with its obligations, delays or improperly fulfils its obligations, by sending a written termination notice to the other contracting party, leaving a subsequent five-day-compliance period from the day of the receipt of the termination notice, unless otherwise provided by this PEB GTC in a particular case.
- (2) All correspondence under the Contract shall be delivered by email, personal delivery, mail or a courier service, onto the addresses specified in the Contract.
- (3) It shall be assumed that the correspondence has been properly delivered:
  - a) if the delivery is made by email: on the day when a confirmation email about successful delivery has been received on the sender's e-mail address. Where such verification of the receipt is received after 4:00 p.m. on any day, the correspondence shall be considered received at 8:00 a.m. on the following working day;
  - b) if the delivery is made by hand (personal delivery): on the date indicated on the correspondence or other acknowledgement of the receipt bearing the signature of the addressee under the Contract, by which they confirm the receipt (delivery) of the postal item;
  - c) if the delivery is made by mail or a courier service: after two working days have passed from the day on which the correspondence was handed over to the post office or a courier service.
- (4) The contract shall cease to be in effect after the expiration of the subsequent compliance period.

#### Article 6

In the event of the termination of the Contract the contracting parties undertake to clear all the debts that have arisen within the meaning of the Contract from the day of its conclusion until the day of its termination.

### Article 7

The gas market operator is empowered to revise and amend the provisions of the PEB GTC as a constituent part of the Rules in compliance with the proceeding stipulated by the law regulating the gas market.

UNOFFICIAL VERSION