

Public Consultation of the General Terms and Conditions of PRISMA Platform

Evaluation of PRISMA GTCs valid as of 1 October 2016

Due to the final entry into force of Commission Regulation (EU) 984/2013 (CAM NC) and new functionality to be implemented on PRISMA Platform on 1 October 2016, PRISMA aims to amend its General Terms and Conditions (GTCs) including the Applicable TSO Terms for Use of the PRISMA Capacity Platform (ATTs) and Glossary. Therefore, a public consultation on the adapted parts of the GTCs was conducted from 04 - 22 July 2016. The main changes in the documents result from the alignment with CAM NC such as:

- Description of the ascending clock mechanism
- Description of uniform price mechanism
- Alignment of definitions
- Improvement of wording

The result of the public consultation is listed in the following table. The comments and/or questions PRISMA received as well as the action and/or responses considered by PRISMA are arranged to the respective Article of the General Terms and Conditions.

General Terms and Conditions for Use of the PRISMA Capacity Platform
01 October 2016

Article 10 General rules and principles for auctions

2. Long-term capacity products (yearly, quarterly, and monthly) are auctioned in an Ascending Clock Auction in accordance with Art. 11. Short-term capacity products (day-ahead, within-day) are auctioned in a Uniform-price auction in accordance with Art. 12. Art. 11 and 12 below are intended to reflect and supplement the rules applicable to Ascending Clock Auctions set out in Art. 17 of the CAM NC and Uniform Price Auctions set out in Art. 18 of the CAM NC respectively. In the event of any inconsistency between Art. 11 and 12 below and Art. 17 and 18 of CAM NC, Art. 17 and 18 of the CAM NC shall prevail.
3. Volume Bids are to be submitted in whole units of either kWh/h or kWh/d depending on the TSO TTCs.
4. The minimum lot size of a Volume Bid is either one (1) kWh/h or one (1) kWh/d depending on the TSO TTCs.
5. If permitted by Applicable Regulations and/or if required by the TSO a credit limit check may have to be passed. On the PRISMA Capacity Platform different credit limits are available and each TSO can decide to apply a different credit limit depending on the Standard Capacity Product or the same credit limit for all Standard Capacity Products.

In case the result of the credit limit check is negative, the Bid will be rejected and the User will be notified about the failed credit limit check. The rejected Bid cannot be activated but the User is able to submit a new Bid (i) with a smaller value or (ii) after the relevant credit limit has been adjusted, as long as the Bidding Round or the auction is still open. In case the credit limit check is successful, the Bid is accepted and will be set off against the credit limit. If a Bid is not successful in an auction the relevant credit limit is increased again by the corresponding bid value.
6. Following the end of the auction the allocation of capacities takes place at the determined price in accordance with Art. 11 or Art. 12.
7. Running auctions may be terminated when the availability of the PRISMA Capacity Platform is limited in accordance with Art. 21, PRISMA discontinues operation of the PRISMA Capacity Platform or the TSO withdraws the capacity offer. PRISMA shall inform without undue delay the Network User of the termination via e-mail. Should the auction be repeated at a later time, PRISMA shall publish the information relevant to said auction in a timely manner.

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Deleted: <#>After the end of every auction, PRISMA publishes the auction result including the allocated capacities and the price determined in accordance with Art. 11 or Art. 12. In addition, the successful bidders are notified without undue delay of the amount of capacities allocated to them including but not limited to via email. After the close of auctions for short-term capacity products the bidder will be notified in a timely manner by PRISMA via e-mail about all the auctions where he unsuccessfully participated.¶

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Question/Remark 1:

It states that the Long Term Capacity Auctions will change from a “multi stage auction” to an “ascending clock auction”. What is the difference?

Answer by PRISMA:

Due to the final entry into force of Commission Regulation (EU) 984/2013 (CAM NC) PRISMA European Capacity Platform GmbH aligned the wording of its GTCs with the terms used in CAM NC. Therefore the term “multi stage auction” was replaced by “ascending clock auction”.

Question/Remark 2:

What will exactly change from the process [editor’s note: reference to Q1], we know from now?

Answer by PRISMA:

No technical changes come along with the new designation of the auction type.

Question/Remark 3:

The Short Term Capacity Auctions will change from a “single stage auction” to a “uniform-price auction”. How will this change come into effect?

Answer by PRISMA:

Due to the final entry into force of CAM NC PRISMA European Capacity Platform GmbH aligned the wording of its GTCs with the terms used in CAM NC. Therefore the term “single stage auction” was replaced by “uniform price auction”.

Question/Remark 4:

Clause 3 should be standardised either as kWh/h or kWh/d not both.

Answer by PRISMA:

According to Art. 10 CAM NC in its current version both units, kWh/h and kWh/d, shall be possible. Thus, both units are implemented and used. The usage of different units refers to the choice done by the TSO. Therefore, no change to the current version of the GTCs provided by this public consultation of the GTCs of PRISMA is necessary.

Article 11, Ascending Clock Auction

16. After each Bidding Round, the demand of all Network Users in a specific auction will be published as soon as reasonably possible in an aggregated form.

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Question/Remark 5:

If the situation occurs that a second bidding round is necessary it is of great importance for a network user to know directly after closure of the bidding round the aggregated demand. The volume of all biddings has serious impact on the next bidding of a network user. As there is only a period of 1 hour between the bidding rounds we need at least 45 min for preparation knowing already the aggregated demand of the bidding round which took place before. Paragraph 16 “After each Bidding Round, the demand of all Network Users in a specific auction will be published as soon as reasonably possible in an aggregated form” does not give us this safety of receiving this information early enough. Therefore we propose to adapt Article 11 paragraph 16 as follows: “After each Bidding Round, the demand of all Network Users in a specific auction will be published at the latest 15 minutes after closure of the bidding round in an aggregated form”

<p>Answer by PRISMA: Due to the final entry into force of CAM NC PRISMA European Capacity Platform GmbH aligned the wording of its GTCs with the used terms in CAM NC. NC CAM does not rule an obligation to publish the data within a defined period of 15 minutes. PRISMA will use its best efforts to publish the respective data as soon as reasonably possible. This as well the period of time of 1 hour between Bidding Rounds is in line with the statutory requirements of Commission Regulation (EU) 984/2013 (CAM NC).</p> <p>However, PRISMA’s process already foresees – without any legal guarantee – the publication instantly after the closure of the bidding round. More than 99% of the recent bidding rounds have been published within one minute. PRISMA will publish the respective performance data on its website periodically.</p>
<p>Article 18 Available trading procedures</p> <p>PRISMA Capacity Platform supports the following procedures for trading capacities on the <u>Secondary Market</u>:</p> <ul style="list-style-type: none"> (i) OTC trading, where an Offering and a Requesting <u>Network User</u> trade bilaterally and know one another, (ii) CFO, where a <u>Network User</u> submits a Trade Proposal open to Responses of <u>Network Users</u> whereas the proposing <u>Network User</u> may choose the Response he accepts and (iii) FCFS, where a <u>Network User</u> submits a Trade Proposal open to the Responses of <u>Network Users</u> where the Responses are accepted according to the time stamps order. <p>For CFO procedures a <u>Network User</u> may only withdraw its Trade Proposal or Response either before the first corresponding reaction of the counterparty (<u>whether a</u> Response or acceptance of Response by the <u>Network User</u> issuing the Trade Proposal) is received by PRISMA or at an earlier date set by PRISMA. For FCFS procedures a <u>Network User</u> may only withdraw its Trade Proposal either before the first corresponding Response is received by PRISMA or at an earlier date set by PRISMA. PRISMA may set such earlier dates <u>acting reasonably</u> at its discretion and shall notify <u>Network Users</u> about such set dates from time to time via the PRISMA Capacity Platform <u>in advance</u>. <u>When giving any additional information as comment on the Trade Proposal, the Network User shall observe any and all obligations under Applicable Regulations to preserve the confidentiality of commercially sensitive information and/or the anonymity of the trade.</u></p>
<p>Question/Remark 6: CFO: we would really appreciate if this option could be developed into a more flexible one. E.g. it's currently not possible to receive/show prices which are under/above the initiated published price for an offer/bid. Even if no deal can be achieved immediately, the counterparties can be informed by PRISMA about an interesting party if previously agreed on disclosure of contact details. At the moment just deals are fulfilled if all criteria are strictly met.</p> <p>Answer by PRISMA: The proposal of Question/Remark 6 does not result to a change of the current version of the GTCs provided by this public consultation of the GTCs of PRISMA. Already now, the process of CFO is to allow higher/lower prices to be stated by the respective counterparty. Nevertheless the request will be taken into consideration for possible future improvements of the secondary market process.</p>
<p>D. OTHER PROVISIONS</p>
<p>Question/Remark 7: We would like to state that the functionality of converting currencies was an important feature for us as it saves a lot of time for a rough calculation of the final transport costs. Thus we propose to</p>

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keep this functionality.

Answer by PRISMA:

The functionality of converting currencies was replaced already in the last version of the GTCs effective since 01/10/2015 and is now part of Article 15 of the current version of the GTCs as well as it will be stated in Article 15 of the version of GTCs that enters into force on 01/10/2016. This functionality is retained. A change of the current version of the GTCs provided by this public consultation of the GTCs of PRISMA is not necessary.

Article 27 Liability and warranty

7. Contract-typical and foreseeable damages are those which the contractual partner foresaw as a possible result of breach of contract at the time of contract conclusion or those which, under consideration of the circumstances which were or should have been known to him, should have been foreseen had due diligence been applied. Contract-typical, foreseeable damages are deemed not to exceed 250.000 € for an event of damage.

Question/Remark 8:

The limit of 250.000 € for contract-typical, foreseeable damages for an event of damage is clearly too low taking into consideration the transport volumes being contracted via PRISMA currently. Keeping this in mind in comparable general terms and conditions (e.g. of other booking platform operators in Europe) there is either no limit or a limit of approximately 2.500.000 €. Therefore we propose as fair compromise between the network users and PRISMA to adapt Article 27 para. 7 as follows. "Contract-typical and foreseeable damages are those which the contractual partner foresaw as a possible result of breach of contract at the time of contract conclusion or those which, under consideration of the circumstances which were or should have been known to him, should have been foreseen had due diligence been applied. Contract-typical, foreseeable damages are deemed not to exceed 2.500.000 € for an event of damage."

Answer by PRISMA:

The proposal of Question/Remark 8 does not result to a change of the current version of the GTCs provided by this public consultation of the GTCs of PRISMA. In view of the fact that PRISMA platform serves only as a booking and trading platform for Primary and Secondary Capacity whereas Transport Contracts are fulfilled and executed outside of PRISMA. PRISMA does not, in doing so, take any responsibility for or make any guarantee concerning the contracts concluded between TSOs and Network Users or between Network Users; in particular for the actions, capabilities and performances of the contractual parties involved. Therefore an extension of the contract-typical and foreseeable liability limit is not relevant with regard to the respective object of the Platform Usage Contract.

Article 29 Use of data

1. PRISMA may collect, store, use and process data of its Network Users and their Users and data generated by the TSOs and/or the Network Users and its Users via the PRISMA Capacity Platform

a) for the execution of the Platform Usage Contract or the transport and transfer of capacity contracts which are concluded via the PRISMA Capacity Platform in order to ensure that the obligations arising from the Platform Usage Contract are carried out properly as well as that transactions entailing the transfer of capacity rights are completed accordingly, or

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Question/Remark 9:

In art 3, entry/exit capacity contracts is replaced by Transport Contracts. In 1.a) of this article, we

have "transport of capacity contracts" =>that does not seem aligned

Answer by PRISMA:

Article 29 para. 1 lit. a) of the GTCs that enter into force as of 01/10/2016 will be accordingly changed as follows:

1. ...

a) for the execution of the Platform Usage Contract or the [Transport Contracts and transfer of Transport Contracts](#) which are concluded via the PRISMA Capacity Platform in order to ensure that the obligations arising from the Platform Usage Contract are carried out properly as well as that transactions entailing the transfer of capacity rights are completed accordingly, or