



Market Definition

- Slovenia -

v1.6

This document is a part of the rules of the exchange operated jointly by BSP Regional Energy Exchange LL C and its affiliated companies.
It is valid from 15 March 2010 until changed in accordance with the rules of the exchange themselves.



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1 Definition of Terms

- Affiliate Member an Exchange Participant whose Exchange Participation depends on Exchange Participation of an Exchange Member that it belongs to.
- Agreed Interest Rate..... the interest rate for the cash on the Deposit Account at a Settlement Bank agreed by Agreement On Interest Rates.
- Agreement On Interest Ratesan agreement between Settlement Bank and BSP on the interest rates for the cash on the Deposit Account.
- Auction Session..... a Trading Session in Auction Trading.
- Auction Trading the manner of Trading where matching only occurs once in the Price Determination Phase.
- Bank Guarantee..... a form of Financial Guarantee provided in accordance with the Rules.
- Banking System..... the system used by Settlement Bank for performing the financial settlement
- BSP either one or many of BSP REE and/or its affiliated companies that jointly operate the Exchange and respective Trading and Clearing systems in accordance with the Rules.
- BSP REE..... company BSP Regional Energy Exchange LL C with registered office in Ljubljana, Slovenia.
- Business Day..... days from Monday to Friday on which the bank transfers in Slovenia could be provided.
- Call Phase a Session Phase in the Auction Session when Exchange Participants can enter and manage their Orders.
- Clearing..... a set of procedures that include registration, invoicing and settlement, as well as collateralisation of Transactions.
- Clearing Member..... an Exchange Participant.

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Clearing Member Group..... the group of Clearing Members, of which the members are an Exchange Member and all Affiliate Members that belong to this Exchange Member.

Clearing Participation the right to participate in respective Clearing system.

Clearing Record..... the Invoices and accompanying reports providing information on procedures effected in Clearing of Final Transactions.

Clearing Transaction a transaction established within the process of registration of Final Transaction registered for Clearing that forms the basis for financial settlement.

Continuous Session a Trading Session in Continuous Trading.

Continuous Trading..... a manner of Trading on BSP where matching occurs during the Trading Phase whenever conditions for it emerge.

Country of BSP Operation a country in relation to which BSP is operating (a) Market and/or a Clearing system(s).

Default..... an occurrence when a Clearing Member has not met its obligations according to the Rules (it has not made either a scheduled payment or a scheduled delivery or a timely posting of required Financial Guarantees) or occurrence of an incident and/or existence of circumstances on the basis of which BSP may conclude that a Clearing Member is either not able or is expected not to be able to fulfil its obligations.

Delivery Day the day of physical fulfilment of Transactions.

Deposit Account..... a cash account opened at Settlement Bank on which financial guarantees paid in cash are kept.

Deposit Sub-account account opened in the name of Clearing Member within the framework of Deposit Account.

Exchange Member..... an independent Exchange Participant.

Exchange Participant an Exchange Member or an Affiliate Member.

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- Final Transaction..... a Transaction which cannot be broken.
- Financial Guarantee..... any collateral that a Clearing Member has to deposit as insurance for the fulfilment of his liabilities towards BSP.
- Freeze Phase a Session Phase in the Auction Session when Market Supervision can oversee and test outcomes of the Auction and manage the Orders entered during the Call Phase.
- Inactive Phase a Session Phase in either Auction Session or Continuous Session or Submission For Clearing Session when Exchange Participants can only access and download the results of their Trading.
- Invoice daily invoice for energy purchase or sale.
- Market..... a market operated by BSP.
- Market Participation..... the right to participate in Trading in the individual Market.
- Market Supervision..... the Exchange Body responsible for the supervision and surveillance of the trading operations and of the rights within the Trading System.
- Members Chamber an Exchange Body established in accordance with the Rules.
- Multilateral Clearing Mechanism..... a clearing mechanism provided by BSP as a central counterparty to all financial rights and obligations from the Transactions cleared within, resulting in a single netted financial right and/or obligation of an individual party of any number of such Transactions in relation to that central counterparty.
- Net Creditor..... Clearing Member that has, in respect to individual Settlement Day and Clearing Participation, net financial liabilities towards BSP.
- Net Debtor Clearing Member that has, in respect to individual Settlement Day and Clearing Participation, net financial receivables towards BSP.

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- Offset Report.....a report provided by BSP on the offset financial rights and obligations pursuant registration of individual Final Transactions either assumed by or assigned to BSP in the Multilateral Clearing Mechanism.
- Originating Market Participant.....a Market Participant that has entered an Order in Submission For Clearing.
- Physical Settlement Report....a report provided by BSP on the net physical rights and/or obligations arising from registered Final Transactions.
- Post-trading Phase.....a Session Phase in the Auction Session when Exchange Participants can access and download the results and file an objection.
- Price Determination Phasea Session Phase in the Auction Session when matching is executed and market clearing price determined.
- Products Definition.....a Definition setting out the Products traded at the Exchange in accordance with the General Rules and Trading Rules.
- Receiving Market Participant a Market Participant that has been selected as the counterparty in an Order entered in Submission For Clearing.
- Rules.....the whole set of rules applicable in Trading and Clearing in the Markets.
- Session Phase.....a phase in an individual manner of Trading.
- Settlement Accounta cash account opened at Settlement Bank through which net financial settlement is performed.
- Settlement Banka bank in which BSP has opened a settlement and deposit account; the settlement bank may be either a commercial bank or the settlement system itself or a central bank.

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Settlement Day..... a day when settlement on individual Markets is performed in accordance with respective Market Definition; Settlement Days for financial settlement and physical settlement on an individual Market may differ, as well as some Markets may have several Settlement Days for financial and/or physical settlement of a Product.

Slovenian Electricity Clearing the clearing system operated by BSP for Clearing of Transactions in Electricity delivered in Republic of Slovenia, operated in accordance with this Market Definition.

Slovenian Electricity Day-ahead Market a Market for Trading in electricity delivered in Republic of Slovenia the following day, operated in accordance with this Market Definition.

Submission For Clearing..... a manner of Trading on BSP, where two individual Market Participants jointly agree on a Transaction they have concluded outside Exchange (OTC) in order for it to become subject of Clearing by BSP.

Submission For Clearing Session..... a Trading Session in Submission For Clearing.

Trade Limit..... a limit which is established by means of an amount in terms of money within which the Exchange Member and its Affiliated Members jointly can put buy orders in Trading System on a Trading Day, set by BSP according to the Rules.

Trading..... the whole set of actions performed by Exchange Traders at the Exchange, e.g. act of entering or withdrawal of Orders in the Trading System.

Trading Day..... a day when Trading on an individual Market can be conducted.

Trading Phase..... a Session Phase in either Continuous Session or Submission For Clearing Session.

Trading Session..... Period of Trading for the individual Products with the same delivery day and the same manner of trading from the time a market opens until it closes.



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Transactioneither a transaction that Exchange Participants have concluded in a Market or a transaction concluded between Market Participants outside Exchange submitted for Clearing by BSP.

2 Slovenian Electricity Day-ahead Market

- (1) For Market Participation in the Slovenian Electricity Day-ahead Market Clearing Participation in the Slovenian Electricity Clearing is required.
- (2) For the purposes of delegation of members to Members Chamber the Country of BSP Operation of Slovenian Electricity Day-ahead Market is Republic of Slovenia.

2.1 Exchange Trading

2.1.1 Tradable Products

- (1) Exchange Trading with Products on the Slovenian Electricity Day-ahead Market is carried out in Auction Trading and Continuous Trading sessions.
- (2) Products, as defined by Products Definition, admitted to the Slovenian Electricity Day-ahead Market are the following:
 - Continuous Trading:
 - a) BASE,
 - b) PEAK,
 - c) OFF-PEAK1,
 - d) OFF-PEAK2,
 - e) EURO-PEAK,
 - f) EURO-OFF-PEAK1,
 - g) EURO-OFF-PEAK2;
 - Auction Trading:
 - a) HOURLY PRODUCTS,
 - b) BASE,
 - c) EURO-PEAK,
 - d) EURO-OFF-PEAK.

2.1.2 Market Sessions

- (1) In the Slovenian Electricity Day-ahead Market, the Trading schedule on the Trading Day is conducted in the following sessions and respective Session Phases:
- Auction Session:
 - 1) Call Phase shall take place from 08:00 to 08:45,
 - 2) Freeze Phase shall begin at 08:45 and may last until 08:55,
 - 3) Price Determination Phase shall take place immediately after the Freeze Phase and shall end by 09:00,
 - 4) Post-trading Phase shall take place immediately after the Price Determination Phase and shall last 15 minutes after the Price Determination Phase,
 - 5) Inactive Phase shall take place immediately after the Post-trading Phase until the end of the Trading Day;
 - Continuous Session:
 - 1) Trading Phase shall take place from 09:00 to 12:00,
 - 2) Inactive Phase shall take place from 12:00 to 24:00.

2.2 Submission For Clearing

2.2.1 Products

- (1) Products, as defined by Products Definition, available for submission for Clearing by BSP are the following:
- a) BASE,
 - b) PEAK,
 - c) OFF-PEAK1,
 - d) OFF-PEAK2,
 - e) EURO-PEAK,
 - f) EURO-OFF-PEAK1,
 - g) EURO-OFF-PEAK2.

2.2.2 Phases of Submission For Clearing

- (1) In the Submission For Clearing, the schedule on the Trading Day is conducted in the following Session Phases:
 - 1) Trading Phase shall take place from 09:00 to 12:00,
 - 2) Inactive Phase shall take place from 12:00 to 24:00.

2.3 Trading Calendar

- (1) Trading on the Slovenian Electricity Day-ahead Market shall take place every day from Monday to Friday with exception of the Slovenian public holidays.
- (2) For the public holidays and other non-working days the Trading will be performed on the last working day before the public holiday or other non-working day.
- (3) The Trading Calendar shall be published by means set by BSP.



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3 Slovenian Electricity Clearing

- (1) For Clearing Participation in Slovenian Electricity Clearing a Clearing Member shall be required to conclude a Physical Settlement Domain Agreement with Borzen, organizator trga z električno energijo, d.o.o., resulting in a valid and effective Physical Settlement Account at all times of Clearing Participation in Slovenian Electricity Clearing.
- (2) Final Transactions concluded in the Slovenian Electricity Day-ahead Market are cleared by using Multilateral Clearing Mechanism within Slovenian Electricity Clearing.

3.1 Clearing Records

- (1) Each Trading Day BSP shall send to every Clearing Member Clearing Records regarding all Final Transactions concluded on the Slovenian Electricity Day-ahead Market on a that Trading Day.
- (2) BSP shall send individually to each Clearing Member the following Clearing Records:
 - a) Invoice for energy purchase by 14:30;
 - b) Invoice for energy sale by 14:30;
 - c) Offset Report of the Clearing Member's net financial liability or net financial receivables by 14:30;
 - d) Physical Settlement Report of net physical liabilities and/or receivables by 12:30.

3.1.1 Elements of the Invoice

- (1) Invoices shall consist of the following elements:
 - data on the Clearing Member (buyer or seller), which shall include: address of the company, postcode, VAT number and number of the company's Transaction Account;
 - data on the BSP: address of the company, postcode, VAT number and number of the company's Settlement Account kept at the Settlement Bank;
 - the place and date of Clearing;
 - the type of Invoice: invoice for energy purchase or the invoice for energy sale;
 - the successive number of the Invoice;

- the Clearing Member's identification number, which must be identical to the Clearing Member's number in the register of Clearing Members;
 - the Trading Day;
 - the Delivery Day of execution of the Transaction arising from Trading;
 - the Settlement Day;
 - the table of Final Transactions for the purchase or sale of electricity shall consist of:
 - a) the successive number of the item;
 - b) the Transaction identifier;
 - c) the code of the Position Account;
 - d) the Product;
 - e) the Delivery Day;
 - f) the price per unit (in EUR/MWh);
 - g) the volume (in MWh);
 - h) the base for calculating VAT;
 - i) the VAT rate;
 - j) the VAT amount;
 - k) the total value including VAT;
 - the reference number of the daily Invoice;
 - the signature(s) of (a) person(s) authorised by the BSP.
- (2) Elements of the Invoice could be changed according to the changes of legal requirements.

3.1.2 Offset Report

- (1) For the Clearing Member, in whose name the Invoice for energy purchase and Invoice for energy sale for the same Trading Day was issued, BSP shall prepare an Offset Report of its financial net liability or net receivables.
- (2) The Offset report of a Clearing Member's net liability or net receivable shall consist of the following items:
- the gross financial liability from the Invoice for energy purchase;
 - the gross financial receivables from the Invoice for energy selling;

- the amount of the net receivable or net liability, calculated as the difference between the gross financial liability and gross financial receivable;
 - the Settlement Day;
 - the Settlement Bank at which a Settlement Account has been opened;
 - the number of the Settlement Account;
 - the reference number;
 - the signature(s) of (an) authorised person(s) of BSP.
- (3) Consisting elements of Offset statement could be changed according to the changes of legal requirements.

3.1.3 Physical Settlement Report

- (1) Physical Settlement Report is a statement of net physical liabilities and/or physical receivables for each Settlement Day based on the Final Transactions concluded in the Slovenian Electricity Day-ahead Market.

3.1.4 Forwarding the Clearing Records

- (1) The BSP shall forward the Clearing Records in written form by either e-mail or telefax and also, if appropriate and/or upon request, by regular mail.

3.1.5 Reporting of Errors

- (1) A Clearing Member may file a written complaint with the BSP as a consequence of any mistakes or errors in the Clearing Records provided in accordance with the provisions of
- 1) lines a) and b) and c) in paragraph (2) of point 3.1 [Clearing Records] above by 15:30;
 - 2) line d) in paragraph (2) of point 3.1 [Clearing Records] above by 13:00;
- on the day of their respective submission to the Clearing Member by BSP. The complaint must contain the individually identification of the items that are the subject of the complaint.
- (2) A Clearing Member shall submit any complaints in writing, by fax or by e-mail.

- (3) BSP shall send a written reply to complaint filed in accordance with the provision of line 1) in paragraph (1) above by 16:00 on the same day, which shall be final for the purposes of Financial Settlement.
- (4) BSP shall send a written reply to complaint filed in accordance with the provision of line 2) in paragraph (1) above by 13:20 on the same day. In accordance with the aforementioned written reply BSP shall issue corrected Physical Settlement Report of net physical liabilities and/or receivables to each affected Clearing Member by 13:30 on the same day, which shall be final for the purposes of Physical Settlement.

3.2 Settlement

3.2.1 Settlement of Clearing Transactions

- (1) Settlement Day for financial settlement is 2 (two) Business Days after the Trading Day.
- (2) The Net Debtor must settle its financial liabilities arising from Clearing Transactions by 14:00 on the Settlement Day by effecting payment into the Settlement Account kept by the Settlement Bank. If Clearing Member fails to settle its liabilities in prescribed time, BSP shall cash in its posted Financial Guarantees.
- (3) Clearing Members must settle all payments in cash.
- (4) On the basis of the Offset Report, BSP shall send to the Settlement Bank money orders for transferring funds from the Settlement Account to the Transaction Accounts of Net Creditors.
- (5) The Settlement Bank shall effect the Transactions based on the money orders received by the BSP via the Banking System on the same Business Day, i.e. Settlement Day.

3.2.2 Physical Settlement

- (1) Settlement Day for physical settlement is the Trading Day.
- (2) BSP is exclusively responsible for the registration of schedules of net physical liabilities and/or receivables for each Settlement Day.
- (3) Registration of schedules shall proceed according to the Physical Settlement Domain Rules and in accordance with the instructions from Slovenian power market operator Borzen, organizator trga z električno energijo d.o.o.

3.3 Financial Guarantees

- (1) A Clearing Member Group of which members wish to trade on the Slovenian Electricity Day-ahead Market shall deposit Financial Guarantees jointly amounting to at least in the sum of amounts determined as required Initial Financial Guarantees in accordance with the provisions of point 3.3.1 [Determination of the amount of Initial Financial Guarantees] below of individual members of the Clearing Member Group either:
 - in the form of cash deposit on the Deposit Account opened by BSP at the Settlement Bank in Slovenia;
 - in the form of Bank Guarantee of which the beneficiary is BSP REE.

3.3.1 Determination of the amount of Initial Financial Guarantees

- (1) Initial Financial Guarantee shall be determined by BSP based on the anticipated value of trading (purchase transactions) that may be established on the basis of anticipated volume of trading proposed by Market Participant.
- (2) The amount of Initial Financial Guarantee shall be established with the following calculation method: the anticipated value of trading for one day shall be multiplied by a factor of 5 (five).
- (3) Clearing Member shall not be permitted to trade on the Slovenian Electricity Day-ahead Market before it has submitted the Initial Financial Guarantee to the BSP.
- (4) Initial Financial Guarantees shall be revised from time to time.

3.3.2 Trade Limit

- (1) In the course of a Trading Day BSP shall monitor the Trade Limit of every Clearing Member Group.
- (2) If a Clearing Member Group wishes to increase the volume of trading, it may submit additional Financial Guarantee to the BSP at any point in time. The Clearing Member Group must notify the BSP in writing of the intended increase in Trade Limit. The BSP shall increase the Trade Limit for an individual Clearing Member Group on a Trading Day, which follows the day of receipt of the confirmation that the necessary funds have been paid into the Deposit Account or receipt of a Bank Guarantee.

3.3.3 Deposit Sub-account and Interest

- (1) For each Clearing Member, holding Clearing Participation in Slovenian Electricity Clearing, that posts Financial Guarantees in the form of a cash deposit, BSP shall open a Deposit Sub-account in the frame of Deposit Account opened at Settlement Bank.
- (2) The Deposit Sub-account shall be kept in EUR unless BSP determines otherwise.
- (3) On a basis of Irrevocable authorisation issued by a Clearing Member for using funds on Deposit Sub-account for financial settlement arising from Clearing Participation in Slovenian Electricity Clearing, these funds may be disposed of by the BSP as the manager of the Deposit Account. These funds shall be completely separated from the assets of BSP.
- (4) BSP shall recognise interest on deposited Financial Guarantee that is administered in a Deposit Sub-account in the amount of the Agreed Interest Rate.
- (5) The interest shall be added pertaining to funds on Deposit Sub-accounts in amount, by the deadlines and in the manner specified in the valid Agreement On Interest Rates. The Agreement shall be provided to all Clearing Participants in Slovenian Electricity Clearing which have Financial Guarantees in a form of Deposit.
- (6) BSP pays out the interests to the Clearing Members Transaction Account on a first Business Day of a month that follows the month the interest relate to, or biannually if so agreed with Clearing Member.
- (7) The costs of keeping Deposit Account and Sub-accounts shall be borne by BSP.

3.4 Default

- (1) In case of a Default, a Clearing Member must immediately notify the BSP of all incidents that have taken place at its premises, and of all cases of the non-fulfilment of Clearing Member liabilities by any other Clearing Member, if it is aware of such cases.

3.4.1 Procedures for Regulating Cases of Default

- (1) In the event that a Clearing Member Group fails to settle its liabilities arising from Clearing Transactions by 14:00 on a Settlement Day, its liabilities shall be settled by the BSP from the Financial Guarantee of the Clearing Member Group that failed to settle its liabilities by:

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- sending a money order to the Settlement Bank for transferring funds from the Clearing Member Group Deposit Sub-account to the Settlement Account, and/or
 - sending a Bank Guarantee for encashment.
- (2) BSP shall calculate the new value of Trade Limit for each Clearing Member Group every Settlement Day after 16:00, when financial settlement is concluded. BSP shall notify Clearing Member Group of the new value of Trade Limit for the next Trading Day.

3.4.2 Costs

- (1) A Clearing Member in Default shall be obliged to reimburse the BSP all costs and expenses incurred by the measures adopted pursuant to the Rules.