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Tender rules for procuring frequency containment reserve, automatic frequency restoration reserve and manual frequency restoration reserve

The English version of these Rules is for information purposes only. Prequalification and tender procedures are carried out in Bulgarian. In case of discrepancies between the English and the Bulgarian version of the Rules, the Bulgarian version shall prevail.

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Section 1. GENERAL PROVISIONS

Art. 1. Purpose and grounds

(1) Pursuant to Art. 105, para. 2 of the Energy Act ESO EAD shall conduct tendering procedures for purchase of balancing capacities - frequency containment reserve and frequency restoration reserve (automatic and manual), including additional reserve for manual frequency restoration for the purpose of balancing the variable renewable generation to secure the balance between production and consumption of electricity.

(2) Frequency containment reserve (hereinafter referred to as FCR) is the available balancing capacity of active power required to contain the system frequency after an imbalance occurs as defined in Art. 3, para. 2, subpara. 6 of Commission Regulation (EU) 2017/1485, by implementing the process described in Art. 142 of the said Regulation.

(3) Automatic frequency restoration reserve (hereinafter referred to as aFRR) is the available balancing capacity of active power required to restore the system frequency to its setpoint and to restore the power balance so that the control block's cross-border schedule is met and which can be activated by an automatic control device pursuant to Art. 3, para. 2, subpara. 99 of Commission Regulation (EU) 2017/1485, by implementing the process described in Art. 145, para. 4 in order to achieve the control target in accordance with Art. 143, para. 1 of that Regulation.

(4) Manual frequency restoration reserve (hereinafter referred to as the mFRR) is the available balancing capacity of active power required to restore the system frequency to its setpoint and restore the power balance so that the control block's cross-border schedule is met by manual activation of assets and by implementing the process described in Art. 145, para. 5 of Commission Regulation (EU) 2017/1485.

(5) Additional mFRR for the purpose of balancing the variable renewable generation according to the current price decision of Bulgarian National Regulatory Authority - EWRC.

(6) These Rules regulate the procedure and conditions under which the ESO EAD shall conduct tender procedures under para. 1, through a web-based platform for tendering procedures (herein after referred to as the Platform).

(7) These Rules are approved by the Executive Director of ESO EAD and shall enter into force on the date of their publication on the Platform.

Art. 2. Sizing of Balancing capacities

(1) The size of FCR shall be determined according to Art. 97, para. 4, subpara. 1 and 2 of the Bulgarian Grid code, as well as in accordance with Art. 153 of Commission Regulation (EU) 2017/1485 and B-2 of the Synchronous Area Framework Agreement (SAFA) for Regional Group Continental Europe (RG CE), concluded under Art. 118 of the same Regulation.

(2) The size of aFRR shall be determined under Art. 98, para. 4, subpara. 1 of the Bulgarian Grid code, as well as in accordance with Art. 157 of Commission Regulation (EU) 2017/1485 and B-6-2-2-1-5 of SAFA for RG CE.

(3) The size of mFRR shall be determined according to Art. 157 of Commission Regulation (EU) 2017/1485.

(4) The size of the additional mFRR for balancing the variable renewable generation shall be determined in accordance with Art. 98, para. 4, subpara. 2 of the Bulgarian Grid code as it shall not exceed the amount determined in the current price decision of the EWRC.

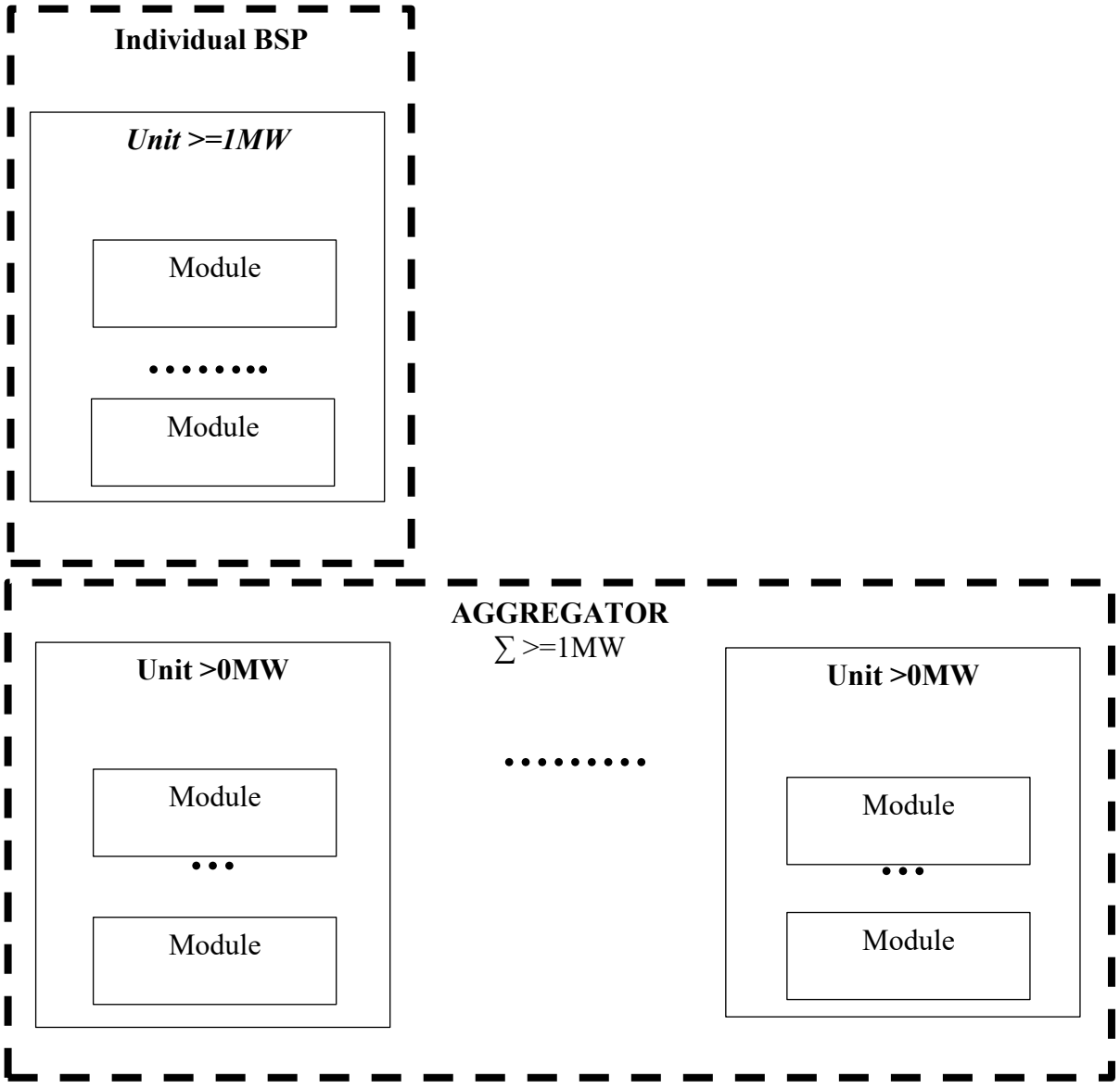
Art. 3. Definitions

Balancing service under these Rules includes: FCR, aFRR and mFRR and additional mFRR for the purpose of balancing the variable renewable generation;

Balancing service provider (BSP) - a market participant registered in accordance with these Rules which is the owner and/or legally represents unit(s) providing balancing services, capable of providing balancing service under a contract concluded based on these Rules. BSP can be:

Individual BSP - Owner or representative of a separate unit/module, providing balancing services with available capacity greater than or equal to 1 MW;

Aggregator - Owner or representative of a group of separate units/modules connected to more than one point of connection, providing balancing services with a total available capacity greater than or equal to 1 MW. All units/modules in the Aggregator group shall be registered as direct members;



Unit provided balancing services - means a separate module or set of modules for the production of electricity and / or a consumer unit(s) and/or electricity storage facilities connected to a common connection point, meeting the requirements for providing FCR, FRR (automatic and manual) and additional mFRR for the purpose of balancing the variable renewable generation;

EWRC - Energy and Water Regulatory Commission;

Generation module - classified as type B, C and D in accordance with the criteria formulated in Art. 5 of Commission Regulation (EU) 2016/631;

Consumer unit(s) - an indivisible set of installations containing equipment that can be actively operated by the owner of a consuming facility, individually or jointly as part of a joint representation of consumers through a third party in order to provide balancing services to ESO EAD;

***Web-based platform for organizing of tender procedures (the Platform)*:** A specialized platform administered by ESO EAD in the form of a web-based software product, on which the registered bidders submit their bids, and the TSO uses for registration of bidders, announcement of tender procedures, collection of bids, ranking of the bids and publication of the results.

Rules - Tender rules for procuring frequency containment reserve, automatic frequency restoration reserve and manual frequency restoration reserve - these Rules.

Balancing capacity(s) - balancing capacity(s) provided by an BSP for one or more balancing services.

Art. 4. Tender Information

(1) ESO EAD shall conduct tender procedures using the Platform. Through the Platform, ESO EAD shall collect bids for balancing capacity, conducts tender procedures and announces the results from them.

(2) ESO EAD shall also publish on the Platform:

1. the current Tender Rules;
2. messages in accordance with these Rules;
3. register of the BSPs, who have met the requirements for participation in the tender procedures, according to these tender Rules;
4. any other information in connection with the tender procedures.

Section II. QUALIFICATION OF BSPs

Art. 5. Requirements for BSP

(1) The BSP must successfully pass the qualification procedure.

(2) The BSP, except for the Aggregator, must have signed contracts for access to the transmission/distribution grid and shall provide to ESO EAD information about contracts with DSO/s if any. The Aggregator shall provide to the ESO EAD information about access to distribution grid contracts for each unit/module in its portfolio.

(3) A BSP shall be entitled to provide balancing services through a unit or part of a unit/module for which a valid access contract is in force, provided that the unit or part of it does not operate under a temporary access scheme as defined in the Energy Act.

(4) The units/modules through which a BSP provides reserves for aFRR shall be equipped with dedicated direct telecommunication links for the exchange of real-time data with ESO and shall be capable of being independently controlled by the Automatic Generation Control (AGC) system of ESO.

(5) The BSP must have installed means for telecommunication and telemechanic for providing real-time data.

(6) The BSP must have built a net metering electricity system at the respective sites, and when applicable also a gross electricity metering system for individual production units/modules. If the individual units of the BSP are not equipped with a means for commercial measurement of net electricity, allowing separate metering of electricity produced from each unit, a mutually approved methodology for division of the net measured electricity for the unit is applied. This methodology shall allow the split of the produced net electricity by individual units/modules based on the information on the specifically measured gross quantities of electricity from each unit/module. In such cases, the methodology is attached to the contract - Annex 3 of these Rules.

(7) The BSP must be included with "active" status in the register of the admitted BSPs that have acquired the right to participate in tender procedures.

(8) The BSP must not be in bankruptcy or liquidation proceedings evident from public registers, accessible through the Internet.

(9) FCR may be provided by a BSP, if their respective units/modules meet the minimum technical requirements of Art. 97 of the Bulgarian Grid code, Art. 154 of Commission Regulation (EU) 2017/1485 and has a commercial schedule for supply/consumption of electricity for the entire delivery period.

(10) FRR (automatic and manual) may be provided by an individual BSP or aggregator, if their respective units/modules meet the minimum technical requirements of Art. 98 of the Bulgarian Grid code, Art. 158 of Commission Regulation (EU) 2017/1485.

(11) Additional mFRR for the purpose of balancing the variable renewable generation may be provided by an individual participant or aggregator, if their respective units/modules meet the minimum technical requirements described in Annex 1.

(12) The detailed minimum technical requirements under para. 9 and 10 are presented in Annex 1 to these Rules.

Art. 6. Qualification of BSP

(1) All candidates who wish to participate in the provision of capacity for FCR, FRR (automatic and manual) and additional mFRR for the purpose of balancing the variable renewable generation are subject to a prequalification procedure .

(2) Each candidate to BSPs shall submit an application to ESO EAD for prequalification, as model application is available on the Platform(Annex 2 to these Rules).

(3) Each BSPs candidate shall submit in the application under para. 2 its dynamic parameters, representing a set of data and characteristics related to the ability to change their output power, according to the form in Annex 1 of the units/modules which shall provide balancing capacity.

(4) The BSP acquires the right to participate in tender procedures for the provision of balancing services only if it has successfully passed the qualification procedure of ESO EAD, resp. to be included with status "active" in the register of admitted participants.

Art. 7. Applications for participation in qualification

(1) The candidates shall prepare an application for participation in qualification, according to a sample in Annex 2.

(2) The application for participation in qualification shall be signed by the participant himself/ its legal representative or by his special power of attorney authorized representative. A certified copy of the power of attorney shall be attached to the application.

(3) By signing the application for participation in qualification, the candidate agrees to fulfil all the conditions set out in these Rules.

(4) The applications shall be sent to the address of ESO EAD or by e-mail to eso@eso.bg.

(5) The candidates may submit applications for participation in qualification at any time during the period of validity of these Rules.

(6) The submission of applications is registered by ESO.

(7) In case circumstances relevant for the qualification and subsequent inclusion with "active" status in the register of admitted BSPs change, the BSP is obliged to inform ESO EAD within 5 working days from the date of change and the obligatory notification of a change remains in force for the period after inclusion in the register.

(8) Upon receipt of a notification under para. 7 for different parameters of the units/modules providing the balancing service of a registered BSP, related to their ability to provide the relevant balancing service, the BSP shall again successfully pass the qualification test under Art. 8 of these Rules and respectively be included with the status "active" in the register with the new achieved parameters of the units/modules providing the balancing service.

Art. 8. Qualification process

(1) ESO EAD appoints a qualification committee (corresponds to a preliminary evaluation procedure within the meaning of Art. 155 and 159 of Commission Regulation (EU) 2017/1485), which verifies the data from the application for participation in Qualification within 15 working days as from the receipt of the application.

(2) In case any required information is not provided in the application for participation in qualification and the accompanying documents, the commission may require from the candidate submission of documents and/or explanations related to them.

(3) If all the required information is provided, within the next 45 calendar days of receipt, ESO EAD shall indicate to the candidate the periods when its units/modules shall be tested to prove they can provide the requested balancing service, according to the minimum technical requirements of Annex 1 and Art. 5 para. 9 and 10 of these Rules.

(4) After conducting the tests, a bilateral protocol containing the achieved technical parameters of the respective units/modules shall be signed.

(5) In case of unsuccessful tests under para. 3 within 15 calendar days from the signing of the protocol under para. 4, ESO EAD indicates to the candidate the periods when its units/modules shall be retested for their ability to provide the requested balancing services.

(6) In the cases of conducting tests under para. 3 and 5, the deviations from its trade schedules shall be at the expense of the candidate, incl. if there is no commercial delivery schedule.

(7) In case within the time limits under para. 3 and 5, tests to verify the ability to provide the requested balancing services cannot be conducted by fault of the candidate’s units/modules, the registration procedure of the candidate shall be terminated.

(8) In case of successful tests under para. 3 and 5, the candidate shall sign a contract (Annex 3 to these Rules) for provision of balancing services with the actually achieved technical parameters according to the protocol under para. 4 in the register of the admitted participants, who have acquired the right to participate in tender procedures.

(9) In case the requirements for registration are not fulfilled, ESO EAD shall refuse registration of the participant and shall indicate the reasons for that.

Art. 9. Register of providers, who have the right to participate in tender procedures

(1) The register of providers, who have the right to participate in tender procedures is public.

(2) The register is published on the Platform.

(3) The register of admitted providers is updated currently in case applications are received from new candidate who meets the requirements of ESO EAD, or already registered BSPs cease to meet the requirements, or upon receipt of information from already registered BSP to change technical parameters of their units/modules,

(4) The register shall contain the following information:

1. Name of the BSP;
2. Type of the BSP (individual/aggregator);
3. Headquarters address;
4. Address for correspondence;
5. Name of the units/modules providing balancing services;
6. EIC code of each unit/module providing balancing services, resp. group of individual units/modules;
7. Date of registration;
8. Status;
9. Date of inclusion/exclusion from the register;
10. Number of current contract concluded under these Rules;
11. Technical characteristics of the units/modules providing the relevant balancing service.

Art. 10. Exclusion from the register. Suspension of access to tendering procedures.

(1) The BSP shall be immediately excluded from the register of admitted BSPs who have acquired the right to participate in tender procedures if any of the following circumstances occur:

1. BSP violates these Rules, acts improperly or in any way violates or threatens to violate the organization of the tender procedure under these Rules, including in cases referred to in Art. 11, para. 14 of these Rules;
2. BSP has been declared insolvent or at liquidation or insolvency proceedings have been opened;
3. BSP has provided incorrect information.
4. in case of termination of the contract - Annex 3 of these Rules.

(2) The exclusion of BSP shall be noted in the register who have acquired the right to participate in tenders, and a reasoned decision shall be published on the Platform.

(3) A participant who has been excluded from the register may apply for new registration no earlier than two months as from the date of its exclusion.

(4) In case a BSP who has won daily tenders commits a breach under Art. 15 para. 1, subpara. 1, 2 or 3 of these Rules and within a calendar month as from the previous breach commits further seven breaches of the same kind, its access to the next seven tenders for the relevant type of balancing service shall be suspended.

Section III. TENDER PROCEDURES

Art. 11. Basic principles

(1) ESO EAD shall organize daily tender procedures for balancing capacities, through the Platform.

(2) Start dates of tender procedures shall be announced in advance on the website of ESO EAD and the Platform.

(3) FCR, FRR (automatic and manual) and additional mFRR for the purpose of balancing the variable renewable generation shall be bid at a tender procedure by any provider registered for the relevant type of balancing service in an amount not less than 1MW.

(4) The ranking of participants in tender procedures shall be carried out by arranging price bids of BSP for capacity in (EUR/MW)/h. in ascending order.

(5) The proposed price for the provision of availability for the respective balancing capacity shall not exceed the price cap indicated by ESO EAD when launching the tender procedure and determined considering the recognized costs for balancing capacities under the price decision of EWRC currently in force.

(6) Bids by BSP that do not met the requirements of para. 5 shall not be accepted by the Platform.

(7) Balancing energy delivered as a result of the activation of the units/modules providing balancing capacity shall be paid in accordance with the terms of the Market rules and Annex 3 to these Rules.

(8) Each ranked BSP is paid the price for balancing capacity in EUR/MW/h determined by the tender process for the respective balancing capacities pursuant to Art. 112, para. 5 of Market rules. The payment is due and for time periods when the respective balancing service is activated by order/instruction of ESO.

(9) The access of each BSP for participation in the tender procedure is through a username and password with two-factor authentication at the login screen of the Platform, except for those with status inactive or temporarily suspended whose access is prohibited according to Art. 10 of these Rules.

(10) After gate closure for submission of bids for the respective tender, submission of bids is not allowed.

(11) The results of the ranking are publicly available on the Platform.

(12) All mentions of time stamps, specified in these Rules, are for UTC+02 – East European time.

(13) Before, during and after tender procedure, tenderers must refrain from any action which adversely affects or threatens to adversely affect competition in the organization of the tender procedure, or which aims unfair play, or which in any other way distorts or threaten to undermine the organization, transparency and efficiency of the tender procedure.

(14) Participants in tendering procedures under Art. 12, Art. 13 and Art. 14.1 of these Rules shall offer at least the quantities determined by the ESO EAD, in accordance with Art. 77, para. 11 of Market rules.

(15) If after the end of the tendering procedures under Art. 12, Art.13, Art. 14.1 and Art. 14.2 of these Rules, entire or part of the regulation range is not ranked and included in the respective merit order, the BSP may use it for commercial purposes.

(16) During the period of delivery of balancing capacity for the relevant balancing service type, each individual BSP or aggregator is entitled to redistribute it between its balancing service providing units, for this purpose notifying the respective dispatching staff at ESO EAD.

(17) Subject to timely request and approval by ESO EAD, ranked balancing capacities may be transferred in whole or in part between individual BSP/aggregators, provided the amount and price shall remain unchanged according to the respective tender ranking.

(18) In cases per para. 17, explicit confirmations regarding the period, amount and price received by fax or e-mail from all three parties are required: ESO EAD, the transferring balancing capacities BSP and the substituting balancing capacities BSP.

Art. 12. Participation and ranking in tender procedures for FCR

(1) ESO EAD shall announce the amount of balancing capacity for FCR in MW to be tendered each day (D-1) before the day of delivery (D).

(2) Each daily tender procedure shall start at 08:00 on the day (D-1) before the day of delivery (D).

(3) The BSP may amend their proposals by the announced gate closure for the respective tender procedure, as in case of equal bids an advantage under para. 10 is given to participant who has submitted its last bid earlier.

(4) The gate closure for submission of bids is 9:00 a.m. on the day (D-1) before the day of delivery (D).

(5) Each registered BSP is obliged to bid any free available capacity of its units/modules, which is not engaged in a commercial delivery schedule.

(6) A BSP shall bid the entire upward regulation range of the units/modules providing balancing capacity, but not more than 15MW, rounded to the nearest whole number.

(7) The bid shall contain a constant amount in MW and a constant price for balancing capacity for FCR (EUR/MW)/h for the relevant tender period.

(8) The ranking shall be carried out in accordance with Art. 11, para. 4 of these Rules.

(9) In case two or more participants have submitted bids with the same price, the BSPs shall be ranked in ascending order of the time stamp in which they submitted their last bid.

(10) In cases where more than one BSP are ranked under the tender procedure and the total amount submitted by them exceeds the declared required capacity by ESO EAD, the difference between the total balancing capacity required and the accepted bids may be filled up to the required amount by the last ranked BSP by accepting its bid in full.

(11) If there are insufficient bids, ESO EAD shall make up the shortfall by indicating by 09:30 of the same day the BSPs and the corresponding amount and price of the balancing capacity specified in Art. 114, para. 2 of Market rules.

(12) Results of each tender procedure shall be published within 30 minutes after the gate closure referred to in para.4.

(13) The ranked bids of the BSPs in the respective tender procedure and/or the bids indicated in accordance with para. 11 shall be arranged in a merit order of FCR within the meaning of Art. 112, para. 6 of Market rules and are activated in accordance with Art. 152 of Market rules.

Art. 13. Participation and ranking in tender procedures for aFRR

(1) ESO EAD shall announce the amount of aFRR in MW to be tendered each day (D-1) before the day of delivery (D).

(2) Each daily tender procedure shall start at 09:30 on the day (D-1) before the day of delivery (D).

(3) The BSPs may amend their bids by the announced gate closure for the respective tender procedure, but an advantage under para. 11 is given to those who have submitted their last bid earlier.

(4) The gate closure for submission of bids is 10:30 a.m. on the day (D-1) before the day of delivery (D).

(5) Each registered BSPs is obliged to bid any free available capacity of its units/modules, which is not engaged in a commercial delivery schedule.

(6) An individual BSP must bid at least 15% of the installed capacity of the largest module for production of electricity and/or consuming units, rounding to a multiple of 5.

(7) An aggregator must bid at least 15% of the installed capacity of the largest module for production of electricity and/or consuming units, rounding to a multiple of 5. The aggregated balancing capacity may also be less if the ESO EAD has expressly indicated this in accordance with Art. 77, para. 11 of Market rules.

(8) The bid shall contain a constant amount in MW and a constant price for balancing capacity for aFRR (EUR/MW)/h for the relevant tender period.

(9) If the respective units/modules have already been ranked by balancing capacity for provision of FCR for the same tender period, the BSP's bid for aFRR in MW must take this into account.

(10) The ranking shall be carried out in accordance with Art. 11, para. 4 of these Rules.

(11) In case two or more participants have submitted bids with the same price, the BSPs shall be ranked in ascending order to the time stamp at which they submitted their last bid.

(12) In cases where more than one BSP are ranked under the tender procedure and the total amount submitted by them exceeds the declared required capacity from ESO EAD, the difference between the total balancing capacity required and the accepted bids may be filled up to the required amount by the last ranked BSP by accepting only part of his bid.

(13) If there are insufficient bids, ESO EAD shall make up the shortfall by indicating by 11:00 of the same day (D-1) the BSPs and the corresponding amount and price of the balancing capacity specified in Art. 114, para. 2 of Market rules.

(14) Results of each tender procedure shall be published within 30 minutes after the gate closure referred to in para. 4.

(15) The ranked bids in the respective tender procedure for balancing capacity and/or the bids indicated in accordance with para. 13 determine the minimum (can bid higher) quantity in MW which the BSP must bid in the tender procedures for balancing energy for upward and/or downward regulation in accordance with the "*Rules for tender procedures for creation of merit order list of balancing energy for upward and downward regulation from activated balancing capacities for aFRR and mFRR"*.

Art. 14.1. Participation and ranking in tender procedures for mFRR for the purpose of balancing the variable renewable generation

(1) ESO EAD shall announce the amount of mFRR for the purpose of balancing the variable renewable generation in MW, according to the current decision of the EWRC to be tendered each day (D-1) before the day of delivery (D).

(2) Each daily tender procedure shall start at 11:00 on the day (D-1) before the day of delivery (D).

(3) The BSPs may adjust their bids by the announced gate closure for the respective tender procedure, but an advantage under para. 12 is given to those who have submitted their last bid earlier.

(4) The gate closure for submission of bids is 12:00 p.m. on the day (D-1) before the day of delivery (D).

(5) Each registered BSP is obliged to bid any free available capacity of its units/modules, which is not engaged in a commercial delivery schedule.

(6) Each registered BSP is obliged to bid the available net capacity of the consuming units/modules.

(7) An BSP must bid at least 20% of the installed capacity of the largest module for production of electricity and/or consuming units, but not less than the minimum operating capacity, rounding to a multiple of 5.

(8) An aggregator must bid at least 50% of the installed capacity of the largest module for production of electricity and/or consuming unit, but not less than its minimum operating capacity, the amount being rounded up to a multiple of 5.

(9) The bid shall contain a constant amount in MW and a constant price for balancing capacity for mFRR (EUR/MW)/h for the relevant tender period.

(10) If the respective units/modules have already been ranked by capacity for provision of FCR and/or aFRR for the respective period, the BSP' quantity bid in MW must take that into account.

(11) The ranking shall be carried out in accordance with Art. 11, para. 4 of these Rules.

(12) In case two or more BSPs have submitted bids with the same price the BSPs shall be ranked in ascending order according to the time stamp at which they submitted their last bid.

(13) In cases where more than one BSP are ranked under the tender procedure and the total quantity provided by them exceeds the declared by ESO EAD required capacity, the difference between the required total and the accepted bids may be filled to the required amount by the last ranked BSP, accepting part of its bid, but not less than the net technical minimum of operating capacity of a generation module or not less than the intermediate net capacity with sustainable operation of a consumption unit[1].

(14) If there are insufficient bids, the ESO EAD shall make up the shortfall by indicating by 12:30 of the same day (D-1) the BSPs and the corresponding amount and price of the balancing capacity specified in Art. 114, para. 2 of Market rules.

(15) Results of each tender procedure shall be published within 30 minutes as from the gate closure referred to in para. 4.

(16) The ranked bids in the respective tender procedures for balancing capacity and/or the bids indicated in accordance with para. 14 determine the minimum (can bid higher) quantity in MW which the BSP must bid in the tender procedures for balancing energy for upward and/or downward regulation in accordance with the "*Rules for tender procedures for creation of merit order list of balancing energy for upward and downward regulation from activated balancing capacities for aFRR and mFRR"*.

Art. 14.2. Participation and ranking in tender procedures for mFRR

(1) ESO EAD shall announce the amount of mFRR in MW to be tendered each day (D-1) before the day of delivery (D).

(2) Each daily tender procedure shall start at 15:00 on the day (D-1) before the day of delivery (D).

[1] Intermediate Net Capacity is the capacity at which a Participant's Consumption Units can operate sustainably during the tender period. It shall be less than the maximum net capacity consumed and greater than the minimum net capacity of the units/modules.

(3) The BSPs may adjust their bids by the announced gate closure for the respective tender procedure, but an advantage under para. 9 is given to those who have submitted their last bid earlier.

(4) The gate closure for submission of bids is 16:00 p.m. on the day (D-1) before the day of delivery (D).

(5) Each registered BSP is obliged to bid any free available capacity of the units/modules, which is not engaged in a commercial delivery schedule

(6) The bid contains a constant amount in MW and a constant price for balancing capacity for mFRR (EUR/MW)/h for the relevant tender period.

(7) If the respective units/modules have already been ranked by capacity for provision of FCR, aFRR and/or mFRR for the balancing of the variable renewable generation for the respective tender period, the BSP' quantity bid in MW must take that into account..

(8) The ranking shall be carried out in accordance with Art. 11, para. 4 of these Rules.

(9) In case two or more BSPs have submitted bids with the same price the BSPs shall be ranked in ascending order according to the time stamp at which they submitted their last bid.

(10) In cases where more than one BSPs are ranked under the tender procedure and the total quantity provided by them exceeds the declared by ESO EAD required capacity, the difference between the required total and the accepted bids may be filled to the required amount by the last ranked BSP, accepting part of its bid, but not less than the net technical minimum of operating capacity of a generation module or not less than the intermediate net capacity with sustainable operation of a consumption unit[2]..

(11) Results of each tender procedure shall be published within 30 minutes after the gate closure referred to in para. 4.

(12) The ranked bids in the respective tender procedures for balancing capacity and/or the bids indicated in accordance with para. 14 determine the minimum (can bid higher) quantity in MW which the BSP must bid in the tender procedures for balancing energy for upward and/or downward regulation in accordance with the *Rules for tender procedures for creation of merit order list of balancing energy for upward and downward regulation from activated balancing capacities for aFRR and mFRR*.

Art. 15. Violations during execution of technical proposal

(1) ESO EAD shall treat as violations the following breaches of the technical tender bid:

1. Incomplete participation of the relevant unit/module providing FCR in the event of a disturbance in system frequency greater than +/-100mHz, recorded by the ESO EAD SCADA/EMS or ESO EAD recording devices;
2. Failure to participate in aFRR of the units/modules providing balancing services by fault of the BSP for a cumulative period exceeding five percent (5%) of the relevant tender period.
3. Failure to comply with Art. 98, para. 3 of the Bulgarian Grid code (accuracy of execution) in case of activation of mFRR for a cumulative time of more than five percent (5%) of the relevant tender period or failure to provide the ranked capacity for a cumulative time of more than five percent (5%) of the relevant tender period.

[2] Intermediate Net Capacity is the capacity at which a Participant's consumption units can operate sustainably during the tender periods. It shall be less than the maximum net capacity consumed and greater than the minimum net capacity of the units/modules.

(2) In case of a violation under para. 1, ESO EAD shall not pay the BSP for the relevant type of balancing capacity for the entire tender period it has been ranked.

Art. 16. Emergency situations

(1) In case of technical impossibility to organize the tender procedures, ESO EAD indicates BSPs under Art. 77, para.1 of the Bulgarian Grid code.

(2) In cases referred to in para. 1 the capacity price is the marginal price indicated by ESO EAD when announcing the tender procedure and determined considering the recognized costs for balancing capacities in accordance with the price decision of the EWRC currently in force .

Section IV. MISCELLANEOUS

Art. 17. Messages

All messages made under these Rules shall be in writing and shall be sent to the address of the Party indicated in the application for qualification, except where these Rules provide otherwise and/or where the relevant communications have been published on the Platform.

Art. 18. Limitation of liability

(1) ESO EAD shall not be liable to a BSP for damages resulting from participation or non-participation in a tender procedure, or from the results of a tender procedure or from a tender procedure that did not take place, as BSP shall consider ESO EAD as innocent and to indemnify the latter in respect of claims for such damages by third parties.

(2) ESO EAD reserves the right to accept or reject all submitted bids, as well as to terminate the tender procedure at any time, without paying compensation to the affected BSPs, in case a technical problem preventing the conduct, participation and/or ranking of the tender procedure occurs.

(3) The results of the tender procedure shall in no way be considered or related to the supply of electricity for a balancing market or to any rights, responsibilities or financial aspects related to the supply of electricity.

(4) All costs of the BSPs, related to their registration and participation in the tender procedures, shall be at their expense and ESO EAD shall not participate in them in any way.

Art. 19. Confidentiality

(1) ESO EAD shall consider all information related to past tender procedures as confidential and shall not allow its disclosure without the prior consent of the BSP to whom it relates, except for information that should be public within the meaning of these Rules and tendering procedures.

(2) Para. 1 shall not apply to disclosure of information to the institutions of the European Union, state and regulatory bodies, competent courts, arbitrators or jurisdictions, insofar as such disclosure is ordered or necessary by a procedure to which ESO EAD is a party.

Art. 20. Independent action

If a public authority or court declares any part of these Rules invalid or unlawful, this shall not affect the validity of the other provisions of these Rules, insofar as they do not contradict the applicable law.

Art. 21. Applicable law and dispute settlement

(1) Any disputes arising out of or in connection with these Rules or with respect to tendering procedures shall be referred to the competent court in Sofia, Bulgaria.

(2) These Rules and the tender procedures, which are conducted in accordance with them, shall be subject to the Bulgarian substantive law.

Art. 22. Force majeure

(1) An event constituting force majeure should be interpreted as any unforeseeable event or situation that is not subject to reasonable control of ESO EAD and is not due to fault of ESO EAD, and the company cannot reasonably avoid or overcome it, and which creates inability for ESO EAD to perform temporarily or permanently its and its employees' obligations under these Rules, in accordance with the terms and conditions therein.

(2) In case of force majeure, the obligations of ESO EAD, except for the obligations of confidentiality, shall be terminated from the date of occurrence of the force majeure.

(3) Under no circumstances can ESO EAD be held liable or required to pay any penalty for damages due to non-performance or improper performance of all or part of the company's obligations, when such non-performance or improper performance is due to force majeure.

(4) ESO EAD and the BSPs shall make every effort to limit the consequences and duration of the force majeure event.

(5) If force majeure circumstances persist for more than 30 (thirty) days, ESO EAD may terminate its tendering procedures in accordance with these Rules by publishing a notice to that effect on the Platform.

Art. 23. Amendment of the Rules

(1) Amendments to these Rules shall be made in writing. If the technical conditions and applicable low change significantly, in particular due to legal requirements, the operation of bodies or acts imposed by the regulatory body and/or agreements between associations of the electricity industry at national or international level, or if the tendering process unfold, these Rules shall be amended.

(2) If the BSPs have not notified ESO EAD of their wish to terminate their registration under para. 1, the consent for fulfillment of the requirements of these Rules, given with the application for participation in qualification under Art. 7 of these Rules, will also apply to any subsequent change of these Rules published by ESO EAD on the Platform.

Section V. Annexes

Annex №1 Minimum technical requirements for units/modules providing FCR, aFRR and mFRR.

Annex №2 Application for qualification for registration in tenders for the purchase of balancing services for FCR, aFRR and mFRR.

Annex №3 Contract for the provision of balancing capacities and participation in the balancing energy market by registered BSP.

Annex №4 Instructions for electronic submission of bids (Instructions available to registered BSPs).