Technical Rule no. 23 MPE

(under article 4 of the Integrated Text of the Electricity Market Rules, approved by the Decree of the Minister of Productive Activities of 19 December, as subsequently amended and supplemented)

Title	**Units and aggregations of units for injection, withdrawal, and provision of ancillary and redispatching services**

Reference Legislation	Article 24, para. 24.3, Integrated Text of the Electricity Market Rules

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1. Foreword

Article 24, para. 24.3 of the Integrated Text of the Electricity Market Rules (hereafter "ME Rules") provides that GME shall publish the list of types of units, specifying, for each type, at least the following information:

a. the types of units or sets of units that can be included into physical injection or withdrawal portfolios, or commercial portfolios, in view of participation in the MGP and MI;

b. the types of units or sets of units that are enabled for the MSD;

c. the type of party entitled to register nominations;

d. the type of party entitled to notify margins.

2. Units, enabling for the market, and entitled parties

The following is a list of all the types of units that can operate in the MGP, MI, and MSD, specifying whether they are enabled or not enabled for the individual markets, and the parties entitled to notify margins and register nominations.

- **Units enabled to participate in the MGP, MI, and MSD[1]**
  - **Units individually enabled (UAS[2])**, which may be single UP or UC; the margins are notified by Terna and the nomination is made by the reference BSP.
- **Units enabled to participate in the MGP and MI only**
  - **Units not enabled to be scheduled (UnAP),** single UP or UC; the margins are notified by Terna and the nomination is made by the reference BRP.
  - **Nodal virtual units (UVN)** for injection or withdrawal. They consist of a subset of UC (withdrawal UVN) or UP (injection UVN) of the same technology, included in the same UVAN and held by the same BRP[3]; the margins are notified by Terna and the nomination is made by the reference BSP.

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[1] Under art. subpara. uu) of the ME Rules, MSD is the acronym of the Balancing and Redispatching Market, consisting of the Integrated Scheduling Process, i.e. the venue where Terna procures its resources for the balancing and redispatching service, according to the sessions referred to in the Dispatching Rules; in the latter Rules, this market is called MBR (*Mercato per il bilanciamento e il ridispacciamento*).

[2] The UAS pertaining to storage resources (under Legislative Decree 210/21, hereafter "Decree 210/21") or the UVN including storage resources (under the same Decree) are allowed to enter bids/offers into the MPE only for the share of capacity not allocated under time-shifting contracts. For these units, the final nomination is given by the sum of: (i) the nomination registered by Terna in respect of the share of capacity covered by the Rules for procurement of storage resources (under Decree 210/21) and (ii) the nomination registered by the BSP in respect of the capacity not covered by the Rules for procurement of storage resources under Decree 210/2021).

[3] The UVN pertaining to storage resources (under Decree 210/21) are allowed to enter bids/offers into the MGP and MI only for the share of capacity not allocated under time-shifting contracts.

- o **Zonal virtual units (UVZ):** injection or withdrawal UVZ. They consist of a subset of UC or UP of the same technology, not already included in a UAS, a UnAP, and a UVN, and held by the same BRP. For injection UVZ, except for residual units, the margins are notified by Terna and the nomination, except for the UVZ FRNP, is made by the reference BRP; for residual injection units, i.e. the residual unit UVZ FRNP, the margins are notified by Terna and the nomination is made by GME. For withdrawal UVZ, consisting of UC held by final customers supplied under the safeguard service, the margins are notified by Terna and the nomination is made by the BRP itself. Finally, for withdrawal UVZ serving also as residual units, the margins are notified by Terna and the nomination is made by GME.

- o **Virtual import units (UVI):** they represent a set of import units (UI)[4], held by the same BRP; the margins are notified by Terna and no nomination is made.

- o **Cross border import units for scheduled cross-border trades (UIE):** they represent cross border import units (UIE)[5] associated with a point of virtual import on the national transmission grid, located in a foreign bidding zone, and held by the same BRP; the margins are notified by Terna and no nomination is made.

- o **Cross border export units for scheduled cross-border trades (UEE):** they represent cross border export units (UEE)[6] associated with a virtual export point on the national transmission grid, located in a foreign bidding zone, and held by the same BRP; the margins are notified by Terna and no nomination is made. In the energy markets, these units give rise to the creation of injection portfolios[7].

- o **Virtual export units (UVE):** they are the set of export units (UE)[8], held by the same BRP; the margins are notified by Terna and no nomination is made. In the energy markets, these units give rise to the creation of injection portfolios[9];

- o **Commercial withdrawal units (UCP):** units without any associated physical UC, which are attributed by Terna to BRPs upon request. For each UCP, the step-down margin is notified by the BRP, whereas the step-up margin is conventionally set equal to 0; no nomination is made.

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[4] Import points not associated with the monitoring of scheduled cross-border trades.
[5] Import points associated with the monitoring of scheduled cross-border trades.
[6] Export points associated with the monitoring of cross-border trades
[7] The compensatory component is not applied to purchases made in the MGP on the injection portfolios to which the UEE belong. The non-arbitrage fee is not applied to purchases and sales made in the MI on the same portfolios.
[8] Export points not associated with the monitoring of cross-border trades.
[9] The compensatory component is not applied to purchases made in the MGP on the injection portfolios to which the UVE belongs. The non-arbitrage fee is not applied to purchases and sales made in the MI on the same portfolios.

- o **Commercial storage units (UCS):** units attributed to awardees of time-shifting contracts as a result of the process of allocation of storage resources under Decree 210/21. The margins are notified by Terna and no nomination is made.

- **Units enabled to participate in the MSD only**
  - o **Enabled nodal virtual units (UVAN):** sets of UP and/or UC contained within a UVN, which may also be held by different BRPs, provided that they belong to the same node. These units are enabled to enter bids/offers into the MSD only and they are managed by a single BSP. The UVAN may also consist of storage resources under Decree 210/21; however, in this case, they cannot include other resource technologies; no nomination applies.
  - o **Enabled zonal virtual units (UVAZ):** sets of UP and/or UC contained within the UVZ that may also be held by different BRPs, provided that they belong to the same zone and that they are managed by a single BSP. These units are enabled to enter bids/offers for indicative purposes only during the phases of the MSD, in terms of standard products on the Balancing Platforms, and for Other Services in the Balancing Market in case of disconnection from the Balancing Platforms; no nomination applies.

The following is an explanatory table of what has been described above.

Unit	Description	Category		Enabled for the ME	Enabled for the MSD	Submission of margins	Submission of nominations
UAS	Individually enabled unit	Injection (UP)		YES	YES	Terna	BSP* *For storage UP under Decree 210/21: i) Terna nominates the capacity associated with time-shifting contracts; ii) the BSP nominates the residual capacity not associated with time-shifting contracts.
		Withdrawal (UC)					
UnAP	Unit not enabled to be scheduled	Injection (UP)		YES	NO	Terna	BRP
		Withdrawal (UC)					
UVN	Nodal virtual unit	Injection (UP)	Subset UVAN of the same BRP	YES	NO	Terna	BSP* *For storage UP under Decree 210/21: i) Terna nominates the capacity associated with time-shifting contracts; ii) the BSP nominates the residual capacity not associated with time-shifting contracts.
		Withdrawal (UC)					
UVZ	Zonal virtual unit (not enabled)	Injection (UP)	Other UP or UC of the same BRP	YES	NO	Terna	BRP (for injection UVZ - except for FRNP - and for withdrawal UVZ, consisting of UC held by final customers supplied under the safeguard service) GME (UVZ FRNP for residual injection and UVZ for residual withdrawal)
		Withdrawal (UC)					
UVI	Virtual import unit	Cross-border trade Import not associated with scheduled cross-border trades	Set of UI in the same zone	YES	NO	Terna	N/A (No nomination applies)[10]
UVE	Virtual export unit	Cross-border trade Export not associated with scheduled cross-border trades	Set of UE in the same zone	YES	NO	Terna	N/A (No nomination applies)[11]
UIE	Cross border import unit	Cross-border trade Import associated with scheduled cross-border trades	UIE in the same zone	YES	NO	Terna	N/a (No nomination applies)[12]

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[10] For the purposes of the PN, a nomination is assigned to these units equal to the commercial position acquired on the corresponding portfolio.

UEE	Cross border export unit	Cross-border trade Export associated with scheduled cross-border trades	UEE in the same zone	YES	NO	Terna	N/A (No nomination applies)[13]
UVAN	Enabled nodal virtual unit	Set of UP/UC/UI/UE of the same BSP on the node		NO	YES	N/A	N/A
UVAZ	Enabled zonal virtual unit	Set of UP/UC/UI/UE of the same BSP in the zone		NO	YES[14]	N/A	N/A
UCP	Commercial withdrawal unit	Withdrawal only		YES	NO	BRP only for the step-down margin. The step-up margin is set equal to zero.	N/A (no nomination applies)
UCS	Commercial storage unit	Storage resource under Decree 210/21 (allocated under a time-shifting contract)		YES	NO	Terna	N/A (no nomination applies)

3. Transitory provisions

On the SIME platform, the units shown in the table of paragraph 2 above are identified under the following criteria:

- UAS: units enabled for both the ME and the MSD, corresponding to enabled injection units belonging to a geographical zone;
- UnAP: injection units enabled for the ME and not enabled for the MSD, with subtypes different from those of injection UVZ;
- UVI/UVE: all units belonging to geographical zones not associated with the monitoring of scheduled cross-border trades (San Marino, Vatican City, and other off-grid units);
- UIE/UEE: all units belonging to foreign virtual zones associated with the monitoring of scheduled cross-border trades;
- UVAZ enabled to enter bids/offers for indicative purposes only during the phases of the MSD, in terms of standard products on Balancing Platforms, and for Other Services in the Balancing

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[11] For the purposes of the PN, a nomination is assigned to these units equal to the commercial position acquired on the corresponding portfolio.

[12] For the purposes of the PN, a nomination is assigned to these units equal to the commercial position acquired on the corresponding portfolio.

[13] For the purposes of the PN, a nomination is assigned to these units equal to the commercial position acquired on the corresponding portfolio.

[14] The UVAZ will enter indicative bids/offers during the phases of the MSD for procurement of reserves, bids/offers in terms of standard products for participation in the Balancing Platforms, and bids/offers for Other Servies in respect of the Balancing Market in case of disconnection from the Platforms.

Market (MB) in case of disconnection from the Balancing Platforms. It is specified that UI/EU will not be allowed to be aggregated for the formation of UVAZs.

- UVAT enabled only to submit bids/offers during the phases of the MSD and MB. The perimeter of aggregation corresponds to that of the UVAM.

- Withdrawal UVZ: withdrawal units enabled for the ME and not enabled for the MSD. A withdrawal UVZ, one for each zone and each BRP, is used also as a residual unit[15]. It is represented that the BRP or the delegated agent communicates to GME the margins associated with the withdrawal UVZs.

- Injection UVZ FRNP: representing the set of the UPs included in the same geographical zone. These UVZs are enabled for the ME and not enabled for the MSD, they are identified by an appropriate subtype and the nomination of these units is made by GME.[16]

- UVN (not available);

- UVAN (not available);

- UCS (not available);

- UCP (not available).

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[15] As in the transitory phase there will be no consumption units classified as UnAP or UAS, all the UCs, including those UCs in the ownership of the final customers supplied under the safeguard service, will correspond to UVZs that are nominated by GME according to a nomination that will correspond to the commercial position of the physical withdrawal portfolio consisting of the same UVZ.

[16] This nomination is made by separately showing the component related to the commercial position of the portfolio consisting of the UVZ FNRP and the residual component obtained from the difference between the sum of the commercial positions of the physical portfolios of units other than the UVZ and the sum of the nominations of such units (by zone and by BRP).