



**RULES GOVERNING THE OPERATION OF THE REGULATED MARKET AND
OF THE PLATFORM FOR REGISTRATION OF
BILATERALS OF GUARANTEES OF ORIGIN ^(*)**

successfully verified by the Director of Markets of *Autorità per l'Energia Elettrica e il Gas*
on 22 December 2011, as subsequently amended and supplemented

^(*) Please note that this translation is provided for convenience only. In case of discrepancies, the Italian text shall govern.

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TITLE I GENERAL PROVISIONS

Article 1 Text and Annexes

- 1.1 These Rules of operation of the systems for transfer of guarantees of origin (hereafter the "Rules") and the documents annexed hereto, which are an integral and essential part hereof, contain the provisions governing the operation of the regulated market and of the platform for registration of bilateral transactions for the trading of guarantees of origin, adopted under article 6, para. 6.6 of Decision ARG/elt 104/11 adopted by *Autorità per l'Energia Elettrica e il Gas* (AEEG) on 28 July 2011.

Article 2 Definitions

- 2.1 In these Rules:

- a) **Accepted Order** shall mean a technically adequate order for which the Participant acquires the right to receive the requested service or the obligation to supply the offered service, at prices established in accordance herewith;
- b) **Access Profile** shall mean: i. if the Participant is present in the RECO Registry with a single access profile, the access profile - among those identified in the Technical Rules - that GSE has assigned to the Participant upon entry into the RECO Registry, through which the Participant takes part in the M-RECO and/or the PB-RECO; ii. if the Participant is present in the RECO Registry with multiple access profiles, each of the access profiles - among those identified in the Technical Rules - that GSE has assigned to the Participant upon entry into the RECO Registry, through which the Participant takes part in the M-RECO and/or the PB-RECO;
- c) With reference to registrations of bilateral transactions between operators under Title III, Section II, Subsection I hereof, **Accepted Request for Registration** shall mean a request for registration of a bilateral transaction of sale of RECOs that a selling Participant has entered into the PB-RECO and that a buying Participant has accepted;
- d) **Active Ownership Account** shall mean an ownership account in respect of which the Participant may carry out transactions or make registrations in the M-RECO and on the PB-RECO, respectively, or movements;
- e) **AEEG** shall mean *Autorità per l'Energia Elettrica e il Gas* (electricity & gas regulator), which was established in compliance with Law no. 481 of 14 November 1995;
- f) **AEEG's Decision ARG/elt 104/11** shall mean the Decision adopted by AEEG on 28 July 2011 concerning provisions to promote transparency in the contracts of sale of electricity generated from renewables to final customers;
- g) **Assigned RECOs** shall mean the guarantees of origin which have been assigned as a result of auctioning procedures;
- h) **Assignee/Buying Participant** shall mean an individual or organisation to whom/which RECOs have been assigned as a result of auctioning procedures;

- i) **Auctioning Procedures** shall mean the procedures organised and managed by GSE in accordance with article 4 of AEEG's Decision ARG/elt 104/11;
- j) **Bilateral Transaction between Operators** shall mean a transaction of purchase or sale of RECOs concluded between Operators off the P-RECO;
- k) **Bilateral Transaction Resulting from Auctioning Procedures** shall mean a bilateral transaction carried out as a result of auctioning procedures between GSE as seller and the assignee/buying Participant as buyer;
- l) **Continuous Trading** shall mean the trading mechanism used in the M-RECO and based on automatic matching of buy and sell orders, with continuous entry of new orders during the trading sessions;
- m) **Exclusion from the P-RECO** shall mean the loss of the status of P-RECO Participant;
- n) **GME** shall mean *Gestore dei Mercati Energetici S.p.A.*, the company (*società per azioni*) which is vested, among others, with the economic management of the Electricity Market under article 5 of Legislative Decree 79/99, as well as with the organisation and management of the P-RECO as per AEEG's Decision ARG/elt 104/11;
- o) **GSE** shall mean *Gestore dei Servizi Energetici – GSE S.p.A.*, the company (*società per azioni*) which was established under article 3, para. 4 of Legislative Decree 79/99 and articles 1, paras. 1 a), b) and c), and 3 of the Decree of the President of the Council of Ministers of 11 May 2004, published in *Gazzetta Ufficiale, Serie Generale*, no. 115 of 18 May 2004;
- p) **Guarantees of Origin** shall mean the RECOs, i.e. the documents certifying electricity generation from renewables, which are issued by GSE for the purposes referred to in the Ministerial Decree of 31 July 2009 and traded in the M-RECO or registered on the PB-RECO;
- q) **Legislative Decree 79/99** shall mean Legislative Decree no. 79 of 16 March 1999, implementing Directive 96/92/EC concerning common rules for the internal market in electricity, published in *Gazzetta Ufficiale* no. 75 of 31 March 1999;
- r) **Merit Order** shall mean the priority order of a set of buy or sell orders entered into the M-RECO, defined on the basis of the offered price and, if this price is equal, on the basis of other reference parameters defined herein;
- s) **Ministerial Decree of 31 July 2009** shall mean the decree issued by the Minister of Economic Development concerning criteria and procedures for providing final customers with information on the energy mix used for generating the electricity supplied, as well as on the environmental impact of its generation;
- t) **Movement** shall mean an operation through which a Participant with multiple access profiles may move the RECOs that he/she/it holds from one of his/her/its ownership accounts to another of his/his/its ownership accounts, each associated with each of the above-mentioned access profiles;
- u) **M-RECO** shall mean the RECO market, i.e. the venue for the trading of RECOs organised and managed by GME;
- v) **Order Book** shall mean the on-line report where the trading orders entered by Participants into the M-RECO information system are ranked by price and time of entry;
- w) **Ownership Account** shall mean: i. if the Participant is present in the RECO Registry with a single access profile, the account of the RECO Registry that GSE has associated with the access profile; ii. if the Participant is present in the RECO Registry with multiple access profiles, each of the

multiple accounts of the RECO Registry that GSE has associated with each of the Participant's access profiles;

- x) **Participant** shall mean an individual or organisation (seller and/or buyer) admitted to participate in the M-RECO or PB-RECO;
- y) **Participant's Identification code** shall mean the alphanumerical sequence which uniquely identifies a Participant in the M-RECO or PB-RECO;
- z) **PB-RECO** shall mean the platform for registering bilateral transactions of RECOs, as well as bilateral transactions resulting from auctioning procedures;
- aa) **P-RECO** shall mean the RECO platform;
- bb) **RECO Platform** shall mean the set of systems for transfer of guarantees of origin, consisting of the M-RECO and of the PB-RECO;
- cc) **RECO Registry** shall mean the registry of guarantees of origin organised and managed by GSE, in which the RECOs of each Participant are entered into the related ownership account, if the Participant is present in the RECO Registry with a single access profile or in the related ownership accounts, each corresponding to the single access profiles, if the Participant is present in the RECO Registry with multiple access profiles;
- dd) **RECOs** shall mean guarantees of origin;
- ee) **Reference Price** shall mean the average price, referred to one MWh and weighted for the related volumes, of all transactions made during a given session of the M-RECO,
- ff) **Registration Concluded on the PB-RECO** shall mean the transfer of ownership of RECOs from the selling Participant to the buying Participant or from GSE to the assignee/buying Participant with reference to bilateral transactions resulting from auctioning procedures;
- gg) **Registration of Bilateral Transactions between Operators** shall mean the activity of registration of bilateral transactions between operators carried out under Title III, Section II, Subsection I hereof;
- hh) **Registration of Bilateral Transactions Resulting from Auctioning Procedures** shall mean the activity of registration of bilateral transactions carried out by GSE under Title III, Section II, Subsection II hereof;
- ii) With reference to registrations of bilateral transactions between operators under Title III, Section II, Subsection I hereof, **Registration Stage** shall mean the set of activities consisting of the entry of a request for registration of a bilateral transaction by the selling Participant (without technical adequacy verification), of the related acceptance by the buying Participant and of the subsequent validation of the entered request;
- jj) With reference to registrations of bilateral transactions between operators under Title III, Section II, Subsection I hereof, **Request for Registration** shall mean a request of registration of a bilateral transaction of sale of RECOs that a selling Participant enters into the PB-RECO;
- kk) With reference to registrations of bilateral transactions between operators under Title III, Section II, Subsection I hereof, **Request for Registration with Technical Adequacy Verification** shall mean a request for registration entered into the PB-RECO for which the Participant has requested the technical adequacy verifications described herein;
- ll) With reference to registrations of bilateral transactions between operators under Title III, Section II, Subsection I hereof, **Rejected Request for Registration** shall mean a request for registration of a bilateral transaction of sale of RECOs that a selling Participant has entered into the PB-RECO and that the buying Participant has rejected;

- mm) **Session*** shall mean: i) in the M-RECO, the set of activities directly related to receiving and processing orders and determining the corresponding results; ii) on the PB-RECO, with reference to registrations of bilateral transactions between operators as per Title III, Section II, Subsection I hereof, the activities directly related to receiving and processing requests for registration entered with technical adequacy verification, as described herein;
- nn) **Suspension of the Participant from the P-RECO*** shall mean the temporary prohibition for a Participant to enter orders into the M-RECO or to make registrations on the PB-RECO;
- oo) **Technically Adequate Order*** shall mean a valid order which has successfully passed all the verifications prescribed herein;
- pp) **Technically Adequate Request for Registration*** shall mean a request for registration of a bilateral transaction of sale of RECOs - entered by a selling Participant into the PB-RECO with technical adequacy verification and accepted by the buying Participant - which has successfully passed the validation and technical adequacy verifications described herein;
- qq) **Type of RECO*** shall mean one of the types of RECOs among those identified herein;
- rr) **Valid Order*** shall mean an order entered into the M-RECO in accordance with the procedures and within the time limits indicated herein;
- ss) **Valid Request for Registration*** shall mean a request for registration of a bilateral transaction of sale of RECOs – entered by a selling Participant into the PB-RECO and accepted by the buying Participant – which has successfully passed the validations described herein;
- tt) **Working Day*** shall mean a day from Monday to Friday, with the exception of holidays recognised by the State for all civil purposes, as well as any other days indicated in the Technical Rules.

Article 3

General Principles and Amendments to the Rules

- 3.1 GME shall exercise its functions in transparent and non-discriminatory ways in order to safeguard the proper operation of the P-RECO.
- 3.2 With exception to the confidentiality obligations described herein or in the participation agreement referred to in article 12, para. 12.1 b) hereof, GME may at any time notify competent authorities of behaviours which may directly or indirectly affect the proper operation of the P-RECO.
- 3.3 GME shall put in place an organisational structure suitable for preventing real or potential conflicts of interest and adopt procedures for monitoring compliance both with these Rules and with the Technical Rules.
- 3.4 In their activities on the P-RECO, Participants are required to conform to common principles of honesty and good faith.
- 3.5 GME may prepare amendments to these Rules and make them known to interested parties by posting them on its website or by other suitable means,

allowing at least fifteen days for submission of comments, if any. Taking into account the comments received, GME shall submit the proposed amendments (and their rationale) to AEEG for approval.

- 3.6 The procedure referred to in para. 3.5 above shall not apply to urgent amendments to these Rules having the purpose of safeguarding the proper functioning of the P-RECO. Any such amendment proposed by GME shall have effect as of the date of its publication on GME's website and be timely submitted to AEEG for approval. In case of non-approval, the amendment shall cease to have effect as of the date of notification of AEEG's decision to GME. GME shall timely notify Participants of the outcome of the approval procedure by posting it on its website.

Article 4 **Technical Rules**

- 4.1 The implementing and procedural provisions of these Rules shall be set out in the Technical Rules (DTF – *Disposizioni Tecniche di Funzionamento*). In formulating the Technical Rules, GME shall adopt criteria of neutrality, transparency, objectivity and competition between Participants.
- 4.2 The Technical Rules shall be posted on GME's website and become effective as of the date of their publication.
- 4.3 GME may also make draft versions of the Technical Rules available to interested parties, setting a date by which they may submit their comments.

Article 5 **Units of Measurement and Rounding off**

- 5.1 For the purposes of the P-RECO:
- a) for RECOs, the unit of measurement shall be the MWh;
 - b) for monetary quantities, the unit of measurement shall be the Euro, specified with two decimals;
 - c) for the unit prices of RECOs, the unit of measurement shall be the Euro/MWh, specified with two decimals.
- 5.2 For the purposes of the P-RECO, all figures shall be rounded off according to the mathematical criterion. In particular, figures shall be rounded up or down to the nearest last decimal allowed and, if the result is halfway, they shall be rounded up.

Article 6
Access to GME's Information System

- 6.1 Access to GME's information system shall take place through the Internet, in accordance with the procedures and within the time limits defined in the Technical Rules, or by any other means defined therein.

Article 7
Fees for the Services Provided by GME

- 7.1 For the service provided by GME in the M-RECO, Participants shall pay the following fees:
- a) access fee;
 - b) yearly fixed fee;
 - c) fee for each RECO traded in the M-RECO.
- 7.2 For the service provided by GME on the PB-RECO, Participants shall pay the following fees:
- a) access fee;
 - b) yearly fixed fee;
 - c) fee for each RECO registered on the PB-RECO.
- 7.3 With reference to transactions registered in compliance with Title III, Section II, Subsection II below, the fee referred to in para. 7.2 c) above shall not apply to assignees/buying Participants.
- 7.4 On a yearly basis, GME shall determine the extent of the fees referred to in paras. 7.1 and 7.2 above. The fees, to be approved by AEEG, shall have effect as of 1 January of the following year. The fees shall be published on GME's website.

Article 8
Information about the P-RECO

- 8.1 The aggregated data and results of the M-RECO and PB-RECO shall be of public domain and published on GME's website. Participants shall have access to the data and information of the P-RECO that directly concern them.
- 8.2 Unless laws, regulations or other instruments issued by authorities require the disclosure of information, GME shall hold the data of the orders entered into the M-RECO or of the registrations concluded on the PB-RECO confidential for at least twelve months.
- 8.3 GME shall only transmit to GSE the data that the latter requires for the activities falling under its responsibility.

Article 9
Communication and Publication of Data and Information

- 9.1 Unless otherwise specified, the communication and publication of the data and information mentioned herein shall be carried out electronically. In particular:
- a) communication to a Participant shall take place by making available data and information in the section of GME's information system whose access is restricted to that Participant;
 - b) publication shall take place by making available data and information in the section of GME's information system whose access is non-restricted.
- 9.2 Orders entered by Participants into the M-RECO or requests for registration entered into the PB-RECO shall be deemed to have been received on the date and at the time recorded by GME's information system.
Any other communication shall be deemed to have been received:
- a) on the day and at the time of receipt, if it arrives between 08:00 and 17:00 of a working day;
 - b) at 08:00 of the first working day following the day of receipt, if it arrives between 17:00 and 24:00 of a working day, or between 00:00 and 24:00 of a non-working day;
 - c) at 08:00 of the day of receipt, if it arrives between 00:00 and 08:00 of a working day.
- 9.3 For the purpose of determining the time of receipt, the time shall be obtained from GME's records. For electronic communications, the time shall be obtained from GME's information system.

Article 10
Security of Access

- 10.1 Participants shall have access to the P-RECO through special procedures defined in the Technical Rules. These procedures shall guarantee the identification of Participants and authenticate their transactions.
- 10.2 Participants shall treat their access codes and any other data or device required to access GME's information system as confidential.

TITLE II
ADMISSION TO THE P-RECO

Article 11
Requirements for Admission

- 11.1 Participation in the P-RECO shall be open to parties who/which have adequate experience and competence in the use of information technology or information communication technology systems and related security systems, or have employees or assistants with such experience and competence.
- 11.2 Parties who/which have been excluded from the M-RECO (except in the case of exclusion referred to in article 21 below) are not allowed to submit a participation application in the M-RECO.

Article 12
P-RECO Participation Application and Participation Agreement

- 12.1 A party intending to participate in the P-RECO must submit to GME (in accordance with the procedures and within the time limits established in the Technical Rules):
- a) the P-RECO participation application (*Domanda di ammissione alla P-COFER*) in the format enclosed hereto (Annex A) together with the documents indicated in article 13 below;
 - b) a signed copy of the P-RECO participation agreement (*Contratto di adesione alla P-COFER*) in the format enclosed hereto (Annex B).
- 12.2 In the participation application referred to in para. 12.1 above, applicants must specify whether they intend to participate in the M-RECO, in the PB-RECO or in both systems making up the P-RECO.

Article 13
Documents to Be Enclosed to the P-RECO Participation Application

- 13.1 If the applicant is an organisation, the P-RECO participation application, duly signed by its legal representative or other duly authorised person, shall be accompanied by: a declaration in compliance with Decree no. 445 of the President of the Republic of 28 December 2000, certifying the powers of representation, or other equivalent documents based on which GME shall carry out a substantial equivalence evaluation.
- 13.2 If the documents referred to in para. 13.1 above are already held by GME, the applicant shall be exempted from submitting them, but he/she/it shall submit a declaration indicating this fact, specifying the date of submission of the documents to GME and certifying that their content is still current.

Article 14
Admission Procedure

- 14.1 GME shall notify the applicant of the admission or of the rejection of the application (accompanied by the reasons for such rejection) within fifteen calendar days from receipt of the application, after verifying fulfilment of the requirements stated in article 11 above, as well as the regularity of the submitted documents. The notification shall be made in accordance with the modalities and within the time limits that are defined in the Technical Rules.
- 14.2 For the purpose of verifying fulfilment of the requirements referred to in article 11.1 above, GME may ask the applicant to provide appropriate documents.
- 14.3 In the case of incomplete or irregular documents, GME shall - under the modalities defined in the Technical Rules - communicate to the applicant the steps necessary to complete or regularise the documents, as well as the date by which he/she/it shall do so. The notification shall suspend the time limit referred to in para. 14.1 above, which shall run again from the date upon which GME receives the completed or regularised documents
- 14.4 Upon admission, the applicant shall acquire the status of P-RECO Participant and the notification of admission shall specify the systems (M-RECO and/or PB-RECO) to which he/she/it has been admitted.

Article 15
Admission of GSE to the P-RECO

- 15.1 With exception to article 14 above, GSE shall acquire the status of P-RECO Participant by right.
- 15.2 An appropriate agreement between GME and GSE may provide for specific modalities to guarantee the fulfilment of the obligations arising from GSE's participation in the P-RECO, as an alternative to those specified in Title IV below and having the same effect as the guarantees specified therein.

Article 16
List of P-RECO Participants

- 16.1 Parties admitted to the P-RECO as per articles 14 and 15 above shall be entered into an appropriate List of Participants (*Elenco degli operatori ammessi alla P-COFER*). The List shall be created and held by GME in compliance with Legislative Decree no. 196 of 30 June 2003, as subsequently amended and supplemented.
- 16.2 The List of P-RECO Participants shall include the following data for each Participant:
- a) identification code of the Participant;
 - b) full name, registered name or company name, place of residence and domicile (if different from the place of residence) or registered office, taxpayer's code, VAT number, fax and telephone numbers, e-mail addresses and contact persons for possible communications and related addresses;

- c) status of the Participant: admitted, active, suspended, pending request for exclusion, excluded;
 - d) code of the ownership account/s that the Participant holds in the RECO Registry;
 - e) system to which the Participant has been admitted: M-RECO and/or PB-RECO;
 - f) bank details of the Participant;
 - g) amount of financial guarantees posted in favour of GME;
 - h) taxation scheme applied to the Participant.
- 16.3 GME shall post the following data and information about Participants on its website:
- a) full name, registered name or company name;
 - b) place of residence or registered office;
 - c) system (M-RECO and/or PB-RECO) to which the Participant has been admitted.
- 16.4 Each Participant may access his/her/its own data and information contained in the List of P-RECO Participants.

Article 17
Data and Information for Participation in the P-RECO

- 17.1 For the purpose of entering orders into the M-RECO, as well as requests for registration on the PB-RECO pursuant to article 32, para. 32.4 b) below, each Participant shall request GME to enter the data and information referred to in article 16, para. 16.2 f) above into the List of P-RECO Participants.
- 17.2 The entry of the data and information referred to in article 16, para. 16.2 d) above shall follow GME's acquisition of the data mentioned in article 18, para. 18.2 below.
- 17.3 The entry of the data and information referred to in article 16, para. 16.2 g) above shall follow the notifications mentioned in articles 42 and 46 below.
- 17.4 The Participant shall enclose a declaration stating his/her/its VAT scheme - as set out in the Technical Rules - to the request of entry of the data and information referred to in article 16, para. 16.2 h) above.
- 17.5 After receiving the requests referred to in paras. 17.1 and 17.4 above, GME shall update the List of P-RECO Participants. This modification shall take effect by the end of the second working day following receipt of the request by GME.

Article 18
Data and Information about Participants in the RECO Registry

- 18.1 To enter orders into the M-RECO or make registrations on the PB-RECO, Participants shall have at least one active ownership account in the RECO Registry.
- 18.2 To verify whether Participants hold at least one active ownership account in the RECO Registry by the time of opening of each session of the M-RECO, as well as during each stage of registration or during each session of the PB-RECO, GME shall acquire from GSE (under the modalities and within the time limits identified by GME and GSE in an appropriate agreement) the updated list of Participants holding at least one active ownership account in the RECO Registry. The list shall specify at least the following data for each Participant:
- a) identification data;
 - b) access profile/s;
 - c) code of the active ownership account corresponding to the access profile or codes of the active ownership accounts, each corresponding to each of the access profiles;
 - c) volume of RECOs held in the active ownership account or in each of the active ownership accounts and their types, as per article 23, para. 23.3 below.
- 18.2 The data mentioned in para. 18.2 above shall have effect on the dates specified in the Technical Rules.

Article 19
Request of Information

- 19.1 GME shall monitor compliance with these Rules and the Technical Rules with a view to ensuring the proper functioning of the P-RECO according to principles of neutrality, transparency, objectivity and competition between Participants. To this end, GME may request information or documents concerning the transactions carried out by Participants on the P-RECO and also convene them for hearings.
- 19.2 GME shall verify whether Participants still meet the requirements for admission to the P-RECO. To this end, GME may require additional documents or the updating of the already submitted documents.

Article 20
Notification Obligations

- 20.1 Participants are required to notify GME promptly - and in any case within three working days from its occurrence - of any change in circumstances that may involve the change of any of the data and information referred to in article 16, para. 16.2 b), d, f), g) and h) that they have declared and that have been entered into the List of P-RECO Participants.
- 20.2 GME shall update the List of P-RECO Participants after each notification pursuant to para. 20.1 above.

Article 21
Exclusion from the P-RECO on Request

- 21.1 For the purposes of exclusion from the P-RECO, Participants shall – under the modalities and within the time limits defined in the Technical Rules – deliver or send to GME’s registered office an appropriate written request indicating the date from which exclusion is requested, as well as the systems (M-RECO and/or PB-RECO) from which exclusion is requested.
- 21.2 Exclusion on request shall run from the later of the following dates:
- a) the second working day following receipt by GME of the request referred to in para. 21.1 above;
 - b) the date indicated in the request referred to in para. 21.1 above.
- 21.3 Without prejudice to the provisions of the above paragraphs, the exclusion on request shall not exempt the Participant from fulfilling obligations arising from commitments made in the M-RECO and/or on the PB-RECO.

**TITLE III
OPERATION OF THE P-RECO**

***Article 22
Structure of the P-RECO***

- 22.1 The M-RECO and the PB-RECO shall represent the set of systems for the transfer of guarantees of origin.

**SECTION I
OPERATION OF THE M-RECO**

***Article 23
Purpose of the M-RECO***

- 23.1 The purpose of the M-RECO shall be the trading of RECOs through sell and buy orders.
- 23.2 In the M-RECO, Participants may trade the types of RECOs identified in para. 23.3 below and whose value shall be defined in the Technical Rules.
- 23.3 The tradable types of RECOs shall refer to the following renewable energy sources:
- a) hydro;
 - b) wind;
 - c) solar;
 - d) geothermal;
 - e) other.

***Article 24
Trading Mechanism***

- 24.1 Transactions in the M-RECO shall take place under the continuous trading mechanism.
- 24.2 GME shall organise an order book for each of the types of RECOs referred to in article 23, para. 23.3 above.
- 24.3 GME shall post the calendar of the sessions of the M-RECO on its website.
- 24.4 The opening and closing hours of the sessions of the M-RECO shall be defined in the Technical Rules.
- 24.5 In the contracts of purchase and sale of RECOs concluded in the M-RECO, GME shall be counterparty to Participants.
- 24.6 In the M-RECO, volumes and related unit prices shall refer to RECOs.
- 24.7 The minimum tradable volume shall be equal to 1 (*one*) RECO.
- 24.8 The Participant may take part in the M-RECO only through one or multiple access profiles - as identified in Technical Rules - corresponding to the single

access profile or to the multiple access profiles through which the Participant is present in the RECO Registry, respectively.

- 24.9 If the Participant has multiple access profiles, his/her/its participation in the M-RECO shall take place separately for each access profile, under the procedures and within the time limits established in the Technical Rules.

Article 25 **Entry of Orders**

- 25.1 Participants shall enter trading orders under the modalities and within the time limits indicated in the Technical Rules, specifying at least the following data:
- a) identification code of the Participant entering the order;
 - b) type of order (buy/sell);
 - c) offered volume;
 - d) unit price for the offered volume.
- 25.2 The volumes specified in buy and sell orders may only have positive integer values.
- 25.3 Participants may enter orders without price limit.
- 25.4 Participants are not allowed to enter:
- a) orders with price limit equal to zero or with negative price limit;
 - b) buy or sell orders without price limit, if no sell or buy orders with price limit are present in the order book, respectively.
- 25.5 In the order book, the orders that have been validated and verified to be technically adequate under article 26 below shall be ranked by price – buy orders in decreasing order, sell orders in increasing order. If they have equal price, they shall be ranked by time priority (time of entry of the order). Orders without price limit shall have the maximum price priority.
- 25.6 Orders shall be posted on the order book without specifying the proponent Participant or the related access profile, thus ensuring his/her/its anonymity.
- 25.7 Participants may revoke their orders by directly deleting them from the order book, if they have not been automatically matched in accordance with Article 27 below.
- 25.8 Participants may change the orders entered into the M-RECO, if they have not been matched for their overall volume in accordance with article 27 below. If the orders have been partially matched, the change shall only apply to their unexecuted part. Changed orders shall lose the time priority that they have previously acquired.

Article 26
Validation and Technical Adequacy Verification of Orders

- 26.1 After receiving orders, GME shall verify their validity and technical adequacy, ensuring that:
- a) the Participant has not been suspended from the M-RECO;
 - b) based on the latest data received from GSE as per article 18, para. 18.2 above, the ownership account associated with the access profile through which the Participant has entered orders is active;
 - c) the order has been entered in compliance with the modalities referred to in article 25, para. 25.1 above;
 - d) the order carries all the data referred to in article 25, para. 25.1 above;
 - e) the buy order is guaranteed pursuant to articles 42 and 43 below;
 - f) the sell order is guaranteed pursuant to articles 44 and 45 below.
- 26.2 GME's information system shall return the outcome of the validations and technical adequacy verifications of the orders referred to in para. 26.1 above and:
- a) if the outcome is negative, it shall reject the entry of orders into the order book and specify the reasons for the rejection;
 - b) if the outcome is positive, the orders shall be entered into the order book.

Article 27
Continuous Trading

- 27.1 During continuous trading, transactions shall be concluded through automatic matching of the buy and sell orders - verified to be valid and technically adequate as per article 26 above - that are present in the order book and ranked under the priority criteria referred to in article 25, para. 25.5 above.
- 27.2 The entry of a buy order with price limit shall determine the matching of the order (until it is exhausted) with one or more sell orders having a price lower than or equal to the one of the entered order.
- 27.3 The entry of a sell order with price limit shall determine the matching of the order (until it is exhausted) with one or more buy orders having a price higher than or equal to the one of the entered order.
- 27.4 The entry of a buy order without price limit shall determine the matching of the order (until it is exhausted) with one or more sell orders with a price equal to the best sale price at the time of entry of the buy order.
- 27.5 The entry of a sell order without price limit shall determine the matching of the order (until it is exhausted) with one or more buy orders with a price equal to the best purchase price at the time of entry of the sell order.
- 27.6 For each transaction concluded pursuant to paras. 27.2 and 27.3 above, the price shall be the one of the order having time priority.

- 27.7 Buy and sell orders shall not be matched, if they have been entered by the same Participant, both through the same access profile and through multiple access profiles.
- 27.8 If an order with price limit is partially executed, its non-executed part shall be automatically repropounded with the same price and time priority as the original order. If an order without price limit is partially executed, its non-executed part shall be automatically repropounded with the time priority of the original order and a price equal to the latest execution price of its executed part.
- 27.9 At the end of the continuous-trading session, unmatched orders shall be deleted from the order book.

Article 28
Publication of the Results of the M-RECO

- 28.1 Within the time limit indicated in the Technical Rules, GME shall publish the results of the M-RECO session, specifying at least the following data and information:
- a) minimum price and maximum price of the session;
 - b) volume traded in the session;
 - c) reference price of the session;
 - d) volume and price of each concluded transaction in anonymous form.
- 28.2 After the M-RECO, GME shall - in accordance with the modalities and within the time limits identified by GME and GSE in an appropriate agreement – transmit to GSE the data that the latter requires to register, in the RECO Registry, the volumes of RECOs corresponding to the algebraic sum of buy and sell orders entered by each Participant, for each access profile, and accepted in the M-RECO.
- 28.3 After receiving the data mentioned in para. 28.2 above, GSE shall make the registrations in the RECO Registry.

Article 29
Definitivity of Transactions

- 29.1 The RECO transactions concluded in the M-RECO shall become definitive and binding - also for the purposes of the guarantee, of the clearing, of the billing and of the settlement of payables/receivable arising in the M-RECO and of the consequent obligations - when the buy and sell orders have been verified to be valid and technically adequate, accepted in the bidding system as per article 27 above and transmitted to GSE as per article 28 above.

**SECTION II
OPERATION OF THE PB-RECO**

***Article 30
Purpose of the PB-RECO***

- 30.1 The following transactions may be registered on the PB-RECO:
- a) under the procedures specified in Subsection I of this Section II, bilateral transactions between operators concerning the types of RECOs specified in article 23, para. 23.3 above and of the value defined in the Technical Rules;
 - b) under the procedures specified in Subsection II of this Section II, bilateral transactions resulting from auctioning procedures (organised and managed by GSE pursuant to AEEG's Decision ARG/ELT 104/11) and concerning the types of RECOs specified in article 23, para. 23.3 above and of the value defined in the Technical Rules.
- 30.2 GME shall not be counterparty to Participants for all registrations concluded on the PB-RECO.

**SUBSECTION I
REGISTRATION OF BILATERAL TRANSACTIONS BETWEEN OPERATORS**

***Article 31
Calendar and Timetable for Registrations on the PB-RECO***

- 31.1 GME shall publish the timetable of the PB-RECO registration stages, as well as the calendar and timetable of the PB-RECO sessions on its website.

***Article 32
Procedures and Time Limits for Entry of Requests for Registration***

- 32.1 Requests for registration on the PB-RECO shall be entered under the procedures and within the time limits defined in the Technical Rules.
- 32.2 The Participant may take part in the PB-RECO only through one or multiple access profiles – as identified in the Technical Rules – corresponding to the single access profile or to the multiple access profiles with which the Participant is present in the RECO Registry.
- 32.3 If the Participant has multiple access profiles, his/her/its participation in the PB-RECO shall take place separately for each access profile, under the procedures and within the time limits established in the Technical Rules.
- 32.4 Requests for registration of the bilateral transactions specified in article 30, para. 30.1 a) above may be submitted:
- a) without technical adequacy verification; or
 - b) with technical adequacy verification.
- 32.5 A selling Participant entering a request for registration as per article 30, para. 30.1 a) above shall - under penalty of inadmissibility - specify at least the following data:

- a) number and type of RECOs covered by the request;
- b) price referred to 1 MWh;
- c) buying Participant and related access profile;
- d) specification "with or without technical adequacy verification".

- 32.6 Each request for registration shall be registered on the PB-RECO with a unique alphanumeric identification code.
- 32.7 The buying Participant may accept or reject a request for registration entered by a selling Participant as per para. 32.5 above.
- 32.8 The selling Participant may change or delete a previously entered request for registration as per para. 32.5 above, if the request has not yet been accepted by the buying Participant.
- 32.9 A request for registration, entered by a selling Participant as per para. 32.5 above and rejected by the buying Participant, shall be automatically deleted.
- 32.10 A request for registration entered by a selling Participant under para. 32.5 above shall be deemed to have been concluded when:
- a) if it is a request for registration without technical adequacy verification, it is accepted by the buying Participant and is valid pursuant to article 33 below;
 - b) if it is a request for registration with technical adequacy verification, it is accepted by the buying Participant, valid pursuant to article 33 below and technically adequate pursuant to article 34 below.
- 32.11 Each bilateral transaction concluded on the PB-RECO shall be registered with the unique alphanumeric identification code of the request for registration entered by the selling Participant.

Article 33

Validation of Requests for Registration

- 33.1 GME shall verify the validity of the requests for registration entered by the selling Participant under para. 32.5 above and accepted by the buying Participant, ensuring that:
- a) both the buying Participant and the selling Participant have not been suspended from the PB-RECO;
 - b) the ownership account of the selling Participant associated with the access profile through which such Participant has submitted requests for registration is active;
 - c) the ownership account of the buying Participant associated with the related access profile, specified by the selling Participant under article 32, para. 32.5 c) above is active;
 - d) the request for registration is valid pursuant to para. 33.2 below.
- 33.2 A request for registration entered during a registration stage or a session of the PB-RECO shall be valid under para. 33.1 d) above, if the volume quoted in the request is lower than or equal to the volume of RECOs registered in the ownership account associated with the access profile through which the selling Participant has submitted the request for registration on the PB-RECO.

- 33.3 For the purposes of the verifications referred to in paras. 33.1 and 33.2 above, GME shall have access to the RECO Registry of GSE in accordance with the provisions of article 18 above.
- 33.4 GME shall verify the validity of the requests for registration entered under para. 32.5 above, based on the time of entry of the requests by the selling Participant.
- 33.5 At the end of each registration stage or of each session of the PB-RECO, GME shall delete all the requests for registration entered by the seller under para. 32.5 above, accepted by the buyer and deemed to be invalid under this article.

Article 34
Technical Adequacy Verifications of Requests for Registration
Entered with Technical Adequacy Verification

- 34.1 GME shall verify the technical adequacy of the requests for registration referred to in article 32, para. 32.2 b) above – entered by the selling participant, accepted by the buying Participant and verified to be valid under article 33 above - ensuring that they are guaranteed under article 47 below.
- 34.2 GME shall verify the technical adequacy of the entered requests for registration, based on the time of entry of the requests by the selling Participant.
- 34.3 At the end of each session of the PB-RECO, GME shall delete all the requests for registration entered by the seller, accepted by the buyer and verified to be valid but deemed to be technically inadequate under this article.

Article 35
Publication of the Results of Registrations

- 35.1 In compliance with the procedures and within the time limits specified in the Technical Rules, GME shall publish at least the following data and information, at aggregated level, about the registrations of bilateral transactions of RECOs which have been concluded on the PB-RECO:
- a) registered volumes of RECOs and their types as per article 23, para. 23.3 above;
 - b) minimum price and maximum price;
 - c) average price weighted for the registered volumes.
- 35.2 The ownership of the RECOs registered as provided in article 32, para. 32.4 a) above shall be transferred upon the conclusion of the registrations under article 32, para. 32.10 a) above.
- 35.3 For the purposes of the transfer of ownership of the RECOs registered in accordance with article 32, para. 32.4 b) above, GME shall notify GSE of the conclusion of the related registrations, under the procedures identified by GME and GSE in an appropriate agreement and within the time limits indicated in the Technical Rules.

Article 36
Definitivity of Registrations

- 36.1 The registrations concluded on the PB-RECO under this Section I shall become definitive and binding between Participants when the transactions entered by the selling Participant and accepted by the buying Participant have been verified to be valid - in the case of the requests for registration referred to in article 32, para. 32.4 a) above – or valid and technically adequate, as well as transmitted to GSE as per article 35, para. 35.3 above - in the case of the requests of registration pursuant to article 32, para. 32.4 b) above.

SUBSECTION II
REGISTRATION OF BILATERAL TRANSACTIONS RESULTING FROM
AUCTIONING PROCEDURES

Article 37
Registration of the Results of Auctioning Procedures

- 37.1 At the end of auctioning procedures, GSE shall register the transactions referred to in article 30, para. 30.1 b) above.
- 37.2 For the registrations covered by para. 37.1 above, GSE shall specify at least the following data:
- a) number and type of RECOs being assigned;
 - b) price of assignment referred to 1 MWh;
 - c) assignee/buying Participant and related access profile.
- 37.3 The registrations made under this article shall be deemed to have been concluded upon GSE's entry of the related bilateral transactions into the PB-RECO system.

Article 38
Publication of the Results of Registrations

- 38.1 In compliance with the procedures and within the time limits specified in the Technical Rules, GME shall publish at least the following data and information, at aggregated level, about the registrations of bilateral transactions of RECOs carried out as per article 37 above:
- a) registered volumes of RECOs and their types as per article 23, para. 23.3 above;
 - b) minimum price and maximum price;
 - c) average price weighted for the registered volumes.
- 38.2 The ownership of the RECOs assigned as a result of auctioning procedures shall be transferred upon the conclusion of the registrations of the related transactions as per article 37 above.

Article 39
Definitivity of Registrations

39.1 The registrations made on the PB-RECO under this Section II shall become definitive and binding between GSE and assignees/buying Participants upon GSE's entry of the same into the PB-RECO system pursuant to article 37 above.

SECTION III
EMERGENCY CONDITIONS AND SUSPENSION OF THE P-RECO

Article 40
Emergency Conditions

40.1 The following shall be deemed to be emergency conditions:

- a) GME is unable to receive the orders entered by Participants under the modalities covered by article 25 above, or the requests for registration entered by Participants under article 32 above, or GSE is unable to carry out the registrations of transactions on the PB-RECO under article 37 above, owing to malfunctions in their telecommunication systems;
- b) GME is unable to determine the results of a given session of the M-RECO or the results of the validations and technical adequacy verifications of the requests for registration accepted on the PB-RECO or the results of the registrations of transactions pursuant to article 37 above carried out by GSE on the PB-RECO, owing to, among others, malfunctions of its information system;
- c) GME is unable to notify Participants of the results of a given session of the M-RECO or the results of the validations and technical adequacy verifications of the requests for registration accepted on the PB-RECO or the results of the registrations of transactions pursuant to article 37 above carried out by GSE on the PB-RECO, owing to, among others, malfunctions of its information system or telecommunications systems.

40.2 In the case of para. 40.1 a) above, GME shall - under the modalities indicated in the Technical Rules - notify Participants of the occurrence of the emergency condition and of the new opening time of the session of the M-RECO or of the PB-RECO. If, by the new opening time of the session of the M-RECO or of the PB-RECO, the emergency condition persists, GME shall temporarily suspend transactions in the M-RECO or on the PB-RECO.

40.3 In the cases of paras. 40.1 b) and c) above, GME shall suspend transactions in the M-RECO or on the PB-RECO and notify Participants – under the modalities indicated in the Technical Rules – of the occurrence of the emergency condition.

Article 41
Suspension of the P-RECO

41.1 Where conditions of unavailability of the RECO Registry or other exceptional conditions - identified by GME or reported by GSE - arise, GME shall suspend the M-RECO or the PB-RECO, notifying Participants thereof and timely reporting the matter to AEEG.

- 41.2 Without prejudice to para. 41.1 above, where GME identifies or suspects abnormal trends of transactions in the M-RECO and/or of registrations on the PB-RECO, or irregular or unlawful behaviours by one or more Participants, it shall timely notify AEEG thereof and, at the request of AEEG, suspend transactions in the M-RECO and/or on the PB-RECO or one or more sessions or registration stages thereof, even with immediate effect.
- 41.3 GME shall notify Participants of the suspension decision as per paras. 41.1 and 41.2 above, by publishing it on its website.
- 41.4 GME shall make known the resumption of activities in the M-RECO and/or on the PB-RECO, suspended as per paras. 41.1 and 41.2 above, by publishing it on its website.

**TITLE IV
GUARANTEE SYSTEMS**

**SECTION I
GUARANTEE SYSTEMS IN THE M-RECO**

***Article 42
Guarantees for Buy Orders***

- 42.1 For the purposes of the entry of buy orders into the M-RECO, each Participant shall make an interest-bearing deposit into the designated account of GME and notify GME of the amount thereof under the procedures and within the time limits defined in the Technical Rules.
- 42.2 During the session of the M-RECO, each Participant may increase the deposit referred to in para. 42.1 above, by paying an additional amount into the designated account of GME and notifying GME of the amount so paid. The latter payment shall be valid and effective within one hour from the time at which it has been credited to the designated account of GME. The payment shall be deemed to have been received at the time and on the date recorded by the information system of the bank in charge of GME's treasury services. GME shall update the deposit by an amount equal to the one of the additional payment that has been made.
- 42.3 If the Participant takes part in the M-RECO through multiple access profiles, he/she/it may – under the procedures and within the time limits indicated in the Technical Rules – allocate the amount of the deposit referred to in para. 42.1 above, as possibly increased under para. 42.2 above, among the above profiles. Failing indications about the allocation of such amount, GME shall proceed as established in the Technical Rules.

***Article 43
Available Amount of Guarantees for Buy Orders***

- 43.1 A buy order with price limit shall be deemed to be guaranteed under article 26, para. 26.1 e) above, if its value - equal to the product between the volume quoted in the order and the price quoted in the same order (increased by VAT, where applicable) - is lower than or equal to the available deposit referred to in article 42 above, as modified in compliance with paras. 43.3, 43.4, 43.5 and 43.6 below.
- 43.2 A buy order without price limit shall be deemed to be guaranteed under article 26, para. 26.1 e) above, if its value - equal to the product between the volume quoted in the order and the price of the best sell order entered into the order book (increased by VAT, where applicable) - is lower than or equal to the available deposit referred to in article 42 above, as modified in compliance with paras. 43.3, 43.4, 43.5 and 43.6 below.
- 43.3 For the purposes of the technical adequacy verifications of orders as per paras. 43.1 and 43.2 above, the deposit referred to in article 42, para. 42.1 above, possibly increased under article 42, para. 42.2 above, shall be updated at the time of entry of a buy order:

- a) down-adjusted by an amount equal to the product between the price quoted in the order and the related volume (increased by VAT, where applicable), for orders with price limit; or
- b) down-adjusted by an amount equal to the product between the price of the best sell order entered into the order book (increased by VAT, where applicable) and the volume quoted in the buy order, for orders without price limit.

- 43.4 If a buy order with price limit is matched and if the price at which the contract has been concluded is lower than the quoted price limit, GME shall up-adjust the amount of the available deposit committed under para. 43.3 a) above by an amount equal to the product between the matched volume and the difference between the quoted price limit and the price of matching of the order (increased by VAT, where applicable).
- 43.5 Upon the matching of a sell order, the Participant's available deposit shall be up-adjusted by an amount equal to the product between the price of matching of the order and the matched volume (increased by VAT, where applicable).
- 43.6 In the case referred to in para. 43.3 a) above, if a buy order that has not yet been matched is cancelled, the Participant's available deposit shall be up-adjusted by an amount equal to the product between the price and the volume specified in the cancelled order (increased by VAT, where applicable).
- 43.7 In the cases covered by article 42, para. 42.3 above, the technical adequacy verifications carried out under paras. 43.1, 43.2, 43.3, 43.4, 43.5 and 43.6 above shall refer to the share of the amount of the deposit that is associated with the access profile with which the Participant submits the buy orders to be verified into the M-RECO.
- 43.8 Without prejudice to the provisions of article 51 below, GME shall refund the amount of the available deposit in accordance with the modalities and within the time limits defined in the Technical Rules.
- 43.9 On a quarterly basis, GME shall pay the interest accrued on the Participant's available deposit at the interest rate recognised by the bank in charge of GME's treasury services.

Article 44
Guarantees for Sell Orders

- 44.1 For the purposes of the verifications referred to in article 26, para. 26.1 f) above, GME shall acquire from GSE – pursuant to article 18 above – the data on the volumes of RECOs that are registered in the ownership accounts that Participants hold in the RECO Registry.

Article 45
Available Amount of Guarantees for Sell Orders

- 42.1 A sell order entered by a Participant during the session of the M-RECO shall be deemed to be guaranteed – under article 26, para. 26.1 f) above – if the volume specified in the order is lower than or equal to the volume of RECOs registered in the ownership account associated with the access profile through

which the Participant takes part in the M-RECO, increased by the volumes of RECOs purchased during the same session of the M-RECO in respect of the same ownership account.

SECTION II GUARANTEE SYSTEMS ON THE PB-RECO

Article 46 Guarantees for Requests of Registration Entered with Technical Adequacy Verification

- 46.1 The requests for registration submitted in the mode referred to in article 32, para. 32.4 b) above shall be guaranteed by each buying Participant in compliance with para. 46.2 below.
- 46.2 For the purposes of para. 46.1 above, the buying Participant shall make an interest-bearing deposit into the designated account of GME under the procedures and within the time limits defined in the Technical Rules and notify GME of the amount thereof.
- 46.3 If the buying Participant takes part in the PB-RECO through multiple access profiles, he/she/it may – under the procedures and within the time limits defined in the Technical Rules – allocate the amount of the deposit referred to in para. 46.2 above among the above profiles. Failing indications about the allocation of such amount, GME shall proceed as established in the Technical Rules.

Article 47 Available Amount of Guarantees for Requests for Registration Entered with Technical Adequacy Verification

- 47.1 A request for registration shall be deemed to be guaranteed as per article 34 above, if the value of the accepted request for registration (increased by VAT, where applicable) is lower than or equal to the amount of the guarantee deposit referred to in article 46 above, possibly:
- a) increased by the value of the concluded bilateral transactions of sale as per article 32, para. 32.4 b) above; and/or
 - b) decreased by the value of the concluded bilateral transactions of purchase as per article 32, para. 32.4 b) above.

TITLE V INVOICING OF PAYABLES/RECEIVABLES AND SETTLEMENT OF PAYMENTS ON THE P-RECO

Article 48 Application of Fees for the Services Provided by GME

- 48.1 The access fees and the yearly fixed fees (pursuant to article 7, para. 7.1 a) and b) and para. 7.2 a) and b) above), increased by VAT (where applicable), shall be invoiced under the procedures and within the time limits specified in the Technical Rules.

- 48.2 GME shall issue invoices to each Participant for the amounts of the fees owed for the trading of guarantees of origin in the M-RECO or for the registration of guarantees of origin on the PB-RECO in accordance with article 7, para. 7.1 c) and article 7, para. 7.2 c) above, respectively, increased by VAT (where applicable), in accordance with the modalities and within the time limits defined in the Technical Rules.
- 48.3 Participants shall pay the fees referred to in paras. 48.1 and 48.2 above under the procedures and within the time limits defined in the Technical Rules.

SECTION I
INVOICING OF PAYABLES/RECEIVABLES AND
SETTLEMENT OF PAYMENTS IN THE M-RECO

SUBSECTION I
INVOICING OF PAYABLES/RECEIVABLES IN THE M-RECO

Article 49
Invoicing period

- 49.1 The invoicing period for the transactions concluded in the M-RECO shall be defined in the Technical Rules.

Article 50
Invoicing

- 50.1 For each invoicing period and in accordance with the modalities and within the time limits defined in the Technical Rules, GME shall:
- a) issue invoices to each Participant qualifying as debtor towards GME for the amounts pertaining to the purchase transactions concluded by the same Participant in the M-RECO pursuant to article 27 above;
 - b) notify each Participant qualifying as creditor towards GME of the amounts pertaining to the sale transactions concluded by the same Participant in the M-RECO pursuant to article 27 above.
- 50.2 Following the notifications mentioned in para. 50.1 b) above, Participants shall issue invoices to GME for the notified amounts.
- 50.3 The time periods and modalities for issuing invoices to GME, as mentioned in para. 50.2 above, shall be defined in the Technical Rules.
- 50.4 The invoices and notifications referred to in paras. 50.1 and 50.2 above shall be made available to Participants according to the modalities and within the time limits specified in the Technical Rules.
- 50.5 The invoices and notifications referred to in paras. 50.1 and 50.2 above shall contain at least the following data (where applicable):
- a) the volumes of the traded RECOs;
 - b) the price at which the volumes mentioned in subpara. a) above have been traded;

- c) the taxes applied;
- d) the total amount.

**SUBSECTION II
SETTLEMENT OF PAYMENTS IN THE M-RECO**

***Article 51
Participants' Payments to GME***

- 51.1 GME shall satisfy its receivables from debtor Participants in the M-RECO in accordance with the modalities and within the time limits established in the Technical Rules, by utilising the available amount of the deposit made in accordance with article 42 above, until reaching the amount of such receivables.

***Article 52
GME's Payments to Participants***

- 52.1 GME shall pay to creditor Participants in the M-RECO an amount equal to the value of transactions in accordance with the modalities and within time limits defined in the Technical Rules.

SECTION II
SETTLEMENT OF PAYMENTS ON THE PB-RECO

Article 53
Payments to Selling Participants

- 53.1 With regard to the requests for registration referred to in article 32, para. 32.4 b) above, GME shall – within the time limits indicated in the Technical Rules – make the payment for each concluded registration to the selling Participant, by utilising the buying Participant's available deposit referred to in article 46 above.
- 53.2 At the end of the payments mentioned in para. 53.1 above, GME shall – under the procedures and within the time limits indicated in the Technical Rules - refund the residual amount (if positive) of the guarantee deposit referred to in article 46 above to the buying Participant, unless otherwise specified by the same Participant, in accordance with the modalities and within the time limits established in the Technical Rules.

TITLE VI
DISCIPLINARY MEASURES, COMPLAINTS AND DISPUTES

SECTION I
BREACHES AND DISCIPLINARY MEASURES

Article 54
Breaches of the Rules and Technical Rules

- 54.1 The following behaviours shall be considered as breaches of the Rules and of the Technical Rules:
- a) negligence, imprudence and unskilfulness in the use of the systems of communication and entry of orders or of requests for registration;
 - b) vexatious use of the complaint procedure defined in Section II below of this Title;
 - c) disclosure to third parties of confidential information related to the Participant or third Participants, in particular as regards the codes of access to GME's information system, any other data required for such access and the contents of orders or requests for registration submitted by third participants to GME, except in the fulfilment of obligations arising from laws, regulations or decisions adopted by competent authorities;
 - d) any attempt to access restricted sections of GME's information system;
 - e) any use for fraudulent purposes of the systems of communication and entry of orders;
 - f) any other conduct contrary to common principles of honesty and good faith, as provided in article 3, para. 3.4 above, including upon the entry of orders into the M-RECO or of registrations on the PB-RECO or the disclosure of information which might alter the trend of transactions on and the proper operation of the P-RECO and/or cause a distortion in the prices and results of the P-RECO itself.

Article 55
Disciplinary Measures

- 55.1 If GME identifies the breaches referred to in article 54 above, it may - respecting the principles of impartiality and equality of treatment and bearing in mind the severity of the breach and its possible recurrence - apply the following disciplinary measures to Participants on the basis of the scale referred to in article 56 below:
- a) private written notice of the breach;
 - b) public written notice of the breach;
 - c) pecuniary penalty;
 - d) suspension of the Participant from the P-RECO;
 - e) exclusion of the Participant from the P-RECO.
- 55.2 In case of suspension or exclusion from the P-RECO, the Participant involved may - under the supervision of GME - close any transaction still in progress and carry out any other transaction unavoidably connected with the same.

- 55.3 If GME identifies a breach, it shall serve a notice to the Participant. The notice shall include:
- a) description of the alleged breach;
 - b) deadline of at least ten days for the Participant to possibly submit documents and request a hearing.
- 55.4 If the Participant requests a hearing, GME shall set the date of the same and promptly notify the Participant thereof. If the Participant does not appear at the hearing and the hearing is not postponed to another date for justified reasons, GME shall make a decision on the basis of available evidence.
- 55.5 Based on available evidence, GME shall apply the possible disciplinary measure or dismiss the case within thirty days from the notice specified in para. 55.3 above.
- 55.6 Where the breaches are such as to seriously threaten the proper operation of the P-RECO, GME shall, on a precautionary basis, suspend the Participant from the P-RECO for the period of time needed to complete the disciplinary procedure.
- 55.7 The disciplinary measure and the reasons for it or the decision to dismiss the case shall be notified to the Participant concerned and a copy of such notification shall be sent to GSE and AEEG.

Article 56
Graduation of Disciplinary Measures

- 56.1 Where the breaches are due to the fault of the Participant, GME may apply the following disciplinary measures:
- a) private written notice of the breach;
 - b) public written notice of the breach;
 - c) suspension from the P-RECO for a minimum period of five days and a maximum period of one month. In case of recurrence of the breach, the suspension from the P-RECO shall be of one month.
- 56.2 If the breaches mentioned in para. 56.1 above have caused disturbances to the proper functioning of the P-RECO, GME may apply the following disciplinary measures:
- a) public written notice of the breach;
 - b) suspension from the P-RECO for a minimum period of one month and a maximum period of one year. In case of recurrence of the breach, the suspension from the P-RECO shall be of one year.
- 56.3 If the breach is due to the intentional wrongdoing of the Participant, GME may apply the following disciplinary measures:
- a) suspension from the P-RECO for a minimum period of six months and a maximum period of eighteen months. In case of recurrence of the breach, the suspension from the P-RECO shall be of eighteen months.
 - b) exclusion from the P-RECO.

- 56.4 If the breaches mentioned in para. 56.3 above have caused disturbances to the proper functioning of the P-RECO, GME may apply the following disciplinary measures:
- a) suspension from the P-RECO for a minimum period of eighteen months and a maximum period of three years. In case of recurrence of the breach, the suspension from the P-RECO shall be of three years.
 - b) exclusion from the P-RECO.
- 56.5 As an alternative to the disciplinary measure of suspension from the P-RECO referred to in paras. 56.1 c), 56.2 b), 56.3 a) and 56.4 a) above, GME may apply a pecuniary penalty of a minimum of twenty thousand/00 Euro and of a maximum of one hundred million/00 Euro, based on the extent and severity of the damage caused by the breach.

Article 57
***Suspension for Non-Fulfilment of Notification Obligations
and Non-Payment of Fees***

- 57.1 In addition to the cases mentioned in article 56 above, GME shall suspend the Participant from the P-RECO or apply the pecuniary penalty referred to in article 56, para. 56.5 above in the following cases:
- a) where the Participant does not fulfil the notification obligation covered by article 20, para. 20.1 above. The suspension shall have effect until the date on which GME receives said notification;
 - b) where the Participant fails to pay the fees specified in article 7 above according to the provisions of article 48 above. The suspension shall have effect until the date on which the Participant fulfils such obligation. In case of recurrence, the Participant shall be excluded from the P-RECO.
- 57.2 At the request of GSE, GME shall suspend the Participant from the M-RECO, if the same Participant defaults towards GSE itself.

Article 58
Publication of Disciplinary Measures

- 58.1 After adopting the disciplinary measures referred to in Article 55, para. 55.1 b), c), d) and e) above, GME shall publish the same on its website ten days after serving the relevant notice to the Participant concerned, unless the case has been brought before the Court of Arbitration. In the latter case, GME shall disclose the disciplinary measure, together with the arbitral award that has confirmed such measure, after receiving notice of such award.

Article 59

Challenging Denial of Admission to the P-RECO and Disciplinary Measures

- 59.1 Without prejudice to article 66 below, the applicant or Participant may file an appeal with the Court of Arbitration against denial of admission to the P-RECO or against the disciplinary measures applied as per article 55, para. 55.1 above. The arbitration procedure shall be initiated - under penalty of lapse of time – within thirty days from notification of the related decision.

SECTION II

COMPLAINTS PERTAINING TO THE P-RECO

Article 60

Submission Formalities and Minimum Complaint Contents

- 60.1 Complaints relating to the P-RECO shall be submitted, under penalty of inadmissibility, in electronic form within the time limits set forth in this Section and using the appropriate forms available in GME's information system.
- 60.2 All complaints shall include, under penalty of inadmissibility, the following elements:
- a) identification code of the disputed order or request for registration, as assigned by GME's information system, or other reference uniquely identifying the order or the request;
 - b) decision of GME which is being disputed;
 - c) concise description of the grounds for the complaint.

Article 61

Complaints about Results of Validation and Technical Adequacy Verification of Orders and Requests for Registration

- 61.1 The Participant may dispute the results of the validations and verifications mentioned in articles 26, 33 and 34 above, by a sending a notification to GME within 16:00 of the second working day following the one on which such results have been notified to the Participant.

Article 62

Complaints about the Results of the M-RECO

- 62.1 The Participant may dispute the results of the M-RECO, i.e. the results of the process of acceptance of orders and determination of the prices at which they have been valued, by sending a notification to GME within 16:00 of the second working day following the one on which such results have been notified to the Participant.

Article 63
Complaints about Invoicing Procedures

- 63.1 The Participant may dispute the results of the invoicing procedures referred to in Title V, Section I above, by sending a notification to GME within 16:00 of the second working day following the one on which the invoice or notification referred to in article 50, para. 50.1 above have been issued.
- 63.2 In the case specified in para. 63.1 above, GME shall suspend the payments pertaining to the transactions in dispute. Default interest, calculated at the legal interest rate, shall be paid on the amounts payable after complaint resolution.

Article 64
Complaint Resolution

- 64.1 GME shall notify the Participant concerned of the outcome of the verifications of the complaints specified in articles 61, 62 and 63 above, by 16:00 of the second working day following the deadline for submission of the complaints.
- 64.2 Where the Participant brings a complaint as specified in articles 61 and 62 above - in respect of an order in the M-RECO or a request for registration on the PB-RECO that have been deemed to be invalid or technically inadequate or in respect of an order not accepted in the M-RECO - and such complaint is upheld because GME is found to be responsible for errors or omissions, and the order or the request for registration would have been accepted in the absence of GME's disputed decision, then GME shall pay to the Participant a compensation not exceeding ten thousand/00 euro.
- 64.3 The acceptance of GME's compensation pursuant to para. 64.2 above shall imply the Participant's waiver of the dispute resolution remedies mentioned in Section III below of this Title.
- 64.4 The limit specified in para. 64.2 above shall apply not only to the complaints indicated therein and to any dispute arising therefrom, but also to the arbitral awards referred to in articles 65 and 66, para. 66.2 below.
- 64.5 If a complaint brought as specified in article 63 above is upheld, then GME shall make the related adjustments.
- 64.6 The acceptance of a complaint shall not modify the result of the session of the M-RECO and of the session or registration stage of the PB-RECO to which it refers.

SECTION III DISPUTES

Article 65 Court of Arbitration

- 65.1 Without prejudice to article 66, para. 66.1 below, any dispute arising between GME and Participants over the interpretation and application of these Rules and the Technical Rules shall be finally settled by a Court of Arbitration.
- 65.2 The Court of Arbitration shall be composed of three members: one appointed by GME, one appointed by the Participant and a third member, acting as President, appointed jointly by both parties or, in case of disagreement, by the President of the Court of Rome, under Article 810 of the Italian Civil Procedure Code.
- 65.3 The Court of Arbitration shall render its decisions in accordance with the applicable laws and the arbitration procedure shall take place in compliance with Article 806 and subsequent articles of the Civil Procedure Code.
- 65.4 The Court of Arbitration shall be based in Rome at GME's registered office.

Article 66 Dispute Resolution

- 66.1 Disputes concerning failure to make payments, including partial payments, for the following items shall be subject to the exclusive jurisdiction of Italian courts:
- a) fees referred to in article 7, paras. 7.1 and 7.2;
 - b) amounts referred to in article 55, para. 55.1 c);
 - c) amount referred to in article 56, para. 56.5.
- 66.2 Without prejudice to para. 66.1 above, at the request of one of the interested parties, disputes between GME and Participants and between Participants shall be settled by arbitration in accordance with AEEG's provisions.

**TITLE VII
FINAL PROVISIONS**

***Article 67
Movements in the Participant's Ownership Accounts***

- 67.1 Within GME's information system, Participants holding multiple access profiles may move the RECOs that they hold from one of their ownership accounts to another of their ownership accounts, each associated with the above profiles, under the procedures and within the time limits established in the Technical Rules.

***Article 68
Functioning of the Information System***

- 68.1 GME may suspend, postpone or close in advance one of the sessions of the M-RECO or one of the sessions or registration stages of the PB-RECO in case of technical malfunctions of its information system.
- 68.2 For the purposes of guaranteeing and safeguarding the proper technical functioning, as well as an efficient use of GME's information system and, in general, the proper functioning of the P-RECO, GME may impose limits to the entry, cancellation and change of orders or requests for registration, as well as to the number of logons of each Participant or of specific categories of Participants to GME's information system.



Annex A

P-RECO Participation Application

**Application for participation in the P-RECO as per article 12, para. 12.1 a)
of the Rules governing the operation of the regulated market and of the platform for
registration of bilaterals of guarantees of origin**

I, the undersigned...

(name and surname)

born in... on...,

residing in ...,

(address)

taxpayer's code ..., VAT number ...

telephone number ..., fax number ...

e-mail address ...

or

The company.../other...

(company name or registered name)

having its registered office in ...

(address)

taxpayer's code ..., VAT number ...

telephone number ..., fax number ...

e-mail address ...

represented by ...in his/her capacity of ...

(legal representative or duly authorised person)

WHEREAS

- the organisation, management and operation of the M-RECO and PB-RECO are covered by the Rules governing the operation of the regulated market and of the platform for registration of bilaterals of guarantees of origin (hereafter "Rules"), prepared by GME under article 6, para. 6.6 of Decision ARG/elt 104/11, adopted by *Autorità per l'energia elettrica e il gas* (AEEG – electricity & gas regulator) and successfully verified by its Director of Markets on 22 December 2011, as subsequently amended and supplemented;
- the Technical Rules, referred to in article 4 of the Rules, are posted on GME's website and enter into force upon the date of their publication;
- with a view to complying with the obligations arising from this Application and, if such Application is accepted, with the obligations arising from the Rules, GME shall - under Legislative Decree no. 196 of 30 June 2003, as subsequently amended and supplemented - process the Applicant's personal data with a secure electronic system protecting the privacy

of such data, in accordance with the privacy statement issued under Article 13 of the aforementioned Decree and posted on GME's website.

NOW, THEREFORE,

I, the undersigned...

or

the company ... /*other...*,
represented by... in his/her capacity of ...,
(*legal representative or duly authorised person*)

APPLY/APPLIES

for admission to

- the M-RECO
- the PB-RECO

under article 12 and the procedure referred to in article 14 of the Rules.

For this purpose, I/the company ... /*other...* enclose/s the documents mentioned in article 13 of the Rules, which shall be an integral and essential part hereof, as well as a signed copy of the P-RECO Participation Agreement referred to in article 12, 12.1 b) of the Rules, in the format annexed thereto.

I, the undersigned...

or

The company/*other* ...
represented by ... in his/her capacity of ...
(*legal representative or duly authorised person*)

- 1) declare/s that I/it have/has read and understood the Rules and the Technical Rules and that I/it accept/s to be bound thereby without any condition or reservation;
- 2) declare/s that I/it am/is proficient in the use of ICT systems and related security systems or that I/it rely/relies on ICT-proficient employees or assistants;
- 3) authorise/s GME to process my/its personal data and disclose them to third parties, in compliance with the applicable legislation;
- 4) also authorise/s GME to transfer my/its personal data, including for statistical purposes, to other parties providing the services required for the performance of GME's activities;

5) designate/s Mr./Mrs..., whose contact data are as contact person for communications, if any;

6) declare that I/it access/es GME's information system through the following operating profile/s:

for the RECO market (M-RECO):

- I.
(name of the operating profile)
- II.
(name of the operating profile)
- III.
(name of the operating profile)

for the platform for registration of bilaterals of RECOs (PB-RECO):

- I.
(name of the operating profile)
- II.
(name of the operating profile)
- III.
(name of the operating profile)

7) (where applicable) declare/s that the identification code/s of the ownership account/s in the RECO Registry assigned by GSE is/are:

- for the operating profile
(name of the operating profile)
- for the operating profile
(name of the operating profile)
- for the operating profile
(name of the operating profile)

Place, date

...

Signature

....



Annex B

P-RECO Participation Agreement

Agreement for participation in the P-RECO as per article 12, para. 12.1 b) of the Rules governing the operation of the regulated market and of the platform for registration of bilaterals of guarantees of origin

BETWEEN

Gestore dei Mercati Energetici S.p.A., with registered office in Rome, Largo Giuseppe Tartini, 3-4, taxpayer's code and VAT number 06208031002 (hereafter "GME"),

AND

(name and surname) ... /the company/other ... (company name or registered name),
residing in/with registered office in ... *(address),*
taxpayer's code ..., VAT number ...
represented by ..., in his/her capacity of ... (hereafter "Contracting Party"),

GME and the Contracting Party, hereafter defined individually as the "Party" and jointly as the "Parties",

WHEREAS

- A. GME is the company (*società per azioni*) which is vested, among others, with the economic management of the Electricity Market in accordance with article 5 of Legislative Decree no. 79/99, as well as with the organisation and management of the RECO market (M-RECO) and of the platform for registration of bilaterals of RECOs (PB-RECO) under article 6, para. 6.6 of Decision ARG/elt 104/11, adopted by *Autorità per l'energia elettrica e il gas* (electricity & gas regulator, hereafter AEEG);
- B. *Gestore dei Servizi Energetici – GSE S.p.A.* is a company (*società per azioni*) which was established under article 3, para. 4 of Legislative Decree 79/99 and article 1, paras. 1 a), b) and c) and 3 of the Decree of the President of the Council of Ministers of 11 May 2004. GSE is vested, among others, with certification, issuing and transfer (from producers to sellers) of guarantees of origin (RECOs), which give evidence of the amount of electricity generated from renewables under the Ministerial Decree of 31 July 2009. Under AEEG's Decision ARG/elt 104/11, GSE is called to: i) verify that, on a yearly basis, each selling company has obtained an amount of guarantees of origin equal to the amount of electricity sold as renewable electricity; ii) organise *auctioning procedures with a view to assigning the guarantees of origin* for electricity generated by

incentivised plants *under criteria of public disclosure, transparency and non-discrimination* (...);

- C. pursuant to article 6, para. 6.6 of AEEG's Decision ARG/elt 104/11, GME prepared the Rules governing the operation of the regulated market and of the platform for registration of bilaterals of guarantees of origin (hereafter "Rules");
- D. pursuant to article 6, para. 6.7 of AEEG's Decision ARG/elt 104/11, the Director of Markets of AEEG successfully verified the Rules on 22 December 2011, as subsequently amended and supplemented;
- E. pursuant to article 12, para. 12.1 b) of the Rules, a party intending to participate in the P-RECO shall submit to GME a signed copy of the *Contratto di adesione alla P-COFER* (P-RECO participation agreement, hereafter "Agreement");
- F. the Technical Rules referred to in article 4 of the Rules shall be published on the website of GME and have effect as of the date of their publication;
- G. for the purposes and effects of the Rules, GME shall be the counterparty to Participants in the RECO market (M-RECO).

NOW, THEREFORE,

the Parties agree as follows:

Article 1

Scope of the Agreement and Validity of the Whereas

- 1.1 This Agreement defines:
 - a) the Contracting Party's rights and obligations towards GME;
 - b) the terms and conditions on which GME shall provide its services in connection with the M-RECO and the PB-RECO (hereafter "Services").
- 1.2 The Whereas shall be an integral and essential part hereof.

Article 2

Obligations of the Contracting Party

- 2.1 The Contracting Party declares that he/she is aware of and accepts, without any condition or reservation, the Rules, as they result from the applicable legislation. The Contracting Party also declares that he/she fully understands GME's support information system (hereafter "System") in its present configuration or that, in any case, he/she undertakes to do so.
- 2.2 The Contracting Party undertakes:
- a) to comply with the Rules and the Technical Rules and to keep himself/herself updated with any amendments thereto. It is understood that, where the Contracting Party does not intend to accept any amendments and additions to the Rules or to the Technical Rules, he/she may withdraw herefrom, giving notice according to the procedures and to the address specified in Article 9, para. 9.7 below. Fifteen days after the legal publication of such amendments, if the Contracting Party has not given notice of his/her intent to withdraw herefrom, such amendments shall be assumed to have been tacitly accepted. Any further transaction carried out on the P-RECO before the end of the above period shall be understood as tacit acceptance of the new terms and conditions. In no case may such amendments constitute a valid reason for the Contracting Party to default on obligations acquired on the P-RECO;
 - b) to adopt technological systems that are suitable for the trading or registration activity and compatible with the System, as well as to update them as a result of any modification as GME may make to the same System;
 - c) to adopt technological systems that are suitable for issuing invoices for transactions in the P-RECO and compatible with the System and which ensure a proper, timely and secure exchange of data and information transmitted electronically under the procedures and within the time limits specified in the Rules and Technical rules;
 - d) to employ staff with adequate professional skills and competence in the use of the technological systems referred to in subparas. b) and c) above;
 - e) if he/she intends to participate in the M-RECO, to join the guarantee system referred to in Title IV, Section I of the Rules and the service of settlement of payments referred to in Title V, Section I, Subsection II thereof;

- f) if he/she intends to carry out registrations with technical adequacy verification on the PB-RECO, to join the guarantee system referred to in Title IV, Section II of the Rules;
- g) if he/she intends to carry out registrations on the PB-RECO, to join the system of settlement of payments referred to in Title V, Section II of the Rules;
- h) to notify GME timely and, where possible, in good time for GME to make any necessary corrective actions with a view to guaranteeing the proper operation of the P-RECO, of any problem or operational malfunction of a technical nature or any other event which has resulted or might result into failure to provide or incorrect provision of the Services. In particular, the Contracting Party shall notify GME with the maximum speed and according to the procedures specified in Article 9, para. 9.7 below, of the occurrence of any event actually or potentially dangerous for the integrity and security of the System (including but not limited to the theft of confidential documents regarding access to the System or unauthorised access to the Contracting Party's premises where such documents are kept);
- i) to co-operate with GME or with third parties designated by GME, also permitting access of their employees or assistants to the Contracting Party's premises for carrying out any operations on the Contracting Party's hardware and software as may be necessary to ensure the proper functioning of the P-RECO. It is understood that, pursuant to Article 2049 of the Italian Civil Code, GME shall be liable for any damage caused upon such operations;
- j) to respect GME's rights of ownership on the data transmitted through the System and on the trademarks registered or used by GME, as well as GME's or third-party suppliers' rights of ownership on the software programmes used for the provision of the Services;
- k) to maintain confidentiality and privacy as regards the devices referred to in Article 4, para. 4.1 below and to use them - or permit their use by specifically designated parties - solely for access to and for trades or registrations on the P-RECO. The Contracting Party shall thus be liable for any unauthorised access to the P-RECO by third parties and hold GME harmless against any damage or danger to the integrity or security of the System that may result from the negligence of the Contracting Party or of his/her staff in the safekeeping of such devices.

- l) to timely ask GME to disable the devices referred to in subpara. k) above and to assign new or different devices in all cases where the Contracting Party has reason to believe that unauthorised parties may make an improper use thereof;
- m) to hold GME harmless against any damage or cost as GME may incur, also as a result of actions of third parties, caused by the actions or conduct of the Contracting Party, as well as of his/her staff members, assistants and consultants, if any, in violation of this Agreement, of the Rules and of the Technical Rules and of any other legislative or regulatory provisions or instruments and provisions issued by GME or competent authorities.

Article 3

GME's services

- 3.1 GME shall supply the Services to the Contracting Party in compliance with this Agreement, the Rules and the Technical Rules. The obligations of GME as regards the supply of the Services shall constitute "obligations of means".
- 3.2 GME shall give the Contracting Party the necessary co-operation for access to the System, namely in accordance with what is specified in the Technical Rules. It is understood that the carrying out of activities and the provision of the necessary means of access shall be the exclusive responsibility and at the sole expense of the Contracting Party.
- 3.3 GME may modify technical, functional, operational and administrative procedures for the supply of the Services, as a result of amendments or additions to the Rules or Technical Rules.
- 3.4 Without prejudice to what is provided for in the Rules and Technical Rules, if the supply of the Services is interrupted, suspended, delayed or subject to malfunctions caused by technical problems with the System, GME shall do whatever is necessary to overcome such disservices. It is understood that if the aforesaid events result from technical problems with the hardware or software used by the Contracting Party to access the System, the Contracting Party shall eliminate the relative causes with the maximum speed. GME and the Contracting Party shall co-operate, within the scope of their responsibilities, to identify the causes of interruptions, suspensions, delays or malfunctions and to restore the proper operation of the System as soon as possible.
- 3.5 GME shall be responsible for the correct processing and transmission of the data and information entered by third parties into the System or arising on the P-RECO. GME

and the Contracting Party agree that GME's obligations shall not include the checking of the truthfulness, accuracy and completeness of the data and information provided by third parties and made available to the Contracting Party as part of the provision of the Services.

- 3.6 GME and the Contracting Party agree that GME is not responsible for non-functioning or malfunctioning of lines of telecommunication (for example, telephone lines), as well as of access to the Internet.
- 3.7 The Contracting Party agrees that GME may resort to third parties designated by GME for the supply of the Services, while it is understood that, in every case, the contractual relationship shall be exclusively between the Contracting Party and GME.
- 3.8 GME undertakes to respect the Contracting Party's rights of ownership on the data transmitted through the System and on the trademarks registered or used by the Contracting Party and made known to GME.
- 3.9 GME shall hold the Contracting Party harmless against any damage or cost as the Contracting Party may incur, also as a result of actions of third parties, caused by the actions or conduct of GME or of its staff members, assistants or consultants in the management and supply of the Services which are in violation of this Agreement, the Rules and the Technical Rules, as well as of any other legislative or regulatory provision applicable hereto.

Article 4

Means of access to the System

- 4.1 For the purpose of accessing the System, the Contracting Party shall use the technical security devices indicated by GME, such as, for example, the user code together with password, smart card or other means of strong authentication.
- 4.2 Access to the System shall take place in compliance with the provisions specified in the Technical Rules.

Article 5

Consideration

- 5.1 For the Services supplied in accordance herewith, the Contracting Party shall pay the fees determined by GME under Article 7 of the Rules, in accordance with the procedures and within the time limits defined in Article 45 of the Rules.
- 5.2 If the system is totally disabled and the Contracting Party can no longer carry out trades in the M-RECO or registrations on the PB-RECO, the fees mentioned in Article 7, para. 7.1 b) and Article 7, para. 7.2 b) of the Rules shall be reduced proportionally to the period of time during which the disabling has occurred.

Article 6

Limitation of liability, force majeure and fortuitous events

- 6.1 Without prejudice to what is provided in the Rules, GME shall, in carrying out the Services, be liable for damages of a contractual and extra-contractual nature, exclusively when they constitute the immediate and direct consequence of wilful misconduct or gross negligence and, in the latter case, are predictable upon the date of signature of this Agreement. The Parties agree that there shall be no obligation of compensation for damages that are an indirect or unpredictable consequence of the conduct of GME, including but not limited to damages resulting from the loss of business opportunities, customers or profits.
- 6.2 The Contracting Party shall notify GME, under penalty of lapse, of any claim for damages relating to the supply of the Services within and not later than fifteen working days from the day on which the Contracting Party has come to know or should have known, using proper diligence, of the occurrence of the damaging event, providing at the same time a detailed report of the circumstances of the damaging event and of the damages so produced. The documents in support of the claim shall be transmitted to GME within and not later than twenty working days from the day on which the Contracting Party has come to know or should have known, using proper diligence, of the occurrence of the damaging event.
- 6.3 GME and the Contracting Party shall not be liable for default due to force majeure, fortuitous cases, or events beyond their control, including but not limited to wars, uprisings, earthquakes, floods, fires, strikes, interruptions in electricity supply or in operation of the dedicated data transmission lines which are part of the System, when such interruptions are exclusively the fault of third parties.

- 6.4 GME may, in cases of force majeure or fortuitous events and, in general, in all cases where the activities of the Contracting Party may damage the integrity or security of the System, suspend access to the System without the necessity of prior notification of the circumstances giving rise to the suspension.

Article 7

Duration

- 7.1 This Agreement shall be executed by and upon the signature of the Contracting Party and the receipt of its original copy by GME. Its duration shall be unlimited. The Agreement shall have effect after GME has successfully verified the completeness and correctness of the documents submitted by the Contracting Party and the fulfilment of the requirements for admission of the Contracting Party to the P-RECO. GME shall notify the Contracting Party of the outcome of the above verifications as per Article 14 of the Rules.
- 7.2 This Agreement shall cease to have effect upon the occurrence of one of the following events:
- a) exclusion of the Contracting Party from the P-RECO;
 - b) total disabling of the System as a result of amendments to the applicable provisions;
 - c) Contracting Party's withdrawal herefrom.
- 7.3 The dissolution of the Agreement under this Article shall not impair any other right of either party under the Agreement or the applicable legislation, and any right or obligation of either party that has already arisen upon the date of dissolution.

Article 8

Termination

- 8.1 Any loss for whatever reason of the status of Participant, as acquired in accordance with Article 14 of the Rules, shall constitute reason for *de jure* termination of this Agreement pursuant to Article 1456 of the Italian Civil Code, without prejudice to the right of GME to withhold the fixed fee specified in Article 7, para. 7.1 b) and/or the fixed fee specified in Article 7, para. 7.2 b) of the Rules by way of indemnity and any other further right to compensation for any additional damages.

Article 9
General Clauses

- 9.1 The invalidity or nullity of one or more of the clauses of this Agreement shall not impair the validity of the remaining clauses, which shall retain in every case their full force and effect.
- 9.2 This Agreement and the rights and obligations for the Parties resulting therefrom shall not be assigned to third parties unless otherwise specified herein.
- 9.3 Without prejudice to the provisions of Article 6, para. 6.2 above, failure or delay by either Party to exercise the rights arising herefrom shall not represent a waiver of such rights.
- 9.4 Where the Contracting Party has filed an application and has been admitted to only one of the systems making up the P-RECO (M-RECO or PB-RECO), the Agreement shall have effect solely for the system (M-RECO or PB-RECO) to which the Contracting Party has been admitted.
- 9.5 Any amendment hereto shall be made in writing.
- 9.6 For the purposes of this Agreement, the Parties elect domicile at the following addresses:
- Gestore dei Mercati Energetici S.p.A., Largo Giuseppe Tartini 3-4 - 00198 Roma,
- ...
(address)
- 9.7 Any communication or notification to be made in accordance herewith shall be made in writing and delivered by hand or by courier or sent by registered letter with return receipt, or by fax or by e-mail with acknowledgment of receipt, to the following addresses:
- Gestore dei Mercati Energetici S.p.A., Largo Giuseppe Tartini 3-4 - 00198 Roma,
fax number +39 06 8012 4524; e-mail address info@mercatoelettrico.org;
- ...
(address)
fax number ..., e-mail address ...
- 9.8 Communications shall be deemed to have been received upon the date of signature of their receipt of delivery, if delivered by hand, or when they reach the receiver's address, if sent by registered letter with return receipt, or upon the date of receipt

recorded by the fax machine if sent by fax, or upon the date of receipt of the acknowledgement of receipt, if sent by e-mail.

Article 10
Governing Law

10.1 This Agreement shall be governed by the Italian law.

Article 11
Disputes

11.1 Any dispute arising between GME and the Contracting Party in connection herewith shall be settled in accordance with the provisions contained in Title VI of the Rules, which shall be deemed to be fully referred to and transcribed herein.

The Contracting Party

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For the purposes and effects of Articles 1341 and 1342 of the Italian Civil Code, I hereby specifically approve the following clauses of the Agreement: Article 2.2 (a) (Rules, Technical Rules and amendments thereto); Article 2.2 (m) (Disclaimer); Articles 3.5 and 3.6 (Limitation of liability); Article 6 (Limitation of liability, lapse, suspension of the service); Article 7 (Cease of effect of the Agreement); Article 8 (Termination); Article 9.2 (No assignment); Article 10 (Governing law); Article 11 (Disputes).

The Contracting Party

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Rome, *(date)*