

1. Purpose of the Document

This document describes the mechanism for allocating volume at the price resulting from the Single Day-Ahead Coupling (SDAC) process, applicable in the event of a partial decoupling of the market for the Romanian bidding zone.

This document is of an operational nature and applies in addition to the provisions of the Day-Ahead Market Procedure (PZU) and the Agreement on Multi-OPEED Operation for the Romanian bidding zone.

2. What is Volume Allocation

Volume Allocation is a fallback mechanism applicable in the event of a partial decoupling within the Single Day-Ahead Coupling (SDAC), through which the volumes bid on the OPEED BRM trading platform are allocated at the price resulting from the SDAC process.

Under this mechanism:

- participants may submit, update, or withdraw volume allocation requests after the decoupling announcement
- the price applicable to transactions is exclusively the SDAC price for the Romanian bidding zone;
- volume allocation is carried out exclusively at the OPEED level
- the price resulting from the SDAC process is not influenced by Volume Allocation requests
- participants are advised to use price-independent orders to express their desired volumes within the Volume Allocation process.

Under the Volume Allocation mechanism, volume risk (the possibility of partial execution of volumes) may arise, as there are no cross-border flows available in this process to balance volumes between bidding zones.

However, the price applicable to transactions remains the price established within the SDAC, so the mechanism does not involve price risk.

3. Conditions for Application

The Volume Allocation mechanism may be activated by BRM if the following conditions are cumulatively met:

1. A partial decoupling of BRM within SDAC has occurred;
2. There is a valid SDAC Day-Ahead price for the Romania bidding zone.

The SDAC price for the Romania bidding zone is determined during the SDAC process when at least one designated electricity market operator (OPEED) remains connected in the coupling process for that zone.

The mechanism does not apply in the event of a total decoupling where there is no SDAC price for the Romania bidding zone.

4. Activation and Reopening of the Order Book

In the event of activation of the Volume Allocation mechanism:

- BRM sends an official operational message regarding the partial decoupling and the activation of the Volume Allocation mechanism;
- the Auction Trading UI switches to “Volume Allocation” mode;
- The Order Book is reopened for a limited period of time.

Under normal conditions, the Order Book reopening period is approximately 15 minutes, except in cases where additional delays occur during the Market Coupling process.

During the reopening period, participants may create, modify, or delete volume allocation requests.

After the order book reopening period closes, no further requests may be submitted or modified.

5. Volume Allocation Requests

Only Curve Orders are accepted in the Volume Allocation process.

Block orders and orders included in exclusive groups (Exclusive Group Orders) are not eligible under the Volume Allocation mechanism and are not considered in the allocation process.

During the Volume Allocation period, participants may use the volumes associated with Curve Orders previously submitted in the SDAC auction, and may confirm, modify, or withdraw them during the reopening of the Order Book.

Participants who have previously submitted Block orders and wish to participate in the Volume Allocation process must resubmit those volumes as Curve Orders during the Order Book reopening period.

During the Volume Allocation period, participants may:

- submit new volume allocation requests;
- modify existing requests;
- delete existing requests.

The orders used in the Volume Allocation process have the same structure as in a standard SDAC auction. However, since the price applicable to transactions is already determined through the SDAC process, participants are advised to use price-independent orders.

6. Rules for Allocation and Proportional Volume Reduction (Curtailment)

Volume allocation is performed exclusively at the bidding-zone level of the OPEED by matching total purchase volumes with total sale volumes for each trading interval (MTU).

If multiple resolutions are used in the Volume Allocation process, orders are matched based on their resolution. Thus, 15-minute MTU orders are matched only with other 15-minute MTU orders, with no matching across different resolutions. The same principle applies to 30-minute MTU and 60-minute MTU orders.

Cross-border capacities are not used in this process.

If:

- the total purchase volume is equal to the total sale volume, execution is full;
- the total buy volume differs from the total sell volume, execution is limited to the smaller of the two volumes.

The volume difference is reduced proportionally (curtailment) on the surplus side.

This situation arises because, in the Volume Allocation process, there are no cross-border flows available to balance volumes between bidding zones. Consequently, the mechanism involves volume risk but does not involve price risk.

6.1 Risks associated with the mechanism

All volumes executed within the Volume Allocation process are settled at the SDAC price applicable to the Romania bidding zone.

However, participants must consider the possibility of a proportional reduction in executed volumes (curtailment) in the event that total buy and sell volumes are not balanced.

Example:

If, for a trading interval, there are 100 MW of buy orders and 50 MW of sell orders, 50 MW will be executed, and the buy side will be reduced proportionally by 50%.

7. Publication of Results

Allocation results are published in the results section of the trading platform.

Executed volumes are determined through the allocation process carried out in the auction system and are communicated to participants in the same manner as the results of a standard Day-Ahead auction.

8. Effects on settlement

Transactions resulting from Volume Allocation are settled at the SDAC price applicable to the Romania bidding zone.

9. Final Provisions

The Volume Allocation mechanism:

- is intended as an exceptional fallback mechanism;
- may be activated by BRM without the obligation to apply it in all cases of partial decoupling;
- does not create a guaranteed right to the full execution of requested volumes;
- does not modify the general rules applicable to the SDAC process;
- applies exclusively to the Romania bidding zone.

The mechanism aims to maintain the use of the SDAC price for the Romania bidding zone and ensure the continuity of the trading process in situations of partial decoupling.

Comparing to normal and partially decoupled SDAC for CORE region

