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From EPIAŞ:

DECISION

Decision No: E.1012

Decision Date: 09/08/2019

It has been resolved by the approval of the General Director of EPIAŞ dated 9 August 2019 to approve the attached "Gap Amount Procedure".

GAP AMOUNT PROCEDURE

Purpose

ARTICLE 1 – (1) The purpose of this Procedure is to determine the principles regarding the gap amounts collected from the relevant market participants registered with the Day Ahead Market in accordance with the Electricity Market Balancing and Settlement Regulation for the financing of the gap between the daily system purchase amounts and the daily system sales amounts arising out of rounding off and block and flexible orders within the scope of the Day Ahead Market.

Scope

ARTICLE 2 – This Procedure covers the principles regarding the calculation method of the gap amount arising from rounding off, block and flexible orders within the scope of the Day Ahead Market, and the market participants to whom the gap amount shall be charged, and the method by which the gap amount shall be charged to these market participants.

Legal Basis

ARTICLE 3 – (1) This Procedure is prepared based on section (e) of the fourth paragraph of Article 11 and Article 53/A of Electricity Market Balancing and Settlement Regulation published in the Official Gazette dated 14 April 2009 and numbered 27200.

Calculation of the gap amount arising out of system sales orders and distribution thereof to the market participants

ARTICLE 4 – (1) The gap amount to be charged to the relevant market participants in relation to their system purchases within the scope of day ahead balancing activities for a single advance payment period on a bidding zone basis shall be calculated in accordance with the formula below:

$$SAFT_{t,p,s} = SFT_{t,s} \times FTKA_{t,p,s} \quad (1a)$$

(2) The expressions used in the formula above shall have the following meanings:

- $SAFT_{t,p,s}$ refers to the gap amount to be charged to the market participant “ p ”, for its system purchases during the advance payment period “ s ”, for the bidding zone “ t ”;
- $SFT_{t,s}$ refers to the gap amount arising out of system sales orders during the advance payment period “ s ”, for the bidding zone “ t ”;
- $FTKA_{t,p,s}$ refers to the gap amount coefficient to be applied in relation to the system purchases of the market participant “ p ”, during the advance payment period “ s ”, for the bidding zone “ t ”.

(3) The gap amount arising out of sales orders in an advance payment period on a bidding zone basis within the scope of day ahead balancing activities shall be calculated in accordance with the formula below:

$$SFT_{t,s} = \sum_{r=1}^n \left[\left(\sum_{u=a}^b SSM_{t,s,r,u} \right) * \ddot{U}FB_{p,t,r} \right] \quad (1b)$$

(4) The expressions used in the formula above shall have the following meanings:

- $SFT_{t,s}$ refers to the gap amount arising out of system sales orders during the advance payment period “ s ”, for the bidding zone “ t ”;
- $SSM_{t,s,r,u}$ refers to the system sale volume (MWh) for the bidding zone “ t ”, in the settlement period “ u ”, resulting from the order “ r ”, during the advance payment period “ s ”;
- $\ddot{U}FB_{p,t,r}$ refers to the unit price (TRY/MWh) of the block or flexible sales order “ r ” of the market participant “ p ”, for the bidding zone “ t ”, calculated pursuant to Procedures and Principles Regarding the Day-Ahead Market Structure and Evaluation of Orders;
- a refers to the starting time on which the order “ r ”, for the bidding zone “ t ”, in the advance payment period “ s ” is accepted;
- b refers to the ending time on which the order “ r ”, for the bidding zone “ t ”, in the advance payment period “ s ” is accepted;
- n refers to the number of system sale orders for the bidding zone “ t ”, in the advance payment period “ s ”.

(5) The gap amount coefficient for a bidding zone to be applied to a market participant due to its system purchases on an advance payment period basis shall be calculated in accordance with the formula below:

$$FTKA_{t,p,s} = \frac{\sum_{u=1}^a \sum_{r=1}^n SAM_{t,p,s,u,r}}{\sum_{p=1}^k \sum_{u=1}^a \sum_{r=1}^n SAM_{t,p,s,u,r}} \quad (1c)$$

- $FTKA_{t,p,s}$ refers to the gap amount coefficient in relation to the system purchases of the market participant “ p ”, during the advance payment period “ s ”, for the bidding zone “ t ”;

$SAM_{t,p,s,u,r}$ refers to the system purchase volume (MWh) of the market participant “ p ”, for the bidding zone “ t ”, under its order “ r ”, valid for settlement period during the advance payment period “ u ”;

k refers to the number of market participants in the Day Ahead Market;

n refers to the number of orders under which the market participant “ p ” has purchased energy from the system for the bidding zone “ t ”, for the settlement period “ u ”, within the scope of Day Ahead Market;

a refers to the number of settlement periods within the relevant advance payment period.

Calculation of the gap amount arising out of system purchase orders and distribution thereof to the market participants

ARTICLE 5 – (1) The gap amount to be charged to the relevant market participants in relation to their system sales within the scope of day ahead balancing activities for a single advance payment period on a bidding zone basis shall be calculated in accordance with the formula below:

$$SSFT_{t,p,s} = AFT_{t,s} \times FTKS_{t,p,s} \quad (2a)$$

(2) The expressions used in the formula above shall have the following meanings:

$SSFT_{t,p,s}$ refers to the gap amount to be charged to the market participant “ p ”, for its system sales during the advance payment period “ s ”, for the bidding zone “ t ”;

$AFT_{t,s}$ refers to the gap amount arising out of system purchase orders during the advance payment period “ s ”, for the bidding zone “ t ”;

$FTKS_{t,p,s}$ refers to the gap amount coefficient to be applied in relation to the system sales of the market participant “ p ”, during the advance payment period “ s ”, for the bidding zone “ t ”.

(3) The gap amount arising out of purchase orders in an advance payment period on a bidding zone basis within the scope of day ahead balancing activities shall be calculated in accordance with the formula below:

$$AFT_{t,s} = \sum_{r=1}^n \left[\left(\sum_{u=a}^b SAM_{t,s,r,u} \right) * TFB_{p,t,r} \right] \quad (2b)$$

(4) The expressions used in the formula shall have the following meanings:

$AFT_{t,s}$ refers to the gap amount arising out of system purchase orders during the advance payment period “ s ”, for the bidding zone “ t ”;

$SAM_{t,s,r,u}$ refers to the system purchase volume (MWh) for the bidding zone “ t ”, in the settlement period “ u ”, resulting from the order “ r ”, during the advance payment period “ s ”;

$TFB_{p,t,r}$ refers to the unit price (TRY/MWh) of the block or flexible purchase order “ r ” of the market participant “ p ”, for the bidding zone “ t ”, calculated pursuant to Procedures and Principles Regarding the Day-Ahead Market Structure and Evaluation of Orders;

a refers to the starting time on which the order “ r ”, for the bidding zone “ t ”, in the advance payment period “ s ” is accepted;

- b refers to the ending time on which the order “ r ”, for the bidding zone “ t ”, in the advance payment period “ s ” is accepted;
- n refers to the number of system purchase orders for the bidding zone “ t ”, in the advance payment period “ s ”.

(5) The gap amount coefficient for a bidding zone to be applied to a market participant due to its system sales on an advance payment period basis shall be calculated in accordance with the formula below:

$$FTKS_{t,p,s} = \frac{\sum_{u=1}^a \sum_{r=1}^n SSM_{t,p,s,u,r}}{\sum_{p=1}^k \sum_{u=1}^a \sum_{r=1}^n SSM_{t,p,s,u,r}} \quad (2c)$$

- $FTKS_{t,p,s}$ refers to the gap amount coefficient in relation to the system sales of the market participant “ p ”, during the advance payment period “ s ”, for the bidding zone “ t ”;
- $SSM_{t,p,s,u,r}$ refers to the system sale volume (MWh) of the market participant “ p ”, for the bidding zone “ t ”, under its order “ r ”, valid for settlement period during the advance payment period “ u ”;
- k refers to the number of market participants in the Day Ahead Market;
- n refers to the number of orders under which the market participant “ p ” has sold energy to the system for the bidding zone “ t ”, for the settlement period “ u ”, within the scope of Day Ahead Market;
- a refers to the number of settlement periods within the relevant advance payment period.

Calculation of the gap amount arising out of rounding off and distribution thereof to market participants

ARTICLE 6 - (1) The gap amount arising out of rounding off to *Kuruş* units (0.01 Turkish Lira) for the purposes of converting transactions with higher sensitivities during the intersection of supply and demand curves within the scope of the Day Ahead Market in terms of the Final Market Interchange Price, and lot in terms of volume, shall be calculated in accordance with the formula below. The amount calculated shall be charged to the relevant market participant if it is negative, and paid to the relevant market participant if it is positive.

$$YFT_{t,p,s} = (SAT_{t,s} - SST_{t,s} - SFT_{t,s} - AFT_{t,s}) \times FTKY_{t,p,s} \quad (3a)$$

- (2) The expressions used in the formula above shall have the following meanings:
- $YFT_{t,p,s}$ refers to the gap amount arising out of rounding off, to be reflected to the market participant “ p ”, in advance payment period “ s ”, for the bidding zone “ t ”;
- $SAT_{t,s}$ refers to the total system purchase amount for the bidding zone “ t ”, in the advance payment period “ s ”;
- $SST_{t,s}$ refers to the total system sales amount for the bidding zone “ t ”, in the advance payment period “ s ”;

- SFT_{*t,s*} refers to the gap amount arising out of system sales orders for the bidding zone “*t*”, in the advance payment period “*s*”;
- AFT_{*t,s*} refers to the gap amount arising out of purchase orders for the bidding zone “*t*”, in the advance payment period “*s*”;
- FTKY_{*t,p,s*} refers to the gap amount coefficient of the market participant “*p*”, for the bidding zone “*t*”, in the advance payment period “*s*”, in relation to rounding off.

(3) The gap amount coefficient to be applied to a market participant arising out of rounding off on an advance payment period basis of for a bidding zone shall be calculated in accordance with the formula below:

$$FTKY_{p,s} = \left[\frac{\sum_{u=1}^a \sum_{r=1}^{t1} SSM_{t,p,s,u,r} + \sum_{u=1}^a \sum_{r=1}^{t2} SAM_{t,p,s,u,r}}{\sum_{p=1}^k \sum_{u=1}^a \sum_{r=1}^{t1} SSM_{t,p,s,u,r} + \sum_{p=1}^k \sum_{u=1}^a \sum_{r=1}^{t2} SAM_{t,p,s,u,r}} \right] \quad (3b)$$

- (4) The expressions used in the formula above shall have the following meanings:
- FTKY_{*p,s*} refers to the gap amount coefficient of the market participant “*p*”, in relation to the rounding off, in the advance payment period “*s*”, for the bidding zone “*t*”;
- SAM_{*t,p,s,u,r*} refers to the system purchase volume (MWh) of the market participant “*p*”, for the bidding zone “*t*”, under its order “*r*”, valid for the settlement period within the advance payment period “*u*”;
- SSM_{*t,p,s,u,r*} refers to the system sale volume (MWh) of the market participant “*p*”, for the bidding zone “*t*”, under its order “*r*”, valid for the settlement period within the advance payment period “*u*”;
- k* refers to the number of market participants in the Day Ahead Market;
- a* refers to the number of settlement periods within the relevant advance payment period;
- t1* refers to the number of orders under which the market participant “*p*” has sold to the system for the bidding zone “*t*”, for the settlement period “*u*”, in the advance payment period “*s*”, within the scope of the day-ahead balancing;
- t2* refers to the number of orders under which the market participant “*p*” has purchased from the system, for the bidding zone “*t*”, for the settlement period “*u*”, within the scope of the day-ahead balancing.

Process to be followed if a market participant has recently joined the Day Ahead Market

ARTICLE 7 – (1) Market participants who have newly registered with the Day Ahead Market shall make gap amount payments in line with the procedures referred to under Articles 4, 5, and 6 of this Procedure in the first advance payment period following their transactions in the market.

Process to be followed if a market participant ceases its activities

ARTICLE 8 – (1) In the event that a market participant no longer meets all of the required conditions for being a market participant or its market participant registration is suspended, no refund with respect to the prepaid gap amount shall be made to the relevant market participant by the Market Operator. If there is an existing obligation on the market participant to make a gap

amount payment for the period until the occurrence of the aforementioned circumstances, said payment obligation shall remain.

Enforcement

ARTICLE 9 – (1) This Procedure shall enter into force on 09/08/2019.

Execution

ARTICLE 10 – (1) The provisions of this Procedure shall be executed by the General Director of the Energy Markets Operator Company of Turkey.