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PROCEDURE FOR UNREQUITED MARKET TRANSACTIONS

Objective and Scope

ARTICLE 1- (1) The objective of this Procedure is determining the rules to be followed when making day-ahead market offers and bilateral agreement notifications within the scope of balancing obligations set forth under Article 6 of the Electricity Market Balancing and Settlement Regulation, detecting unrequited market transactions and regulating the actions to be taken against the violations within this scope, and determining the procedures and principles regarding the proceedings to be carried out by the Market Operator within this scope.

Legal basis

ARTICLE 2- (1) This Procedure has been prepared based on Articles 57, 57/A, and 89/A of the Electricity Market Balancing and Settlement Regulation.

Definitions

ARTICLE 3- (1) the following definitions shall be ascribed to the terms used in this Procedure;

a) Advance payment period: The period starting from 00:00 on a calendar day within a billing period, and ending at 24:00 on the same day;

b) Unrequited market transaction: Market transaction volumes of market participants that are determined to exceed the amount calculated by using data regarding sales, purchase, import, export and generation, within the framework of the provisions set out in this Procedure prepared by the market operator;

c) Market Operator: Energy Markets Operator Company of Turkey;

ç) Procedure: Procedure for Unrequited Market Transactions;

d) System Operator: Electricity Transmission Company of Turkey;

e) Takasbank Procedure: Procedure on Cash Settlement and Collateral Management Service to be provided by the Istanbul Settlement and Custody Bank Inc., regarding the Electricity Market of Energy Markets Operator Company of Turkey, and Principles on this Service;

f) Tolerance coefficient: The coefficient that is used to determine the unrequited sales transactions within an advance payment period;

g) Tolerance amount: the amount used to determine the unrequited sales transactions within an advance payment period;

ğ) Regulation: Electricity Market Balancing and Settlement Regulation.

(2) Other terms and concepts that are used in this Procedure but not defined herein shall have the meanings and scope attributed to them in the relevant legislation.

General principles

ARTICLE 4- (1) It is essential that market participants do not carry out transactions that are contrary to the balancing obligations set forth under the first paragraph of Article 6 of the Regulation, and unrequited sales transactions set forth under this Procedure.

Detecting unrequited sales transaction

ARTICLE 5- (1) Within the scope of the balancing obligation set forth under the first paragraph of Article 6 of the Regulation, detection of unrequited sales transactions of market participants shall be made pursuant to the following formulas:

$$KOSM_{p,s} = (GÖPSM_{p,s} + GİPSM_{p,s} + VEPSM_{p,s} + GÖPVTSM_{p,s} + GİPVTSM_{p,s} + İASM_{p,s}) - maks[TM, (KGÜP_{p,s} + GÖPAM_{p,s} + GİPAM_{p,s} + VEPAM_{p,s} + GÖPVTAM_{p,s} + GİPVTAM_{p,s} + İAAM_{p,s} + SPİM_{p,s} + LÜM_{p,s}) \times r]$$

(1a)

$$İAAM_{p,s} = PKİAAM_{p,s} + maks(TCAT_{p,s}, İİAAM_{p,s})$$

(1b)

If $KOSM_{p,s} > 0$, the transaction shall be considered an unrequited sales transaction.

If $KOSM_{p,s} \leq 0$, the transaction shall not be considered an unrequited sales transaction.

(2) The expressions used in the formula set out in the first paragraph shall have the following meanings:

$KOSM_{p,s}$	refers to the unrequited sales amount of the market participant “p”, in the advance payment period “s”;
$GÖPSM_{p,s}$	refers to the day-ahead market sales amount of the market participant “p”, in the advance payment period “s”;
$GİPSM_{p,s}$	refers to the intraday market sales amount of the market participant “p”, in the advance payment period “s”;
$VEPS$,	refers to the power futures market sales amount of the market participant “p”, in the advance payment period “s”;
$VEPA$,	refers to the power futures market purchase amount of the market participant “p”, in the advance payment period “s”;
$GÖPVTSM_{p,s}$	refers to the day-ahead market sales amount of the Market Operator in the advance payment period “s” within the scope of default management, on behalf of the market participant “p” that is in default in the power futures market;
$GÖPVTAM_{p,s}$	refers to the day-ahead market purchase amount of the Market Operator in the advance payment period “s” within the scope of default management on behalf of the market participant “p” that is in default in the power futures market;
$GİPVTSM_{p,s}$	refers to the intraday market sales amount of the Market Operator in the advance payment period “s” within the scope of default management on behalf of the market participant “p” that is in default in the power futures market;
$GİPVTAM_{p,s}$	refers to the intraday market purchase amount of the Market Operator in the advance payment period “s” within the scope of default management on behalf of the market participant “p” that is in default in the power futures market;
$İASM_{p,s}$	refers to the bilateral agreement sales amount of the market participant “p”, in the advance payment period “s”, except for the notification data

	of the bilateral agreement executed with the System Operator for export recorded on the MMS;
KGÜP _{p,s}	refers to the finalized day-ahead generation/consumption program of the market participant “p”, in the advance payment period “s”, notified by the System Operator after the completion of the process set forth under subparagraph (a) of the first paragraph of Article 68 of the Regulation;
GÖPAM _{p,s}	refers to the day-ahead market purchase amount of the market participant “p”, in the advance payment period “s”;
GİPAM _{p,s}	refers to the intraday market purchase amount of the market participant “p”, in the advance payment period “s”;
İAAM _{p,s}	refers to the bilateral agreement purchase amount of the market participant “p”, in the advance payment period “s”;
SPİM _{p,s}	refers to the total amount of imports of the market participant “p”, in the advance payment period “s”, made via the synchronous non-parallel connection points;
LÜM _{p,s}	refers to the daily maximum generation amount calculated by multiplying the number of settlement period “u”, within the advance payment period “s”, of the market participant “p”, in the category set forth under sub-paragraph (ç) of the second paragraph of Article 17 of the Regulation with the total installed capacity in operation pursuant to the records of the Market Operator;
PKİAAM _{p,s}	refers to the approved daily total bilateral agreement notification data on the MMS, of the market participant “p”, in the advance payment period “s”, except for the bilateral agreements for import;
TCAT _{p,s}	refers to the daily total foreign capacity tender data, of the market participant “p”, in the advance payment period “s”;
İİAAM _{p,s}	refers to the approved daily total bilateral agreement notification data for import on the MMS, of the market participant “p”, in the advance payment period “s”;
TM	refers to the tolerance amount determined by the Market Operator;
r	refers to the tolerance coefficient determined by the Market Operator.

(3) In case the amount of KGÜP increases as a result of update of the amount of KGÜP regulated under the first paragraph of Article 69 of the Regulation, this KGÜP amount shall be used for the KGÜP amount of the market participants set forth under the first paragraph.

(4) The notification data of bilateral agreements executed with the System Operator for export and recorded on the MMS shall not be taken into account in the bilateral agreement sales notification calculation set forth under the first paragraph.

(5) The greater of the total amount of the foreign capacity tender system data of the relevant day sent by the System Operator or the notification data of approved daily total bilateral agreement executed for import and recorded on the MMS shall be used as the notification data of the bilateral agreement executed for import.

(6) In case the System Operator sends the data on the amount of import made via synchronous non-parallel connection points to the Market Operator, the data shall be taken into account in the unrequited sales transaction calculation set forth under the first paragraph.

Provisions to be applied in case of detection of unrequited sales transactions

ARTICLE 6- (1) Unrequited sales transactions shall be detected by the Market Operator by using the data of the delivery day until 09:00 every day, following the physical delivery day.

(2) The Market Operator shall make a notification to the central settlement institution, the relevant market participant and, if any, the balancing responsible party of the relevant participant in order to block the net advance receivable for the said day of a market participant, who is detected to have made an unrequited sales transaction, on the business day of the detection or on the first business day following the detection, if the detection day is not a business day. However, the total amount to be blocked shall not exceed the total net advance receivable amount of the advance payment notifications made for more than one day pursuant to the Article 132 of the Regulation. Within this framework, in the event of an advance payment blockage for more than one day, the blocked amount shall be distributed in proportion to the advance payment amounts to be blocked for the relevant days.

(3) The net advance payment receivables of the market participant for the said day which is transferred to the free current account before the central settlement institution shall be blocked by transferring it to the participant's cash collateral account before the central settlement institution for the Market Operator to use its right to clearing and offsetting for the invoiced debts of the relevant month, and shall not be paid. The said amount shall not be deemed included in the total amount of collaterals submitted by the participant during the controls made regarding the collaterals provided pursuant to other relevant legislation. Interest shall be provided for the amount blocked in the cash collateral account within the framework of the principles set out in Article 33 of the Takasbank Procedure.

(4) The blocked advance payment amount for the unrequited sales transactions for the same billing period and the interest amount if interest is provided for the relevant amount shall be offset from the net invoiced debt of the participant for the relevant period pursuant to the Article 132/Ç of the Regulation and the remaining amount, if any, shall be distributed within the framework of Article 17 of the Takasbank Procedure.

(5) Following completion of the process defined in Article 88 of the Regulation on the relevant day, an advance notification shall be made to market participants on unrequited sales transactions via the MMS screens.

(6) Market participants may appeal the unrequited sales transaction detection via the MMS with their justifications, until 10:30 on the business day of the detection or until 10:30 on the first business day following the detection, if the detection day is not a business day. Appeals after this period shall not be taken into consideration. The evaluation process of the appeals shall be finalized until the end of the period set forth under the first paragraph of Article 132/Ç of the Regulation and notified to the market participants. In case the appeal is found to be justified, the provisions of this Article shall not be applied to the relevant market participant.

Unrequited sales transaction within the scope of bilateral agreement notifications

ARTICLE 7- (1) Following the completion of the bilateral agreement notification process, unrequited bilateral agreement sales transactions for the next day shall be detected as of 17:00 pursuant to the following formulas:

$$KO\dot{I}ASM_{p,s} = (G\ddot{O}PSM_{p,s} + \dot{I}ASM_{p,s} + VEPSM_{p,s} + G\ddot{O}PVTSM_{p,s}) - maks[TM, (KG\ddot{U}P_{p,s} + G\ddot{O}PAM_{p,s} + \dot{I}AAM_{p,s} + VEPAM_{p,s} + G\ddot{O}PVTAM_{p,s} + SP\dot{I}M_{p,s} + L\ddot{U}M_{p,s}) \times r]$$

(2a)

$$\dot{I}AAM_{p,s} = PK\dot{I}AAM_{p,s} + maks(TCAT_{p,s}, \dot{I}\dot{I}AAM_{p,s})$$

(2b)

If $KO\dot{I}ASM_{p,s} > 0$, the transaction shall be considered an unrequited bilateral agreement sales transaction.

If $KO\dot{I}ASM_{p,s} \leq 0$, the transaction shall not be considered an unrequited bilateral agreement sales transaction.

(2) The expressions used in the formula set out in the first paragraph shall have the following meanings:

$KO\dot{I}ASM_{p,s}$	refers to the unrequited bilateral agreement sales amount of the market participant “p”, in the advance payment period “s”;
$G\ddot{O}PSM_{p,s}$	refers to the day-ahead market sales amount of the market participant “p”, in the advance payment period “s”;
$\dot{I}ASM_{p,s}$	refers to the bilateral agreement sales amount of the market participant “p”, in the advance payment period “s”, except for the notification data of the bilateral agreement executed with the System Operator for export and recorded on the MMS;
$VEPS$,	refers to the power futures market sales amount of the market participant “p”, in the advance payment period “s”;
$G\ddot{O}PVTSM_{p,s}$	refers to the day-ahead market sales amount of the Market Operator, in the advance payment period “s” within the scope of default management, on behalf of the market participant “p” that is in default in the power futures market;
$KG\ddot{U}P_{p,s}$	refers to the finalized day-ahead generation/consumption program of the market participant “p”, in the advance payment period “s”, notified by the System Operator after the completion of the process set forth under sub-paragraph (a) of the first paragraph of Article 68 of the Regulation;
$G\ddot{O}PAM_{p,s}$	refers to the day-ahead market purchase amount of the market participant “p”, in the advance payment period “s”;
$\dot{I}AAM_{p,s}$	refers to the bilateral agreement purchase amount of the market participant “p”, in the advance payment period “s”;
$VEPA$,	refers to the power futures market purchase amount of the market participant “p”, in the advance payment period “s”;
$G\ddot{O}PVTAM_{p,s}$	refers to the day-ahead market purchase amount of the Market Operator, in the advance payment period “s”, within the scope of default management, on behalf of the market participant “p” that in default in the power futures market;
$SP\dot{I}M_{p,s}$	refers to the total amount of imports of the market participant “p”, in the advance payment period “s”, made via the synchronous non-parallel connection points;
$L\ddot{U}M_{p,s}$	refers to the daily maximum generation amount calculated by multiplying the number of settlement period “u”, within the advance payment period “s”, of the market participant “p”, in the category set forth under the sub-paragraph (ç) of the second paragraph of Article 17 of the Regulation, with the total installed capacity in operation pursuant to the records of the Market Operator;
$PK\dot{I}AAM_{p,s}$	refers to the approved daily total bilateral agreement notification data on the MMS of the market participant “p”, in the advance payment period “s”, except for the bilateral agreements for import;

TCAT _{p,s}	refers to the daily total foreign capacity tender data of the market participant “p”, in the advance payment period “s”, sent by the System Operator;
İİAAM _{p,s}	refers to the approved daily total bilateral agreement notification data for import on the MMS, of the market participant “p”, in the advance payment period “s”;
TM	refers to the tolerance amount determined by the Market Operator;
r	refers to the tolerance coefficient determined by the Market Operator.

(3) All of the bilateral agreement sales amounts detected to be unrequited bilateral agreement sales shall be canceled via the MMS and this issue shall be notified to the relevant market participants via the MMS.

(4) The greater of the daily total amount of the TEİAŞ Capacity Tender System data sent by the System Operator or the approved daily total bilateral agreement executed for import notification data recorded on MMS shall be used as the notification data of the bilateral agreement executed for import.

(5) If the System Operator sends the data on the amount of import made via synchronous non-parallel connection points to the Market Operator, this data shall be taken into account in the unrequited bilateral agreement sales transaction calculation set forth under the first paragraph.

(6) Bilateral agreement notifications executed with the System Operator within the scope of import-export shall not be canceled due to the transactions of the market participants within the scope of the first paragraph.

(7) As a result of detection of unrequited bilateral agreement sales transactions, control of the transactions of the market participants who are in the position of purchaser shall be made as follows;

a) For the recorded bilateral agreement notifications of market participants who are in the position of purchaser of sales-directed bilateral agreements, which are canceled for the first time in the same billing period, the control process pursuant to the first paragraph shall not be applied one more time in accordance with the new condition.

b) In the event that bilateral agreement notifications are cancelled more than once in the same billing period for the market participants that the seller and purchaser parties are the same, the control process pursuant to the first paragraph shall be applied to the market participants who are in the position of purchaser in these transactions.

c) The control process pursuant to the first paragraph shall not be applied for the second time, in accordance with the new condition, to the market participants who are in the position of purchaser in the bilateral agreements, whose sales-directed transactions are cancelled as a result of the control proceeding applied due to the reason set forth under sub-paragraph (b).

(8) Following the notification of the finalized day-ahead generation/consumption programs to the Market Operator by the System Operator, at 16:10, an advance notification regarding unrequited bilateral agreement sales transactions shall be made to the market participants via the MMS screens.

(9) Market participants may appeal to the Market Operator via the MMS, until 17:15 for the bilateral agreement transaction notifications cancelled due to unrequited bilateral agreement sales transaction detection. These appeals shall be evaluated by comparing the KGÜP values in the TPYS operated by the System Operator only. Appeals unrelated to the said KGÜP values shall not be accepted. In case the appeals are found to be justified by the Market Operator, necessary corrections shall be made.

Maximum sales amount that can be notified to the day-ahead market

ARTICLE 8- (1) The maximum sales amount on a settlement period basis that market participants can notify to the day-ahead market within the scope of the balancing obligations shall be designated by the Market Operator and offers exceeding these amounts shall not be recorded to the MMS.

(2) The maximum sales amount on a settlement period basis that can be notified to the day-ahead market shall be calculated pursuant to the following formula;

$$G\ddot{O}PSM_{p,s,u} = [maks(25\ MWh, (\dot{I}AANM_{p,s,u} + VEPANM_{p,s,u}) \times 1,5) + \dot{I}G_{p,s,u}]$$

(3)

If $G\ddot{O}PTSM_{p,s,u} > G\ddot{O}PSM_{p,s,u}$, the said offer shall not be recorded to the MMS.

If $G\ddot{O}PTSM_{p,s,u} \leq G\ddot{O}PSM_{p,s,u}$, the said offer shall be recorded to the MMS.

(3) The expressions used in the formula set out in the second paragraph shall have the following meanings:

$G\ddot{O}PSM_{p,s,u}$	refers to the maximum sales amount to be notified to the day-ahead market by the market participant “p”, in the settlement period “u”, within the advance payment period “s”;
$\dot{I}AANM_{p,s,u}$	refers to the greater one of the remaining purchase amount calculated as a result of clarifying the purchase-sale amounts in the last 180 days, of the market participant “p”, in the settlement period “u”, within the advance payment period “s”;
$VEPANM_{p,s,u}$	refers to the greatest one of the net purchase-directed open positions of the market participant “p”, in the settlement period “u”, within the advance payment period “s”;
$\dot{I}G_{p,s,u}$	refers to the installed capacity in operation of the generation facility of the market participant “p”, in the settlement period “u”, within the advance payment period “s”;
$G\ddot{O}PTSM_{p,s,u}$	refers to the total sales offer amount in hourly, block and flexible offer types to be notified to the day-ahead market by the market participant “p”, in the settlement period “u”, within the advance payment period “s”.

(4) If an offer exceeding the maximum sales amount that can be notified to the day-ahead market calculated pursuant to the second paragraph is detected, the offers exceeding this amount shall not be recorded to the MMS.

(5) Market participants who will make more sales offers than the sales amount to be determined within the scope of the second paragraph for the day-ahead market offers shall notify the market operator about the start and end dates of this request on the basis of delivery day via the MMS. The notification shall be made until 12:30 one day before the first delivery date and there may be a maximum of 3 (three) business days between the start and end dates. The said notification may be made up to 3 (three) times in a billing period. On the relevant delivery days, including the notified starting and ending dates, market participants may submit an amount of sales offers that can be found by adding the installed capacity in operation to the amount calculated by dividing twenty-fourths of the total collateral amount declared by the central settlement institution pursuant to the sixth paragraph of Article 7 of the Collateral Procedures and Principles by the arithmetic average PTF for the last 30 days. In case of an offer exceeding the determined amount, the relevant offers of the market participants shall not be

recorded to the MMS. The provisions of the second paragraph shall continue to be applied as of the delivery day after the end date notified to the Market Operator via the MMS regarding the said request.

(6) In the event that an offer exceeding the maximum sales amount that can be notified to the day-ahead market is detected due to the inability to perform the control process as a result of technical problems that may occur in the MMS, the transaction shall be canceled by the Market Operator.

(7)¹ As for the calculations to be made within the scope of the second paragraph, the installed capacity increase to be made within the scope of the Energy Market Regulatory Board Decision dated 12/05/2022 and numbered 10971 shall be added to the installed capacity in operation during the implementation period of the said Decision.

Transaction limits of the market participants

ARTICLE 9- (1) In order to prevent possible erroneous offer entries of market participants, the purchase-sale transaction limits that they can make transactions with in the day-ahead and intraday markets shall be determined according to the installed capacity and/or purchase and/or sale transactions made in the previous year by the Market Operator and announced to the market participants.

(2) The bids of the market participants exceeding the limits determined by the Market Operator shall not be recorded to the MMS.

(3) In case the maximum sales amount that can be notified to the day-ahead market determined within the scope of Article 8 of this Procedure is greater than the sales limit set out in the first paragraph, the said condition shall be notified to the Market Operator one hour before the process set forth under sub-paragraph (b) of the first paragraph of Article 50 of the Regulation is completed.

(4) Market participants who are to make a purchase offer for the day-ahead market and intraday market offers greater than the amount to be determined within the scope of the first paragraph shall notify the Market Operator of their request together with their justifications one business day in advance.

(5) If it is detected that the offers submitted by market participants are among the transactions within the scope of Article 8 of this Procedure, the said offers shall not be recorded to the MMS even if they are within the limits determined by this Article.

Provisions to be applied during breakdowns and emergencies

ARTICLE 10- (1) If the data required by the Market Operator for the calculations to be made pursuant to this Procedure are not available at the time of the calculations, the Market Operator shall determine new periods to complete the processes.

Tolerance coefficient and amount

ARTICLE 11- (1) Within the scope of this Procedure, tolerance coefficient shall be applied as 1,1 and the tolerance amount shall be applied as 600 MWh. Market Operator shall update the tolerance coefficient and amount when it deems necessary and shall announce it on the MMS and its website.

Enforcement

ARTICLE 12- (1) This Procedure shall enter into force on 01/10/2019.

¹ Inserted pursuant to the General Manager Approval dated 25 May 2022 and numbered 4896.

Execution

ARTICLE 13- (1) The provisions of this Procedure shall be executed by the General Manager of the Energy Markets Operator Company of Turkey.

Board of Directors Resolution Implementing the Procedure		
Dated		Numbered
26/08/2019		43
Board of Directors Resolutions Amending the Procedure		
Dated		Numbered
1-	27/12/2019	56
2-	25/09/2020	39
3-	23/11/2020	51
4-	25/05/2022	4896