

Notice for Balance responsible parties („BRP“) with regards to the modification of sign convention as from 1 January 2019

Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereinafter referred to as "the Regulation") entered into force on 18 December 2017. Pursuant to the Regulation, modifications will be executed in the information system of the short-term electricity market operator (hereinafter referred to as "OKTE") with effect from 1 January 2019.

The Notice also includes impacts on the application of relevant provisions of the Decree of Regulatory Office for network industries No. 24/2013 Coll. laying down rules for the functioning of the national electricity market and rules for the functioning of the national gas market, as amended (hereinafter referred to as "the Market Rules Decree") and the Decree of the Regulatory Office for Network Industries No. 18/2017 Coll. Establishing a Price Regulation in the Electricity Sector and Certain Conditions of Regulated Activities in Electricity Sector (hereinafter referred to as "the Price Regulation Decree")

A The list of modifications with regards to the Regulation

1. Modification of imbalance sign convention
2. Modification of sign convention of imbalance payments and payments for share in balancing electricity costs
3. Modification of sign convention of difference settlement and payments for difference settlement

1. Modification of imbalance sign convention

Situation	Until 31 December 2018	From 1 January 2019
BRP causes lack of electricity in the system by its conduct.	Positive BRP imbalance.	Negative BRP imbalance.
BRP causes surplus of electricity in the system by its conduct.	Negative BRP imbalance.	Positive BRP imbalance.
Lack of electricity in the system.	Positive system imbalance.	Negative system imbalance.
Surplus of electricity in the system.	Negative system imbalance.	Positive system imbalance.

Notes:

- By the calculation of the amount of financial guarantee, the average price of negative imbalance is taken into account instead of the average price of positive imbalance, which will be calculated analogically as present average price of positive imbalance.

2. Modification of sign convention of imbalance payments and payments for share in balancing electricity costs

Situation	Until 31 December 2018	From 1 January 2019
BRP pays the payment for imbalance to OKTE.	Positive imbalance payment.	Negative imbalance payment.
OKTE pays the payment for imbalance to BRP.	Negative imbalance payment.	Positive imbalance payment.
BRP pays the payment for share in balancing electricity costs to OKTE.	Positive payment for share in balancing electricity costs.	Negative payment for share in balancing electricity costs.
OKTE pays the payment for share in balancing electricity costs to BRP.	Negative payment for share in balancing electricity costs.	Positive payment for share in balancing electricity costs.

Notes:

- Coefficient of negative payment for imbalance (the term used until 31 December 2018) is renamed to the coefficient of payment for counter-imbalance (the term used from 1 January 2019).
- From 1 January 2019, no coefficient is applied by the calculation of negative payment for imbalance.
- From 1 January 2019, coefficient of payment for counter-imbalance is applied by the calculation of positive payment for imbalance.

3. Modification of sign convention of difference settlement and payments for difference settlement

Situation	Until 31 December 2018	From 1 January 2019
Lack of electricity by the difference evaluation of BRP.	Positive difference.	Negative difference.
Surplus of electricity by the difference evaluation of BRP.	Negative difference.	Positive difference.
BRP pays the payment for difference settlement to OKTE.	Positive payment for difference settlement.	Negative payment for difference settlement.
OKTE pays the payment for difference settlement to BRP.	Negative payment for difference settlement.	Positive payment for difference settlement.

B Impacts on the application of relevant provisions of the Market Rules Decree and the Price Regulation Decree

Affected provisions of the Market Rules Decree and the Price Regulation Decree:

- affected provisions of the Market Rules Decree:
 - section 34 – definition of the parameter Co,
 - section 17 (15),(16) and (20)(j),
 - section 20 (2)(i),
 - Annex No. 8 (7),
- affected provisions of the Price Regulation Decree:
 - section 22(4).

Since the above-mentioned provisions of the Market Rules Decree and the Price Regulation Decree do not comply with the Regulation, revised Operation order of OKTE, which text will fully reflect the Direction wording, shall be followed in relation to market participants from 1 January 2019.