

**GENERAL PRINCIPLES OF ALLOCATING IMBALANCES WITHIN
THE STANDARD BALANCING GROUP OF
NOMAD ENERGY COMPANY LTD**

Section I

Aggregation of metered readings in terms of a consumer/producer participating in the standard balancing group

- Art. 1. (1) After receiving the validated measured readings, Nomad Energy Company LTD, in its capacity of the coordinator of a standard balancing group, shall determine the total physical supplies of each consumer/producer in the combined balancing group with regard to measuring points of the respective network for each settlement period.
- (2) The total aggregated production of a producer in the standard balancing group of Nomad Energy Company LTD is equal to the sum of the total production of the producer's sites included in the scope of the balancing responsibility of Nomad Energy Company LTD.
- (3) The total aggregated consumption of a consumer in the standard balancing group of Nomad Energy Company LTD is equal to the sum of the total consumption of the consumer's sites included in the scope of the balancing responsibility of Nomad Energy Company LTD.

Section II

Determination of prices of energy imbalances in the standard balancing group

- Art. 2. (1) The transactions in energy imbalances between Nomad Energy Company LTD in its capacity of the coordinator of a standard balancing group and the members in this group shall be carried out at the price of the balancing energy in the group (PBEG), except for the cases referred to in Art. 3.
- (2) The price of the energy imbalances under para. 1 for a period of settlement in the standard balancing group with coordinator Nomad Energy Company LTD shall not be lower than the price at which the end suppliers buy the electricity from the public supplier to cover the needs of their customers.
- (3) The price at which the final suppliers buy the electricity from the public supplier to cover the needs of their customers shall be determined by the EWRC and shall be the price in force at the time of concluding the contract for participation in the standard balancing group (in BGN/MWh). In the event of a change in this price, the latter shall apply between the Parties as from the date of its entry into force.
- Art. 3. Nomad Energy Company LTD shall carry out transactions in energy imbalances with the standard balancing group members at the deficit price (DP) and the surplus price (SP) determined by the Electricity System Operator EAD in compliance with the Electricity Trading Rules (ETR) in the following cases:
1. Where the energy surplus of one or more standard balancing group members is not sufficient to cover the energy deficit of another or several other members of the group;
 2. Where the energy surplus of one or more standard balancing group members exceeds the amount of energy needed to cover the energy deficit of the other members of the group.

Section III

Basic principles for calculating the imbalances of the individual standard balancing group members

- Art. 4. (1) The provisions of this Section aim to determine the method of calculating the mismatch between the approved schedule and the measured readings of the producers and consumers, members of the standard balancing group the coordinator of which is Nomad Energy Company LTD. The quantities of the approved schedule shall be the quantities agreed between the market participants before the actual supply day.
- (2) The metered readings of a producer/consumer, participating in the standard balancing group of Nomad Energy Company LTD, shall be the readings of the consumed and/or produced electricity reported and validated by the owners of the metering systems.
- (3) The quantities purchased by a trader, Nomad Energy Company LTD, shall be the aggregated quantities of electricity according to the orders of the trader to its suppliers.
- (4) The quantities sold by a trader, member of the standard balancing group of Nomad Energy Company LTD, shall be the aggregated quantities of electricity according to the orders of the customers to the trader.
- (5) The imbalances shall be determined on the basis of aggregated agreed and metered values of production and consumption or purchased and sold quantities referred to each members of the standard balancing group the coordinator of which is Nomad Energy Company LTD.
- Art. 5. According to these general principles, imbalances shall mean:
1. Imbalance of a consumer/producer in the standard balancing group of Nomad Energy Company LTD, determined on the basis of the net agreed position and the net metered position;
 2. Imbalance of a trader in the standard balancing group of Nomad Energy Company LTD, determined as the sum of the purchased and sold amount of electricity;
 3. Imbalance of Nomad Energy Company LTD, acting in its capacity of the coordinator of a standard balancing group. It is defined as the sum of the aggregated positive and the aggregated negative imbalances of all members of the standard balancing group.
- Art. 6. For the calculation of the imbalances under Art. 5(1) for each settlement period, Nomad Energy Company LTD shall determine:
1. The net agreed position in MWh of each consumer/producer in the standard balancing group as the sum of all agreed supplies/purchases, according to registered production/consumption schedules for the last reporting period;
 2. The net measured position in MWh of each consumer/producer in the standard balancing group of Nomad Energy Company LTD as a sum of all metered and validated values by sites;
 3. Imbalance in MWh of each consumer/producer in the standard balancing group of Nomad Energy Company LTD as the sum of the net agreed position and the net metered position.
- Art. 7. (1) All agreed values under Art. 6(1) shall be:
1. Positive - for quantities relating to consumers;
 2. Negative - for quantities relating to producers.
- (2) All metered values under Art. 6(2) shall be:

1. Negative - for metered readings relating to consumers;
2. Positive - for metered readings relating to producers.

(3) The values under Art. 5(2) shall be:

1. Positive - for the amount of electricity purchased;
2. Negative - for the sold amount of electricity sold.

Section IV

Rules for settlement of the imbalances of the individual standard balancing group members

- Art. 8. The provisions of this Section aim to regulate the rules for the calculation of the monetary obligations and liabilities in the transactions of sale and purchase of energy imbalance between Nomad Energy Company LTD as a coordinator and the standard balancing group members in order to compensate the imbalances realized by them.
- Art. 9. In order to ensure transparency and equality in the settlement process, Nomad Energy Company LTD in its capacity as a coordinator of a standard balancing group shall:
1. Calculate the imbalances of the individual standard balancing group members;
 2. Perform preliminary settlement on a weekly basis and final physical and financial settlement on a monthly basis;
 3. Determine the balancing energy price in the group for energy deficit and energy surplus required for mutually compensating the imbalances of the standard group members for each settlement period;
 4. Use balancing energy prices for energy deficit and energy surplus for each settlement period determined by the Electricity System Operator in order to settle the net position of Nomad Energy Company LTD with the Electricity System Operator.
- Art. 10. (1) Nomad Energy Company LTD, in its capacity of a balancing group coordinator, shall prepare samples of the settlement statements.
- (2) The statements under para. 1 shall contain information about the participation in the general imbalance of the relevant standard balancing group member.
- Art. 11. (1) Nomad Energy Company LTD shall determine the imbalances of the standard balancing group members for each settlement period after receiving the validated metered values from the owners of the metering systems.
- (2) Nomad Energy Company LTD shall prepare separately for each calendar day for each member an hourly daily statement for the settlement of the imbalances and shall determine the net value of the daily settlement within 2 (two) business days after receiving the validated values from the owners of the metering systems.