

Second TCDA Amendment – Annex 4: Adapted Appendix D to the TCDA - Rules of Internal Order (RIO)

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**Annex 4 to the Second TCDA Amendment:**

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## **Appendix D to the TCDA – Rules of Internal Order (RIO)**

### **I. General**

These Rules of Internal Order (the "**RIO**") set forth the decision-making process rules of the TSO MCSC and the TSO HLM as referred to in Article 4 of the Agreement.

All capitalised terms not expressly defined herein shall have the meanings attributed to them in Appendix A.

### **II. RIO for TSO MCSC**

#### **1. Composition of the TSO MCSC**

##### **1.1. Representatives**

Each Party is entitled to nominate one or several representatives to the TSO MCSC, but will, regardless of the number of the nominated representatives, always have one (1) vote. The representative(s) of each Party in the TSO MCSC is/are designated in writing. The list of such representatives, including their contact details, are held by the TSO MCSC Secretary. A Party may change its nominated representative(s) in the TSO MCSC by providing the new contact details to the TSO MCSC Secretary.

Only representatives from Voting Members are entitled to vote in the TSO MCSC in accordance with Article 4.5 of the Agreement, it being understood that all representatives are entitled to participate in the discussions.

Each Party is, with respect to each meeting of the TSO MCSC, duly represented either:

- by the nominated representative(s) (as designated by it in the conditions described above); or
- if a nominated representative cannot attend a meeting of the TSO MCSC, by any other person duly mandated and empowered to take decisions binding upon its company on all items of the agenda for the meeting of the TSO MCSC.

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If a Party is unable to attend a TSO MCSC meeting either by its nominated representative or by any other mandated person of this Party, such Party may mandate the TSO MCSC representative of another Party to represent it.

In case of replacement, the concerned Party informs the TSO MCSC Secretary in writing before the TSO MCSC meeting that it cannot attend, with indication of the name of the person representing the Party on its behalf. In case of replacement by another Party, the concerned Party provides the TSO MCSC Secretary with the power of attorney given to the other Party.

One representative may represent more than one Party, provided it is duly mandated to do so.

### **1.2. Co-Chair**

The meetings of the TSO MCSC shall be jointly co-chaired by two (2) representative elected by the Parties, one for SDAC matters and one for SIDC matters. The co-chairship of the meetings of the TSO MCSC shall, unless otherwise agreed amongst the Parties, be rotating on a yearly basis.

Any co-chair may, in exceptional circumstances which prevent him/her to exercise his/her functions at a meeting of the TSO MCSC, delegate such task to the other co-chair or as the case may be, to a representative of another Party.

The co-chairs shall not have voting rights and shall not be considered representative.

### **1.3. TSO MCSC Secretary**

The TSO MCSC Secretary role is performed either by one (1) Party on rotating basis or by a third party appointed by the Parties.

The TSO MCSC Secretary has no voting rights and can never (including in extraordinary circumstances) be mandated to vote for any Party.

The TSO MCSC Secretary assists the TSO MCSC, amongst others by:

- Drafting the agenda, preparing session files and notices of the TSO MCSC meetings and distributing them on behalf of the co-chairs;
- Preparing the attendance list of the TSO MCSC meetings;
- Verifying before each TSO MCSC meeting that the representatives attending the TSO MCSC meetings have been either listed on the list of nominated

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representatives or has been notified as replacement. In the event of representation by another Party, the TSO MCSC Secretary collects the power of attorney given by the Party not attending;

- Prepare the minutes of the TSO MCSC meeting;
- Ensuring the drafting and circulation of the minutes of the TSO MCSC meeting; and
- Keep record in a common (online) storage place of the minutes and supporting documents of the TSO MCSC meeting or coordinate with the person responsible for record keeping in accordance with Article 17.2 of the Agreement.

The costs of the TSO MCSC co-Chairs and Secretary are TSO Common Costs and shall be shared as set forth in Article 6 of the Agreement.

## **2. TSO MCSC meetings**

The TSO MCSC shall, unless otherwise agreed, meet at least on a quarterly basis. The co-chairs may jointly decide to convene TSO MCSC meetings more often, or to cancel a scheduled TSO MCSC meeting, provided such meeting is not necessary given the absence of matters to be discussed.

Any Party may at any time request a TSO MCSC meeting by addressing a written request to the TSO MCSC Secretary and co-chairs. The request shall include the matters to be put on the agenda, and the reason why a TSO MCSC meeting is required. The co-chairs shall decide on whether the request requires an additional TSO MCSC meeting or whether the point can be addressed in the first following regular TSO MCSC meeting.

The notices for a TSO MCSC meeting are notified by the TSO MCSC Secretary in writing to the members of the TSO MCSC at least twenty (20) Working Days before such TSO MCSC meeting. The notices contain the date, place and time of the TSO MCSC meeting.

The final agenda and any supporting documentation to the points on the agenda is sent at least four (4) Working Days before the TSO MCSC meeting (two (2) Working Days in case of additional TSO MCSC meeting).

The draft agenda is prepared by the co-chairs together with the TSO MCSC Secretary, clearly indicating the category under which the decision falls. The draft

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agenda is sent at least nine (9) Working Days before the TSO MCSC meeting. A Party may propose to add issues on the agenda of a TSO MCSC meeting, and these proposals are taken into account provided they have been received by the TSO MCSC Secretary at the latest seven (7) Working Days before such TSO MCSC meeting.

Urgent matters may be added to the agenda of the TSO MCSC meeting, if agreed by all Voting Members during that TSO MCSC meeting.

The TSO MCSC may hold ad hoc TSO MCSC meetings for urgent matters at any time. To the extent possible, a reasonable notice period will be applied.

A member of the TSO MCSC who attends the TSO MCSC meeting or is represented in it, is considered as having received due notice.

Unless decided otherwise by the TSO MCSC, the TSO MCSC Secretary shall be in charge of the practical organisation of the TSO MCSC meetings.

The meeting costs (hosting, organisation, etc.) are a SDAC TSO-Only Common Cost and shall be shared as set forth in the Agreement, it being understood that the travel costs of each Party's representative are borne by the Party(ies) he/she is representing.

The TSO MCSC may meet either physically or by remote meeting devices (such as e.g. conference call, video call, written procedure, etc.) and the TSO MCSC Secretary organising the TSO MCSC meeting shall foresee the technical equipment that would allow remote access.

### **3. Decision-making rules within the TSO MCSC**

#### **3.1. Quorum and decision making**

The TSO MCSC shall be quorate when at least 2/3 of all Parties that are Voting Members on a particular decision are represented according to the principles set forth in Article II.1.1 of these RIO. Should such quorum not be met at any given TSO MCSC meeting, the deliberation and decision-making process on the points which were on the agenda of such TSO MCSC meeting shall be made either in an ad hoc TSO MCSC meeting to be convened shortly thereafter (the same quorum being applicable), or are to be confirmed by email procedure, whereby the decisions are considered taken in case of unanimity of votes of Voting Members

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and if no such unanimity is achieved, QMV applies for Governance and Development Decisions.

### **Unexpected items**

The TSO MCSC may only decide on the topics of the agenda circulated by the TSO MCSC Secretary in accordance with these RIO, except in the event of urgent decisions, in which case the procedure and terms for urgent decisions set forth in the last paragraph of this Article II.3.2 applies.

Unexpected issues may be decided at the TSO MCSC meeting during which the unexpected issue(s) arose or at another TSO MCSC meeting or via another approval process as agreed upon.

However, in case urgent decisions are concerned, decisions on unexpected issue(s) can also be taken at an ad-hoc TSO MCSC conference call which takes place at the latest ten (10) Working Days following the TSO MCSC meeting during which the unexpected issue(s) arose. For clarity reasons, such an ad-hoc TSO MCSC conference call is subject to the general rules on quorum and decision making. By the time of this ad-hoc TSO MCSC conference call, the representatives of the Voting Members in the TSO MCSC must have sought the necessary power and authority to decide on the unexpected issue(s).

## **3.2. QMV - Blocking Minority -Abstention**

### **3.2.1. Voting Shares**

In order to determine if the qualified majority thresholds are achieved or if a blocking minority to a proposed decision exists, each Party has a certain voting share in relation to each Member State where it is authorised<sup>1</sup>, calculated according to the following rules.

To calculate the voting share of each Party, each Member State is attributed a voting weight equal to one, which is distributed amongst each TSO authorised in that Member State

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<sup>1</sup> For the avoidance of doubt, for the purpose of this section 3.3.31 of the RIO, the expression "Member State where it is authorised" or "authorised in a Member State" means : the Member State for which it has been licensed as TSO

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Accordingly, the sum of the shares of that Member State's voting weight allocated to each TSO authorised in that Member State equals one. That is to say that, when all the voting shares of the TSOs authorised in that Member States are summed up, they will be equal to the Member State voting weight (i.e. one).

The voting share to be allocated to each TSO authorised in a Member State is calculated as follows:

- To calculate either i) the QMV thresholds set forth in article 4.6.3 of the Agreement or ii) the blocking minority, the population and the consumption figures of each Member State are calculated based on statistical data as further stipulated under Appendix H (Statistical data to be used for the calculation of the voting share).
- In case more than one TSO is authorised in a Member State, the share of that Member State's voting weight to be allocated to each concerned TSO shall be calculated in accordance with CACM art. 9.2. and communicated by the concerned TSOs<sup>2</sup>.

### 3.2.2. Blocking Minority

The blocking minority will be considered obtained if the following conditions are cumulatively met:

- 1) The number of TSOs that voted against the proposed decision is equal to or higher than four (4) ( $\sum P_{VA} \geq 4$ ); and
- 2) the sum of the voting shares of TSO that voted against the proposed decision, calculated according to 3.2.1 above, is equal to or exceeds four (4) ( $\sum \text{voting share of all } P_{VA} \geq 4$ )

### 3.2.3. Abstention

In case TSO(s) abstain from providing a vote (either because they are not present or represented at a TSO MCSC meeting, or because they do not vote on a proposed decision at such meeting), such TSO(s) will not be counted

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<sup>2</sup> For example, as of Q3 2022 for SDAC decisions, the voting percentage of the German TSOs is: 50 Hertz 0.231, Amprion: 0.3002, Baltic Cable: 0.0100, TTG: 0.2736, and TransnetBW: 0.1852, individually and 1.0 jointly.

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as a positive vote for the calculation of the QMV thresholds set forth in Article 4.6.3 i) of the Agreement nor be part of the blocking minority (for the avoidance of doubt, the voting shares will not be changed).

#### **4. Recording of TSO MCSC decisions**

The decision(s) of the TSO MCSC are recorded by the TSO MCSC Secretary in written minutes.

The draft minutes (including decisions) are circulated by the TSO MCSC Secretary to the members of the TSO MCSC, within a maximum of three (3) Working Days of the meeting concerned.

Members of the TSO MCSC may comment on the draft minutes within ten (10) Working Days after sending of the decisions in accordance with these RIO (it being understood that the decisions themselves cannot be challenged and are binding as of the meeting during which they are taken, except in the case specified in Article II.3.3). Unless agreed otherwise at the TSO MCSC meeting, the minutes are approved at the next TSO MCSC meeting.

The comments on the draft minutes received are discussed at the next available TSO MCSC meeting.

The final minutes shall be circulated by the TSO MCSC Secretary to all Parties, by two (2) Working Days of their approval.

The final minutes shall be stored in the common (online) storage place as set forth in Article 17.2 of the Agreement.

### **III. RIO for TSO HLM**

The rules of internal order for the TSO MCSC under Article II apply where relevant *mutatis mutandis* for the HLM.