



**INDEPENDENT
BULGARIAN
ENERGY EXCHANGE**
YOU SELL, WE DELIVER CONFIDENCE

CUSTOMER ADVISORY BOARD RULEBOOK

INDEPENDENT BULGARIAN ENERGY EXCHANGE

In force from 06.12.2019

Contents:

Customer advisory Board role.....	2
Customer advisory Board purposes.....	2
Customer advisory Board functions.....	3
Organization of Board members.....	4
Election of Board members.....	5
Requirements to the members.....	6
Membership.....	7
Meetings.....	8
Board resolutions.....	9
Rulebook amendments.....	9
Effectiveness.....	9
Terminology.....	9

Chapter I

General provisions

1. Independent Bulgarian Energy Exchange EAD (IBEX) as a license holder for organizing an electricity power exchange in its capacity of a power exchange operator shall establish and organize the operation of a Customer Advisory Board.
2. These rules settle the structure and organization of the activity of the Customer Advisory Board of Independent Bulgarian Energy Exchange (IBEX EAD) hereinafter referred to as the 'Board'.

Customer advisory Board role

3. The Board is a collective advisory body to IBEX EAD, which provides assistance and supports the power exchange operator in settling issues related to the development and operation of the power exchange for electricity on a voluntary basis.
4. The Board resolutions have the effect of recommendations to IBEX EAD, which the power exchange operator is to carefully examine and consider in the decision-making process and in performing its activity.
5. When performing its functions, the Board shall be led by the following principles:
 - 5.1. *Representativeness;*
 - 5.2. *Equality;*
 - 5.3. *Transparency;*
 - 5.4. *Legality, openness, responsibility and coordination;*
 - 5.5. *Collective discussion and solving issues brought up;*
 - 5.6. *Equality of rights, obligations and responsibilities.*

Customer advisory Board purposes

6. Upon its establishment the Board shall aim at:
 - 6.1. *Supporting and improving the communication between IBEX EAD and trading participants registered on the power exchange for electricity;*
 - 6.2. *Encouraging and involving trading participants in discussing key issues for the power exchange operator development;*
 - 6.3. *Receiving information regarding trading participants' priorities and aligning the long-term strategy of the company with the respective priorities;*
 - 6.4. *Receiving information regarding difficulties and challenges to the trading participants, IBEX members;*
 - 6.5. *Discussing options for improving services, service and IBEX EAD trading participants' satisfaction;*

- 6.6. *Finding appropriate solutions to key issues related to all stakeholders;*
- 6.7. *Building up practices and policies to encourage free competition;*
- 6.8. *Establishing a venue, where market participants will be able and obliged to support IBEX EAD activity as well as to participate in the processes of policy formation and drawing up recommendations;*
- 6.9. *Creating conditions for building up more contacts, attracting, encouraging and involving generators, traders and consumers on the power exchange market;*
- 6.10. *The Board aims at contributing to securing a high level of trust on the part of trading participants, society, businesses and institutions on the power exchange for electricity.*

Chapter II Functions

Customer advisory Board functions

- 7. The Board shall assist in the processes of establishing the policy and strategic objectives as regards the development of the power exchange by making specific proposals in the form of written opinions.
- 8. The Board shall submit opinions to the Chief Executive Officer of IBEX EAD (CEO of IBEX EAD) on key issues related to:
 - 8.1. *Development, activity and operation of the power exchange market;*
 - 8.2. *Introducing new services, contracts, products, etc.;*
 - 8.3. *Improving the activity of services provided by IBEX and the communication between IBEX EAD and trading participants registered on the power exchange for electricity.*
- 9. The Board shall operate by holding meetings in accordance with Chapter IV of these rules.
- 10. IBEX EAD discusses with the Board key changes regarding the operation of the power exchange market, except in the cases when the changes are required by applicable legislation.
- 11. The discussions under item 10 are carried out on:
 - 11.1. *Regular Board meeting;*
 - 11.2. *Extraordinary Board meeting.*
- 12. The draft changes are sent to Board members as an attachment to the meeting notice under item 52.

Chapter III Structure and membership

Organization of Board members

13. The Board shall be established pursuant to a decision of the Board of Directors of IBEX EAD.
14. The Board shall consist of fifteen members in total.
15. The members of the Board are elected for a mandate of two years. The members cannot be elected for more than two consecutive mandates, unless there are no other nominations from the category whose representative the candidate is.
16. Two of the Board members, one of whom is the Chairperson of the Board, shall be part of the structure of IBEX.
17. The remaining members are representatives of the three participant categories (producers, traders, consumers) registered on the power market organized by IBEX under the following quota:
 - 17.1. *Five members of the producer category. This category must include representatives of conventional electricity producers, renewable energy producers and coordinators of balancing groups, including generators;*
 - 17.2. *Four members of the trader's category;*
 - 17.3. *Four members of the consumer category. This category must include representatives of electricity consumers and operators of distribution and transmission power systems.*
18. The Chairperson shall manage the work of the Board and has the following powers:
 - 18.1. *To approve the dates for the regular meetings;*
 - 18.2. *To approve the agenda for each meeting;*
 - 18.3. *To chair the meetings;*
 - 18.4. *To convene regular and extraordinary meetings.*
19. The Chairperson shall be assisted by a Secretary, which is part of the corporate structure of IBEX EAD, but is not a member of the Board. The secretary shall be appointed by the CEO of IBEX EAD for a period of two years.
20. The Secretary attends the Board meetings without voting rights.
21. The Secretary shall perform the following activities:
 - 21.1. *Organize the preparation of Board meetings;*
 - 21.2. *Notify in writing all Board members for upcoming meetings;*
 - 21.3. *Compile an agenda for each Board meeting and send it to all members;*
 - 21.4. *Make an audio recording of each Board meeting as an administrative aid in the preparation of minutes which shall be signed by the Secretary and by the Chairperson of the Board.*
 - 21.5. *Store protocols and ancillary materials from the meetings.*
 - 21.6. *Publish the agenda and protocols of the meetings on IBEX EAD website.*

Election of Board members

22. The Board members shall be appointed and dismissed pursuant to an order of the CEO of IBEX EAD.
23. The Board members under item 16 shall be appointed and dismissed by the IBEX EAD CEO without conducting a procedure for election of Board members.
24. The Board members under item 17 shall be elected in accordance with the procedure under item 25.
25. In order to conduct a procedure for election of Board members for the different categories of trading participants active on the power exchange, the CEO of IBEX EAD shall appoint an Election Committee for the election of members in accordance with the provisions of these rules.
26. The Election Committee possesses the following powers concerning the preparation and implementation of the procedure for selection of Board members:
 - 26.1. *Shall organize and inform trading participants on launching a procedure for election of Board members.*
 - 26.2. *Shall organize the collection of nominations from each category of trading participants by sending a notice to all trading participants to this end or where there are organizations of the respective category to the respective organization/organizations. The notice shall contain the following details: term for submitting nominations, professional and personal requirements to the candidates, etc.*
 - 26.3. *Shall consider nominations submitted and assess their compliance with the criteria set. As an advantage is considered:*
 - a. Proven professional expertise in the sector;
 - b. Maximum fair representation of the active members on the power exchange market taking into account whether active members who have proposed the respective candidate have another representative who will be proposed for member or is already such;
 - c. Reputation;
 - d. Etc.
 - 26.4. *Shall prepare a report to the CEO of IBEX EAD, which shall contain:*
 - e. Justification as to which candidates meet the requirements;
 - f. proposal for appointment for members of the Board.
27. The Election committee under item 25 shall collect additional information on the respective candidates with a view to achieving a maximum good assessment of the nominations submitted, using some of the following methods:
 - 27.1. *An inquiry to the company/companies that have made the respective nomination;*
 - 27.2. *An inquiry to power exchange members from the respective category of trading participants who have not made the respective nomination;*
 - 27.3. *Analysis of the public information;*

- 27.4. *Usage of generally accessible information systems and databases*
- 27.5. *Other methods for collecting additional information, which are allowed by the applicable legislation.*
28. Trading participants who are members of the power exchange, representing the various categories, within the term indicated in the notice under item 26.2 shall submit nominations for the members of the Board:
- 28.1. *Indicate the number of candidates in the respective category according to item 17;*
- 28.2. *Submit applications that meet the requirements in accordance with these rules and the notice which shall contain evidence for experience, qualifications and personal qualities of the candidates.*
- 28.3. *The nomination must contain information on the trading participant on whose behalf the respective nomination has been submitted and information on the trading participants who support the nomination.*
29. In case of lack of a sufficient number of nominations from any of the categories, after expiry of the term under item 26.2, the Election committee under item 25 shall extend the deadline and notify all trading participants, members of the power exchange, and shall request the respective member category to propose at least the remaining number of nominations.
30. If after expiry of the term under item 29 a sufficient number of nominations has not been submitted, the Election committee under item 25 shall explore the appointment of an interim member/members, meeting the requirements under item 32 and following the criteria under item 26.3. In this case the report under item 26.4 along with the nominations deposited, the election commission shall also make a proposal for an interim member/members to be appointed.
31. The Power Exchange Board members shall be appointed pursuant to an order of the CEO of IBEX EAD after the report under item 26.4 has been submitted.

Requirements to the members

32. Representatives of active power exchange participants may be elected for Power exchange members who meet the following requirements:
- 32.1. *Are representatives of correct trading participants on the power exchange organized by IBEX EAD;*
- 32.2. *Possess significant knowledge of the activity of IBEX EAD;*
- 32.3. *Possess significant knowledge of the electricity market at a national level and within the European Union;*
- 32.4. *Possess in-depth knowledge of the normative and regulatory framework at a national level;*
- 32.5. *Are acquainted with the market situation in the region and in Europe and have a clear view of the development trends and objectives of the European Union.*
- 32.6. *Fluent in English language;*
- 32.7. *Minimum five years' experience in the energy sector.*
- 32.8. *Possess effective communication skills and ability to work in a team.*

33. When submitting the nomination of the respective candidate in order to evidence the requirements under item 32, it shall be accompanied by a short summary of the experience of the respective candidate.

Membership

34. Membership in the Board shall be on a voluntary basis.
35. For their activity Board members shall not receive remuneration.
36. Each member has the right to participate in the discussion of the issues within the Board competence and to be informed of the activity of the Board.
37. Each member has the right to participate in the discussions and in the vote.
38. Each member shall be obliged to assist in achieving the objectives and performing the activities of the Board.
39. Members shall have to support discussions and to make proposals for settling issues that have arisen and other specific problems which may arise.
40. Members shall propose the discussion of issues which have to be addressed to the governing bodies of IBEX EAD.
41. Members shall guarantee and if necessary prove that the opinion they express is in line with the principles of the company/companies they represent.
42. Board members shall not have the right to conduct political activity or propaganda through the Board or to use their membership in it to achieve objectives incompatible with its main function or undermining the prestige and goodwill of the Board.
43. Board membership shall be terminated ahead of term:
- 43.1. *Upon a request of the member;*
 - 43.2. *Upon a request of the organization or the organizations that has nominated the respective member;*
 - 43.3. *Upon termination of the membership of the respective company in the power exchange market organized by IBEX EAD whose employee is the member.*
 - 43.4. *In case of systemic non-participation in the activity of the Board (more than 2 absences in the course of one mandate) and long-term inability to perform their obligations;*
 - 43.5. *When performing activities undermining the prestige and goodwill of the Board;*
 - 43.6. *When conducting political activity or propaganda through the Board.*
44. The membership shall be terminated pursuant to an order of the CEO of IBEX EAD. The membership termination order shall also launch a procedure for election of a new Board member from the same category who continues the term.

Chapter IV Meetings and organization of the work of the Board

Meetings

45. Administrative activities related to the activity of the Board shall be performed by IBEX EAD, as it follows, by the chairperson and the secretary.
46. Board meeting shall be:
 - 46.1. *Regular;*
 - 46.2. *Extraordinary.*
47. Meetings under item 58.1 shall be held twice an year. The first Board meeting shall be held in March, April or May and the second Board meeting shall take place in October, November or December.
48. Meetings under item 58.2 shall be convened, if required, by the chairperson or upon request by more than half of the Board members.
49. Proposal for items to be considered at a Board meeting may be made by each Board member in a written request which shall be sent to email address: cab@ibex.bg.
50. Each active member on the power exchange market can make a proposal for items to be considered at a Board meeting via a respective member or by sending a request to email address: cab@ibex.bg. The request shall contain at least:
 - 50.1. *Name of the representative and the trading participant, whose representative is;*
 - 50.2. *A specific proposal to be considered;*
 - 50.3. *A justification and specific actions proposed;*
 - 50.4. *Expected effect.*
51. The draft agenda of Board meetings shall be prepared by the secretary and approved by the chairperson in accordance with the proposals submitted.
52. Board members shall be notified in writing by the secretary for the venue, date, time and draft agenda of the meeting.
53. In three days of receipt of the draft agenda of the meeting, Board members can propose additional topics for consideration by sending them to email address cab@ibex.bg. In this case, the additional topics have to be sent immediately to the Board members. Proposals made after the deadline will not be included in the agenda of the meeting.
54. Board meetings shall be convened and chaired by the chairperson and in case of his absence by a Board member appointed by him.
55. Board members shall participate in its work personally and may not authorize other persons to represent them.
56. The Board shall act by a mandatory quorum consisting of eight members.
57. The Board can take decisions only by mandatory quorum of twelve members.
58. The chairperson has the right invite employees of IBEX EAD, representatives of trading participants, bodies or organizations related to the topics, considered without a voting right.
59. Board meetings shall be kept full audio recording.

60. At each Board meeting the secretary shall prepare a protocol, based upon item 70, which shall be sent to the members and signed by the chairperson and the secretary.

61. The agenda and protocols of the Board meetings shall be published on IBEX EAD website.

Board resolutions

62. Board resolutions shall be taken with an open vote and simple majority, if there is a mandatory for this quorum in accordance with item 57.

Chapter V Transitional and final provisions

Rulebook amendments

63. Any changes in the rules come into force from the moment of their publication on the website of IBEX EAD following the IBEX EAD Board of Directors amendments adoption decision.

64. Regardless of the provisions of item, an amendment of these rules may be made with an immediate effect via an order of the IBEX EAD CEO:

64.1. *If required by applicable legislation;*

64.2. *If changes are required to secure correct and efficient operation of the Board;*

64.3. *If changes are related to rectifying mistakes in the rules;*

64.4. *If changes have the nature of revisions and do not lead to significant amendments.*

Effectiveness

65. These rules shall take effect as of the time of their publication on the website of the IBEX EAD according to item 63.

66. The Board members, whose mandate has not expired at the time of entry into force of the changes of these rules, approved by the Board of Directors of IBEX EAD with a decision N° 18/16.10.2019, shall be appointed for Board members for a period of 2 years pursuant to an order of the CEO of IBEX EAD.

Terminology

- **Power exchange market** – for the purposes of these rules power exchange market shall mean the Day ahead market, Intraday market and Centralized market for sale/purchase of electricity through bilateral contracts, organized by IBEX.
- **Active trading participant** – registered trading participant who has submitted at least one sell or buy offer within the previous thirty days.

- **Correct trading participant** – registered trading participant, who in the previous six months has performed correctly and on time its obligations for payment of amounts due as a result of transactions on the exchange market and obligations to maintain the required collateral in accordance with the Settlement Rules.