

Guideline

On application and tariffs for new connection, or modification of existing connection in the electric grid of TSO

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1. Introduction

Purpose

This guideline determines the method, form of application and respective tariffs, based on are paid new connections, modification or increase of capacity in existing connections in the electric grid of TSO. These payments are carried for the expenses that are implicated with these processes.

Legal Requirements

This guideline takes into consideration and implements the requirements of the Power Sector Law No. 9072 date 22.05.2003, as amended, Transmission Code, Methodology for setting the Transmission tariff set by ERE, as well as the other secondary acts that are closely related with TSO functions, in compliance with the license granted by the ERE.

2. Definitions

Each definition not in this document, may be found in the respective law On Power Sector, in the Grid Codes, Market Rules, Methodology for Tariffs etc.

2.1 Terms and Definitions

Application Tariff (Fee) is the payment made when is being applied for connection, which covers the acceptance study for connection in the transmission grid and preparation of documents for developing the Connection Agreement.

User is the interested party that has applied or is in process of applying for a new connection, modification or increase of connection capacity in TSO grid.

Connection application is the request for connection from **User** for new connection, modification of existing connection, including the capacity increase of the old connection, in TSO grid.

Application form for connection are standard forms for the type of Generation plant or Load, including eligible customers as in Annex 1.

Connection capacity means the full electric power in MVA bided for new connection or for capacity increase of existing connection.

Connection date is the date in which **Connection Assets** are considered to be completely connected to TSO grid and that TSO is able to secure the Connection capacity.

Connection bid is an offer for connection in TSO grid given within 60 or 90 days from the date of Connection Application

Responsible Party for Connection is the party that may be the user and/or ISO that takes responsibility for the process of projecting, tendering, construction, testing and issuing of a new connection.

Direct Assets of connection or **Direct Assets** are assets that are directly interconnected with any Bid for connection

Supervisory Tariff is the tariff for control and estimation of technical project, supervisory of construction, testing and commissioning of the connection.

System user or User is the connected in the Transmission System being a customer directly connected, supplier in the name of the customer directly connected, Distributor or Generator.

New Connection is Generation plant, transmission line, sub/station, connected to the transmission grid at the connection point, set with MVA, in normal voltage level.

Connection point is the physical connection point of a user in the Transmission grid.

3. Responsibilities for Connections and Tariffs

Tariffs for connection are applied only to new connections, modifications or increase in capacity for the existing connections.

System User takes the responsibility (is the **Responsible Party for Connection**) for construction of connection assets (for ex. to tender and pay for purchase, construction, testing and operation) and:

- TSO shall supervise the process
- After the successful operation, TSO shall take the ownership of transmission assets until the division border with user's assets, according to the definitions in the Transmission Code.
- TSO shall charge the Connection Tariff for user according to the definitions made in paragraph 4.6.

4. Implementation Issues

4.1 Equal Treatment

In compliance with the Market Rules and TSO License, all **Users** shall be treated in non discriminatory bases, except cases when there are technical differences.

4.2 Confidentiality

All the communication between a **User** and TSO is completely confidential. TSO shall not discuss issues with third parties only in cases of a written permission from the User.

4.3 Preliminary Discussions

Users are invited to have preliminary discussions with TSO on possible connections. As part of these discussions, TSO may offer a preliminary and temporary assessment for the connection. These preliminary discussions shall not be considered a **Connection Application**, but shall be kept under complete confidentiality.

4.4 Publication of cost

TSO in its website shall publish the actual value of Application Tariff and Supervisory Tariff.

4.5 Connection Application

All the **Connection applications** shall be treated based on the principle “**first in, first served basis**”. One **User** may submit to TSO a **Connection Application** for connection of load or generation in TSO grid, to modify or increase the power of existing connection. This is made by completing and submitting an **Application Form for**

connection together with the **Application Tariff** that covers the preliminary study of the project, administration and preparation of the **Connection Agreement**. The **Connection Application** shall emphasize the **Party Responsible for Connection**, which shall be responsible for the projecting, tendering, construction, testing and commissioning process.

Formal application from one **User** shall mean the starting of connection time plan, that requires from TSO to have a **Connection Bid** within the **last Deadline for bid** that shall have:

- 60 days, when successful preliminary discussions are held and studies of preliminary project are completed.
- 90 days, when there is no appropriate study of the system and additional data are required by the **applicant**.

TSO really shall reply as soon as possible.

When the **User** wishes to implement the connection in some time phases, then the **User** can:

- Decide to implement only the first phase with a **Connection Application** only for that phase.
- Apply formally for the first phase and give information for all the phases including time deadlines
- Apply for all phases within the time period determined to realize each phase.

If the **Connection Bid** when accepted shall be signed the **Connection Agreement**.

4.6 Connection Tariff

Connection Tariff shall be formed by two special units.

1. **Application Tariff** (the acceptance study for connection in the transmission grid, preparation of documents for on connection agreement for user). This Tariff is fixed and shall be paid at the amount 300 000 (three hundred thousand) Leke, in the moment of the application for connection to the user.
2. **Supervisory Tariff** (Tariff on control and estimation of the technical project, supervision of construction, testing and commissioning of the connection). This tariff shall be variable in function of the full power requested, declared by the user and shall have the value 50 leke/KVA, but in all cases it shall not be higher than the border value 2.5 (two million five hundred thousand) leke. The payment of this tariff shall be made by the user in the moment the Agreement is signed and is pre-condition for work starting.

The cost of Connection Assets, that includes the cost of purchase and construction of Connection Assets, is covered by the own user while the cost of transmission grid Strengthening and Cost of O&M, is covered by the transmission tariff in compliance with the transmission tariff methodology, approved by the ERE.

4.7 Connection Agreement

If the applicant request for connection is approved, TSO and the user shall sign a **Connection Agreement**.

In the connection agreement shall be specified the general connection conditions and each specific condition, technical and financial applied in that connection, in compliance with the Grid Code- Connection Code.

In the connection agreement shall be determined also:

1. Responsibilities for control and maintenance of the equipment
2. Responsibilities for operation of equipment
3. Responsibilities for personnel security

4.8 Connection Refusal

TSO shall refuse a connection only if there are technical reasons for such a thing, as stated in the Grid Code- Connection Code. Considering that the **User** shall make the preliminary payment, there should be no financial reason for refusal.

4.9 Canceling (end) of Connection

When a User wants to cancel the Connection Agreement, he should notify TSO one year before. TSO has the right to pass to its ownership without payment all the assets functioning for transmission (until the border of commercial measurement.)

4.10 De-energization

De-energization of connection is not calculated as canceling (end) of the Connection Agreement.

4.11 Complaints

Each **System User** has the right to file a complaint with the ERE for **Refusal on Connection** and for each disagreement with TSO on **Connection Bid**.

