

PROVISIONAL RULES OF ALBANIAN ELECTRIC POWER MARKET

CHAPTER I INTRODUCTION

These Market Rules specify:

- i) a set of provisions that determine the procedures for market operations and management;
- ii) a coherent framework under which, electric power market participants, can interact with each other;
- iii) sales and purchases of electric power with liberally negotiated prices;
- iv) conditions for participation in the balancing electric power market.

These Market Rules promote:

- i) Electric power effective generation and supply;
 - ii) Competition in the sale and purchase of electric power.
- Time - These market rules specify that the Settlement Period is 1 (one) hour with its range between 00:00:01 to 01:00:00. All times are referred to Central European Time (CET).

Currency – All payments and financial transaction in the balancing market shall be expressed and calculated in the agreed currency.

Units – All technical units are expressed in the International System of Units (SI). For example generation, transmission and consumption of electricity (electric energy) is expressed in kWh (MWh, GWh), similarly generation, transmission and consumption of reactive energy is expressed in kVARh (MVARh). Capacity or demand or Power is expressed in kW (MW).

Terms and definitions in this Code have the same meaning as the definitions of terms in the law no. 43/2015 "On the Elektrik Power Sector".

CHAPTER II ELECTRIC POWER MARKET STRUCTURE

II.1 – Kuadri ligjor dhe rregullator

II.1.1 Sipas ligjit nr. 43/2015, "Për sektorin e energjisë elektrike", ERE është përgjegjëse për përcaktimin e të drejtave dhe detyrimeve të pjesëmarrësve të tregut dhe për sigurimin e kontrollit rregullator në tregun shqiptar të energjisë elektrike.

II.1.2 The Law On Electric Power Sector, provides ERE with the authority for approval of the "Electric Power Market operating Rules".

II.1.3 The purpose of Market Rules is to establish transparent and non-discriminatory rules for the Albanian Electric Power Market. The ERE will continuously monitor the electricity market to insure its nondiscriminatory and efficient functioning and protect the effective competition among its participants

II.1.4 The Market Model, approved with Council of Ministers Decision no 244 of March.30.2016, The Market Rules together with the Grid Code, Distribution and Metering Code are part of the acts which regulate the Electric Power Market

II.1.5 The ERE shall review these Market Rules, to ensure that they reflect the developments in the Albanian electric power sector and the regional market

II.1.6 All aspects of OST (Dispatch, Market and Transmission System operations) must function in a transparent manner under regulatory monitoring by the ERE, aiming the development of a commercial Electric Power Market.

II.1.7 The ERE role in electric Power market **should** include also the control of monopoly business pricing, market abuse policies, approval of rules, codes and their changes and amendments, establishment of regulated businesses and facilitation of competition.

II.1.8 If any provision of these Market Rules is or becomes invalid, unenforceable or illegal or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Market Rules, which shall continue in full force and effect.

II.2 – Pjesëmarrësit e tregut

II.2.1 The following parties shall, subject to the terms and conditions under Law no. 43/2015, "On the Electric Power Sector", Council of Ministers Decision no. 244, dated 30.03. 2016 and their respective licenses, comply with the Market Rules in conformity with their operation.

II.2.2 **TSO** – under the function of the **transmission system operator**:

- i. Transmission System Operator performs his activity unbundled from other activities in electric power sector like: generation, distribution, trading and electric power supply, in conformity with the principles and requirements defined in Law no. 43/2015 "On Electric Power Sector"
- ii) Transmission System Operator has the right to invoice and collect the transmission tariff approved in advance by ERE, in conformity with the tariff methodology;
- iii) Manage and operate the transmission system in accordance with the terms of the Grid Code;
- iv) Own, maintain and expand the transmission system assets;
- v) Develop long term planning for expansion of transmission system;
- vi) Manage new constructions and connections in the transmission system;
- vii) Maintain and periodically inspect existing connections for upgrades;
- viii) Have the right to procure electric power for covering the transmission losses from traders.

II.2.3 **TSO** – as a **system dispatch operator will**:

- i) Transmission System Operator is responsible for dispatching the electric power from generating plants and the use of interconnection lines without influencing in the contractual obligations of electric power supply;
- ii) Transmission System Operator shall prioritize the electric power produced from plants using renewable sources of electric power, to the extent that the national power grid safety of operation allows, based on transparent and non-discriminatory criteria;
- iii) Transmission System Operator does not have the right to buy and sell electric power, except the case for covering the electric power losses in transmission grid and the insuring of ancillary and balancing services;
- iv) Manage the physical balancing of the system under the terms of the Grid Code;
- v) Maintain supply quality and reliability including interstate power flows;

- vi) Shall procure ancillary services.
- vii) Transmission System Operator exchanges or shares balancing services to the transmission system operators of neighboring states to regulate the frequency within the network, in accordance with the operational agreements between transmission system operators in the region and the provisions of Law no. 43/2015 "On the Power Sector", for the promotion of regional cooperation;
- viii) Account for inadvertent deviations and their return;
- ix) Provide daily information to all parties;
- x) Perform all other functions assigned to it under the Market Rules;
- xi) Manage the registration process of the Generators, Traders and Suppliers with the responsibility for meter registers and consumption, as the case may be;
- xii) Organizes the auction for interconnection capacities;
- xiii) Does Not** trade in or is registered as owning electric power or generating capacity.

II.2.4 TSO – as market operator will:

- i) Electric Power Market operation is performed by the Market Operator, licensed by ERE. The Market Operator is the responsible structure for managing the Electric Power Market and preparing the financial statements, for the market participant's mutual obligations settlement, excluding the purchase or sale of electricity;
- ii) Shall be responsible for the organization and administration of electricity liquidations and payments between market participants for the balancing market;
- iii) Shall organize a process that all the parties should comply with the Market Rules;
- iv) Shall keep the accounts in the name of the trading parties for balancing energy and the services ensured by TSO;
- v) Shall manage the liquidation declaration process;
- vi) Shall ensure market information according to Chapter XVI of the Market Rules;
- vii) Shall perform all the other functions assigned by Market Rules or with ERE approval;
- viii) Shall give or receive money from the Parties that have ensured balancing electric power purchased by TSO company;
- ix) Shall sign the market participation agreement for all market participants. The market participation agreement is proposed by the TSO s.a. and approved by ERE;
- x) **Does not** Trade and owns electric power from the generating capacities

II.2.5 DSO - Distribution System Operator **OSSH**:

- i) Distribution System Operator owns the electric power distribution system of the high, medium and low voltage aiming to deliver it to the customers, where its boundary with the transmission system is that defined in article 54, point 2, of the Law no. 43/2015 "On Power Sector";
- ii) Operates a secure, stable and efficient distribution system;
- iii) Own, maintain, expand and operate the distribution system throughout Albania;

- iv) Maintain a register of premises and consumption meters of the all the Customers connected at the distribution systems;
- v) Provides for free and based on an agreement, to any electric power supplier, access in the metering data for the customers, with whom this supplier has signed a supply contract. ERE defines the data format and the procedure for the supplier's access to these data;
- vi) Provide distribution service to all Customers on non-discriminatory terms;
- vii) Provide interconnection service to the Producers and Customers;
- viii) To cover the losses in the distribution system, DSO shall procure electric power from:
 - a) Priority producers in conformity with the standard contract approved by ERE;
 - b) The Electric Power generation company, which is tasked with the public service obligation, for the excess quantity of the electric power;
 - c) Traders in conformity with the procurement rules and procedures, approved by ERE.

II.2.6 Supplier – as supplier that purchase electric power to supply the end-use customers in the domestic market and/or through import shall:

- i. Sign electric power supply contracts with unregulated prices, negotiated by the supplier and the end-use customer in conformity with the market rules and the general conditions of supply approved by ERE;
- ii. Shall contract electric power from the Traders and / Producers or from the electric power generation company, which is tasked with the public service obligation, to the extent allowed only by the last one;
- iii. Shall ensure to the customers a written detailed and transparent information for the general conditions of the contract. These conditions shall be fair and shall balance the parties's interests;
- iv. To use, according to the regulated conditions, the services of the Market Operator that of the Transmission System Operator, Distribution System Operator, based on the Market Rules, Grid Codes and the respective contracts.

II.2.7 Universal Service Supplier – as supplier to whom is imposed the obligation of universal service supplier, as public service obligation, ensures the right of the electric power supply for a special category of customers in conformity with the criteria set in Law no. 43/2015, within the Albanian territory, with a certain quality of supply, at regulated, easily and clearly comparable, transparent and non-discriminatory prices, shall

- i. Purchase electric power according to transparent and non-discriminatory procedures based on the market prices, regardless whether the purchase is made on the bilateral or organized market;
- ii) Purchase electric power to comply with the customer's demand that profit from Universal Supply Service in conformity with the provisions of the article 109, point 1, of the Law no.43/2015 "On Power Sector", as the Public Service Obligation, from electric power generation company, whose shares are fully or partially controlled by the State. The electric power amount is defined in the regulated contract between the parties, that is approved by ERE, based on a rational utilisation regime of the generating capacities and the annual average historical level of generation;
- iii) When the Universal Service Supplier may not ensure the necessary amount from the electric power generation company, in conformity with the provisions of the regulated contract between the parties, according to the definitions set in the above point, Universal Service Supplier has the obligation to ensure the necessary electric power amount in the

unregulated market. Universal Service Supplier is compensated from electric power generation company, for the ensured quantity in the unregulated market, according to the difference between the regulated price of electric power generation and the average price of Hungarian Power Exchange HUPX, for the period in which it is carried out the electric power delivery, for the product / profile in the band, as published on the power exchange website (www.hupx.hu);

- iv) Provide electricity to customers benefiting from universal service at prices which reflect the costs according to the methodology approved by ERE;
- v) Offer to the customers the right of standard contracts, prepared based on standard conditions of electric power supply, approved by ERE, in conformity with the article 84, Law no. 43/2015 "On Power Sector" and the respective legislation for customers protection;
- vi) Will maintain the database for the customer meter and ensure the meter reading for the settlement processes;
- vii) **Will not** exchange and be registered as if it owns electric power or generating capacity.

Electric power generation company, tasked with the obligation of the public service, DSO and the Suppliers shall operate with specific licenses issued by ERE.

II.2.8 Electric Power Generation Company - tasked with public service obligation, will comply with the Market Rules in the capacity of market participants and other regulatory acts will:

- i. Operate in accordance with the Grid Code
- ii. Determine the generation levels in accordance with the Grid Code and the Market Rules
- iii. Sell electric power to the Universal Service Supplier to the extent required to meet the load of end-users as approved by ERE;
- iv) will sell the electric power surplus after fulfilling the demand of customers who benefit from the universal supply, to the Distribution System Operator, to cover the losses, according to the average price of the Hungarian Power Exchange HUPX, for the period in which the delivery of electric power was carried out, for the product / profile in the band, as published on the website of this power exchange and is defined in detail in the contract. In this case, the amount sold to the Distribution System Operator shall not exceed the amount of the electric power is needed for covering the grid losses. The contract between the Distribution System Operator and electric power producer is approved by ERE;
- v) Will submit information on meter reading for all electric power injected in the Transmission System;
- vi) Will meet all the other obligations as set out in the Market Rules.

II.2.9 Producers - will comply with the Market Rules on the quality of the trading party, and:

- i) will contract in the free market;
- ii) will contract for the export of electric power at market prices;
- iii) will provide information on meter reading for all electric power delivered or extracted from the transmission system.

II.2.10 Priority Producers - shall comply with the market rules in the capacity of the trading party,

and:

i) any producer of electric power from renewable sources, with installed capacity up to 15 MW for all power plants built by the company, which benefits from the mechanism of the fixed tariff of sale (feed-in tariff), has the right to contract for purchasing the electric power with the company having the obligation to purchase electric power, produced from renewable sources, under the agreement approved by the ERE;

ii) will provide information on meter reading for all electricity delivery or taken from the transmission system.

II.2.11 Traders – As a commercial entity that trades electric power:

i) Will purchase and sell wholesale electric power;

ii) Will trade electric power from import or for export from the Producers, or from the electric power generation company, tasked with the public service obligation;

iii) Will sell electric power for export.

II.3 – Rules and obligations

II.3.1 Market Rules enter into force and become binding on all parties according to the Board Decision;

II.3.2 Starting from the date of entering into force, each party undertakes towards the other party to respect and perform its obligations in accordance with and under the market rules;

II.3.3 All market participants will be licensed by ERE to participate in the electric power market.

CHAPTER III MARKET PARTICIPANTS REGISTRATION PROCESS

III.1 – Registration Request

III.1.1 A market participant, wishing to become an Albanian electric power market participant may request this in writing to the TSO, according to the provisions of the procedure for the registration provided below.

III.1.2. The registration procedures must be prepared by the TSO and approved by ERE.

III.2 – Market Participant data

III.2.1 Market participants will send to The TSO Market Operator a registration form for participating in the market, via e-mail or fax, followed by an official letter, outlined by the market operator.

III.2.2 The registration form should be completed, according to a published model on (TSO bulletin in its webpage) by the TSO and should consist of:

i) emrin e aplikuesit;

ii) Head-office and administration address of the applicant, together with contact details;

iii) Phone, fax, e-mail

iv) position in the electric power market;

v) registration in tax authorities, registration of personal identification number;

vi) License number and series, issued by ERE;

vii) Bank data (bank, address, bank account, bank code);

ix) the declaration of the amount to electric power in MWh, used / generated by the applicant

within the last year before the date of application submission, for those cases when applicable;

x) List of persons, authorized to send and confirm documents with regard to the operative work at the electric power market;

xi) List of persons, authorized to sign contracts and invoices

III.2.3 The applicant for participation in the Albanian electric power market will attach the following documents to the registration form:

i) technical information, approved by the TSO for parties and for the self-producers equipped with meters of the commercial electric power (based on the Metering Code), which are subject to transactions at freely negotiated prices;

ii) A copy of the licence for the electric power generation or a copy of the licence for electric power trade or supply, if applicable;

iii) The document issued by the TSO and / or DSO, which gives access to the electric power transmission and / or distribution grid, in those cases when it is necessary;

iv) a copy of the last annual balance sheet certified by the tax authorities;

vi) the description of the means of communication.

III.2.4 Each party licensee who wishes to become a participant in the Albanian electric power market, must deposit at the TSO the financial guarantee for all services provided by the TSO, determined by provisions adopted by the ERE, including the capacity allocation tariff.

III.2.5 TSO will establish and maintain the Commercial Register.

III.2.6 The Albanian electric market participants, accepted by the TSO according to the provisions of this section shall be recorded in the Trade Register. The Commercial Registry should include for every participant in the Albanian electric market market, at least the following information:

i) full name, official address and licensed party contact details, registered as a participant in the Albanian electric power market;

ii) the date and number of the corresponding agreement of the market participation;

iii) identification code of the participant in the Albanian electric power market;

iv) the names and contact details of all authorized persons to act on behalf of the licensee.

III.2.7 Each participant in the Albanian electric power market has the right to consult the trade registry information regarding that participant and request correction of any possible errors.

III.2.8 Trade Registry must be made disposable to the TSO Market Operator.

III.3 – Registration in the Electric Power Market

III.3.1 Within 10 working days for the receipt of the registration documents, TSO will verify the applications data and the attached documents; and

i. Send notification for application admittance for registration at the electricity market or

ii. Prescribe obligatory instructions and terms for editing possible errors in the application forms and the attachments or

iii. Give stated refusals for registration of applicants at the electricity market

III.3.2 The application admittance notification to the TSO should consist of:

- i. Identification number of the party
- ii. Guarantee deposit amount and information about the bank, where the special bank account will be opened;
- iii. Additional requirements of the TSO regarding information and the communication means of the party, if such exist
- iv. Information on Transmission System Operator TSO and center and the TSO office and administrative address, contact details, address, phone, fax, e-mail, registration fee and the registration of the statistical identification number; bank documents (bank, address, bank account, bank code), including the VAT account; the list of authorized persons to send and confirm documents related to operational performance in the balancing electric power market, a list of authorized persons for signing the contracts and invoices.

III.3.3 After the implementation of the registration requests, the TSO will register the participant in the parties registry and it will sign with this party the Market Participation Agreement.

III.3.4 After signing the agreement for participation in the market by the authorized representative of the applicant, the registration as new market participant become effective on the date of its implementation.

III.3.5 TSO will publish on its website a list of registered parties with information on the name, identification number, date of registration and status (trader, supplier that supply electric power only the countries of their consumption, the withdrawal date, date of suspension, etc).

III.3.6 Each party is obliged to send information to the market operator on the changes in the information given in the census, within 6 working days from the occurrence of the change.

III.3.7 TSO will officially register all market participants in the electric power market.

III. 4 – Regulatory Approval

III. 4.1 To become a participant of the Albanian electric power market, an applicant must:

- i) be registered by the TSO according to the provisions of the section above;
- ii) must have a license from the ERE.

III. 5 – The Dispute on Registration by an Applicant

III.5.1 The OST could refuse registration at the electric power market in cases of:

- i) Errors in the registration form and the attachments, which are not corrected within the terms 10 working days
- ii) Obligations to the OST Transmission Network Operator, which have not been settled.

III. 5.2 The OST shall not register a party in case of non-fulfillment of conditions within terms defined in these Market Rules.

III. 5.3 In case of registration refusal, the applicant could start a new procedure for registration at the electric power market, 1 month after the date of receiving the refusal by the TSO.

III. 5.4 In case of refused registration by the OST, the party has the right to dispute the refusal by a letter, addressed to the ERE, within 10 working days from receiving it.

III. 5.5 The ERE shall verify whether the reasons for refusal are justified and shall take a decision within 15 working days from receiving it.

III. 5.6 If ERE's decision confirms that the operator has unjustifiably refused registration in the electric power market, TSO is obliged within 5 working days from receiving the ERE's judgment,

to send the applicant a notification for admitting the registration form at the electric power market.

CHAPTER IV –

WITHDRAWAL REQUEST, SUSPENSION and TERMINATION of REGISTRATION

IV.1 Withdrawal Request by a Market Participants

IV.1.1 A market participant may withdraw from the electric power market by its own initiative, based on a written notification signed by the authorized representative of this participant. The notification must be submitted at least **3** months before the date when the market participant registration, must be canceled. After the receipt of such a notification, the TSO must immediately inform all other market participants.

IV.1.2 If the participant cannot meet all the conditions of Market Rules then the participant or TSO must inform the ERE, within 10 working days from the finding about the conditions.

IV.2 Suspension of Trading Activities in the Electricity Market

IV.2.1 Suspension of the participants' trading activities by the TSO - happens If any of the following conditions is satisfied:

- i. The market participant doesn't satisfy any longer one or more conditions necessary for the registration as market participant (as stated in Chapter III.)
- ii. The market participant doesn't satisfy any longer the requirements related to the financial collateral, according to the provisions stated in Chapter III., or does not make the payments, according to the provisions stated in Chapter III.
- iii. The market participant does not respect the Market Participation Agreement
- iv. The market participant is repeatedly found guilty of not respecting the market rules and all codes applicable for the Albanian electric power market or for the financial agreement.

IV.2.2 If the market participant cannot prove that it has removed the cause(s) which generated its suspension during the stated period specified in TSO suspension notification, then TSO will proceed with the termination of Market Participation Agreement.

IV.2.3 After participant file complain, the ERE shall verify whether the reasons for suspension of trading activities are justified and shall pass judgment within 15 working days from receiving it.

IV.2.4 If the market participant registration is suspended then all the participant's (new) market offers are automatically cancelled for the entire suspension period.

IV.3 Termination of Market Participation Agreement

IV.3.1 The OST may terminate the Market Participation Agreement of a market participant in any of the following cases:

- i. If the market participant doesn't satisfy any longer one or more conditions necessary for the registration as market participant (as stated in Chapter III.)
 - ii. If the market participant doesn't satisfy any longer the requirements related to the financial collateral, according to the provisions stated in Chapter III., or does not make the payments, according to the provisions stated in Chapter III.
 - iii. If the market participant does not respect the Market Participation Agreement
 - iv. If the market participant is repeatedly found guilty of not respecting the market rules and all codes applicable for the Albanian electric power market
- IV.3.2 The Market Participation Agreement must be revoked automatically and immediately, when the respective market participant's license is withdrawn by ERE and all its market offers are automatically cancelled from the date stated in notification statement.
- IV.3.3 The market participants whose Market Participation Agreement was terminated is responsible for all the legal obligations the TSO may hold against him.

CHAPTER V

RULES for the BILATERAL CONTRACT

V.0.1 All contracts and tariffs between the various market participants:

- i. Contract between the customers and the supplier;
 - ii. Contract between the traders and universal service supplier;
 - iii. Contracts between the generators and the supplier;
 - iv. Contract between electric power Generation Company as generation which is tasked with public service obligation and the traders (for excess energy) and the exchanges.
 - v. Contracts between the producers by one side and the traders by the other.
 - vi. Contracts for procurement of the electric power for covering the losses in the transmission and distribution grid.
- V.0.2 The bilateral transactions for the electric power wholesale market are legitimated by electric power sale/purchase contracts for defined periods of time.

V.1 Confidentiality of Liberally Negotiated Contracts

V.1.1 The electricity sale - purchase contracts may be regulated, with the minimum content defined by the ERE, or non-regulated, with the content established by the parties through direct negotiations, respecting the provisions of the Market Rules and other acts approved by ERE.

V.1.2 The contracting parties, the quantities of electricity and the prices from the negotiated contracts represent confidential information, except the contract data signed by the participants in the electric power market, tasked with the public service obligation. As far as the provisions of this Market Rules, Grid Code and other relevant regulations require that such information has to be declared to the OST - Market Operator, the Transmission System Operator and the System Dispatch Operator, that information shall be disclosed to TSO – Market Operator, Transmission System Operator and the Dispatcher System Operator, this information will be announced at the TSO and DSO, that this information must not be disclosed to other market participants subject to the requirements of the law applicable.

V.2 – Announcement of Regulated Contracts

V.2.1 All contracts that are approved by the ERE shall be available on the OST web page.

Regulated contracts are contracts concluded between the market participants, that are subjects to the ERE approval, in order to protect the contracting parties against the market clearing price variation risk.

V.3 – Contract Notification Requirements and Effects

VI.3.1 The data required for notification of contracts - market participants shall notify TSO of their contracts, identifying, for each contract the following:

- i) identification of the contracted parties;
- ii) points of delivery / withdrawal;
- iii) contract duration;
- iv) Contracted quantities

VI.3.2 These requirements will be applied to all bilateral contracts, including the contracts for Export / import.

VI.3.3 For notifications of the contract strict confidentiality will be applied and notifications must not be given to the TSO for commercial information (eg, prices).

VI.3.4 TSO will declare the detailed format for contract notifications.

CHAPTER VI

RULES FOR THE PHYSICAL SCHEDULE NOMINATIONS & CONTRACT NOTIFICATIONS

VI.1 – Introduction

VI.1.1 The TSO System Dispatch Operator needs to know how much generation is planned and which units will be available, in order to plan for any shortfalls and surpluses that may arise. The information is required for the balancing energy purposes (such as, where needs to be set on standby the additional reserve) but it is also needed for system conditions planning (voltage variances and system constraints).

VI.1.2 According to VI.1.1, the information shall be required for both generation and consumption. However, consumption information is only needed when off-take loads can vary substantially from the day-ahead demand forecast. Consumption data will be presented in the same form as the generation data, except the signs that will be opposite.

VI.1.3 The Physical information needs to be treated in terms of two separate factors:

- i. The dynamic parameters relating to physical characteristic of the generators can change the operational levels. This information is described as Generator's Dynamic Data Parameters. These data are also supplied for interconnections.
- ii. Anticipated levels of output. This is provided in the form of Physical Nominations.

VI.1.4 Dynamic Data Parameters may be changed at any time (more details are given in the Grid Code). They may be changed once a Bid or Offer has been accepted by the TSO who will use reasonable actions to take account of such changes but the party will be liable for the

imbalances (i.e. Commercial consequences) if the parameters are changed.

VI.1.5 The Physical Schedule Nomination gives information to TSO about projected injections (i.e. generation delivery and interconnections import levels) and the consumption (loads), hour by hour, for day ahead. The form of the physical nomination is in terms of delivery at specified 60 - minutes intervals.

VI.1.6 The last nominated level is considered effective until changed.

VI.1.7 Interconnection physical nominations will be identical in form, but will be submitted on behalf of the traders. So , the physical nomination of an interconnection trader is derived from the confirmed interconnection nomination.

VI.2 – Physical Schedule Nominations and Dynamic Data Declaration

VI.2.1 The purpose of the Physical Schedule Nominations rules and the Dynamic Data Declaration is to establish a framework for the supply of information regarding the production capacities available for the TSO System Dispatch Operator, for the preparation of the production and consumption schedule and for the definition of the availability of the ancillary services, necessary for the TSO Transmission System Operator to ensure:

- i. The system integrity;
- ii. The safety and the quality of electric power supply;
- iii. The available capacities -sufficient to ensure that at any moment the demand from the system and an adequate reserve can be met;

VI.2.2 The physical realization of the contractual obligations requires the submission to the TSO Market Operator the notifications regarding all the net physical exchanges between individual parties (contractual notifications) or between balance responsible parties.

VI.2.3 The physical schedule nomination contains at least the following information:

- i) Planned production for all generation units for which the TSO has assumed the balancing responsibility, separate from that for the production of aggregates intended for the generating units that follow the load;
- ii)Planned production, separately for each dispatchable generating unit of the electricity generation company, whose shares are fully/partially controlled by the state.
- iii) The aggregated consumption planned for all electric power consumers for which the TSO has assumed the balancing responsibility, specifically the dispatchable consumption;
- iii)planned consumption for each customer or group of customers, with the exception of the consumer benefiting from universal service supply;
- v) Exports and imports established with other countries, separately for each border exchange/trading

VI.2.4 Dynamic Data Declaration must be given to the TSO, by market participants, whose generation and supply is recorded. This includes the generation unit or loads being supplied directly in the transmission system.

VI.2.5 Dynamic Data Declaration consists in the data availability (planned outages, the minimum connection and shutdown time), load fluctuations data (the releasing speed, the shut down speed), operation limits (volume and maximum period of delivery, maximum export or import level, sustainable generation minimal level) and notification requirements (bid submission notice, demand submission notice and synchronization time notification).

VI.2.6 Dynamic Data Declaration will continue to be applied as long as a new notification of this declaration is made by the TSO. This can happen after the offer acceptance by the TSO. TSO

Dispatch System Operator will provide the TSO Market Operator with all the relevant information.

VI.3 – Forms of the Physical Schedule Nomination

VI.3.1 Each physical schedule nomination will be submitted in this form:

Level XX MW **from** day/month/year, hour: minute,

Level XX MW **to** day/month/year, hour: minute

VI.3.2 This physical schedule nomination will be interpreted as follows:

- i) Each physical schedule nomination will specify the delivery at specified minutes of the day;
- ii) If a specific minute is not referred to the physical nomination, its value in MW will be defined by the linear interpolation of the levels in MW of the start minute and the ending minute;
- iii) Unless replaced with another physical nomination, the specified MW level in the second period of any physical nomination will specify the MW level which will be held "for an indefinite time";
- iv) Each physical nomination statement must have a start time that is same or later than the expiration time of the physical nomination that covers the first minutes of the day.

VI.3.3 The nominated start times and end times of a physical nomination may not correspond with the start time and end time of the financial agreements periods.

VI.3.4 The physical nomination for the following day must be submitted by [13:00] of the day.

VI.3.5 Each physical schedule nomination must cover all the dispatch intervals from that delivery day.

VI.3.6 Except the situations mentioned in the following paragraph, each delivery day will have 24 (twenty four) consecutive dispatch intervals with a duration of one (1) hour each, with the first dispatch interval that starts at [00:00] on the delivery day.

VI.3.7 On the switching-day from summer time to winter time, the delivery day will have twenty-five (25) consecutive dispatch intervals. On the switching-day from winter time to summer time, the delivery day will have twenty-three (23) consecutive dispatch intervals.

VI.4 – Physical Schedule Nomination Timetable and End of the term (Gate Closure)

VI.4.1 The timetable for market operation including physical schedule nomination, demand / supply submission as well as the subsequent demand / supply acceptance for a specified day, will be as specified in Appendix C:

VI.4.2 Each market participant shall submit to the OST Market Operator a Daily Schedule in accordance with the day ahead scheduling process as specified in the Grid Code. The TSO Market Operator will define the format of the Daily Schedule.

VI.4.3 The Daily Schedule of each market participants shall be a 24-hour schedule providing quantity levels for all levels of generation/purchases and consumption/sales of electric power, for each Settlement Period including losses.

VI.4.4 The TSO Daily Schedule will include a schedule for all market participants' to whom TSO has balance responsibility.

VI.4.5 The OST Daily Schedule contains hourly quantities for:

- i. Generation of electric power production company, whose share are fully or partially controlled by the state;
- ii. Producer's generation;
- iii. Generation of the priority producers;
- iv. Electric Power transactions by the Suppliers;
- v. Electric Power transactions by Traders;
- vi. Import/Export schedules for Traders and Suppliers;
- vii. Consumption of the final customers by the Universal Service Supplier and DSO;
- viii. Electric Power needed for covering the distribution losses from the DSO;
- ix. Obligation for covering the system losses, which are estimated in accordance with the procedures of the Grid Code.

VI.4.6 Gate Closure - After the TSO Market Operator has informed the TSO System Dispatch Operator about its approved Daily Schedule, the OST System Dispatch Operator may submit revised schedules of the balancing, (Re-Nominations) until the Gate Closure, in accordance with the procedure described in the **Grid Code**.

VI.4.7 The TSO Market Operator will publish all forecasted constraints in the system that may impact the amounts of nominated transactions by market participants according to the procedures described in the Market Rules and Grid Code.

VI.4.8 TSO Market Operator will record for each generating unit, in one-hour intervals, the amount of re-nominated energy, as described in the preceding paragraphs.

CHAPTER VII

RULES for the BALANCING MARKET

VII.1 – General Description and Conventions

VII.1.1 The Balancing Electric Power Market serves for:

- i) to ensure electric power for the difference between the load and the physical nomination in the schedule in conformity with the concluded contracts;
- ii) to ensure extra reserve for the electric power system - by requiring the generators to carry extra reserve for avoiding a constraint in the electric power system;
- iii) to calculate the imbalances price.

VII.1.2 The TSO System Dispatch Operator controls and manages any imbalance in the system, utilizing balancing market capabilities in accordance with these Market Rules and as described in **Grid Code**.

VII.1.3 The real-time dispatch or the power balance control for the Albanian electric power system, will be carried out in accordance with the TSO Dispatch System Operator procedures.

VII.1.4 Scheduled Generation, exchanges and consumption, are the subject of any modification by the TSO Dispatch System Operator.

VII.1.5 Emergency Conditions - To preserve the electric power system safety under emergency conditions, the TSO System Dispatch Operator may issue emergency instructions to all parties. This may demand actions outside the electric power market. Each party is required to use all reasonable actions to comply with emergency instructions.

VII.1.6 With the goal of ensuring the sustainability of the electric power system, the TSO Dispatch

System Operator has the authority and responsibility for maintaining power exchanges with neighboring systems.

VII.2 – Participants in Balancing Market

VII.2.1 Any participant in the electric power market is responsible for electric power balancing in conformity with the legislation in force.

VII.2.2 Electric power market participants may regulate the balancing responsibility, by means of a contract with Transmission System Operator, by taking the status of the balancing responsible party or by signing a contract for transferring the balancing responsibility towards another balancing responsible party, by becoming member of a balancing group, in conformity with the market rules.

VII.2.3 Market operator is responsible for preparing the financial statements to liquidate the mutual obligations for the imbalances caused by market participants.

VII.2.4 Transmission System Operator ensures the system balancing services from the providers of this service in the balancing market, in conformity with the balancing rules approved by ERE. Until the establishment of the balancing market the tariffs for accomplishing the balancing service, are set according to the methodology defined by ERE.

VII.2.5 The participants of the balancing market, must comply with the relevant electric power market rules for the balancing market.

VII.2.6 Balancing market participants that are ensuring ancillary services must fulfill the terms of their ancillary services agreements.

VII.3 – Demands (bids) and supplies (offers); Bids and offers, submission of bids and offers

Monthly planning

VII.3.1 TSO company must issue the updated forecasts within 10:00 AM before the dispatch day on real time, guiding the energy market regarding the expected imbalances. Not later than 10 days before the start of a given month during the Year Ahead, TSO shall draft a monthly operation plan for the operation of the Albanian electric power system based on the updated monthly information ensured by the market participants.

VII.3.2 Monthly operation plan shall include for that month:

- i) demand for capacity and fulfillment by the local generation;
- ii) Expected typical weekly and daily profiles of the load curve during the month for the working days and the holidays and the typical monthly load curves for Saturdays and Sundays;
- iii) The daily and monthly planning for the programmed closures of the generation units;
- iv) Water level planning in Fierza Lake on the first day of the month;
- v) Programmed imported energy;
- vi) The monthly plan of the programmed closures of the generation units;

vii) The plan for ancillary services during the month – Any generation unit from the generation list for ensuring the ancillary services must provide the TSO with the following data:

a) the limit of the reserve capacity offered in MW, for the increase / decrease and the speed of change in MW / min;

b) the rate of growth / decline of electric power reserve in MW / min for the month in ahead, divided into operation weeks;

viii) The methodology and form for system demands calculations for the Ancillary Services and the compensation for a month is described in the Grid Code;

ix) Evaluation of the expected operations in terms of operational stability and the electric power system safety as well as the expected measures during the month for strengthening safety and stability as needed.

VII.3.3 Dynamic data declaration may be changed at any time except any restrictions in the Grid Code. They may be changed despite the fact that a request or offer is accepted. In order to assist the TSO in the preparation of the monthly operation plan, market participants that receive transmission services will prepare the transmission grid use plan, not later than 20 days before the beginning of the month, in the form stated in the Grid Code.

VII.3.4 A bid or offer is for a specific deviation from the nominated physical position and the change in delivered electric power.

VII.4 – Day Ahead and Intraday Adjustments

VII.4.1 The TSO may, subsequent to the preparation of a Weekly Plan for the Electric Power Week, make further adjustments to the generation and import schedule for meeting the daily energy demands.

VII.4.2 All Parties have the obligation to provide the TSO with timely information on any factors that may affect the content of the Day Ahead forecast and, in particular, Electric Power generation company, whose shares are fully/partially controlled by the state, will carry out reasonable actions to ensure TSO its best estimation of the hourly demand for the day ahead, beforehand that TSO make its initial Day Ahead forecast.

VII.4.3 When the daily forecasts of the day ahead indicate that additional electric power is needed, more than can be obtained from all available sources, the DSO will implement the necessary cuts in the distribution network. In addition, the cuts may be also necessary if loads during a given day exceed the day ahead forecasts.

VII.4.4 TSO will dispatch economically the generation units to fill the loads, and will apply the import and export transactions, based on weekly planning review of the day ahead period, described in the Grid Code.

CHAPTER VIII RULES FOR ANCILLARY SERVICES

VIII.1 Introduction

VIII.1.1 TSO bears full responsibility for the procurement and management of ancillary services. Ancillary services include frequency control, active power regulation through primary reserve,

secondary and tertiary, and voltage and reactive power regulation. Grid Code provides all the technical details for ancillary services.

VIII.1.2 All the generating units, connected to the transmission system, must participate in the primary regulation.

VIII.1.3 Primary Reserve – The generating units will assure the primary regulation of the frequency and active power at their own expense, in conformity to the technical requirements established in the Grid Code.

VIII.1.4 Secondary Reserve - for the secondary regulation of active power, each generator is requested to provide reserve power limit, offered in MW and the degree of growth / decline of electric power in MW / min.

VIII.1.5 Tertiary Reserve – This reserve is used in order to assist the secondary regulation by creating a required regulation limit for it.

VIII.1.6 Regulation of voltage and reactive power - In order to be maintained the safety and integrity of the electric power system, the TSO manages the voltage levels in the transmission system and maintain them within acceptable margins **specified** in the Grid Code.

VIII.1.7 The Grid Code determines the obligation of the generators and the technical capabilities of their generating units for providing ancillary services.

VIII.2 – Ancillary Services Annual Procurement Plan

VIII.2.1 The Technical Grid Code defines the obligation of market participants to indicate in the annual electric power balance the technical capabilities of their generators for providing ancillary services.

VIII.2.2 ERE will approve the regulated prices for the generating units entrusted with the public service obligation.

VIII.2.3 The TSO System Dispatch Operator shall estimate the required amounts of all ancillary services for the upcoming year and it will define the financial amount for the provision of each individual service on an annual basis, as well as the total financial amount for the provision of all necessary ancillary services.

VIII.2.4 Each year, based on information obtained from market participants, TSO Dispatch System Operator shall prepare a list of generation units for provision of ancillary services that will be approved by ERE.

VIII.2.5 TSO will contract or make arrangement for providing such a quantities and types of ancillary services, as needed and as per Grid Code.

VIII.2.6 While contracting or adjusting the provision of ancillary services, the TSO will purchase or receive ancillary services by the most economical sources available.

VIII.2.7 When taking into consideration the most economical sources available, the TSO will have regard to the quantity, nature, diversity and the sustainability of auxiliary services available at that time, for purchasing and its requests as per Grid Code.

VIII.2.8 Ancillary services providers will meet the requirements for ancillary services agreements, to assure the TSO Dispatch System Operator the power control and the transmission of electric power through electric power system.

VIII.3 – Ancillary Services periodic technical and commercial revision

VIII.3.1 TSO will assess the ancillary services levels that will be required by undertaking the following steps:

VIII.3.2 Each June the TSO will submit to the parties and other interested parties a consultation document at which it will examine:

- i) Whether the assessed level remains appropriate in view of the current demand and the expected winter demand;
- ii) The likely tariffs of import and export of the electric power over the winter in advance;
- iii) The generating units likely to be available for the provision of the Ancillary Services;

VIII.3.3 In the month of July the TSO will submit a report to the ERE detailing:

- i) The TSO methodology applied for assessing the levels of the required ancillary services and the estimated value (ALL), these auxiliary services have for the system safety;
- ii) A justification for any changes the TSO proposes to implement, except from those used in the previous year.

VIII.4 – Settlement of the Ancillary Services Cost

VIII.4.1 Settlement of the Ancillary Services Cost is described in the Ancillary Service Tariffs.

VIII.4.2 The Ancillary Service Tariff is prepared in conformity to the ancillary service tariff methodology and is approved by the ERE.

VIII.4.3 Each generator unit that have assured ancillary service, will be compensated at the regulated price.

CHAPTER IX RULES FOR IMBALANCES CALCULATION

IX.1 – Imbalances against the physical nomination schedule

IX.1.1 Electric Power Imbalance – Electric Power Imbalance is defined for the Generating units Accounts and the Supply units Accounts.

i) For a Generation Unit Account, the electric power imbalance is calculated as:

The metered electric power of the generating account, minus generation contract position, plus all volumes of demand delivery for all balancing units registered to the account, minus all offer delivery volumes for all balancing units registered to the account.

ii) For a Supply Unit Account, the electric power Imbalance is calculated as:

The supply account metered electric power, minus supplier contract position, plus all bid delivery volumes for all balancing units registered to the account minus all offer delivery volumes for all Balancing Units registered to the account.

IX.1.2 The Electric Power Imbalance Price is the price at which the electric power imbalance will be settled (payed).

IX.1.3 a) The Balancing Electric Power price is calculated for every month with the purchased electric power maximum price at the unregulated market by the DSO, plus 10% of this price or in its absence with the electric power purchase price by DSO of priority producers, approved by ERE plus 20% of the price for the negative imbalances.

b) TSO s.a. will make every day the arithmetic sum of the negative imbalances of the 24 hours, caused by each electric power market participant and each month will prepare the monthly invoice as the arithmetic sum of every 24 hours of the negative imbalances and it will submit the relevant invoices to the market participants.

c) TSO will make the arithmetic sum of the positive imbalances of the 24 hours, caused by each electric power market participant and each month will prepare the monthly invoice as the arithmetic sum of every 24 hours of the positive imbalances, which will be with the generation price that has public service obligation and will submit the relevant invoices to the market participants. TSO / Market Operator notifies the market participants for their previous day imbalances within the 12:00 of the succeeding day.

d) Electric power generators, which are not included in the Council of Ministers Decision, under the Article 99, point 4, of the Electric Power Sector Law, will be responsible for covering the costs, caused by the imbalances.

e) The Generator tasked with the balance provision, is not subject of imbalances treatment.

f) Within the dated 5 of the month $n + 1$, the DSO forwards to the TSO the imports' weighted average price of the electric power, realised by it for the month n . TSO s.a. forwards the invoices to the market participants within the dated 10 of the month $n + 1$. In calculating the fees the TSO s.a. will use the average exchange rate of EUR / ALL for the n month, published by the Bank of Albania).

IX.1.4. TSO s.a. publishes on its official website the average price (weighted), which is applied for the imbalances. TSO s.a. until

the 25th of the month $n + 1$, will send to the ERE a summary report for the imbalances and applied price to assess these imbalances for the month n .

IX.1.5 Every market participant would undertake balancing responsibility towards the TSO for its entire production, purchase, import, export, sale or consumption.

IX.1.6 TSO invoices every month to every market participant responsible for the caused imbalances, the value, calculated according to the approved price by ERE, and their respective imbalances.

IX.1.7 The calculation of the electric power balancing income is derived by multiplying the balancing electric power with the applicable balancing price for the relevant period.

IX.1.8 It will not be the subject of imbalances the market participant in charge of the public service obligation, which is balancing service provider.

IX.2 – Dispute Notification

IX.2.1 If the TSO Market Operator has sent a notification to a Market Participant regarding the violation of the Market Rules and Grid Code (by the Market Participant - shen. i perkth.) and the Participant does not agree with the notification, then the Participant should provide ERE within 14 (fourteen) working days, with a writing notice for the dispute and a copy of it (should be sent – shen i perkth) to the TSO Market Operator.

IX.2.2 ERE will accept this notice of dispute and it will held a hearing on this dispute, by allowing each party to submit documents related to this notification.

IX.2.3 ERE will solve the dispute in conformity with the rules and procedures approved by it (ERE – shen i perkth).

CHAPTER X RULES FOR ALLOCATION OF THE INTERCONNECTION CAPACITIES

X.1.1 **TSO** will allocate interconnection capacity in conformity with the rules approved by ERE.

CHAPTER XI SETTLEMENT RULES

XI.1 Settlement Responsibilities for the Imbalances

XI.1.1 The TSO controls and manages any imbalance in the electric power system in real time, utilizing the electric power market balancing capabilities.

XI.1.2 The contract imbalances must be measured as the difference between metered electric power and the contracted electric power for corresponding time intervals.

XI.1.3 For each Generator and/or Balance Responsible Party, the TSO prepares a statement (daily, weekly and monthly), including all the information on imbalances.

XI.2 – Settlement terms

XI.2.1 The data collection and verification by the TSO will be finished within 5 days from the Dispatch Day.

i) Meter reading - Trading Day plus one day;

ii) the calculation of the hourly metered quantities - Trading Day plus five days.

XI.2.2 The actions after the end of the trading month, are:

i) Trading month plus 6 days - The TSO shall send to each market participant a monthly report with measured and calculated hourly data for the trading month;

ii) Trading Month plus 8 days - The participants may submit to the TSO a complaint as to the monthly report related to the accuracy of data;

iii) Trading Month plus 10 days - If the TSO considers the request to be correct, it will issue a new monthly report and it will deliver it to the participants. In case the TSO considers the claim to be not correct, it (TSO – shen I perkth) notifies the participant about it and continues with financial agreement in accordance to the valid monthly report.

XI.2.3 In case of a dispute, the participant is obliged to pay the corresponding sum in accordance to instructions for issuance of invoices, issued by the TSO; the dispute does not delay the execution of obligations. After the dispute resolution, the invoice correction will be made, if needed.

XI.3 – Settlement for the Transition Period

XI.3.1 For each generation account and supply account a measured amount must be defined. It is done on the working day that is **on** or **after** 7 days, after the settlement evaluation day.

XI.3.2 **Generation** Calculation - measured electric power in the generator's account comes out of the summary (by each balancing unit registered in the account) of the difference between the hourly meter readings at the end of the settlement period with that obtained in the initial period. For import interconnections it is picked up the values summary at the end of each hour of the interconnection lines.

XI.3.3 For a **generation** account, Electric Power Imbalance is derived from:

- i) measured electric power of the generation account **minus**;
- ii) quantity in the generator's contract **plus**;
- iii) all the delivery volumes of the proposed offers for all the balancing units registered in the account **minus**;
- iv) all the delivery volumes realised for all the balancing units registered in the account.

XI.3.4 **Supply** calculation – there are two calculation stages of the supply accounts.

i) For every supply measurement system, where metering data are required for each liquidation period, the measured electric power of the supply account comes out of the sum of:

- a) each balancing unit registered in the account;
- b) the difference between meter's reading at the end of the liquidation period, to that obtained at the beginning;
- c) summary of the confirmed values of the nominated interconnection.

ii) For the DSO network, the DSO measured energy comes out of the measurement at the boundaries between the transmission grid and the distribution systems, taking the reading at the end of the financial agreement period and comparing it with the reading at the beginning of the period. From this it is subtracted the electric power measured by the electric power generation company, whose shares are fully or partially controlled by the state.

XI.3.5 For a **supply** account the electric power imbalance is derived from:

- i) Supply account measured electric power **minus**;
- ii) Supply contract Schedule **plus**;
- iii) All the demanded delivery volumes for all the balancing units registered into the account **minus**;
- iv) All the realised delivery volumes for all the balancing units registered into the account.

XI.4 – The content of the settlement report

XI.4.1 The TSO Market Operator will define a standard format for all settlement reports - for generators' and suppliers' accounts statements. After ERE's approval, the TSO Market Operator will make this standard report, available for all stakeholders.

XI.4.2 Separately for each participant and each day, the TSO Market Operator will prepare a daily settlement report, which includes all the values that must be debited or credited into the settlement account belonging to the participant. This report includes at least the following information:

- i) The netto value according to the daily schedule in conformity with the contract;
- ii) The total quantity and the value corresponding to the participant's sales amount;
- iii) The total quantity and the value corresponding to the participant's purchases amount;
- iv) Values resulting from the application of TSO tariffs;
- v) Values resulting from the application of any other taxes;
- vi) Total net value to be debited or credited into the TSO Market Operator account belonging to the participant.

XI.4.3 TSO Market Operator transmits to each participant the daily statement of the financial

agreement, before the end of the trading day.

CHAPTER XII RULES FOR BILLING AND PAYMENT

XII.1 – General

XII.1.1 Invoices will be distributed to the participant once a month by the TSO Market Operator. All the obligations will be settled according to the bilateral contracts for the previous month. Invoices will cover the following topics:

- i) participants' accounts for balancing regulation;
- ii) accounts and assessments under the imbalances agreements;
- iii) payments for the transmission fee and for the system utilisation, including ancillary services, in accordance with the transmission tariffs calculation methodology approved by ERE.

XII.1.2 Invoices will normally be submitted by the 10th day of the succeeding calendar month. Trading parties have 10 days for paying the bill.

XII.1.3 TSO may establish procedures specifying the invoice format and all the supporting data.

XII.1.4 The TSO Market Operator performs calculations for the Electric power market daily agreement for all participants. The TSO Market Operator determines the value of daily financial agreements by aggregating the quantities multiplied by the prices for all concluded transactions by the participant with the TSO in corresponding day as specified in the Grid Code.

XII.2 – Invoices for the Imbalance Agreement Account

XII.2.1 TSO Market Operator prepares separately for every month, day and for each participant, an invoice for Imbalance Agreement Statement.

XII.2.2 A separate item of the invoice will contain the imbalances accounts in conformity with the Imbalance Agreement. This includes all the values that must be debited or credited in the account, according to the participants' imbalance agreement, every day.

XII.2.3 The TSO Market Operator submits the imbalances realization statement for the month **n** to every participant within **10 days** after the end of the month, including the respective value, every market participant must pay or receive.

XII.2.4 TSO submits the same day to the generator loaded with balance services, the imbalance realization statement and the respective invoice, which contains the value this latter will benefit for all balancing electric power offered during the month **N**, in positive imbalance cases, or the payment of the value, in negative imbalance cases for market participants.

XII.3 – Invoices for Imbalances and Use of Transmission System (UoS) payments

XII.3.1 TSO prepares invoices for all participants for the imbalances and for the use of transmission system network.

XII.4 – Disputes on Invoices and Payments

XII.4.1 If a trading party raises a bona fide dispute as to an invoice amount, the undisputed amount is payable in all cases on the due date. In the case of sums owed by or to the relevant party account, payment must be made as invoiced with the disputed amount subject to ex post (previous) restitution.

XII.4.2 Undone payments related to any uncertainty or invoice overpayments, collect an interest of **0,5%** per day, for each day of delay.

XII.4.3 If the result of the invoice ambiguity is not correct or the TSO did not act reasonably in managing the invoice ambiguity or in calculation of disputable payment then the TSO is obliged to pay to the market participant, an interest of the of **0,5%** per day, of the invoice difference value paid by him for the period from the payment and dispute resolution.

XII.4.4 Interest is payable on amounts representing the difference between the paid amount and the correct amount after the dispute resolution and will either be payable **by** TSO or **to** TSO, as appropriate.

XII.4.5 After resolving the invoice ambiguity, the payment must be made within three (3) working days from the dispute resolution. Thereafter, the interest on the unpaid amount will accrue interests from **0, 5%** on the day.

CHAPTER XIII SAFETY OF SUPPLY

XIII.1 – Electric power supply provision obligations

XIII.1.1 The Law No. 43/3015, "On Electric Power Sector" and the Council of Ministers Decision No. 244, dated 30.3.2016, define the responsibilities and obligations related to the safety of electric power supply within the territory of the Republic of Albania. The Grid Code describes in detail the implementation of the safety of supply and the obligations related to the public service activities, like: generation, transmission, distribution of the electric power and the operation of the electric power system.

XIII.1.2 Rules must not be discriminatory or foresee unreasonable obligations on existing and new market participants.

XIII 1.3 Market Participants must act in conformity with the measures and rules of the safety of supply and they are going to be responsible for the safety of the electric power supply, in conformity with the activity they perform.

XIII.1.4 Any obligation set to a licensee that performs electric power generation, transmission, distribution or supply activities, in conformity with Safety of Supply Rules, approved by the Council of Ministers, shall be considered public service obligation.

XIII.2 – Suspension of Electric Power Market, partially or wholly, by the System Operator.

XIII.2.1 Suspension of the trade activities and the required actions:

- i) Under the conditions of force majeure such as a major electric power system state of emergency, the TSO may suspend the electric power market;
- ii) An electricity generation shortage caused by import loss or generations shortage for satisfying the load demand;

iii) Under these conditions the TSO Dispatch System Operator will inform the TSO Market Operator and Transmission Grid Operator, the ERE, all market participants and all of the regional interconnected parties accordingly;

iv) Under these conditions the TSO may refuse to accept or provide any forecasts or any kind of presentations;

v) The TSO Dispatch System Operator will inform as soon as possible the TSO Market and Transmission Grid Operators, the ERE, all market participants and all of the regional interconnected parties that the electric power market is or will be restored and the time at which this occurs or is going to occur;

XIII.2.2 Market participants's compensation during the Electric Power Market suspension.

i. The suspension of the electric power market does not void any contract, including acceptances already made of the bids and offers.

ii. Any acceptances already made of the bids and offers, for a financial agreement period during which the suspension occurred, will be deemed as a valid contract and the Market Operator will make the reasonable estimations for the electric power that would have been delivered under the electric power market conditions.

iii) During the suspension of the the electric power market, the balancing regulated price will be used for delivered electric power;

iv) The bids and offers not yet accepted will be ignored for the duration of the suspension of the electric power market and the prices of such bids and offers with not be valid during the suspension.

CHAPTER XIV MEASUREMENT

XIV.1 – General provisions on the measurement

XIV.1.1 The minimum technical, designing and operational standard of the metering systems, used for measuring the delivered or consumed electric power, by market participants and in order to acquire the imbalances position resulting from the instructing, is that defined in the Metering Code. The Metering Code plays a role in definition the requirements for the commercial metering aiming electric power market operation. purpose measuring operation.

XIV.2 – Generator Meter Account

XIV.2.1 In the TSO registered account it is included the insterted electric power into the system by the generators and importers under the relevant agreements. The metered generators electric power and imported electric power is recorded for each liquidation period.

XIV.3 –Power meter account for the Load.

XIV.3.1 The Load meter account is registered from a supplier or trader for settlement purposes. The measured amount of consumed and exported electric power is recorded in these accounts for each settlement period.

XIV.3.2 The following information will be kept for each Load meter account:

i) the measuring system reference number allocated by the TSO;

ii) the identity of the supplier;

iii) the identity of each physical meter, which is required to register electric power flow.

XIV.3.3 TSO shall operate an electronic system that automatically estimates the supply system meters in accordance with the Metering Code.

XIV.4 – Profiling of electric power consumption

XIV.4.1 The TSO will undertake reasonable actions to ensure the accuracy of all demand forecasts it makes for the load and will rely on such information as it disposes forecast weather patterns and analysis of historic electric power consumption patterns, as well as specific information that Parties may provide, but TSO will not be responsible for the accuracy or otherwise, of the Day-ahead Demand Forecasts, carried out by them.

XIV.4.2 All parties have the obligation to provide the TSO with timely information on every factor that may affect the content of the demand forecasts and, in particular, the Wholesale Public Supplier will use reasonable actions to ensure TSO, the best hourly demand estimation for the day ahead before the TSO to have made its initial day-ahead demand forecast.

XIV.5 – Autoproducers

XIV.5.1 For the autoproducers there will be defined at least three different metering values in every interconnection point:

- i) The gross production of the Auto producer;
- ii) The gross consumption of the Auto producer; and
- iii) The net amount of electricity delivered to or received from the transmission system TSO or DSO.

XIV.5.2 The net amount of electricity delivered to the transmission system TSO or get from the DSO, will be used for defining the imbalances and for settlement.

XIV.5.3 The OST shall operate an electronic system that automatically controls the generator or generator unit meters.

XIV.6 – Producers

XIV.6.1 Producers can have metering arrangements for a meter that records the settlement as the net sum of generation and consumption for a certain period of time. a cumulative summary of net generation and off-take being for the required period. A metering system can have more than one physical meter to measure the aggregate amount of energy produced.

XIV.6.2 TSO shall operate an electronic system that automatically controls the generator or generator unit meters in each metering system, used to supply the metering data for each Settlement Period.

XIV.7 – Customer Connected to the Distribution Grid

XIV.7.1 Customers that do not benefit from universal supply service have the right to contract at freely negotiated prices for electric power supply.

XIV.7.2 When ERE defines that a client which does not benefit from the universal supply service and the equipment for recording the relevant data, till a moment of time is not installed, the TSO or

(as applicable) The DSO will immediately take steps to ensure the installation of this equipment as soon as possible.

XIV.8 – Obligations related to the recorded Electric Power

XIV.8.1 The parties will be required to register relationships and configurations between metered data, so that the appropriate aggregation can be performed, to facilitate the electric power market in accordance with the relevant procedures.

XIV.9 – Responsibility for Meter Reading

XIV.9.1 The TSO shall operate an electronic system that automatically controls (query) the meters in each Metering System used to supply Metering Data for each Settlement Period.

XIV.9.2 The TSO shall undertake such actions, when it is reasonable to implement and operate the systems to control (query) the meters and it will communicate all the Metering Data related to the Settlement Period in the required term.

XIV.9.3 The OST shall publish, and maintain on a monthly basis on the TSO website, a list identifying each Metering System for which automatic control (query) and/or communication is required, but not installed and operated.

XIV.9.4 The List:

- i) Will identify the Metering System concerned;
- ii) Will identify the Supply Account or Generating Unit Account, in which the Metering System has been allocated;
- iii) Will identify the Settlement Period(s) concerned;
- iv) Will specify the reasons why the automatic system is not installed and operated;
- v) Will set out any other information that the TSO Market Operator determines to be appropriate.

XIV.10 – Defekti ose shkëputja e sistemit matës të gjeneruesit

XIV.10.1 When the metering data of a generating unit measuring system, are not reported, the TSO for settlement purposes will assess, the delivered or (as applicable) the consumed electric power amount, based on historical records and data of other metering mechanisms during the relevant period.

XIV.10.2 When a measuring system of the producers, a self-producing or a terminal client that does not benefit from universal service supply, whose measured data are not transmitted, the TSO for settlement purposes will assess the delivered or (where appropriate) of energy consumed amount, based on historical records and data of other metering mechanisms during the relevant period and the provisions of the Metering Code.

XIV.11 – Demand-side Metering System Failure or Outage

XIV.11.1 In the case when the metering system of a customer whose metering data has not been reported, due to demand-side metering system failure or outage, TSO for settlement purposes shall assess the delivered quantity or (where appropriate) consumed quantity of energy, based on historical data and on the other metering data , during the respective period.

XIV.12 – Responsibility for Metering Registers

XIV.12.1 The purpose of the Metering Register is the registration of network junction points and metering points.

XIV.12.2 The Metering Register will be a responsibility of the TSO Transmission Network Operator, which will be in charge of its updating, maintenance and administration, as well as its safety and confidentiality. Before any modification that will affect the readings, the TSO Transmission Network Operator must inform the TSO Market Operators and TSO Dispatch System. The metering register of the Universal Supplier is Distribution System Operator responsibility.

XIV.12.3 The OST Transmission Network Operator is obligated to define all necessary data for the Metering.

XIV.12.4 Metering Register shall contain the following minimum data:

- i) Details on network junction points and the metering points (location, party in charge, identification codes and other relevant data) including all eligible customers;
- ii) Metering installation equipment (manufacturer, type, model, serial number, manufacturing date and metering installation class; all relevant data for physical and technical specifications, standards, nominal and maximum electric power, all information related to testing and the starting of the measurement date (start-up), which include test results and certificates and dates of calibrations and other relevant data);
- iii) Information on data communication (telephone numbers for data collection, information on other types of communication for data collection, types, serial numbers, technical specification of communication equipment and other relevant data)

XIV.13 – Meter Account or Meter Consume Account Transfer

XIV.13.1 Whenever a supplier seeks to become the supplier of a Customer that does not benefit from universal supply service, then the supplier must:

- i) Notify the Distribution System Operator on:
 - a) The identity of the Metering System planned for transfer;
 - b) The planned supply transfer date, which must be not less than twenty 20 business days after the notice date.
- ii) Warrant the TSO Market Operator that it has or it will have a specific contract to supply this particular Eligible Customer.

XIV.13.2 Within five 5 business days of notice receipt the submitted to the DSO, the DSO will notify the current supplier on the planned transfer, including the identification of the new supplier.

XIV.13.3 If there are no objections to the planned supply transfer and transfer date, the register of the supply meter will change from the DSO to the new supplier, which will be the registered supplier from the start of that day. The DSO will notify the TSO Market Operator, the present (previous) Supplier and the planned Supplier about completion these changes.

XIV.13.4 The TSO Market Operator, which will ensure the meter reading data from the relevant

meter account to be aggregated into the supply account of the new supplier from the start of the referred day in the notice.

KAPITULLI XV WARRANTIES

XV.1 The TSO Market Operator has the right to ask the parties to depositing warranties, before the respective party is registered as an Albanian Electric Power Market Participant.

XV.2 The warranties deposited by a registered party as an Albanian Electric Power Market Participant may limit:

- i. Financial total volume of bids that a participant may submit to the Day Ahead Market;
- ii. The maximum size of electric power bids and offers, defined by the TSO Market Operator;
- iii. The maximum size of exports and imports, defined by the TSO Market Operator.

XV.3 The warranties deposited by the participant shall be equal to 5% of the maximum monthly physical schedule, foreseen by these participants, multiplied by 10 Leke/kWh or its equivalent in other agreed currency. The Credit letter, should also be accepted, instead of the bank deposit.

XV.4 TSO Market Operator will elaborate the procedures for defining the type and the required necessary warranties, as well as the implementation and verification procedures of the deposit warranty by the parties.

XV.5 The warranties calculation procedures and deposits' control are subject to the ERE's approval. After the ERE's approval, the TSO Market Operator will make this information, available for all parties.

XV.6 All market participants have the obligation to fulfill their obligations towards the TSO for its services transmission, including transmission fee and ancillary services.

XV.7 Universal supplier will open a central account into an Albanian commercial bank for the payments it owes towards the TSO, the electric power generation company-in charge of the public service obligation and other suppliers.

XV.8 Universal Supplier has the primary obligation to fulfil all payments towards TSO, electric power generation company-in charge of the public service obligation for the electric power consumed by its tariff customers and DSO for required electric power to cover the distribution losses.

XV.9 ERE, if required, may approve any other warranty for cash payments be held as an escrow account or a warranty from a reputable bank or other manners of warranties from investors that are equal to the security requirements.

CHAPTER XVI DATA AND INFORMATION EXCHANGE

XVI.1 In communication with the TSO, the parties comply to the Grid Code, which specifies the SCADA requirements, response time and safety.

XVI.2 Communication for the financial agreement does not require the same level of immediate response and most of it is communication after the event.

XVI.3 Any party will be responsible for the provision and maintenance (at its expense) of the

telephone, Internet connection and facsimile.

XVI.4 The below data and information will be available for all the parties:

XVI.5 Demand or load forecast:

- i. **Electric Power Production Company, charged with Public Service Obligation**, DSO and, where appropriate, the supplier, shall provide for the TSO, load forecast for the week ahead for their clients on hourly basis. This load forecast will be updated based on the day ahead procedure, before the gate closure.
- ii. **Electric Power Production Company, charged with Public Service Obligation** shall provide for the TSO forecast for the week ahead load reduction on hourly basis. This load reduction forecast will be updated based on the day ahead before the gate closure.
- iii. TSO will make week ahead forecasts for the of the expected demand schedule. This demand will be updated based on the day ahead, before the gate closure. This forecast will include the TSO and DSO losses.
- iv. These reports will be published on the website of the TSO since they become available.

XVI.6 Generation or injection forecast:

- i) Generators and importers shall provide for the TSO expected production forecast from the generating / Delivery units (or injection into the system) expected based on hourly / daily basis for a week before that will be updated on the day before the deadline (gate closure) and in real time.
- ii) The deadline for submission will be per Grid Code and the relevant procedures of the TSO.
- iii) These reports will be published on the website of the TSO since they become available.

XVI.7 Delivery Programs for the interconnections (nomination):

- i) participants that are expected to have import / export trades, will submit nomination of the forecast based on the day-ahead, in accordance with the proper procedure of the TSO;
- ii) these programs will be published on the TSO website in accordance TSO respective procedure and market rules (subject to nondisclosure of confidential information as provided in the Market Rules).

XVI.8 The OST will produce the following information and publish them on its website:

- i. Forecast reserve requirements calculated by the Grid Code formula;
- ii. Forecast for ancillary services calculated by Grid Code formula;
- iii. Available generation – the expected total available generation capacity;
- iv. Maximum expected demand and the average hourly demand in MW for each month in calendar year;
- v. Estimations of the transmission system losses in GWh on a weekly basis;
- vi. Estimations of the system constraints forecasts in GWh on weekly basis;
- vii. Details on any foreseen situations when and where the electric power supply will be constraint.

CHAPTER XVII MARKET INFORMATION

XVII.1 – General

XVII.1.1 TSO will make available to each market participant any information related to the electric power market operation unspecified as confidential or commercially sensitive and may set a reasonable fee, for covering this information provision cost.

XVII.1.2 Market information may be held by a range of parties, for example by OST, DSO or Suppliers, who will hold a range of technical information as a result of their system operation responsibilities, including e.g.: Demand forecast data, generation availability (both planned and unplanned), network and interconnection availability, load and future investment.

Informacioni i tregut mund të mbahet nga një numër palësh, për shembull nga OST-ja, OSSH-ja ose Furnizuesit, që do të kenë një numër informacionesh teknike si rezultat i përgjegjësi të tyre për operimin e sistemit, përfshirë p.sh.: të dhënat e parashikimit të kërkesës, disponueshmërinë e gjenerimit (i planifikuar dhe i paplanifikuar), disponueshmërinë e rrjetit dhe interkoneksionit, ngarkesën dhe investimet e ardhshme.

XVII.1.3 The form and the content of the market offers, and the degree of the electric power market price, will be defined by the TSO Market Operator and will be approved by ERE. This information will be made available by the TSO for all stakeholders.

XVII.2 – Information Distribution and Reporting

XVII.2.1 TSO weekly settlement reports – on the first day (1) Financial day of each calendar week, the TSO Market Operator will issue a statement of accounts for the previous calendar week to each party owning a market settlement account.

XVII.2.2 The account's statement includes at least the following information related to the corresponding market settlement account:

- i) The account owner name;
- ii) The balance of the market settlement account at the beginning of the previous calendar week;
- iii) Every debited or credited value at the market settlement account, as a result of the payment obligations or settlement rights, established according to the settlement rules;
- iv) The market settlement account balance at the end of the previous calendar week.

XVII.2.3 OST monthly settlement reports - On the fifteenth (15) financial day of each calendar month, the TSO Market Operator issues a accounts statement for the previous calendar month to each party owning a market settlement account.

XVII.2.4 The account statement includes at least the following information regarding the corresponding market settlement account:

- i. The account owner name;
- ii. The market settlement account balance at the beginning of the previous calendar month;
- iii. Any values debited or credited in the market settlement account as a result of the payment obligations or cashing rights established according to the settlement rules
- iv. The market settlement account balance at the end of the previous calendar month

XVII.3 Information Policy

XVII.3.1 The TSO must use its reasonable actions to ensure that it provides to all parties a sufficiency of information. It will publish on its (website) present and future electric power system assessments with sufficient details and at intervals agreed with the ERE in order to ensure that all parties are properly informed.

XVII.3.2 The TSO is responsible for preserving the data confidentiality, collected for electric power system assessment and for operational purposes. This data may be commercially sensitive and confidentiality will be respected as for any bilateral agreement.

CHAPTER XVIII – DISPUTE RESOLUTION

XVIII.1 General Procedure

XVIII.1.1 In case of a dispute between the parties in relation to the Market Rules and the Grid Code, as defined in these documents, the parties will attempt to, in good faith, to resolve a dispute in relation to issues concerning the Market Rules and the Grid Code.

XVIII.1.2 If the parties fail to agree resolving the dispute, it will be resolved by ERE according, to the electric power sector law, the Market Rules and Grid Code.

XVIII.2 Notice of Dispute

XVIII.2.1 The ERE shall accept any written request to resolve a dispute arising directly or indirectly out of non-transparent and discriminatory behavior of parties active in the electricity market and which the ERE is authorized by the Power Sector Law to resolve.

XVIII.3 Dispute Resolution Process

XVIII.3.1 ERE will address and resolve the raised issues on demand or appeal, under the ERE Rules of Practice and Procedures.

XVIII.3.2 The ERE reserves the right to employ foreign experts of the field to address specific issues.

XVIII.4 Dispute Relating to Settlement

XVIII.4.1 In case of dispute, the participant is obliged to pay the corresponding amount according to the TSO invoices issuance instructions. After the final decision on the dispute is taken, the invoice correction will be made, if necessary.

XVIII.4.2 Appeals against the content of the trade confirmations are accepted only in the case of errors resulted from the actions of the OST Market Operator.

XVIII.4.3 Any appeal against the content of a trade confirmation must be submitted to OST not later than two (2) trading days after the transmittal of that trade confirmation by OST.

XVIII.4.4 The OST will inform the electricity participant about the acceptance or rejection of the respective appeal not later than two (2) trading days after the deadline specified in previous paragraph. In the case of acceptance, OST will transmit an adjusted trade confirmation to the electricity market participant.

XVIII.4.5 If, during the time interval specified in previous paragraphs, an electricity market participant does not submit any appeal against the trade confirmations received, then these are considered as accepted.

XVIII.4.6 Any submitted appeal does not exonerate the respective electricity market participant from fulfilling the obligations resulted from the disputed transactions.

CHAPTER XIX MARKET RULES AMMENDMENT PROCEDURES

XIX.1 – General

XIX.1.1 These market rules may be changed according to the ERE procedures.

XIX.2 – Market Rules administration

XIX.2.1 TSO is the Market Rules Administrator and is responsible for their implementation.

XIX.2.2 TSO will periodically examine the Market Rules. For this purpose, the TSO, together with market participants, will freeze the committee for the Market Rules revision. No review or modification of the Market Rules, can not be performed without prior discussions with ERE and approval by ERE.

XIX.2.3 Revision committee will be managed by ERE.

XIX.2.4 Revision committee will monitor constantly the implementation of the Market Rules, it will take initiatives for their revision, will consider any request for modifications submitted by the parties and will send them to ERE for review and approval.

Proposals for Rules amendment

XIX.2.5 These rules are object of review by ERE initiative or upon TSO request. The Parties may raise issues connected with the market Rules with the TSO.

XIX.2.6 The TSO will bring the matter to the ERE's attention.

XIX.3 – Rules amendment Process.

XIX.3.1 TSO will prepare a draft amendment or draft modification.

XIX.3.2 TSO will be consulted on the draft amendment or draft modification with the parties.

XIX.3.3 ERE will decide if the draft amendment or draft modification should be approved and for the implementation date.

XIX.3.4 The amendment or modification of the Market Rules will be publicised on the Official Notebook and on the webpage of the ERE and / or TSO.

XIX.3.5 TSO will adjust these rules with the provisions of Decree no. 519, dated 13.07.2016, "On the approval of the Electric Power Market Model ", and shall submit them for approval to the ERE within the deadline set for the applicability of the Electric Power Market Model.

XIX.3.6 ERE may decide the exemption from these rules, in accordance with the legislation in force.

ANNEX A

Agreement on Market Participation no. _____, dated _____

Agreement on Electric Power Market Participation is signed today on date ___ between the Parties:

- Transmission System Operator – Market Operator (TSO - MO), registered in the Commercial Register (National Registration Center) by Decision no. 31935 of July.14.2004 and with Headquarters in _____ represented from _____, hereinafter TSO-MO;

- Electricity Market Participant, registered in _____ with no. _____ and Headquarters in _____ represented from _____, hereinafter called _____.

CHAPTER I GENERAL PROVISIONS

Article 1

1. TSO s.a. in accordance with Law No. 43/2015, "On the Electric Power Sector", Article 53, paragraph 1, is the legal entity, licensed for performing electric power transmission. Based on of the Albanian Electric Power Market Rules, chapter II, section 2.4, approved by Decision no. -----of the ERE's Board of Commissioners, one of the TSO functions, is the Market Operator.
- 2 (Market Participant, part of this contract) in accordance with article 37 of Law nr. 43/2015, "On the Electric Power Sector", is the license holder for _____, issued by ERE by decision no. _____ dated _____. Under Chapter II of the Rules of the Albanian Electric Power Market, approved by decision no. 68, _____, of the ERE's Board of Commissioners, (market participant, party of this contract) _____, it has the function of (by activity licensed) in the Albanian Electric Power Market.

CHAPTER II SCOPE OF AGREEMENT

Article 2

This agreement adjusts the relationship between the parties that sign it, TSO-MO and the electric power market participants as well as the definition of their obligations and rights arising from their activities in the electric power market.

CHAPTER III THE RIGHTS AND OBLIGATIONS OF THE PARTIES

Article 3

1. Parties agree to accept their role and respective functions in the Electric Power Market, and undertake to apply the proper care on the laws, codes, rules and trading practices that regulate the or relate with the Electric Power Sector and Electric Power Market.
2. Parties agree to construct and enforce the agreements and contracts with Electric Power Market in accordance with the Market Rules.
3. Parties agree to exchange information and data in accordance with their relevant rights and obligations for information, in accordance with the Market Rules.
4. Parties undertake to comply with their respective financial obligations in accordance with the Market Rules and the bilateral Agreements, connected in conformity with them. In any case Parties shall not undertake the mutual compensation of the obligations without the alignment and approval of the other party.

CHAPTER IV MARKET PARTICIPANT

Article 4

1. Market participant agrees to comply always with the Market Rules, all accompanying technical codes, and TSO-MO internal procedures needed for the Electric Power Market functioning.
2. All internal TSO – MO acts under paragraph 4.1, which the participant would have to implement, will impose obligations that does not exceed the the obligations stipulated in the legal acts and bylaws in the electric power field and acts issued by ERE.

Article 5

1. Market participant is obliged to inform the TSO – MO related to any contract arranged. He must submit to the TSO – MO the information for any contract, by identifying as below:
 - i) identification of the contracted parties;
 - ii) points of delivery / withdrawal;
 - iii) duration of the contract;
 - iv) contracted quantities and the applicable hourly schedules.These requirements will be implemented for all bilateral contracts, including export/import ones.

2. The contract concluded between two market participants, becomes effective after TSO-MO to have confirmed its reception. TSO-MO must confirm the reception of such a contract within no later than 10 working days. The lack of confirmation within this deadline, makes the contract effective.

Article 6

Market participant must submit to the TSO – MO the announcements related to all the net physical exchanges between the individual parties (contractual announcements) or between the balancing responsible parties, aiming the physical realisation of the contractual obligations.

Article 7

1. Market participant shall submit to the TSO-MO a daily schedule in accordance with the day ahead programming process, as specified in the Grid Code, in order TSO - MO to determine the daily schedule form.
2. The daily schedule form and method of presentation and other ancillary procedures are object to the TSO definition, in accordance with the grid codes and the Market Rules.

Article 8

1. Market participant would take responsibility for balancing towards the TSO for the entire its production, purchase, import, export, sale or consumption.
2. TSO - MO will take responsibility for balancing of the electric power required by the participant (when it is the case). In case this balance is not provided, the participant may request compensation. TSO-MO will be responsible towards the participants for any shortfall in time, substance and form of its obligations arising from the Market Rules and this Agreement. Where the Market Rules doesn't define, the responsibility will be obtained under the Civil Code.
3. Determination of the imbalances's price are subject to ERE approval.

CHAPTER V **TSO – MO**

Article 9

TSO – MO, has the right to require from the market participant all the necessary information, in conformity with the Electric Power Market Rules, Grid Code, and accompanying technical Codes, internal TSO – MO procedures and protocols needed for Electric Power Market functioning.

Article 10

TSO – MO is obliged to use the information provided by the market participant, in conformity with the Electric Power Market Rules, Grid Code, and accompanying technical Codes, internal TSO – MO procedures and protocols needed for Electric Power Market functioning.

Article 11

TSO-MO will make disposable to each participant in the market, any information about the electric power market operation undefined as confidential or commercially sensitive.

CHAPTER VI ENTRY INTO FORCE AND TERMINATION / TERMINATION OF AGREEMENT

Article 12

1. The signature of this agreement is a condition for participation in the electric power market. The signing will be made only by persons who are directly authorized based on the Albanian legislation or by proxy to represent each party.
2. This agreement becomes effective and binding on the parties on the signature date.
3. This agreement is without a deadline and the participant may terminate it by giving a preliminary notification to the TSO – MO. TSO – MO on its part may terminate the agreement only for well-grounded reasons and only after ERE's approval.

Article 13

A market participant may withdraw itself from the electric power market by its own initiative, based on a written notification signed by the authorized representative of this participant. The notification shall be submitted at least 3 months before the date where the market participant registration should be cancelled and the agreement should be terminated. After receiving this notification, TSO shall immediately inform all other market participants.

Article 14

If the participant may not fulfill all the conditions of the Market Rules than the participant or the TSO-MO shall inform ERE within 10 working days from the finding on the conditions.

Article 15

TSO-MO shall suspend the trading activity of the participants if any of the following conditions is fulfilled:

1. Market participant no longer fulfills one or more conditions necessary for registration as market participant (as defined in the Provisions for Electric Power Market Registration Procedures).
2. Market participant no longer fulfills the requirements regarding the financial warranty or does not make other payments (provided in the Provisions for Electric Power Market Registration Procedures).
3. Market participant does not respect the Agreement for Participation in the Market.
4. Market participant is continuously found guilty for not respecting the market rules and all applicable codes for the Albanian electric power market or the financial agreement.

Neni 16

1. If the market participant can not prove that it has avoided the reason (reasons) which caused his suspension, during the period specified in the notice of suspension, then TSO-MO will proceed with the termination of the agreement for participation in the market.
2. If this TSO-MO decision is opposed by the participant then after submission of the complaint, ERE shall verify whether the reasons for the suspension of trading activities are justified and will give its decision within 15 working days from receipt of the complaint.
3. Submission of the complaint to ERE the market participant, suspend the application of the TSO s.a. decision until the ERE's decision.

Article 17

If the market participant registration is suspended then all the market participant pending bids (new) will automatically be canceled for the entire suspension period.

Article 18

1. TSO – MO will terminate the Market Participation Agreement of a market participant in any of these cases:
 - i) if the market participant no longer meets one or more of the necessary conditions for registration as market participant (as defined in provisions for the registration procedures in the electric power market);
 - ii) If the market participant does not meet any more the requirements relating to the financial warranties, as defined in the provisions of the registration procedures to the electric power market);
 - iii) If the market participant does not respect the agreement for participation in the market;
 - iv) If the market participant is repeatedly found guilty for disrespecting the Market Rules and all applicable codes of the Albanian Electric Power Market.
2. The Market Participation Agreement will be revoked automatically and immediately when ERE has removed the market participant license.

Article 19

Disagreements between the parties that are not managed to be resolved in a friendly way shall be left to the competence of the ERE to be judged. ERE will give its decision within 15 working days from the day of receiving the complaint. Despite ERE's decision and after reaching this decision, the parties have the right to appeal to the court for judicial examination of the conflicts. The competent court for examining the disputes shall be the Tirana District Court.

This agreement is signed in triplicate, one for the market participant and two for the TSO - MO.

The form of this agreement is approved by ERE as the "Market Participation Agreement" form, with decision no. _____ date _____

Transmission System Operator

Market Participant

ANNEX B

PHYSICAL SCHEDULE NOMINATION TIMETABLE

The market operation timetable including physical schedule nomination and the submission of demand and offer and subsequently demand acceptance and offer acceptance in respect of any day is as follows:

10:00 On the day ahead, the TSO publishes its day-ahead demand forecast for each settlement period. This will be in the form of the aggregated demand level in MW, and the required margin of reserve in MW.

11:00 Qualified Suppliers and Traders submit to the TSO – Market Operator their initial interconnection flow nomination.

11:30 The TSO Market Operator notifies the Qualified Suppliers and Traders on the status of their interconnection flow nominations in terms on whether there is excessive interconnection capacity or deficit of interconnection capacity.

12:00 Deadline for acceptance of revised interconnection flow nominations.

12:30 Confirmation of the interconnection nominations by the TSO Market Operator as interconnection physical nominations and there are notified the suppliers that do not benefit from universal supply service and the affected traders.

13:00 Submission of all other physical nominations to the TSO Market Operator.

13:00 Submission of demands and offers to the TSO Market Operator.

14:00 On the day ahead until [24:00] on the day when the TSO Market Operator accepts demands and offers to balance the system depending on the notified imbalances resulting from physical nomination data and from the changes notified in the dynamic data parameters;