ALBANIAN ELECTRICITY BALANCING MARKET RULES

Final 27.02.19

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1 GENERAL CONDITIONS

1.1 PURPOSE AND OBJECTIVE

1.1.1 Purpose

1.1.1.1 Purpose of the Albanian Balancing Market (ABM) Rules is to:

a. establish the market-based management in balancing of the Power system operated by the Transmission System Operator,

b. define the relations between the market participants on the balancing market,

c. enable clear balance responsibilities for market participants ,

d. prescribe the rights and responsibilities of balance service providers,

e. create a mechanism for determining the price of balancing services procured by the TSO as well as the mechanism for calculating imbalance settlement price and financial settlement of imbalances of Balance Responsible parties; and

f. other issues related to the balancing market operation.

1.1.2 Objective

1.1.2.1 Objective of the ABM Rules is to establish an efficient, transparent and non-discriminatory balancing mechanism that allocates balance responsibilities and incentivize market participants to perform balancing, as well as to offer balancing services.

1.2 CONVENTIONS AND GLOSSARY

1.2.1 Conventions

1.2.1.1 In this ABM Rules document, unless a clear contrary intention appears:

a. the singular number includes the plural number, and vice versa;

b. reference to any gender includes each other gender;

c. reference to any document, or instrument means such document, or instrument as in effect from time to time in accordance with the terms thereof; provided that reference to the Market Rules means the Market Rules that is in effect on the date when the ABM Rules are adopted;

d. references to any legislation include references to any statutory modification or re-enactment of such legislation and any legislation substituted for that legislation; and

e. references to documents or instruments shall be deemed to refer as well to all addenda or amendments thereto.

1.2.1.2 In these ABM Rules :

a. All times - shall be Albanian local time.

b. Currency – Currency used in ABM Rules shall be in Euro since the organized ex-ante electricity markets are cleared on this.

c. Units – All technical units are expressed in the International System of Units (SI). Generation, transmission and consumption of electrical 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).

1.2.2 Glossary

aFRR	Automatic Frequency Restoration Reserves
BRP	Balance Responsible Party
BSP	Balance Service Provider
Control Area	LFC control area
Control Block	LFC control block
DSO	Distribution System Operator
DS	Demand Side
EBGL	European Electricity Balancing Guidelines
ENTSO-E	European Network of Transmission System Operators for Electricity
ERE	Electricity Regulatory Authority
FCR	Frequency Containment Reserves
FRR	Frequency Restoration Reserves
ID	Intraday or Incremental/Decremental
IDM	IntraDay Market
ISP	Imbalance Settlement Period
KESH	Albanian state owned producer
LFC	Load Frequency and Control
LFC&R	Load frequency Control and Reserves Code (now part of SOGL)
Lmax	Peak vertical load in the system
LRR	Last resort Reserves
mFRR	Manual Frequency Restoration Reserves
OSSH	Albanian Distribution System Operator
OST	Albanian Transmission System Operator
PX	Power Exchange, organising the day-ahead and intraday market
RR	Replacement Reserves
SOGL	System Operations Guideline
TSO	Transmission System Operator

2 LEGAL BASIS

2.1 The Power Sector Law, no. 43/2015, as amended, defines "Balancing" as all actions and processes through which the Transmission System Operator (TSO) operates and maintains the system frequency within predefined stability range. The Balancing Market is defined as market-based management of the functions of balancing of the power system operated by the TSO.

2.2 The ABM Rules were developed as a complementary document to the Market rules, by virtue of the Power Sector Law, which envisages that the Market Rules will encompass electricity balancing: Article 51.1.b, 51.2.c, Article 98, 99.2 & Article 3 Definitions (59).

2.3 The ABM Rules are based on the principles of equal treatment of all market participants and non-discrimination and transparency in communication and conduct between TSO and market participants (including BRPs and BSPs). In the case of any inconsistency between the provisions related to balancing, set under these ABM Rules and Market Rules, these rules shall prevail.

3 GOVERNANCE

3.1 Adoption of the ABM Rules

3.1.1 Pursuant to the Article 98 of the Power Sector Law, ERE upon proposal of OST and in collaboration with all participants of the electricity sector, shall adopt the Electricity Market Rules, including the rules for planning, dispatching, balancing, settlement of disputes and requests for reserve management.

3.1.2 This Albanian Balancing Market Rules shall be considered as the Balancing Market part of the Market Rules foreseen in the Power Sector Law and therefore follow the above-described development and approval process.

3.2 Effectiveness of the ABM Rules

3.2.1 The ABM Rules becomes effective on the day of its adoption by the Board of ERE. With due regard to Article 2 of the Decision 519 dated 13/7/2016 on the Approval Of The The Electric Power Market Model, and Article 100.3 of the Power Sector Law no. 43/2015, as amended, ERE shall issue a decision which revokes the "Transitional rules for electricity balancing mechanism" at the time of ABM Rules enter into force.

3.2.2 The ABM Rules shall be published on the web site of ERE and OST.

3.3. Modification of the ABM Rules

3.3.1 The ABM Rules may be modified based on the request of any market participant to the TSO, by the TSO itself, or by ERE, based on justified reasons. The TSO shall establish a Committee responsible for amendments of the Rules, which may initiate modification of the ABM Rules and the TSO will formally submit the proposed modification to ERE.

3.3.2 The modification process follows the same procedure as for adoption of the Balancing Market Rules: the proposed modification is submitted by the TSO to ERE for approval or initiated by ERE after consulation with the TSO.

3.3.3 By exception to the general modification process which is discribed in the preceeding paragraph an "Initial Review Process of the application of the ABM Rules" is initiated two months after the conclusion of one year of ABM go-live. This is effected by the submission from the TSO to ERE of a report summarising the experience gained so far with the implementation of the ABM rules. This shall include a record of ABM market participants complaints and/or remarks in addition to the issues identifed by the TSO complemented with the respective remedial actions. Upon consultation organised by ERE amendements to the ABM rules may be prepared and implemented in the second year of implementation of the ABM rules.

3.4 Dispute settlement procedure in the ABM Rules (and in BRP and BSP Agreements)

3.4.1 In case of dispute, the parties subject to dispute will try to resolve their dispute amicably, through negotiation or any other amicable solution.

3.4.2 In the case that dispute cannot be solved through amicable resolution, the Party/Parties may submit their dispute to ERE in accordance to the Regulation for handling of complaints submitted by clients and for solving disputes between licensees in the electricity sector and natural gas (ERE Board decision no. 114, dated 8.7.2016).

3.5 Procedure and conditions for establishing fines

3.5.1 The ERE monitors performance of the market players and may impose fines, in accordance to the "Regulation regarding the conditions and procedures of establishing fines", as foreseen in Article 107.4 of the Power Sector Law.

3.6 Other governance elements

3.6.1 Other issues that are not covered in this ABM Rules, such as: code of conduct, confidentiality issues and other governance, shall be applied in accordance to the provisions of the applicable Market Rules.

4 SCOPE

4.1 Roles & responsibilities

4.1.1 OST

4.1.1.1 In Albania, OST is the Transmission System Operator who is responsible to maintain the system security. One of the system security criteria is the system balance. In order to maintain this, the TSO shall be responsible for procuring balancing services from balancing service providers (BSP) in order to ensure operational security.

4.1.1.2 TheTSO is resposible to minimize the procurement cost of the balancing service by contracting and activating the most cost-efficient reserves. Yearly, the TSO has to dimension the size of the balancing reserves needed.

4.1.1.3 The TSO shall apply a self-dispatching model for determining generation schedules and consumption schedules.

4.1.1.4 The TSO is obliged to keep its regulated financial neutrality by wheeling the net results for balancing services through next year's tariff.

4.1.1.5 The complete needed balancing reserve volume is procured in a market-based, transparent, and non-discriminatory manner.

4.1.1.6 If it is confirmed that the BSP no longer complies with the prequalification conditions, the TSO will notify the BSP via a registered letter about the issue. When the BSP does not react on the registered letter within 15 days after reception of notification, and the BSP remains incompliant with the conditions, the TSO is allowed to terminate the BSP Agreement without prior approval by a court of law. This implies, after termination, that if the BSP wants to offer the service, he must re-apply via the prequalification procedure and sign a new Agreement with the TSO, subject to compliance with said conditions.

4.1.1.7 The TSO is entitled to evaluate, at any time during the validity period of the BSP Agreement, whether the BSP complies with the terms and conditions mentioned in the BSP Agreement. For the avoidance of doubt, this does not entail the right for the TSO to physically access BSP's assets, but is without prejudice to any other regulation, i.e. the Grid Code, regarding access the BSP's connection installations. If it is confirmed that the BSP no longer complies with these conditions, the TSO will notify the BSP via a registered letter. Within 15 days, the BSP shall prove that remedies are undertaken. If this is not the case, the BSP Agreement will be suspended for xx days. After the suspension period, the TSO evaluates again BSP's conformity to the conditions. If the conformity is restored, the suspension is cancelled. If not, the BSP Agreement is terminated. After termination, if the BSP wants to offer the service, he must re-apply via the prequalification procedure and sign a new BSP Agreement with the TSO, subject to compliance with said conditions.

4.1.1.8 By 12 months after entry into force of the ABM Rules, the TSO shall develop a prequalification process and shall make publicly available the details of the prequalification process.

4.1.1.9 The TSO has the right to abort the Prequalification Tests at any moment if it jeopardizes Transmission Grid or any Distribution Grid security. In the case the TSO decides to abort the Prequalification Test, the TSO shall inform the BSP of a new Prequalification date upon the system security has been stabilized.

4.1.1.10 The TSO has the right to reject Capacity Bids that are not in line with the rules and obligations set forth by the TSO in this ABM rules and in accordance to the the terms and conditions set forth in the BSP Agreement.

4.1.1.11 In case of observation of a behaviour that might prejudice market rules and/or fair competition between parties, and after consultation with ERE, the TSO reserves the right to exclude the BSP from future procurements.

4.1.2 BSP

4.1.2.1 BSPs are market participant with reserve-providing units able to provide balancing services to the TSO.

4.1.2.2 A potential BSP (also called as BSP candidate) shall submit a formal application to the TSO together with the required information of the potential balancing reserve providing technical units. Within 8 weeks from receipt of the application, the TSO shall **confirm** whether the application is complete. Where the TSO considers that the application is incomplete, the candidate BSP shall submit the additional required information within 4 weeks from receipt of the request for additional information. Where the BSP candidate does not supply the requested information within that deadline, the application shall be deemed withdrawn. Within 3 months from confirmation that the application is complete, the TSO shall evaluate the information provided and decide whether the potential Reserve Power providing units meet the criteria for a prequalification.[1]

4.1.2.3 TSO shall verify in a BSP prequalification the legal, information-technical, communicational, organizational, and financial capability of the BSP. One important criterion in the self-dispatch approach is that the BSP has to have a contract with a BRP with full recognition, and the balancing energy delivery is assigned to a BRP portfolio. The candidate BSP shall pass an administrative communication test that includes all types of information exchanges between the BSP and the TSO, including the messages for bidding, for acceptance, for handshaking, for settlement. and to prove its financial robustness.

4.1.2.4 The TSO will check the generating sources portfolio of the BSP whether the BSP can theoretically provide the balancing capacity for a specific product over an entire contracting period as it is stated in the application. The prequalified BSP will get a BSP designation.

4.1.2.5 The qualification of BSP units can be re-assessed:

a. In case the technical or availability requirements or the equipment have changed;
b. In case of modernisation of the equipment related to Reserve Power activation.

[1] Source: COMMISSION REGULATION (EU) 2017/1485 of establishing a guideline on electricity transmission system operation

Subsequently, the designated BSP will sign a BSP Agreement with the TSO. The BSP Agreement is defining all the Terms and Conditions between the BSP and the TSO.

4.1.2.6 If it is confirmed that the BSP no longer complies with conditions of the prequalification procedure, the TSO will notify the BSP via a registered letter. If after 15 working days upon reception of notification the BSP remains uncompliant with conditions for prequalification, the BSP Agreement will be terminated. After termination, if the BSP wants to offer the Service, he must re-apply via the Qualification Procedure and sign a new BSP Agreement for the Service with the TSO.

4.1.2.7 Once the BSP Agreement is signed, the BSP and the TSO shall agree on a list of technical units that are used to provide the balancing service. All the technical units in the list have to pass the technical unit prequalification that proves their capability to meet the technical and organizational requirements defined by the TSO. Designated BSPs without completing a technical unit prequalification are not allowed to participate in the auctions. The unit prequalification includes:

a. Successful completion of a SCADA Communication Test, and
b. Successful completion prequalification tests (for the Technical Unit meeting technical requirements).

4.1.2.8 The prequalified Reserve Power volume of the technical unit can be equal at most to the maximum volume the BSP can offer in auctions. The result for a successful unit prequalification is a license for the prequalified unit.

4.1.2.9 Each BSP shall inform the TSO, as soon as possible, about any changes in the actual availability of its technical unit relevant for the results of prequalification.

4.1.2.10 All the related costs for prequalification are covered by the candidate BSP. This could include all the variable costs for the demonstration like fuel, organisation, etc.

4.1.2.11 The BSP shall undergo prequalification tests once again if the BSP:

a. Prequalifies his technical units for a new Service Product with other requirements (FCR, aFRR);or
b. Increases his already prequalified volume.

4.1.2.12 Before entering the capacity auction, the BSP shall sign with TSOauction framework agreement which sets the auction-specific terms and conditions between the BSP and the TSO.

4.1.2.13 Each BSP shall submit to the TSO its balancing capacity bids that affect one or more BRP.Each BSP participating in the procurement process for balancing capacity shall submit and have the right to update its balancing capacity bids before the gate closure time of the procurement process.

4.1.2.14 Once the BSP wins the capacity auction, it will get a BSP capacity contract. The BSP capacity contracs shall contain the specific value balancing reserve capacity in MW, the contracting period, the capacity price, as well as further detailed rights and obligations of the respective BSP.

4.1.2.15 Every BSP with a contract must offer the contracted volume at a free activation price. They should also offer additional volumes beyond the contract obligation for the free activation. Every BSP without a contract may offer at free activation price.

4.1.2.16 The BSP shall not transfer their contractual obligations between themselves, as a strategy to avoid penalty payments.

4.1.3 BRP

4.1.3.1 BRPs are market participants themselves or their chosen representative for being responsible for its imbalances.

4.1.3.2 All nominations from the BRP have to be at a neutral net position. Prior to the intraday cross-zonal gate closure time, each BRP may change the schedules required to calculate its position. The BRP shall behave according to the nomination to avoid imbalances which is the difference between the nominated and the realized grid exchanges. Each BRP shall be financially responsible for the imbalances to be settled with the TSO. Subject to the TSO's approval, especially for the reason of the grid security, the BRP has the right to deviate from the unit schedules,with a notification by email

4.1.3.3 The BRP shall at all times deploy all reasonable measures in order to behave according to its nomination or to help maintain the system balance by:

a. The injection and/or off-take position(s) at Connection Points for which the BRP is responsible in accordance to the related Connection Agreements;
b. The injection and/or off-take position(s) on distribution network(s) other than the TSO grid (i.e. Connection Points for which the BRP is responsible in accordance to the relevant contracts applicable on distribution network(s) taking into account the allocation method used by the relevant DSOs);
c. Its import and export nomination(s); and
d. Its internal transfers of energy nomination(s) to other BRPs within the control area of the TSO.

4.2 Obligations on all Connected Parties

4.2.1 Obligation to ensure accountable measurements at the designated exchange point(s) with the grid or have an agreement with the connecting party (TSO or DSO) on how these exchanges are determined alternatively

4.2.1.1The Connected Parties are obliged to ensure accountable measurements at designated exchange point(s) as described in Chapter VII of the Grid Code (Article 195, para 10), as well as in Chapter II of the Metering code and the Distribution Code (Article 4.6.8) for transmission and distribution network users respectively.

4.2.2 Obligation to designate a Balance Responsible Party (or be it themselves).

4.2.2.1 In reference to the Article 98 of the Power Sector Law No. 43/2015 a Connected Party can either carry balance responsibility himself or outsource this to a third party (BRP) Each connection point has to be designated to a BRP, either to the connected party himself, or to another BRP. The TSO may rely on the Connection Register to identify whether a Connection Points is represented by a BRP. In this case, the TSO will allocate the measured values accordingly to the BRP's balance account.

4.2.2.2 A BRP may be any other natural or legal person meeting the BRP criteria defined by the TSO, including electricity producers, major consumers, BSPs, traders, etc.

5 SYSTEM BALANCING

5.1 Specification of measures to be taken by the TSO in case of system imbalance

5.1.1 Prevent balancing actions against balancing actions by foreign TSOs within the same synchronous area (imbalance netting)

5.1.1.1 The TSO shall coordinate with the neighbouring TSOs in order to apply an imbalance netting process according to SOGL Article 145.1 and in line with EBGL, following ENTSO-E initiatives. Imbalance netting helps to avoid simultaneous aFRR and/or mFRR activation in opposite directions by TSOs of two different LFC areas.

5.1.1.2 The TSO shall conclude the necessary agreements in accordance to Article 141 of the Grid Code and implement the processes in accordance to Article 158 of the Grid Code.

5.1.2 Measures and order in which they must be applied

5.1.2.1 The TSO is responsible for the dimensioning , tendering, contracting, and activation of balancing services in order to maintain the system balance. In case of system imbalance, the TSO is entitled to activate balancing services from the contracted BSP until the system balance is restored. The classification of the balancing services is described in Chapter 6, while the activation process in Chapter 9 of this ABM Rules.

5.1.2.2 After all bids are exhausted, the TSO may consider cancellation of export programs to reduce the system imbalance. The TSO must establish and publish the procedure for this cancellation with respect to cross-border nominations of the BRPs concerned.

5.1.2.3 The next escalation step in the balancing measures is to force BSPs up- or down of which the TSO knows they have reserves available but did not bid for whatever reason. The generators concerned will receive the imbalance price for their contributions by default, pursuant to the provisions of the BSP agreement.

5.1.2.4 As a very last measure The TSO may force demand disconnections in accordance to the provisions of the Grid Code.

5.2 Balance responsibility

5.2.1 Definition

5.2.1.1 As the European Electricity Balancing Guideline (EU) 2017/2195 Article 17 stipulates, in real time, each BRP shall strive to be balanced or help the power system to be balanced. Furthermore, each BRP shall be financially responsible for the imbalances to be settled with the connecting TSO.

5.2.1.2 Balance responsibility entails the legal obligation on connected parties to submit scedules regarding the production, the transportation and the consumption of electricity according to requirements specified by the TSO and the DSO and to behave accordingly. The programs must contain nominated grid exchanges on each connection point and/or transactions with all other BRPs, separated between transactions within a bidding zone and transactions across a bidding zone border.

5.2.2 Recognition as Balance Responsible Party

5.2.2.1 There are two types of BRP recognition: BRP with full recognition and BRP with trade recognition. BRPs with full recognition are those who carry balance responsibility on connection points on behalf of the Connected Parties and who are responsible for trades with other BRPs. An eligible party who is not carrying balance responsibility for any Connection Point may also acquire full recognition as a BRP.

5.2.2.2 BRPs with trade recognition are those who only carry balance responsibility on transactions with other BRPs. Although a trader has no connection points, ownership transfer of physical energy can only take place through nomination of transactions which shall only be done by a BRP.

5.2.3 Balance Responsibility Party Register

5.2.3.1 The TSO is responsible for registration of a designated BRP in the BRP Register published on the TSO`s web site or any equivalent as deemed necessared by ERE, and a BRP Agreement signed with TSO. The BRP Agreement sets out the terms and conditions between TSO and BRPs.

5.2.3.2 Balance responsibility shall not be transferable to the TSO or the DSO in order to avoid conflict of interests with market responsibilities. The exemption is the situation when BRP ends his services without timely designation of a successor, and the TSO has to act temporally as the BRP of the last resort until the successor is found. In such situation:

a. The BRP is split up amongst the remaining BRPs according to the Terms and Conditions between the TSO and the BRP (which may be pro rata to the total capacity of connection points for which each BRP is responsible);

b. Temporary execution of BRP by the TSO (until the split is concluded); obligation to inform the TSO and ERE; wheeling of the costs involved through the tariffs.

5.2.3.3 In order to register as a BRP, the BRP shall submitt an application must be to the TSO in a form and in accordance to the deadlines specified by the TSO.

5.2.3.4 The application shall specify:

a. The registered name of the Company that is applying

b. Person contact information for the contract signature, for the nomination, for invoices;

c. Sworn statement;

d. Technical capacity of the BRP, that may be presented in a form of a summary of company's main electricity purchase and sale transactions in the past three years;

e. a list of the European TSOs and/or DSOs for which they offer BRP services, or in other similar form .

5.2.3.5 In order to approve the application, the TSO shall verify that the applicant has the required expertise and technical, administrative and organisational facilities required to execute his rights as BRP including with respect to nomination, bidding and imbalance settlement. For such purpose the TSO shall further test facility for proper exchange of relevant electronic messages.Afterwards the TSO shall sign a BRP Agreement in which the BRP commits to fulfil his obligations related to:

a. Collateral requirements, thatmay be fulfilled in the form of a bank guarantee, optionally (by choice of the BRP) supplemented by a deposit at the TSO
b. Payment of any amounts debited as a consequence of the agreement (e.g. imbalance settlement amounts)
c. Termination conditions.

5.2.3.6 In the case of earlier withdrawal of recognition as BRP

a. The TSO shall ensure that the reasons for the earlier withdrawal do no longer exist and there is no suspicion that they will recur.

b. The TSO shall announce the recognition as BRP and publish it on its web site. Such announcement shall contain Name, address and place of constitution of the BRP and the type of recognition (full or trade). The TSO shall inform the concerned BRP by email prior to the publication.

5.2.3.7 After annoucement of succesfull application, the TSO shall register the BRP in a BRP register.

5.2.3.8 BRP Agreement entrers into force one day after being registered in the BRP register. In the BRP register, the TSO shall register names, addresses, phone and fax numbers and

type of recognition of all recognized BRPs Relevant information on computer communication.

5.2.3.9 The TSO shall inform the BRP of the date of entry into the BRP register. A BRP has the right to consult the register and request correction of errors concerning his own balance responsibility.The TSO informs all BRPs and the DSO immediately of any change in the register.

5.2.3.10 Obligation on BRP with full recognition is to carry balance responsibility on the connection points as mentioned in the Connection Register. The Connection Register is a list of all physical connection points organized per connecting operator i.e. the TSO or DSO.(The Connection Register establishment and maintenance is a joint obligation of the TSO and the DSO whereas each of the TSO and DSO individually carry responsibility for updating the registry with information related to the parties with which they have entered into a Connection Agreement);. In this respect, the TSO may rely on the Connection Register to assign connection points to the designated BRP.

5.2.3.11 The recognition as a BRP will be considered ended immediately, by termination of the BRP Agreement. In such case the TSO shall immediately inform the DSO and other BRPs and shall strike the recognition in the BRP register.

5.3 Energy Nominations Process

5.3.1 Nomination process

5.3.1.1 All BRPs are obliged to send their nomination before the gate closure to the TSO. The nomination includes all cross-zonal, inter-zonal trades, and intra-zonal grid exchange for each ISP of the day of transaction.

5.3.1.2 The required detailed information are specified by OST and documented in the Specification of Operational Rules.

5.3.1.3 The BRP has to follow the nomination process and the respective gate closures that are defined by the TSO and described in the Specification of Operational Rules.

5.3.1.4 The TSO has to check the nominations of the BRPs regarding their consistency. The definition of consitency is provided in the Specification of Operational Rules. If the consistency of the nomination is given, the BRP will receive an approval from the TSO for their cross-zonal and intra-zonal nominations.

Fall-back

5.3.1.5 In case the electronic messaging system via a central postbox does not function or the BRP has temporarily no access to the system, an emergency procedure may allow BRPs to submit the nominations/re-nominations by way of regular e-mail subject to format requirements to be specified by the TSO

5.4 Exchange process of measurement data

5.4.1 Regarding the real-time data exchange between the SCADA systems of the BSP and the TSO, the TSO shall define a list of exchange information. This list is specified in the Specification of Operational Rules

5.5 Operational rules with respect to nominations and exchange of measurement data

5.5.1 Rules with respect to nominations

5.5.1.1 The BRP shall notify his Reserve Power Obligations to the TSO at 14:00 on the Day Ahead (D-1). The BRP will decide and inform the TSO in Day Ahead about the combination of the technical units that will provide for his Reserve Power Obligations.

5.5.1.2 The BRP will use a pre-defined nominations template file indicated by the TSO. The submission of files will be done via a dedicated online platform that will be put in place by the TSO and by email as a backup solution to be used only in case of unavailability of the platform.

5.5.1.3 In the event of a forced outage, the BRP immediately notifies the TSO via email to the TSO's Real-Time Operations and Contractual contact persons. Additionally, the BRP submits a consequently modified intra-day nomination for his Units.

5.5.1.4 For each nomination in any direction, the BSP shall also provide, quarter-hour by quarter-hour, price Bids (in €/MWh) as specified in Chapter **Error! Reference source not found.**.

5.5.1.5 After checking the validity of the nominations sent on D-1 by the BRP to the TSO and any corrections, the reserve nominations thus obtained will be subject to a cross-check for coherence between other ancillary service contracts concluded between the TSO and the BRP and, as the case may be, corrected. The granularity of these nominations is 15 minutes. Nominations can be updated in intraday at latest 45 minutes before the beginning of the first quarter hour concerned by the update.

5.5.1.6 The BRP must prove its capability to send and receive all the electronic messages that are defined for the different business processes. This is part of the registration process for BRPs. Without a successful completion of the messages testing, a BRP is denied registration (and the subsequent contract).

5.5.1.7 The TSO and the DSO have the obligation to specify:

a. The rules regarding message specifications for electronic data exchange,

b. The procedures and specifications for the use of a central system to exchange electronic messages,

c. Communication protocols for the daily information exchange, and

d. The specifications for nomination messages and all related messages.

5.5.1.8 The TSO is the **exclusive administrator** of the central messaging system.

Requirements on user of central messaging system needs to be certified by the TSO for electronic data exchanges through this system.

5.5.1.9 Procedure in case user exchanges messages without the required certificate is:

a. The TSO will send a warning mentioning that the message was ignored due to wrong certificate, also mentioning that a warning is logged at the TSO, finally mentioning risk of right removal in 2 weeks if user did not resend a message with the correct certificate within these 2 weeks,

b. warning is logged & stored at the TSO (kept as trigger for withdrawal of rights process) ,

c. If certificate is not received within 2 weeks from the warning sent by the TSO,effectively this shall mean no nominations and no measurements can be submitted as it will be conisdered as Withdrawal of rights to use the central messaging system.

5.5.2 Rules with respect to measurement data exchange

5.5.2.1 Meter Responsible Party collects metering values per Connection Point and submits preliminary values to the connecting TSO or DSO before 10h00 on the next working day and validated final values within 10 working days after the day of operation.

5.5.2.2 The TSO and DSO combine this with the responsible BRP per Connection Point. DSO forwards the metering information per BRP to the TSO. DSO also determines the metering values of all profiled customers per BRP and per ISP and forwards this to the TSO.

5.5.2.3 As a result, the TSO has per ISP and per BRP the metered values on all Connection Points plus the metered values for their profiled customers.

5.6 Price of imbalance

5.6.1 The costs of reserve capacity procurement are wheeled through the tariffs. Any net result for the TSO from BRP and BSP settlement shall accrue to the next year's tariff. All other costs allocated to the TSO to develop, operate and maintain operational processes related to BRP registration, mutation, BRP of last resort provisions, imbalance settlement and alike., are wheeled through the tariffs

5.6.2 There are no exemptions for financial obligations of the BRP, nor on the obligation of Connected Parties to designate a BRP on Connection Points. Each connected party and each trading party has to designate a BRP. All BRPs receive in the next day (D+1) an imbalance bill.

5.6.3 BSP balancing energy prices are pay as cleared. The BSP is remunerated with the market-clearing price which is equal to the bid price of the most expensive bid accepted (in case of a capacity bid) or activated (in case of an energy bid). Subsequently, the imbalance price calculation is based on the BSP balancing energy prices. The imbalance price for shortages is always higher than or equal to the highest balancing energy price for upward activation; the imbalance price for shortages is always lower than or equal to the lowest balancing energy price for downward activation. Further details are described in the annex to the ABM Rules.

5.6.4 The TSO shall publish provisional imbalance prices on the next working day and final imbalance prices as well as final net imbalance volumes, normally within 10 working days after the day of operation.

5.7 BRP collateral requirements

5.7.1 As a suspensive condition for entering into the BRP Agrement, and at the latest by the valid signature of the BRP Agreement, the BRP shall provide the TSO with a guarantee that complies with the conditions both for the entire term of the BRP Agreement and for the entire duration of execution of all the financial obligations arising from its participation to the electricity balancing market.

5.7.2 The guarantee is a security for the requested and punctual execution of all the obligations arising from the BRP's participation to the electricity balancing market, including, but not restricted to, the payment for Imbalance and/or external inconsistencies.

5.7.3 The guarantee may take the form of a bank guarantee at first request issued by a financial institution or of a cash payment to the TSO.

5.7.4 A BRP is entitled to use different guarantee during the time of BRP Agreement validity. Each guarantee must have an initial term of at least one calendar year and shall be renewed in time by BRP, in order to keep the required security both for the entire term of the BRP Agreement, and for the entire duration of execution of all the financial obligations arising from the Agreement.

5.7.5 At the end and/or termination of the BRP Agreement for whatever reason, the TSO shall return the guarantee to BRP on condition that the BRP has fulfilled all its obligations arising from the Agreement.

5.7.6 The financial guarantees differ depending on the type of BRP:

5.7.6.1 For BRPs with trade recognition

a. The size of the collateral for a BRP is derived from the highest net transaction volume in MWh of that BRP with any other BRP during one natural day;

b. For the beginning of the ABM implementation, the size of the collateral for a BRP is derived from the expected highest net transaction volume of that BRP with any other BRP during one natural day, with a minimum of 50 MWh;

c. The amount of the required collateral is equal to twice the size as mentioned under point a), or respectively b) multiplied by the average day ahead market price for electricity over the 3 months prior to the determination of the collateral;

d. In case the highest net transaction volume surpasses more than incidentally the amount on which the collateral has been based, the BRP will raise its posted collateral on request of the TSO where the new collateral is based on the highest net transaction volume during one natural day, observed over the preceding 6 weeks In case the highest net transaction volume is structurally lower than the amount on which the collateral has been based, the TSO will allow on request by the BRP a lower collateral amount, where the new collateral is based on the highest net transaction volume during one natural day, observed over the preceding 6 weeks

5.7.6.2 For BRPs with full recognition

a. The size of the collateral for a BRP will be derived from

   i. The highest net transaction volume in MWh of that BRP with any other BRP during one natural day (for the first time based on expected values with a minimum of 50 MWh)

   ii. The total transmission capacity on the connection points for which he carries balance responsibility

b. The amount of the required collateral is equal to twice the size as mentioned in a) i), multiplied by the average market price for electricity over the 3 months prior to the determination of the collateral. This is collateral amount A.

c. The transmission capacity as mentioned under point a) ii) is determined by:

   i. Number of connections in the class 2-10 MW multiplied by the lowest capacity occurring in that class

   ii. Number of connections in the class 11-25 MW multiplied by the lowest capacity occurring in that class

iii. Number of connections in the class 26-50 MW multiplied by the lowest capacity occurring in that class

iv. Total capacity of connections > 50 MW, where individual connection capacities are used

d. The total transmission capacity thus determined is multiplied by 24, where the result (if lower than 50 MW increased to 50 MW) is subsequently multiplied with the average market price over the three months prior to the determination of the collateral. This is collateral amount B

e. The collateral that must be posted by the BRP is then determined as follows:

i. If (2*A)>B, the amount of collateral to be posted is 2*A

ii. If (2*A)<=B, the amount of collateral to be posted is A+B

f. For adjustment of collateral requirements, the same applies as for BRPs with trade recognition (see the previous paragraph point d) and e))

5.8 Invoicing and settlement for BRP

5.8.1 Invoicing

5.8.1.1 Any credit note sent by the TSO to BRP shall represent a provisional payment, subject to the deduction of an account. This deduction is realised on the next working day, in the form of an invoice or a credit note and takes into consideration corrections and information sent to the TSO in the meantime.

5.8.2 Imbalance bill

5.8.2.1 The TSO shall define an initial account of the Imbalances of BRP for each quarter-hour, in the following working day, after the TSO has collected all approved nominations for take-off and feed-in per connection point, for inter-zonal transaction with other BRPs, and for cross-zonal transaction per zone border.

5.8.2.2 Adjustment relates to the final account and is only possible after the data of the offtake , the feed-in, the inter- and cross-zonal transaction, and the ancillary services activation data are final in accordance with the processes in place.

5.8.2.3 The invoice is sent out according to daily cycle.

5.8.3 Payment deadline

5.8.3.1 The BRP shall pay invoices net without discount to the TSO within seven (7) days following their receipt, which is considered to have taken place three (3) days after the date on which they were sent.

5.8.3.2 If TSO does not receive payment of all or some of the amounts covered by the invoices within ten (10) days of the invoice being sent, the TSO shall have the right to charge late-payment interest and without giving notice of default. The interest shall be due from the 10th day after the date on which the invoice was sent, up to the date when it is paid in full. The reference for the interest is the average base interest from the previous Week W-1 published by the Albanian National Bank.

5.8.3.3 The TSO shall send a notice of default to the BRP between the 11th and the 15th day after the day the invoice was issued.The currency used for the invoicing and settlement is Euro.

5.8.3.4 The TSO shall be entitled without prejudice to its right to compensation for legal costs in accordance with the Albanian Civil Code and legislation in force in Albania throught all proceedings including those before court. The stipulations listed above do not detract from TSO's other rights in accordance with applicable laws and regulations, and the provisions in the terms and conditions.

5.8.4 Objections

5.8.4.1 Any objection regarding an invoice must, in order to be admissible, be sent by the BRP in form of registered letter before the 10th day after the invoice was sent. The BRP shall describe the reasons for his objection as comprehensibly and in as much detail as is reasonably possible.

5.8.4.2 An objection in no way releases the BRP from his obligation to pay the invoice.

5.8.4.3 If the BRP has paid a disputed invoice in full in accordance with this stipulation and it appears with hindsight that the objection formulated in accordance with this stipulation was justified, the BRP shall have the right to claim back any sums paid that were not due.

5.8.5 Modalities for collecting any unpaid sums

5.8.5.1 If the invoice is not paid within seven (7) days by the BRP after receiving an official notice of default sent by the TSO, which is considered to have taken place three (3) days after it was sent [10 days in total as refered to in paragraph 1 of art. 5.8.3], the TSO shall have the right to call in the financial guarantee as stated in the auction contractual terms and conditions, without prejudice to the application of the foregoing provisions. The measures for collecting unpaid sums shall be applied by the TSO according to the legislation applicable in Albania.

5.9 BRP mutation process

5.9.1 BRP ends his services

5.9.1.1 Involved Connected Parties and Suppliers shall be informed in time and given enough time to find an alternative BRP. In case no alternative BRP is found in time, a BRP of last resort shall be in place.

5.9.1.2 A BRP wanting to end his services shall, at least thirty (30) working days before entry into force, inform all Connected Parties or their Suppliers or both (in case the connection is larger than e.g. 3x80A) and the connecting TSO or DSO of the intended ending of his services. If the connection is at DSO level, the TSO shall be informed as well.

5.9.1.3 The TSO shall register BRP's end of service in the BRPregister.

5.9.1.4 The Connected Parties involved or the Supplier representing the Connected Parties shall inform the TSO of the BRP(s) who will take over from the BRP that ends his services.

5.9.1.5 In case of no timely designation of the BRP successor on any of the Connection Points concerned:

a. The balance responsibility on the Connection Points concerned is distributed over the remaining BRPs with full recognition according to specified rules. This could be on the basis of e.g. historical volumes on the connection points they carry balance responsibility for.
b. If needed, the TSO temporarily takes over the BRP role on the Connection Points concerned and informs the Connected Parties concerned and ERE accordingly (BRP of last resort, see also paragraph 5.9.3). The costs for this temporary BRP role shall be wheeled through the tariffs.

5.9.2 Change of BRP on a connection point

5.9.2.1 Within 5 working days before entry into force, a Connected Party shall inform the connecting TSO or DSO of a change in BRP on one or more of his Connection Points. This information must be accompanied by a declaration of the BRP concerned that he has accepted this responsibility. If this declaration is missing, the connecting TSO or DSO denies the transfer. Otherwise, the transfer is registered in the Connection Register.

5.9.3 BRP of last resort

5.9.3.1 In case a BRP ends his services without timely designation of a successor, the balance responsibility on the Connection Points concerned shall be split over the remaining BRPs according to the Terms and Conditions between the TSO and the BRPs. This split may be based on the total size of the connection points per BRP. The TSO shall inform the BRPs concerned immediately including the time that they are given before reallocation takes effect.

5.9.3.2 There shall be a BRP of last resort to temporarily take over the BRP's tasks as long as reallocation of the balance responsibility has not taken effect. At the moment this role is given to the DSO and there is no urgency to change this before go-live of the Albanian

Balancing Market. The designation of the DSO as BRP of last resort may be revised by ERE in the future when the public service supply for the DSO will reduce.

6 PRODUCT DEFINITIONS

6.1 List of products

6.1.1 The commitment of resources to maintain the grid frequency at an acceptable level is organised across the four balancing products presented in this section. The BSP is the operator of the technical units providing any one of these three frequency control services. A short overview of the main relevant information regarding each product is presented in the table below:

Product	dimensioning	indicative volume required	capacity contracting	contracting period	capacity pricing	balancing energy pricing
FCR	yes	6	annual	1 year	pay as bid	none, provided energy will be settled as imbalance
aFRR	yes	45	weekly	1 week	pay as bid	pay as cleared (aFRR + mFRR)
mFRR	yes	105	weekly	1 week	pay as bid	pay as cleared (aFRR + mFRR)
emergency reserves	no	N/A	annual	1 year	pay as bid	pay as bid

6.2 FCR

(Primary reserves)

6.2.1 In the case of frequency deviation Frequency Containment Reserves, also known as Primary Control Reserves are activated. FCR are the operating reserves necessary for constant containment of frequency deviations from nominal value in order to maintain the instantaneous power balance in the whole synchronously interconnected system in Europe. The purpose of FCR activation is the stabilization of the system frequency as quickly as possible in order to avoid the system imbalance spiralling out of control.

6.2.2 FCR is activated both on upwards and downwards direction. The general definition of upward and downward regulation for all balancing products is the following. Under-Frequency reflects the situation when the injections are lower than off-takes so that additional injection or less off-take is needed to balance the system. Downward regulation is undertaken in case of over-frequency. Over-frequency implies that injections are higher than off-takes so that less injection or more off-takes are needed.

6.2.3 The FCR contracted capacities are continually activated automatically by the BSP's facilities. Thus, the BSP's technical unit needs to be equipped with a frequency control system. The system has the task to detect frequency variations in the grid automatically and react to them by activating the frequency control reserve function. The FCR shall be fully available in the entire contracting time. For a maximum frequency deviation, the FCR providing unit needs to activate half of the contractual capacity within 15 seconds and the full capacity after 30 seconds. After reaching the full capacity, the FCR shall stay activated for at least 15 consecutive minutes.

6.3 aFRR

(Secondary reserves)

6.3.1 The main purpose of aFRR is to continuously and automatically restore balance in the control area (LFC control block) within the time to restore frequencies. It is also known as R2. In doing so, aFRR progressively replaces the activated FCR and it brings the net physical exchange over the LFC block borders, blocked for primary reaction, back to the scheduled value.

6.3.2 Yearly, TSO dimensions the volume of aFRR capacity based on the empiric noise management sizing approach. This aFRR dimensioning approach mainly considers the maximal forecasted load of the system over the entire year.

6.3.3 The aFRR is activated upwards or downwards automatically depending on the state of the imbalance (short or long respectively). In case of activation, a signal is transmitted by the TSO's dispatching centre to the BSP's dispatching centre with a setpoint resulting in an increase or decrease in the power injected. The activation process must ensure that the full reserve can be delivered upon the TSO's request within 7.5 minutes as stated in the detailed requirements.

6.3.4 The aFRR is operated in a closed-loop manner taking the Frequency Restoration Control Error (FRCE) as input and the setpoint for aFRR activation as output. The FRCE is equal the Area Control Error (ACE) which describes the deviation between the real interchanged power between the relevant LFC area with the neighbouring LFC areas and the scheduled interchanging power due to the activation of the shared FRR capacity. The activation of aFRR aims to lead to reduction of the FRCE toward zero.

6.3.5 The setpoint for aFRR activation shall be calculated by a single Frequency Restoration Controller operated by the TSO within its Load Frequency Control (LFC) area. The Article 145 of the European Electricity Balancing Guidelines on transmission system operation establishes the following requirements on the frequency restoration controller. It shall:

a. Be an automatic control device designed to reduce the FRCE to zero;
b. Have proportional-integral behaviour;
c. Have a control algorithm which prevents the integral term of a proportional-integral controller from accumulating the control error and overshooting;
d. Have functionalities for extraordinary operational modes for the alert and emergency states.

6.3.6 aFRR must be controllable by the TSO's LFC. The real-time power measurements must be made available for monitoring purposes by all BSPs.

6.3.7 The TSO shall secure availability of a minimum required quantity of aFRR balancing capacity per ISP through contracts with BSPs for all ISPs of a defined contracting period. These BSPs thereby commit themselves to bid, for each ISP in the contract period, a volume of aFRR energy bids at least equal to the contracted amount of aFRR balancing capacity the aFRR activation process. Other parties may also bid their remaining available capacity for the balancing energy delivery commitment process as aFRR on a voluntary basis if they are in possession of pre-qualified aFRR reserve providing power units according to the technical requirements defined by the TSO. Balancing energy bids from contracted aFRR do not have any priority over voluntarily bids of aFRR balancing energy. The aFRR bid activation ladder is determined based on the merit order (from low to high) of the activation bid price.

6.3.8 BSPs shall submit their balancing energy bids via their BRP. The activated energy is registered in the portfolio of their respective BRP as an energy transaction between that BRP and the TSO.

6.3.9 The TSO can, after a documented warning, refuse balancing energy bids of aFRR from a BSP for an unlimited period. This may occur when the available operational measurement shows that this BSP is structurally unable to follow the aFRR control signals, or when the operational measurement signal is missing. The BSP can create a regulating object for aFRR by specifying the same regulating object name for one upward bid and one downward bid. The definition of a regulating object prevents the simultaneous activation and deactivation of the upward bid and downward bid which limits the total requested regulating speed.

6.4 mFRR

(Tertiary reserves, activation time <= 15 min.)

6.4.1 The mFRR reserves are manually activated power reserves that certain producers and large industrial customers make available to the TSO. The task of mFRR is the same as aFRR. mFRR takes herein a supplement role for aFRR when an unusual serious (large and systematic) imbalance occurs. An mFRR activation is also preferred when it is cheaper than the activation of aFRR.

6.4.2 Regarding the technical requirement, the full capacity activation and deactivation time of mFRR cannot be longer than 15 minutes.There are two types of mFRR:

a. Production reserve, i.e. injecting additional power into the grid;
b. Offtake reserve, i.e. reducing the amount of power taken from the grid by the user.

6.4.3 A BSP that signs an mFRR availability commitment contract for production reserves with the TSO undertakes to:

a. Provide the TSO during the whole contracting period with a volume of delivery commitment bids for mFRR at least equal to the contracted amount ;
b. Deliver according to the technical product requirements and delivery commitment bid parameters, on the TSO's activation requests. mFRR must be at full bid output within 15 minutes after the TSO requesting it.
c. The TSO may only request activation of reserves for which a bid is provided and as long as it is needed.

6.4.4 The activation by the TSO shall be confirmed by the producer using an interface installed at the TSO and on the producer's premises.

6.5 RR

(Tertiary reserves, activation time > 15 min.)

6.5.1 RRs are active power reserves available to replace generation units that suffer a forced outage, or to be used for congestion management purposes. In self-dispatch systems, RR should be exclusively deployed by the market to catch up generation outages. This generally requires the ID gate closure to be as close as possible to real-time. In this respect, RR with activation time longer than ID gate closure should not be used by OST for balancing. This remains market responsibility.

6.5.2 The reason for the activation of RR by OST should be thus limited to congestion situations that require efficient and appropriate pro-active management, on any time starting at initial bid gate closure on D-1 until final bid gate closure. The activation of RR happens manually like mFRR. The activation time of RR is by definition more than 15 min. The activation is also manual like for mFRR.

6.5.3 RR must be at full bid output at the start of the Imbalance Settlement Period where OST has requested it or within the full activation time (as specified in the bid) after OST requesting it, whichever is the latest.

6.6 Emergency Reserves (ER)

6.6.1 Emergency reserves (ER) are a special kind of mFRR contracted with the demand side. ER shall be considered in case not enough volume of mFRR from generation assets can be contracted to cover the dimensioning requirements and/or as a back-stop for the market failing to timely activate replacements for outages. ER shall be kept separate from other aFRR and mFRR and only be utilized as a kind of “last resort reserves”.

6.6.2 The ER may be contracted on an annual basis. The ER contract shall include capacity obligations, capacity price and activation price. Similar as FCR, there is no delivery commitment auction. After the yearly contracting, the ER units can once again submit a bid in the capacity auction, or they declare non-availabilities.

6.6.3 ER are not subject to dimensioning requirements as such, but they are a substitute for mFRR and therefore the amount contracted will reduce the amount of mFRR to be contracted.

7 PREQUALIFICATION

7.1 Before entering the balancing market, the BSP shall be registrated and obtain pre-qualification certificate on the specific units aiming to be marketed for specific balancing service products. Furthermore, the BSP has to designate a BRP, who is responsible to keep the own balancing portfolio balanced.

7.2 As a prequisite to access the auction, the BSP has to prove in the prequalification the capability of its technical units to supply the balancing services complying with all organizational, communication, and technical requirements defined and verified by the TSO. The prequalification process, the detailed technical requirements, and the test for each balancing service product are to be specified by the TSO and documented in the Specification of Operational Rules. All information regarding the prequalification has to be published by the TSO.

7.3 The prequalification result determines whether the units can supply the specific type of product, and what the maximum amount of the capacity is that the unit can provide for this specific product.The BSP has to prove not only the capability of its technical units to guarantee the stated availability over the entire contracting period, but also the capability to deliver the required response when these technical units are activated by the TSO for supplying balancing services.

8 AVAILABILITY AND DELIVERY COMMITMENT PROCESS

8.1 The TSO is responsible for the procurement of balancing capacity in the availability commitment auctions and of the option for activating balancing energy delivery in the delivery commitment auction.

8.2 As the Single Buyer, the TSO shall develop standardized processes for the balancing service procurement. These processes have to be specified by the TSO and documented in the Specification of Operational Rules. The procurement process description includes the list of activities that have to be done by the TSO and the BSP, the specifications of each activity, and the timing of all activites. All these informations are also specified in the Specification of Operational Rules

8.3 The TSO has to publish the information regarding the procurement process and the result of all auctions on the website of OST.

9 ACTIVATION PROCESS

9.1 FCR

9.1.1 FCR is continuously activated, reacting on the observed deviations of the measured frequency with the target frequency. The standard frequency level is 50Hz but the target frequency can deviate slightly from that to correct for aggregated frequency deviations over time so called frequency time deviation). The target frequency for Continental Europe is set by Swissgrid. The TSO needs to inform FCR BSPs about any change of the target frequency so that they can set their primary controllers accordingly.

9.1.2 After primary reaction, which is a joint action by all FCRs in the entire synchronous system, the frequency needs to be brought back to the target level.

9.2 aFRR

9.2.1 As a next step in the frequency control, the LFC control block causing the frequency deviation must restore its net position (=sum of import flows minus export flows, corrected for the primary response) to the scheduled net position (=sum of scheduled imports minus sum of scheduled exports). The balance between the two is called the system balance. This balance must be restored within TTRF (Time to Restore Frequency) which is set to 15 minutes in the CE synchronous system. This can only be done through a centrally coordinated process by the TSO: automatic activation of aFRR through the LFC system in combination with manual activation of mFRR by electronic messaging.

9.2.2 The TSO shall seek to minimize the total activation costs to restore the system balance. It has therefore the following decisions to make:

a. How much of the offered FRR bids shall be given to the LFC system for automatic activation?

b. What shall be the triggers to add more aFRR to the LFC or to activate mFRR instead?

The concrete procedure is defined as follows:

a. **Nomination process**, giving the cheapest firm aFRR bids at least up to the required volume to the LFC for selection and activation. This nomination is done for every ISP right after bidding gate closure. The BSPs involved are informed that their bids are nominated for the LFC. Shall at some point in time almost all nominated bids be selected and activated and it is expected that the imbalance will pertain, there are two options from which the operator must chose the optimal one, considering activated volume, expected duration of imbalance, required control quality and resulting costs:

    i. More aFRR bids are nominated and thus added to the LFC or

    ii. mFRR bids are activated (in bid price merit order) in order to replace activated aFRR

As a guiding principle, ii shall be preferred above i if the mFRR bids are cheaper and it is likely that the severity of the imbalance will remain for the current and the next ISP.

b. **Selection process**, this is an automatic algorithm within the LFC that selects from the nominated bids as many bids in price merit order as needed to be activated in parallel in order to reach the required response. This process works in two directions: more bids are selected if more response is needed, less bids are selected if less response is needed.

c. **Activation process**:

    i. All selected bids are activated in parallel (pro-rata)

    ii. Bids that are activated by the LFC in one ISP but are no longer available or selected for the next ISP are regulated to zero respecting the regulating speed that was specified. Although this does create activated balancing energy for that bid in the next ISP, such bids shall not affect the activation price in the next ISP

    iii. The amount of aFRR energy demanded in every LFC cycle is constantly monitored by the national LFC, and this information is recorded per bid and per five minutes for settlement purposes. Each BSP (or his acting BRP) is also expected to keep a record of the power activated by the TSO in order to facilitate checks on the exchanged information.

9.2.3 For each ISP, a standard amount of offered aFRR is nominated in price merit order equal to the dimensioning requirement. This is enough to regulate away the imbalance "noise".

9.2.4 In addition aFRR bids up to 100% of the dimensioning requirement volume for mFRR could also be nominated, up to the point where nominated aFRR bids become more expensive than the cheapest mFRR bid.

9.2.5 Selection criterion for selection of bids by LFC is the available regulation speed from selected bids versus the required regulation speed as determined by the LFC. If this is higher, bids are deselected in reverse price merit order. If this is lower, bids are selected in price merit order.

9.2.6 When bids in LFC are activated during a certain period of time that are more expensive than the next available bid in the mFRR bid ladder, the mFRR bid shall be activated, if the risk of over-activation is minimal to the judgement of the system operator.

See **nomination process** specifications in the Specification of Operational Rules.

9.3 mFRR/RR with activation time ≤ 30 min.

9.3.1 mFRR bids are used for large-scale and/or expected long-lasting imbalance. TSO initially detects large loss of production or load from the step wise increase of the imbalance comparable with the size of the outage. The TSO possibly also receives information from the involved market party with an estimate of the extent to which, and the time at which, the consequences of the outage are expected to be solved by the market party itself. In parallel the imbalance will be reduced automatically by the LFC with the available aFRR. If the remaining available aFRR falls below a threshold, and the expectation is that it will remain longer than several ISPs, then mFRR will be activated manually by the TSO until sufficient aFRR becomes available due to corrective actions of market players. Also the activation price can be a reason to activate mFRR when it is cheaper than longer activated aFRR. mFRR bids are activated for a minimum period of a full ISP and always to the full bid size.

9.4 Emergency reserves

9.4.1 In case of contracted emergency reserves, these shall only be activated after submission of an urgent market message that there is an increased risk of activation of emergency reserves unless more upwards mFRR bids are provided. Such a message can already be broadcasted on the day ahead after the day ahead gate closure for reserve bidding if not enough aFRR and mFRR bids are available to cover the dimensioning requirements.

9.5 RR with activation time > 30 min.

9.5.1 Any bids for manually activated reserves with activation time larger than 30 minutes shall be categorized as "bids for other purposes". The TSO shall only activate these bids for

reasons of congestion and security management of the grid. This requires these bids also to have a geotag.

9.5.2 If these bids are activated, they shall receive for remuneration of activation costs the highest of the bid price and the balancing energy price, but they shall not set the balancing energy price. Thus they must be tagged as activated for other purposes. Any counter-activated bids to maintain the balance shall not be tagged and can be settled like any other balancing bid (pay as cleared).

10 INVOICING AND SETTLEMENT FOR BSP

10.1 For every volume of availability commitment awarded, the BSP will receive an order confirmation stating a purchase order number and the remunerations for the contracted Reserve Capacity (reservation).

10.2 Via a joint validation platform or other channel, the TSO will provide the BSP each next working day after day of operation a report relating to the record and monitoring of the balancing capacity availability and balancing energy delivery in the previous day. A weekly report consists of two parts. The first part obtains the sum of all the remunerations for contracted capacities and activated energies. The second part indicates all remuneration reductions as calculated by the TSO, also showing the method of calculation and all data on which the calculation is based.

10.3 If it appears subsequently that the calculated remuneration reduction is (are) incorrect, the first party to take action will inform the other party thereof as soon as possible. The Parties will then try to reach an amicable solution. In the absence thereof, the pre-defined dispute settlement procedure set forth in Section 3.3.4 shall apply.

10.4 BSP accumulates the values from the daily reports and sends invoices to the TSO's settlement department his weekly pro-forma invoice for the contracted balancing capacity and the delivery balancing energy within three working days after completion of a week (which ends on a Sunday).

10.5 The TSO shall either approve or reject the pro-forma invoice within 5 working days of receiving it. In accordance with the pro-forma invoice, the invoice may only be sent to the Invoicing & Payment department after the TSO has approved the pro-forma invoice.

11 MANAGEMENT OF INTERNAL CONGESTIONS

11.1 The TSO shall have the obligation to use bids with activation times longer than 30 min. exclusively for congestion management.

11.2 The TSO shall have the right to limit freedom of transactions of Connected Parties (or their BRPs) in case of chance of recurrence of congestion (i.e. change of nominations involving connection points in the congested area in a direction increasing the congestion

are rejected). The TSO must inform the BRPs of the Connected Parties concerned accordingly.

11.3 Operational procedures for management of internal congestions shall be performed as it follows:

a. The TSO or DSO shall declare the congestion area. A congestion area to be defined e.g. by the set of EIC codes of the connection points concerned. Changes of nominations involving connection points in the congested area in a direction that increases the congestion will be rejected. Transactions out of the area are no longer allowed if the export limits of the area are reached and transactions into the area are no longer allowed it the import limits of the area are reached. Nominations of such transactions shall therefore be rejected by the TSO.

b. BSPs within a declared congestion area are obliged to bid up- or downwards reserves for internal congestion management to the TSO, the TSO can set the threshold level on technical unit capacities that fall under this obligation, e.g. lower it if not enough bids are received

c. The TSO shall activate counterbalancing energy bids outside the congested area in case of bid activation within the congested area to manage the internal congestion

11.4 For imbalance settlement in a declared congestion area the TSO may define a different settlement regime that prevents perverse incentives on non-delivery of bids activated in the congested area to relieve the congestion. The TSO must publish the rules of such a regime as part of the specification of operational balancing rules.

12 ANNEXES

12.1 BSP agreement template (in a separate document)

12.2 BRP agreement template (in a separate document)

12.3 Specification of Operational Rules (in a separate document)

12.4 Determination of imbalance prices

1. Definitions
   1.1. Upwards regulation
   1.2. Downwards regulation
   1.3. Price for upwards balancing energy
   1.4. Price for downward balancing energy
   1.5. Incentive component
   1.6. Regulation state (of the system)
   1.7. Balance delta: proxy for system imbalance to be published in real-time by the TSO (open loop ACE)
   1.8. Mid-price: definition of the balancing energy price in case of no regulation
2. Specification of regulation states (per ISP)
   2.1. no upwards nor downwards regulation requested: regulation state = 0
   2.2. only upwards regulation requested: regulation state = +1
   2.3. only downward regulation requested: regulation state = -1
   2.4. both up- and downward regulation requested but the balance delta has been continuously non-decreasing: regulation state = +1
   2.5. both up- and downward regulation requested but the balance delta has been continuously non-increasing: regulation state = -1
   2.6. both up- and downward regulation requested but the balance delta has neither been continuously non-increasing nor continuously non-decreasing: regulation state = 2
   2.7. both up- and downward regulation requested but the balance delta has been continuously non-increasing and continuously non-decreasing: regulation state = 2
3. Specification of imbalance price
   3.1. Imbalance price in case of regulation state = -1 (system surplus)
      a) If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the price for downward balancing energy plus the incentive component. In this case the BRP pays to the TSO
      b) If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the price for downward balancing energy minus the incentive component. In this case the TSO pays to the BRP
   3.2. Imbalance price in case of regulation state = +1 (system shortage)
      a) If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the price for upward balancing energy plus the incentive component. In this case the BRP pays to the TSO
      b) If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the price for upward balancing energy minus the incentive component. In this case the TSO pays to the BRP
   3.3. Imbalance price in case of regulation state = 2 (dual system imbalance)
      a) If the BRP imbalance implies extraction from the grid (BRP shortage) and the mid-price is higher than the price for upward balancing energy, the imbalance price is equal to the mid-price plus the incentive component. In this case the BRP pays to the TSO

b) If the BRP imbalance implies feed-in into the grid (BRP surplus) and the mid-price is lower than the price for downward balancing energy, the imbalance price is equal to the mid-price minus the incentive component. In this case the TSO pays to the BRP

c) If the BRP imbalance implies extraction from the grid (BRP shortage) and the mid-price is not higher than the price for upward balancing energy, the imbalance price is equal to the price for upward balancing energy plus the incentive component. In this case the BRP pays to the TSO

d) If the BRP imbalance implies feed-in into the grid (BRP surplus) and the mid-price is not lower than the price for downward balancing energy, the imbalance price is equal to the price for downward balancing energy minus the incentive component. In this case the TSO pays to the BRP

3.4. Imbalance price in case of regulation state = 0 (no regulation)

a) If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the mid-price plus the incentive component. In this case the BRP pays to the TSO

b) If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the mid-price minus the incentive component. In this case the TSO pays to the BRP

3.5. Incentive component

a) Initial value: €0/MWh

b) Adjustments of incentive component

3.5.b.1. TSO shall adjust the incentive component on the basis of objective criteria according to a procedure determined and published by the TSO on its website

3.5.b.2. The actual value of the incentive component will be published by the TSO on its website

3.5.b.3. ERE has the right to request the TSO to include the procedure for adjustment of the incentive component in the ABM rules

3.6. TSO costs neutrality on balancing

a) TSO will correct the transmission tariff for the next calendar year by the net result of the settlements of

3.6.a.1. Imbalances with BRPs

3.6.a.2. Costs of contracting and activation of balancing reserves

3.6.a.3. Cross-border balancing processes including compensation programs for unintentional exchanges

3.7. Compensation for payment of incentive component

a) In case BRP imbalance is caused by a grid event or by intervention of the TSO or the DSO, BRPs receive compensation for the payments related to the incentive component. Examples of such events are (non-exhaustive)

3.7.a.1. Automatic load shedding or manual load shedding by TSO or DSO

3.7.a.2. Forced increase or decrease of grid exchange by the TSO or DSO

b) Compensation will be paid by the grid operator in who's grid the event occurred.

Request for an BRP contract

In order to be able to conclude an BRP contract, a demand must be submitted to OST. The data below are necessary for generating an BRP contract.

You are kindly invited to inform OST of the language of the official version of your contract by ticking the related box hereunder (EN version of the contract is for information purposes only):

☐ AL

☐ EN

1. Details of the company signing the contract

Company name and legal form	
EIC code[1]:	
GLN code[2]:	
Applicable law:	
Address of registered office:	
Company no.:	
VAT no.:	

2. Details of the persons signing the contract

Title:	Mr. / Mrs. (delete as appropriate)
Signatory 1 (first name and surname):	
Language[3]:	Albanian / English (delete as appropriate)
Position of signatory 1[4]:	

[1] An EIC code is required to be able to nominate as BRP. In case the requesting entity does not yet have an EIC code, the current request for BRP-contract has to be introduced to OST together with a request for an EIC Code (webform available on OST's website). Also, if the requesting party already holds an international EIC code registered in a neighbouring country and declared to Entso-e it may also use it for his nominations in Belgium.

[2] The GLN code (Global Location Number) is only required in case of distribution nominations. For these, please indicate a single GLN code, which must be the same as the one by which the company is known by distribution system operators.

[3] Preferred language for individual communication

[4] One signatory is sufficient for OST, a second signatory is optional

Title:	Mr. / Mrs. (delete as appropriate)
Signatory 2 (first name and surname):	
Language[2]:	Albanian / English (delete as appropriate)
Position of signatory 2:	

3. Contact details for contractual aspects:

Contact person 1 for contractual aspects [5]	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname:	
Language[2]:	Albanian / English (delete as appropriate)
Address[6]:	
Tel.:	
Tel. (mobile):	
E-mail:	

Contact person 2 for contractual aspects	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname:	
Language[2]:	Albanian / English (delete as appropriate)
Address:	
Tel.:	
Tel. (mobile):	
E-mail:	

[5] The landline phone number and e-mail address of the first contact person will be indicated in the list of BRPs on the OST website

[6] If the address is not indicated, OST will assume that the personal address is the same as the address of the registered office

4. Contact details for nominations:

4.1. Contacts/services who will receive notifications via e-mail regarding nominations and/or must be contacted by phone during working hours:

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

4.2. Contact details for round-the-clock nominations

(**available 24 hours a day, and having adequate knowledge of the specifications and conditions governing Nominations**)

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

5. Contact details for invoices

Facturation[7]	
1. Company to be invoiced	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
2. Details for sending invoices	
a. Company details	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
b. Address to which to send invoices	
Address to which to send invoices:	
c. Contact Person for invoicing	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname[8]	
Language[2]:	Albanian / English (delete as appropriate)
Tel.:	
E-mail:	

Remarks:

a) If electronic invoicing is requested the 'Acceptance of Electronic Invoices' (see point 8) should be completed. In such case, all invoices related to the invoiced entity will be sent electronically.

b) All your invoices and contracts can be consulted through OST's Customer Hub portal; if an access to Customer Hub is required the 'Request for access to OST Customer Hub' application form (see point 9) should be completed.

c) The validation process of the Access Contract annexes can be done electronically via the Customer Hub portal, for this purpose we need the data included in item 9, espacialy the "Validator" role being filled in. However, electronic validation is only possible if all parties validate electronically

[7] The details in the grey cells below will be included in the invoice, while the other details are needed to properly manage the companies in our databases.

[8] The name of the contact person will also be included in the invoice, but not in the address to which to send invoices

6. The following elements need to be provided together with this form:

- Sworn statement according to template provided by OST, accounting for the company's financial capability and professional conduct.
- Technical capacity (electricity):
  - ***a summary of your company's main electricity purchase and sale transactions in the past three years;***
  - ***a list of the European TSOs and/or DSOs for which you are already access responsible party (BRP).***

Please note that the BRP contract will only become valid under the condition that prerequisites under the Appendix 2 of the contract concerning the financial guarantee are fulfiled. Please note also that the amount of the guarantee is variable and depends on the position of the BRP under dispositions of Appendix 2.

7. Sworn Statement – standard text

(Identification of the company)

OST SYSTEM OPERATOR
(name)
Customer Relations

Date : ……

Project : *(name of the service)*

Subject : **Sworn Statement**

I, *(name)*, *(function)*, having the necessary powers to represent hereby (name of the company) swear on my honor that:

- (*name of the company)* is not in a state of bankruptcy or of settlement, has not ceased its economic activity or has not obtained a judiciary arrangement, nor is in similar situation as a consequence of a similar procedure existing in the national laws and/ or regulations of the country of establishment *(name of the country);*
- *(name of the company)* has not filed for bankruptcy, nor is a procedure of settlement pending, nor is the company subject to a similar procedure existing in the national laws and/ or regulations of the country of establishment *(name of the country)*;
- *(name of the company)* has not been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata;
- *(name of the company)* has not been guilty of grave professional misconduct proved by any means which the contracting authority can justify ;
- *(name of the company)* has fulfilled its obligations relating to the payment of social security contribution in accordance with the laws of the country of establishment or in accordance with the laws of the country of the contracting authority ;
- *(name of the company)*has fulfilled their obligations relating to the payment of taxes in accordance with the laws of the country of establishment or in accordance with the laws of the country of the contracting authority;
- *(name of the company)* is not guilty of serious misrepresentation in supplying the information required in this document;
- *(name of the company)* holds all necessary insurances necessary to perform the service concerned*.*

(name of the company)
(date)
signature *(name)(address)(function)*

8. Acceptance of electronic invoices from OST.

Electronic invoicing is only effective after signing this application e-invoicing form which lists the conditions for e-invoicing.

Company	
VAT number	
OST customer number[9]	
E-mail address for e-invoicing	
Represented by	

Hereby confirms that it agrees to receive electronic invoices under the following conditions:

- One e-mail shall be sent to the e-mail address provided above, containing the invoice in PDF format including an xml format.
- The invoice shall contain an electronic signature.
- The subject line of the e-mail shall include "OST Group invoice 32xxxxxxxx of xx/xx/xxxx".
- The PDF's name shall include "PDF invoice 32xxxxxxxx".
- The original PDF shall be sent from noreply_invoice_ar@OST.be.
- No annexes shall be sent with the invoice; however, the annexes shall be available from our Customer Hub.
- If the provided e-mail address no longer appears to work, OST shall get in touch with the contact person named above. If we are not provided with a new e-mail address within three days, the invoice shall be sent by post.
- This agreement shall run for an indefinite period.
- Either party may terminate this agreement by registered letter.
- Any such termination shall take effect on the first day of the following month, counted as 30 days after the date of dispatch of the registered letter. Termination does not alter the parties' respective obligations with regard to administration.

This agreement applies to all valid connections, access points, BRPs, metering equipment or any other agreement in respect of which OST issues invoices to the company mentioned above. The company authorises OST to amend the relevant annexes of these contracts (i.e. the parts where e-invoicing is mentioned) on the basis of the information provided above.

Signature Date

[9] This is the unique identification code of your company within OST. It consists of the 3rd until 5th character of your contract(s). Please contact the contractual aspects contact of your company if you don't know the references of the contracts your company currently holds

9. Declaration of netting of obligations

OST SYSTEM OPERATOR
(name)
Customer Relations

Date : ……

Project : *(name of the service)*

Subject : **Declaration of netting**

I, *(name)*, *(function)*, having the necessary powers to represent hereby (name of the company) declare that I agree on the reconciliation of mutual debts with OST SYSTEM OPERATOR and that the net position will be calculated by subtracting the smaller debt from the larger for each netting period

Signature Date

10. Request for access to OST Customer Hub (one page per person)

Company Name:	
Company CCN (Company Contract Number): This is the unique identification code of your company within OST. It consists of the 3rd until 5th character of your contract(s). Please contact the contractual aspects contact of your company if you don't know the references of the contracts your company currently holds E.g. Contract reference B-456-15 => CCN = 456 U-456-15-01 => CCN = 456 C-456-001 => CCN = 456	
Validation Role: Please specify for which contract type or market role the user should have the validation role. ACH = Access Contract BRP = Access Responsible Party Contract GU = Connection Contract	
Standard Access: Please specify for which contract type the user should have a standard access. (not applicable for supplier) BSP = Balancing Service Provider Contract BRP = Balance Responsible Party Contract GU = Connection Contract	
Preferred correspondence language: Albanian / English	
Mr. Mrs.	
First Name	
Last Name	
Function	
Phone	
Mobile (optional)	
Single Key User E-mail: Please specify only the e-mail of the single key user of the requested userid. The confirmation of creation of the userid and any further communications about the userid (e.g. reminder mail for expiration, mail with link in case of forgotten password) will be sent to this e-mail address.	

Balancing Service Provider AGREEMENT

№ ...../.....

Today…….2019 in Tirana, signed between the Parties:

1. Operator i Sistemint të Transmetimit(OST) sh.a, a company registered in **[Insert Address, Tirana,Albania**, under registration number **[insert registration number] [insert registration number]** and **]**licensed for transmission system operationlicense №____**[insert license number]**, represented by _____ - Chief Executive Officer, hereinafter referred to as **OST**

And

2. **[Insert Company name of BSP],** a company organised and existing under the laws of **[Insert Country]**, having its registered office at **[Insert Address, City, Country]**, and registered in register of businesses in **[Insert City]** under the number **[insert registration number]** and VAT ID **[insert VAT ID number]**, represented by _____- Chief Executive Officer, hereinafter referred to as Balancing Service Provider(the "**BSP**").

I. GENERAL TERMS

1. OST as a holder of a license for operating the electricity transmission system, in its capacity of an electricity Transmission System Operator, organizes a balancing market for electricity.

2. Upon concluding of this Balancing Service Provider Agreement (hereinafter referred to as the "Agreement") the BSP shall obtain the right to conclude transactions on the electricity balancing market, which shall be subject to settlement.

3. The rights and the obligations of the BSP referring to its participation to the Albanian Balancing Market, are provided for in the Albanian Balancing Market Rules and its annexes as well as in the applicable relevant legislation and ERE decisions.

4. The BSP hereby accepts to be bound by this Agreement that is considered as a part of Albanian Balancing Market Rules.

6. The terms and the deadlines set in the Albanian Balancing Market Rules are incorporated in this Agreement, too. In case of conflict between the Albanian Balancing Market Rules and this Agreement, the Albanian Balancing Rules shall prevail.

7. The BSP accepts that the Albanian Balancing Market Rules are approved by ERE and that ERE shall have the right to impose the provisions of these rules on the BSP as it has been provided for in them.

II. TERMS AND CONDITIONS OF THE AGREEMENT

8. BSP is selected to perform activities in accordance to this Agreement based on open and transparent prequalification procedure performed by OST in accordance to the Article 4.1.2 of the Albanian Balancing Market Rules.

9. The requirements that were set by OST as conditions for BSP prequalification, set at Albanian Balancing Market Rules, such as: the legal, information-technical, communicational, organizational, financial capability of the BSP, as well as BRP portfolio, shall be fulfilled by BSP during the whole duration of this Agreement.

10. OST will check the generating sources portfolio of the BSP whether the BSP can theoretically provide the balancing capacity for a specific product over an entire contracting period.

11. The qualification of BSP units can be re-assessed by OST: in case the technical or availability requirements or the equipment have changed, or in case of modernisation of the equipment related to Reserve Power activation.

12. Pursuant to the provisions of the Albanian Balancing Market Rules OST reserves the right to adjust the output of the BSP in case of need. The BSPs is entitled to receive compensation for this exceptionally activated service. For that purpose OST issues a credit note per Imbalance Settlement Period specifying the metered quantity that corresponds to the service and the respective imbalance settlement price.

13.

III. SUPERVISION BY THE OST, SUSPENSION

14. If during the performance of the Agreement the BSP no longer complies with the prequalification conditions, OST will notify the BSP via a registered letter about non-compliance.

15. When the BSP does not respond to the registered letter within fifteen (15) days after receipt of notification or does not cure the defect, OST may suspend the Agreement for the period of thirty (30) days.

16. After the suspension period, OST evaluates again BSP's conformity to the conditions. If the conformity is restored, the suspension is cancelled. If not, the BSP Agreement is terminated. This implies, after termination, that if the BSP wants to offer the service, he must re-apply via the prequalification procedure and sign a new Agreement with OST, subject to compliance with the Albanian Balancing Market Rules.

IV. REPRESENTATION

Representations by the BSP

17. Upon concluding this agreement, the BSP guarantees to OST that:

a. All necessary actions, as required by the Albanian Balancing Market Rules have been undertaken for due authorization upon signing this Agreement; and

b. Signing this agreement, supplemented by the Albanian Balancing Market Rules, does not violate: any law, rule, regulation, agreement or document binding upon or applicable to the BSP.

18. The BSP accepts that it has an obligation to notify OST promptly in case of any noncompliance or break of the contractual obligations.–compliance with this Agreement.

Representations by the OST

19. Upon concluding this agreement the OST guarantees to the BSP that:

a. All necessary actions have been undertaken for due authorization upon signing this agreement, which is supplemented by the Albanian Balancing Market Rules; and

b. Signing this agreement, supplemented by the Albanian Balancing Market Rules, does not violate: any law, rule, regulation, agreement or document binding upon or applicable to the BSP.

V. DURATION OF THE AGREEMENT

20. This Agreement commences on the date of its signature by both Parties and will continue to be in force until terminated by either Party in accordance to Section III and Section VIII.

VI. CONFIDENTIALITY

21. The OST guarantees that no third party shall have access or acquire information on issues related to the business or personal affairs of the BSP, which has become known in connection with transactions concluded on the Balancing market by the BSP. OST shall not use such information for purposes other than such related to the transactions on the balancing market related to the OST's activity.

22. The BSP shall guarantee that no third party shall have access or acquire confidential information concerning the activity, affairs, consumers, customers or suppliers of the OST.

23. The confidentiality obligation does not concern information, which is or has become public not due to breach of the confidentiality obligations pursuant to this Agreement.

24. The confidentiality obligation does not limit OST to submit information to ERE or where and when this is required by law.

25. The BSP admits the ownership right of OST on the business information as well as its right to dispose with it in accordance with the terms and requirements of the Albanian Balancing Market Rules.

VI. DISPUTE RESOLUTION

26. In case of dispute in relation to implementation of this Agreement, the Parties of the Agreement will use best efforts to solve their dispute amicably, through negotiation. In the case the Parties cannot solve the dispute through negotiation, the Party/Parties may submit their dispute to ERE in accordance to the Regulation for handling of complaints submitted by clients and for solving disputes between licensees in the electricity sector and natural gas (ERE Board decision no. 114, dated 8.7.2016).

27. In the case if dispute between the Parties is related to interpretation of the Grid Code, Parties of this Agreement will use the dispute resolution as stipulated in the Grid Code and further apply the Regulation for handling complaints submitted by clients and for solving disputes between licensees.

28. In the case of non-satisfying decision of ERE, any Party to the Agreement is entitled to initiate dispute resolution in front of competent court in Tirana.

VII. AGREEMENT AMENDMENT

29. This Agreement is integral part of Albanian Balancing Market and as such is approved by ERE. Amendments to this Agreement require the ERE approval.

30. OST may propose amendments to the Albanian Balancing Market Rules in accordance with the terms stipulated therein.

31. Each amendment of the Albanian Balancing Market Rules directly affects Parties to this Agreement.

VIII. AGREEMENT TERMINATION

32. Each of the Parties may terminate this Agreement following a written notification in accordance with the Albanian Balancing Market Rules.

33. Temporary or final termination of the Agreement due to non-performance of obligation by one of the Parties is regulated in the Albanian Balancing Market Rules.

IX. SEVERABILITY

34. Invalidity of any of the clauses of the agreement does not lead to invalidity of any other clause or the Agreement as a whole.

X. CHOICE OF LAW

35. Any claims, disputes or differences which may arise out of or in connection with this Agreement, including any issue regarding its existence, validity or termination shall be settled in accordance with effective Albanian law.

36. Each Party waivers any objection it may now or later have regarding the place of any proceedings in Albanian courts and it also accepts that a decision taken in Albanian courts shall be final and mandatory for the Parties.

IN WITNESS OF THEIR AGREEMENT each Party has caused its authorised representative to execute this agreement effective as of the date of signature by both Parties.

This agreement has been made in four (4) originals, two (2) in English and two (2) in Albanian language, and each Party shall keep two (2), one (1) in each language.

For and on behalf of the BSP

Signature	Name and title (printed letters)

Date:

For and on behalf of OST sh.a.

Signature	Name and title (printed letters)

Date:

Applications, an integral part of this agreement:

1. Information about the persons responsible for trading and settlement on behalf of the BSP and its acting BRP.
2. Initial collateral.
3. Declaration for netting of obligations.
4. Declaration for consent to receive electronic invoices.

Notice:

The agreement is signed by the BSP's representative in accordance with the certificate for registration submitted under the registration process. OST may require additional information in case that the BSP is not registered in the Albanian commerce register and therefore is not in a position to submit the necessary certificate of registration.

BRP Information on responsible persons for trading and settlement issues

1 Contact details for BRP nominations:

1.1 Contacts/services who will receive notifications via e-mail regarding BRP nomination and/or must be contacted by phone during working hours:

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.2 Contact details for round-the-clock BRP nominations (available 24 hours a day, and having adequate knowledge of the specifications and conditions governing BRP nominations)

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.3 Contact details for invoices

Facturation[1]	
1. Company to be invoiced	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
2. Details for sending invoices	
a. Company details	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
b. Address to which to send invoices	
Address to which to send invoices:	
c. Contact Person for invoicing	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname[2]	
Language:	Albanian / English (delete as appropriate)
Tel.:	
E-mail:	

[1] The details in the grey cells below will be included in the invoice, while the other details are needed to properly manage the companies in our databases.

[2] The name of the contact person will also be included in the invoice, but not in the address to which to send invoices

BSP Information on responsible persons for trading and settlement issues

1 Contact details for BSP bidding and activation:

1.1 Contacts/services who will receive notifications via e-mail regarding BSP bidding and activation and/or must be contacted by phone during working hours:

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.2 Contact details for round-the-clock BSP bidding and activation (available 24 hours a day, and having adequate knowledge of the specifications and conditions governing BSP bidding and activation)

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.3 Contact details for invoices

Facturation[1]	
1. Company to be invoiced	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
2. Details for sending invoices	
a. Company details	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
b. Address to which to send invoices	
Address to which to send invoices:	
c. Contact Person for invoicing	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname[2]	
Language:	Albanian / English (delete as appropriate)
Tel.:	
E-mail:	

[1] The details in the grey cells below will be included in the invoice, while the other details are needed to properly manage the companies in our databases.

[2] The name of the contact person will also be included in the invoice, but not in the address to which to send invoices

BSP Information on responsible persons for trading and settlement issues

1 Contact details for BSP bidding and activation:

1.1 Contacts/services who will receive notifications via e-mail regarding BSP bidding and activation and/or must be contacted by phone during working hours:

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.2 Contact details for round-the-clock BSP bidding and activation (available 24 hours a day, and having adequate knowledge of the specifications and conditions governing BSP bidding and activation)

First name and surname or name of the service (max. 5)	**Telephone number(s)/ e-mail address(es)**	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	
	Tel.:	
	Tel. (mobile):	
	E-mail:	

1.3 Contact details for invoices

Facturation[1]	
1. Company to be invoiced	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
2. Details for sending invoices	
a. Company details	
Company name and legal form	
VAT number	
Company number	
Address of registered office	
b. Address to which to send invoices	
Address to which to send invoices:	
c. Contact Person for invoicing	
Title:	Mr. / Mrs. (delete as appropriate)
First name and surname[2]	
Language:	Albanian / English (delete as appropriate)
Tel.:	
E-mail:	

[1] The details in the grey cells below will be included in the invoice, while the other details are needed to properly manage the companies in our databases.

[2] The name of the contact person will also be included in the invoice, but not in the address to which to send invoices

SPECIFICATIONS OF OPERATIONAL RULES

Final Draft 17.10.18

Table of Contents

1 PURPOSE

1.1 This document is a supplementary document attached to the Balancing Market Rules. The purpose of this document is to clarify all processes that are implemented in the Balancing Market based on detailed activity sequence description, specifications of activities, and the timing of each activity.

2 SYSTEM BALANCING

2.1 Energy Nominations Process

2.1.1 Nomination process

2.1.1.1 Supplier: BRPs

a. Input information: Cross-zonal trades, e.g. for each ISP of the day of transaction

   i. Nominating BRP

   ii. Contract number of the allocated cross-zonal capacity rights

   iii. Foreign bidding zone

   iv. Nominated BRP (i.e. foreign BRP, must have BRP recognition from foreign TSO)

   v. The volume of nominated capacity rights for the transaction concerned

   vi. The direction of the nomination

b. Intra-zonal trades, e.g. for each ISP of the trade on the day of transaction

   i. Nominating BRP (any BRP with trade or full recognition)

   ii. Nominated BRP (any BRP with trade or full recognition)

   iii. Energy transferred

   iv. Direction of energy transfer

c. Intra-zonal grid exchanges

   i. Nominating BRP (full recognition only)

   ii. Day of nomination

   iii. For each Connection Point and ISP

      iii.1 ISP

      iii.2 EIC of connection point

      iii.3 Nominated grid exchange volume

iv.1 Direction of nominated grid exchange volume

2.1.1.2 Process: (note: all timings are local Albanian time)

a. BRPs who own long-term transmission rights submit the transactions they want to do making use of those rights no later than 9h00 before the day of transactions. This shall be done through a standard electronic message.

b. In case a BRP misses a long term capacity nomination deadline, TSO shall not acknowledge any cross-zonal nominations that make use of these capacity rights

c. The TSO informs the market on acknowledged cross-border nominations of long term allocated capacity rights and the remaining cross-border capacity available for day ahead market coupling no later than xxh00 (TSO to fill in, usually at least 1 hour ahead of day-ahead market gate opening)

d. All long term and day ahead cross-border nominations and all intra-zonal nominations resulting from the day-ahead market shall be submitted before ~~15h00~~ 14.00 on the day before the day of transaction

e. Approval requirements of energy nominations by a BRP:

i. The TSO can withhold approval of a nomination if they are internally not consistent or externally not consistent

i.1. Internal consistent means:

i.1.1. For a BRP with full recognition:

Per imbalance settlement period the nominated grid take-offs plus the nominated sales to other BRPs plus the nominated exports are in balance with the nominated grid in-feeds, the nominated purchases from other BRPs and the nominated imports

i.1.2. For a BRP with trade recognition:

Per imbalance settlement period the nominated sales to other BRPs plus the nominated exports are in balance with the nominated purchases from other BRPs and the nominated imports

i.2. External consistent means:

All information on a transaction is consistent with any information on the same transaction from relevant other BRPs.

For cross-zonal transaction this means that the TSO will have to check with the foreign TSO concerned the external consistency: BRPs on both sides must have nominated the same amount to the other BRP but in a different direction.

In case of conflicts in external consistencies of transactions between two BRPs, the smallest nominated volume of trade will be applied and the BRPs informed accordingly.

In case of external inconsistencies concerning transactions with the PX BRP, the PX nominations will prevail. The BRPs concerned will be informed accordingly so that they can adjust their grid exchange nominations to be in balance with the adjusted trade nominations (if needed).

ii. In case of non-approval the TSO informs the BRPs concerned and the BRPs concerned submit improved nominations as soon as possible, which again require approval by the TSO

f. Approved nominations enter into force on 0h00 of the day concerned

g. Changes in nominations:

i. Changes can be submitted until 10h00 after the day of transaction (D+1, 10h00)

ii. In case of changes, the whole nomination for the day concerned must be re-send. If approved, the new nomination replaces the old one. The new nomination cannot be partially approved

iii. Changes must be approved by the TSO if (note: this means they can be rejected otherwise):

iii.1. It concerns intra-zonal transactions and the changes submitted by all BRPs involved are consistent

iii.2. It concerns cross-zonal transactions and the changes submitted are confirmed by the TSO on the other side of the border or by the concerned capacity platform that operates on behalf of that TSO and the changes are submitted no later than one clock hour before the hour of transaction

2.1.1.3 Output:

a. Approved cross-zonal and intra-zonal nominations of all BRPs

b. Nominated net position per ISP per BRP (for imbalance settlement purposes), sum of approved

i. - Nominations of grid extractions on each connection point of the BRP

ii. + Nominations of grid infeeds on each connection point of the BRP

iii. – cross-zonal export nominations on all zone borders

iv. + cross-zonal import nominations on all zone borders

2.1.1.4 Clients:

a. BRPs

2.1.2 Nomination gate closures

2.1.2.1 9h00 D-1: Cross-zonal nominations of long term capacity rights

2.1.2.2 14h00 D-1: Intra-zonal and cross-border nominations

2.1.2.3 H-1: Changes in cross-zonal nominations (e.g. intraday)

2.1.2.4 D+1, 10h00: Intra-zonal nominations

2.1.3 Communication process – actors and messages

2.1.3.1 Actors are the BRPs and the TSO.

2.1.3.2 From the forgoing description, required communication messages can be derived and developed into a business process sequence diagram as an aid for the gap analysis with the DAMAS system to be performed by the TSO. The business process sequence diagram, if needed, shall also be developed by the TSO.

2.1.3.3 Non-exhaustive list of messages consists of:

a. Initial nomination submission message
b. Nomination re-submission message (e.g. after rejection or communication error)
c. Nomination change message
d. Nomination approval message
e. Nomination rejection message

2.1.4 Ex-ante nominations

2.1.4.1 Initial nominations for cross-zonal transactions using allocated long term capacity rights and nominations for intra-zonal transactions and cross-zonal transactions resulting from the day ahead market (coupling) must be submitted on D-1 before 14h00.

2.1.4.2 Incremental nominations are described as change in nominations above. Incremental nominations for cross-zonal transactions may be submitted up to one hour before the hour of the transaction.

2.1.5 Ex-post nominations

2.1.5.1 Only intra-zonal nominations shall be accepted ex-post. Final gate closure time for intra-zonal nominations is D+1, 10h00.

2.1.6 Fall-back

2.1.6.1 In case the electronic messaging system via a central postbox does not function or the BRP has temporarily no access to the system, an emergency procedure may allow BRPs to submit the nominations/re-nominations by way of regular e-mail subject to format requirements to be specified by the TSO.

2.2 Exchange process of measurement data

2.2.1 Regarding the real-time data exchange between the SCADA systems of the BSP and the TSO, the following information exchange shall apply:

a. Measurements that determine the reference signal of aFRR providing units.

b. Measurements of real-time output.

c. Changes of the total reserve power are real-time communicated by the TSO. It shall be electronically recorded by the TSO and by The BSP.

d. The BSP sends the signal back to the TSO (mirror of the received signal) in order to check if the signal is received correctly.

e. The following information comes from each BSP unit to the TSO.

f. A logical signal (0 or 1) that indicates whether the BSP Unit (or if applicable Power Plant) is actually participating in the Service.

g. Type of balancing service product and the direction.

h. The number of MW of the total reserve power change requested by the TSO that are attributed to a unit.

i. The reference power (in MW) that each BSP Unit of the BSP participating in the delivery commitment shall inject in t + Δts for The BSP's own needs.

j. Minimum/Maximum power of the BSP Unit.

k. Maximum ramping rate of the BSP Unit

l. The measurement of the net (gross if the net value cannot be measured) power produced per BSP Unit.

2.3 Imbalance price calculation

2.3.1 Definitions

2.3.1.1 Upwards regulation

2.3.1.2 Downwards regulation

2.3.1.3 Price for upwards balancing energy

2.3.1.4 Price for downward balancing energy

2.3.1.5 Incentive component

2.3.1.6 Regulation state (of the system)

2.3.1.7 Balance delta: proxy for system imbalance to be published in real-time by the TSO (open loop ACE)

2.3.1.8 Mid-price: definition of the balancing energy price in case of no regulation

2.3.2 Specification of regulation states (per ISP)

2.3.2.1 no upwards nor downwards regulation requested: regulation state = 0

2.3.2.2 only upwards regulation requested: regulation state = +1

2.3.2.3 only downward regulation requested: regulation state = -1

2.3.2.4 both up- and downward regulation requested but the balance delta has been continuously non-decreasing: regulation state = +1

2.3.2.5 both up- and downward regulation requested but the balance delta has been continuously non-increasing: regulation state = -1

2.3.2.6 both up- and downward regulation requested but the balance delta has neither been continuously non-increasing nor continuously non-decreasing: regulation state = 2

2.3.2.7 both up- and downward regulation requested but the balance delta has been continuously non-increasing and continuously non-decreasing: regulation state = 2

2.3.3 Specification of imbalance price

2.3.3.1 Imbalance price in case of regulation state = -1 (system surplus)

a. If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the price for downward balancing energy plus the incentive component. In this case the BRP pays to the TSO
b. If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the price for downward balancing energy minus the incentive component. In this case the TSO pays to the BRP

2.3.3.2 Imbalance price in case of regulation state = +1 (system shortage)

a. If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the price for upward balancing energy plus the incentive component. In this case the BRP pays to the TSO
b. If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the price for upward balancing energy minus the incentive component. In this case the TSO pays to the BRP

2.3.3.3 Imbalance price in case of regulation state = 2 (dual system imbalance)

a. If the BRP imbalance implies extraction from the grid (BRP shortage) and the mid-price is higher than the price for upward balancing energy, the imbalance price is equal to the mid-price plus the incentive component. In this case the BRP pays to the TSO
b. If the BRP imbalance implies feed-in into the grid (BRP surplus) and the mid-price is lower than the price for downward balancing energy, the imbalance price is equal to the mid-price minus the incentive component. In this case the TSO pays to the BRP
c. If the BRP imbalance implies extraction from the grid (BRP shortage) and the mid-price is not higher than the price for upward balancing energy, the imbalance price is equal to the price for upward balancing energy plus the incentive component. In this case the BRP pays to the TSO
d. If the BRP imbalance implies feed-in into the grid (BRP surplus) and the mid-price is not lower than the price for downward balancing energy, the imbalance price is equal to the price for downward balancing energy minus the incentive component. In this case the TSO pays to the BRP

2.3.3.4 Imbalance price in case of regulation state = 0 (no regulation)

a. If the BRP imbalance implies extraction from the grid (BRP shortage), the imbalance price is equal to the mid-price plus the incentive component. In this case the BRP pays to the TSO
b. If the BRP imbalance implies feed-in into the grid (BRP surplus), the imbalance price is equal to the mid-price minus the incentive component. In this case the TSO pays to the BRP

2.3.3.5 Incentive component

a. Initial value: €0/MWh
b. Adjustments of incentive component:
    i. TSO shall adjust the incentive component on the basis of objective criteria according to a procedure determined and published by the TSO on its website

ii. The actual value of the incentive component will be published by the TSO on its website
iii. ERE has the right to request the TSO to include the procedure for adjustment of the incentive component in the ABM rules

2.3.3.6 TSO costs neutrality on balancing

a. TSO will correct the transmission tariff for the next calendar year by the net result of the settlements of
   i. Imbalances with BRPs
   ii. Costs of contracting and activation of balancing reserves
   iii. Cross-border balancing processes including compensation programs for unintentional exchanges

2.3.3.7 Compensation for payment of incentive component

a. In case BRP imbalance is caused by a grid event or by intervention of the TSO or the DSO, BRPs receive compensation for the payments related to the incentive component. Examples of such events are (non-exhaustive)
   i. Automatic load shedding or manual load shedding by TSO or DSO
   ii. Forced increase or decrease of grid exchange by the TSO or DSO
b. Compensation will be paid by the grid operator in who's grid the event occurred.

3 QUALIFICATION

The technical aspects of the prequalification criteria are presented in this section is used to explain the rules regarding the prequalification specified in the ABM rules with more details. The information regarding the prequalification for each product is structured in two main categories, a) technical criteria for the product, and b) the prequalification test. The requirements for FCR are more extensive than for the rest other products due to the higher technical requirements of this product. Therefore, more prequalification tests are explicitly required for the FCR provision.

3.1 Prequalification process

3.1.1 Supplier of balancing services

3.1.1.1 Any firm representing one or more Connected Parties that wants to provide any of the defined products is called candidate BSP until the prequalification has ended successfully, where it becomes a qualified BSP for the products it has qualified for.

3.1.1.2 When requesting prequalification, the candidate BSP must provide a declaration from a BRP who takes balance responsibility for the service provision, i.e. all BSP balancing energy activations by the TSO can be corrected on the imbalance of the BRP concerned and the BRP concerned will pay for any non-delivery of activated energy.

3.1.1.3 the BSP remains liable for compliance, and only the BSP must be charged for non-compliance penalties.

3.1.2 Input

3.1.2.1 Qualification criteria (from TSO;)

3.1.2.2 Qualification request form with at least the list of Connected Parties it will provide the service from

3.1.2.3 BRP declaration

3.1.2.4 Any evidence that the product the candidate BSP wants to deliver meets the product definition criteria;

3.1.2.5 Any evidence of guaranteed availability of the volume the candidate BSP wants to qualify for. This is not needed if the candidate BSP does not want to qualify for participation in the auction for reserve capacity contracts (availability commitment). This only applies to products that require availability contracting

3.1.2.6 Any evidence that the candidate BSP is financially robust (including collateral for financial non-compliance liabilities if such is required;)

a. Any evidence that the candidate BSP has adequate competences to act as a BSP for the product and the process he wants to qualify for (FCR, aFRR, mFRR, RR, availability commitment (auction), delivery commitment (daily bidding of balancing options to the TSO) or both).

3.1.3 Process

3.1.3.1 Prequalification is a subscription process, respectuflly A connected party may at any time file a request for pre-qualification. However, a deadline to file prequalification for the next availability commitment auction (i.e. the time that it takes to conclude the prequalification process ahead of the gate opening for the tender) shall be determined.

3.1.3.2 The request shall be done through the qualification request form.

3.1.3.3 Once the TSO has received the form it will at least:

a. Confirm receipt to the BSP with a copy to the BRP and the Connected Parties concerned;

b. Validate that the nominated BRP is registered as BRP with full recognition;

c. Schedule technical pre-qualification tests with the BSP and (if applicable) the Connected Parties concerned;

d. Check the financial robustness of the candidate BSP;

e. Check the competences of the candidate BSP to act as a BSP.

3.1.3.4 Pre-qualification testing

a. Technical tests that the candidate BSP can deliver according to the product specifications. If the BSP wants to qualify for availability commitment, these tests shall also cover the volume the BSP wants to qualify for to participate in the availability commitment auction.
b. Technical tests that all operational communications with the candidate BSP work satisfactory. This may require an electronic message testing facility (for the bidding and activation processes) and a testing of proper functioning of any

required real-time communication (e.g. regarding reference signals that determine the infeed/offtake position of the candidate BSP without activation).

c. Portfolio analysis to validate that the candidate BSP can guarantee availability over the entire contracting period of the volume the candidate BSP wants to qualify for to participate with in the availability commitment auction.

3.1.4 Output

a. Confirmation to the candidate BSP and the BRP of successful completion of all verifications and testings. Information to the qualified BSP on the next auction for availability commitment he now qualifies for and of the day from which he can now participate in the delivery commitment process.

b. Registration of the candidate BSP as qualified BSP for the product(s) concerned in the BSP register with entry into force, qualified products and volumes he is qualified for (qualified volume only for availability commitment, for delivery commitment the volume needs not to be qualified)

3.2 FCR provider qualification

The Frequency Containment Reserves are only contracted as capacity, but not as energy. It means that the technical units only commit the availability of the prequalified units, get awarded, and get remunerated for the availability. The energy delivery in the activation case is not remunerated as the rest of the other products. Therefore, the technical aspects of prequalification criteria are only related to the availability commitment.

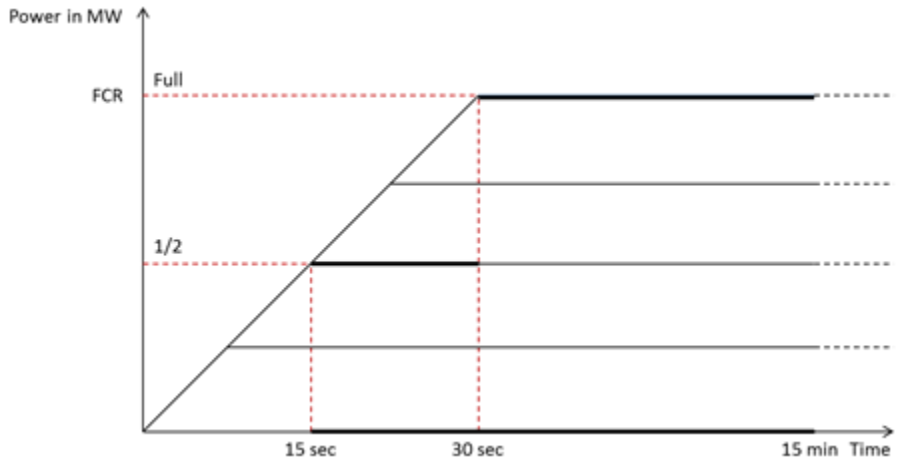
3.2.1 Technical criteria

3.2.1.1 An overview of the key requirements is presented in the following table:

Availability committed capacity size requirement (minimum size of bid per unit)	± x MW
Availability committed capacity size requirement (maximum size of bid per unit)	± x MW
Inherent frequency response insensitivity	≤ ±10 mHz
Frequency dead band	max combined effect of inherent frequency response insensitivity and frequency dead band of 10 mHz
Full Activation Time	Full response within 30 seconds after frequency event also 50% of FCR capacity shall be activated after 15 seconds for a maximum frequency deviation event
Delivery duration	At least 15 minutes Specific duration may apply for units with energy limited reservoirs (e.g. batteries,

	fly-wheels, hydro pumped reservoirs)
Frequency deviation at which full response is required	± 200 mHz
Operational metering requirement	in MW with 4s refresh rate
Droop: Quotient of the relative quasi-stationary frequency deviation (Δf/fN) with the relative power change (ΔP/PN) of the unit under the influence of the FCR controller.	shallbe able to be adjusted when the TSO requests (default recommended value: 5%) and making sure that the contracted capacity is fully activated for a 200 mHz frequency deviation.

3.2.1.2 The activation and response is presented graphically in the figure below:



3.2.1.3 The technical parameters provided above are in line with the European provisions within the continental synchronous area. These could differ in some other synchronous areas, as illustrated in the table below.

FCR properties in the different synchronous areas

Minimum accuracy of frequency measurement	CE, GB, IE/NI and Nordic	10 mHz or the industrial standard if better
Maximum combined effect of inherent frequency response insensitivity and possible intentional frequency response dead band of the governor of the FCR providing units or FCR providing groups.	CE	10 mHz
	GB	15 mHz
	IE/NI	15 mHz
	Nordic	10 mHz
FCR full activation time	CE	30 s
	GB	10 s
	IE/NI	15 s
	Nordic	30 s if system frequency is outside standard frequency range
FCR full activation frequency deviation.	CE	± 200 mHz
	GB	± 500 mHz
	IE/NI	Dynamic FCR ± 500 mHz
		Static FCR ± 1 000 mHz
	Nordic	± 500 mHz

3.2.2 Prequalification tests

3.2.2.1 In the prequalification test, the BSP has to prove that it follows the technical requirement defined by the TSO. Herein, the TSO tests the technical unit or the pool of the BSP regarding the promising available capacity, as well as the capability to deliver the balancing electricity when the unit is activated. For this, the TSO demands two different prequalification tests, Synthetic Frequency Profile Test and Real Time Frequency Test.

3.2.2.2 The outcome of the tests will define the maximal balancing capacity that is allowed to be bidden FCRmax Ideally, the FCRmax value correspond to the reference value FCRref values declared by the BSP.

3.2.3 Synthetic Frequency Profile (SCF) test

3.2.3.1 The BSP's pool or single technical unit must demonstrate a pre-defined reaction profile. the TSO prequalifies the technical unit or the pool of units in each direction (upward and downward). The tests in the two different directions can take place at different moments in time within a window of 24 hours.

3.2.3.2 The TSO will consider measurements on each technical unit requesting prequalification which are gathered via the real-time connection and apply the following rules:

- The minimal power value at each frequency step Δf of 50 mHz (over a period of 120 seconds) will be taken as reference value FCR_{ref} for the related step;
- A 5 seconds margin is allowed in addition to the required activation time before the TSO considers the measurements to determine the minimal value of the step;

3.2.3.3 For this test, the TSO will calculate a $P_{sup\_prequal}(t)$ value as follows:

$$P_{sup\_prequal}(t) = P_{measured}(t) - P_{ref\_prequal}$$

Where:

- $P_{ref\_prequal}$: The average power measured in the 20 seconds preceding the beginning of the test;

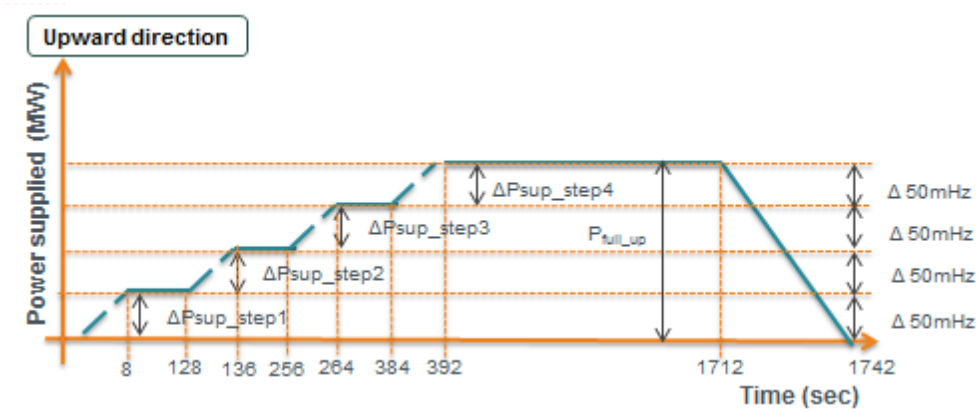
3.2.3.4 For the purposes of the test, the TSO will calculate 10 seconds average values of $P_{sup\_prequal}(t)$, called Av_ $P_{sup\_prequal}(t)$. To take into account the 5 seconds tolerance in the beginning of each step the TSO will calculate a 15 seconds average value at the beginning of each step instead of a 10 second average. Thus the TSO will select for each step the lowest (or highest for the downwards direction) value among:

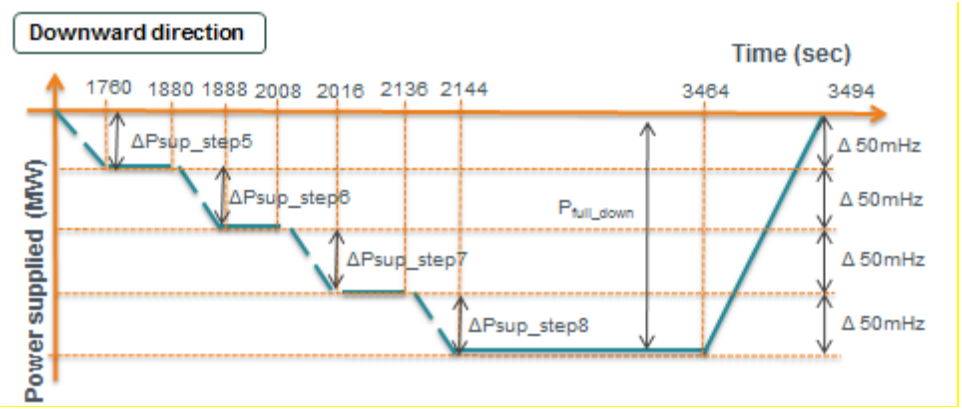
a. one average value of $P_{sup\_prequal}(t)$ over the first 15 seconds of the step after the 5 seconds tolerance and

b. the remaining number of average values of $P_{sup\_prequal}(t)$ over 10 seconds for each step.

3.2.3.5 The outcome of this test is the FCR_{max_SFP} for each technical unit value which together with the outcome of the Frequency Real-Time Follow-Up Test will determine the FCR_{max}.

3.2.3.6 The technical unit must follow the following (indicative) profiles upward and downward following a step-by-step simulated frequency deviation:





- The technical unit must in 13 seconds (7,5 seconds of required activation time and 5 seconds of tolerance) deliver the volume of each step of 50mHz;
- The technical unit must maintain its reaction for 2 minutes before going to the next step of 50mHz.
- Once the technical unit has deployed its maximal supplied power, it must maintain its reaction for 22 minutes.
- The same reaction must be performed in the opposite direction as showed hereby above within 24 hours;

3.2.3.7 The TSO will calculate a value P_{step_min} as follows:

$$P_{step\_min}=\min(Min1; Min2; Min3; Min4; Min5; Min6; Min7; Min8)$$

Where:

- Min1= 4* $\Delta Psup_{Step\_1}$ from t=13sec to t=128sec
- Min2= 4* $\Delta Psup_{Step\_2}$ from t=141sec to t=256sec
- Min3= 4* $\Delta Psup_{Step\_3}$ from t=269sec to t=384sec
- Min4= 4* $\Delta Psup_{Step\_4}$ from t=397sec to t=1712sec
- Min5= -4* $\Delta Psup_{Step\_5}$ from t=13sec to t=128sec

- Min6= -4* $\Delta Psup_{Step\_6}$ from t=141sec to t=256sec
- Min7= -4* $\Delta Psup_{Step\_7}$ from t=269sec to t=384sec
- Min8= -4* $\Delta Psup_{Step\_8}$ from t=397sec to t=1712sec

Where:

- $\Delta P_{supstep}$: The difference between the lowest (or highest for the downwards direction) $Av\_P_{sup\_prequal}(t)$ during the step preceding the step concerned and the lowest (or highest for the downwards direction) $Av\_P_{sup\_prequal}(t)$ value during the concerned step as mentioned hereby above.

- t=0 is the moment fixed as the beginning of the test for each direction;

3.2.3.8 The P_{step_min} value will be compared to the minimum power supplied (P_{full_up}; P_{full_down}) during the steps in which the BSP is expected to deliver his full reaction in the upwards and downwards direction as per profile described hereby above.

These values are calculated as follows:

- P_{full_up} (upwards direction): The lowest $Av\_P_{sup\_prequal}(t)$ during the "Full Power_up" step. If this value is negative then P_{full_up} is considered equal to zero;

- P_{full_down} (downwards direction): The highest $Av\_P_{sup\_prequal}(t)$ during the "Full Power_down" step. If this value is positive then P_{full_down} is considered equal to zero;

If :

$$P_{step\_min} \geq 0{,}9 * \min(P_{full\_up} ; -P_{full\_down})$$

then :

$$FCR_{max\_SFP} = \min(P_{full\_up} ; -P_{full\_down})$$

If not :

$$FCR_{max\_SFP} = P_{step\_min}$$

3.2.4 Real-time frequency test

3.2.4.1 The BSP will follow the frequency for **xx** consecutive hours, as if he was activated by the TSO for Service delivery after an auction.

3.2.4.2 The BSP can set the start time of the test at his convenience and communicates it to the TSO before the beginning of the test.

3.2.4.3 If during this interval one or several Frequency Variations superior to 40mHz occur, the TSO will check the largest of these Variations to see if the BSP has replied accordingly.

3.2.4.4 In case of a positive difference between the P_{req_act} for the test and P_{sup_act} for the said Frequency Deviation, the TSO will calculate a value as follows:

$$\Delta FCR_{\max\_RF}=\min(P_{sup\_act}/P_{req\_act};1)$$

With

$P_{sup\_act} = \max(P_{sup\_after} - P_{sup\_before}; 0)$ for upward direction and

$P_{sup\_act} = \max(P_{sup\_before} - P_{sup\_after}; 0)$ for downward direction. Wherein,

P_{sup_before}: the average value of the summed power measurements (MW) of the technical unit over a period of 20 seconds starting exactly 20 seconds before the beginning of the frequency variation.

P_{sup_after}: the highest value (for upward)/ lowest value (for downward) of the summed power measurements (MW) of the technical unit in a period of 30 seconds starting at the moment when the frequency variation reaches its maximum value.

$$P_{req\_act} = Abs(P_{req\_before} - P_{req\_after})$$

3.2.5 Calculation of FCR_{max}

3.2.5.1 The FCR_{max} value that a technical unit of the BSP can be prequalified to deliver to the TSO is calculated as follows:

3.2.5.2 The FCR_{max} value that a BSP can deliver to the TSO is calculated as follows:

$$FCR_{max} = \min[FCR_{ref}; FCR_{max\_SFP} * \Delta FCR_{max\_RFT}]$$

Where:

- FCR_{Ref} : Reference value provided by the BSP
- FCR_{max_SFP}: Value calculated as mentioned hereby above for each technical unit as a result of the Synthetic Profile Test;
- ΔFCR_{max_RF}: Value calculated as mentioned hereby above for each technical unit as a result of the Follow-up of Real-Time Frequency test;

3.3 aFRR provider qualification

3.3.1 Technical criteria

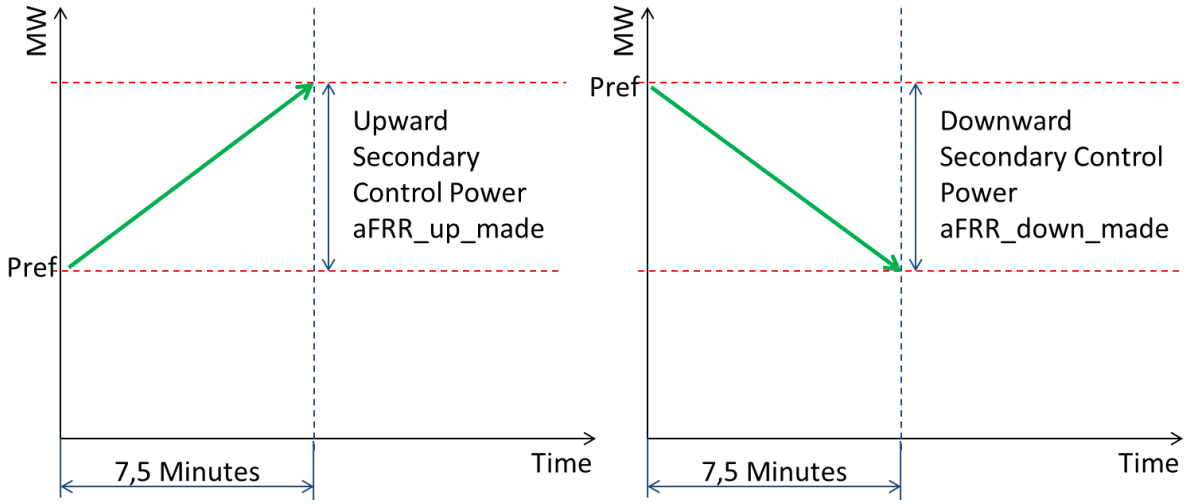
3.3.1.1 In the following table, the technical specifications for the aFRR availability commitment are listed.

Availability committed capacity size requirement (minimum size of bid per unit)	± x MW
Availability committed capacity size requirement (maximum size of bid per unit)	± x MW
Activation duration	at least 15 consecutive minutes
First observable power change	At least within 10 seconds after a setpoint

	change
Full activation and deactivation time	Full activation after max. 7,5 minutes
Maximal short-term overshoot	10% of the bidden aFRR volume, but not more than 1 MW
Accuracy	Deviation shall be smaller than 7.5% only two deviations are allowed for each 10 seconds measurement window

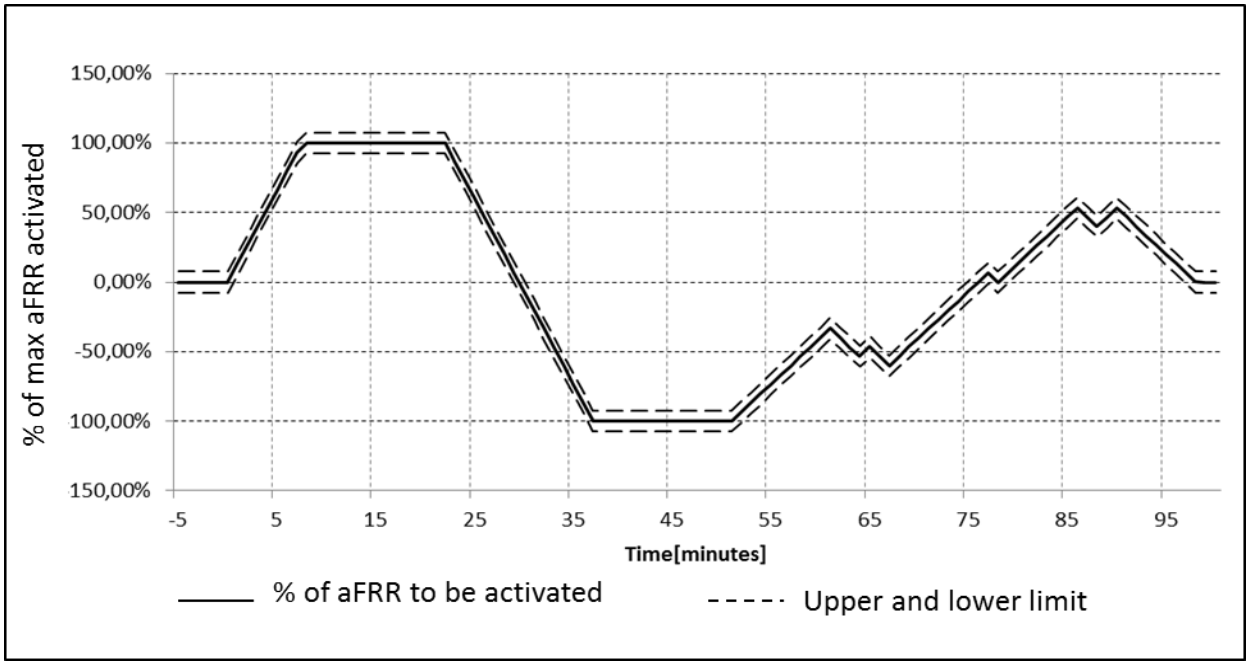
3.3.2 Prequalification test

3.3.2.1 In order to attest a technical unit to participate in a specific service it must successfully pass a prequalification test. In this, the BSP demonstrates that the technical unit is capable to follow the ramping requirements as presented in the figure below. Moreover, the BSP proves that the technical unit can deliver the energy for at least 15 minutes consecutively.



3.3.2.2 In case the Production Unit does not complete the simulation test successfully, the TSO and the BSP will make best effort to identify the source of the failure and the BSP will make best effort to solve the source of the failure.

3.3.2.3 For the simulation of aFRR, the BSP must simulate the following activation signal. With this signal the TSO will test whether the BSP can activate aFRR of the Production Unit and if he is able to follow a variable signal with a deviation smaller than 7.5% of the maximum value (2 deviations of 10 seconds allowed). This test will take 100 minutes. For this test a sample will be taken every 10 seconds (starting at 00:00:00 , 00:00:10:...). This signal must be between the upper and lower accuracy limit (band of 15%) as indicated in the figure below.



3.3.2.4 Requirements for attestation:

- Does the aFRR Supplied reaches the maximum as indicated in max increment?
- Is the deviation smaller than 7.5% (2 deviations of 10 seconds allowed)?

3.4 mFRR/RR provider qualification

3.4.1 Technical criteria

3.4.1.1 In the following table, the technical specifications for the aFRR availability commitment are listed.

Availability committed capacity size requirement (minimum size of bid per unit)	± x MW
Availability committed capacity size requirement (maximum size of bid per unit)	± x MW
Full activation and deactivation time	within 15 minutes
Activation duration	The TSO may continue activation of this reserve as long as it is bid.

3.4.2 Prequalification test

3.4.2.1 Technical units which passed the prequalification test in the previous year and have provided subsequently mFRR/RR to the TSO are considered to be prequalified unless the TSO withdraw their prequalification due to subsequent non-compliance. Otherwise, a technical unit must be prequalified before it can be part of a contract.

3.4.2.2 In order to attest a technical unit to participate in the mFRR/RR capacity auction, it must successfully pass a prequalification test by demonstrating its capability to fulfill the technical requirements as stated above. The prequalification test is required for production - , as well as offtake reserves in terms of Demand Response (e.g., large industrial production plants). The technical criteria for both providing unit type are the same.

3.4.2.3 The outcome of the test will define the maximal mFRR and/or RR power that the BSP may offer to the TSO.

3.4.2.4 For the simulation test of (direct activated) mFRR, the BSP must demonstrate an activation of mFRR. The technical unit (production or demand) must activate the maximum mFRR within 15 minutes.

3.4.2.5 Requirements for the prequalification test mFRR max must be attained within 15 minutes (ramp-up).

3.4.2.6 The technical unit must be able to return to its original program within 15 minutes (ramp-down)

3.5 ER provider qualification

3.5.0.1 This product is not standard, and is not likely to be applicable in the mid-term, however this could be considered by the TSO in the future in case of scarcity volume of mFRR from generation assets which can be contracted to cover the dimensioning requirements and/or as a back-stop for the market failing to timely activate replacements for outages. This will also depend on the availability of demand facilities capable of providing such services.

3.5.1 Technical criteria

3.5.1.1 The BSP shall complete and submit a description of the power consumption units from which the service will be provided. The details of requirements depend on the nature and the availability of interested demand facilities in providing such services. As a reference, we include the provisions currently applicable in Germany, where the description includes: the construction, the function and operating mode, and the resulting electrical load characteristics of the unit. Furthermore, the BSP shall describe its consumption unit ramp-down process, the following ramp-up process, and other important operational constraints. The BSP shall declare also the minimal and maximal technically feasible load interruption duration.

3.5.1.2 The BSP shall name the physical location and the connection point of the consumption unit. The connection point shall be defined during the prequalification and cannot be changed.

3.5.1.3 The minimal installed capacity of the demand unit shall be at least xx MW. It needs to have forecastable load behaviour. The minimal and maximal value for each capacity bid in the yearly tender process is 3 MW and 50 MW, respectively.

3.5.1.4 The consumption unit has to fulfil certain requirements on its loading characteristic. The variation of the actual power consumption curve is allowed to run in a certain range after the demonstrated activation. This range is oriented on the expected minimal power consumption curve of the unit which is designated as the lower limit of the range. The upper limit of the range is calculated as the expected minimal power consumption plus 20% of the

awarded emergency reserve. The minimal full activation duration is 15 minutes. The full activation time may not be more than 10 minutes.

3.5.1.5 The BSP shall confirm that the emergency reserve capacity is available at every single quarter-hour, but limited to x times per day, y times per week, z times per year. X, y and z can be specified by the BSP and must be agreed during the negotiated tender procedure for this specific product. Minimum values of x, y and z need to be specified by the TSO and likely to be a result of the negotiations.

3.5.2 Prequalification test

3.5.2.1 The prequalification for emergency reserves shall be an integral part of the tendering process for that product. Technical requirement could be fixed depending on the available and possible services that could be provided by Albanian demand facilities.

3.5.2.2 The BSP has to prove that the load interruption is completed with the full prequalified load interruption capacity within a full activation time after the delivery start remotely commanded by the TSO. The load reduction shall start (almost) instantaneously (e.g. within 1 second, to be negotiated).

3.6 Fall-back

3.6.1. A prerequisite to start the ABM shall be that sufficient technical units are qualified. Shall this not be the case then a dialogue with the industry and ERE will be required to seek solutions: delay of the start in order to allow new investments towards more pre-qualified volumes, reduce the amount to be contracted, i.e. more relying on uncontracted bids, engage with neighbouring TSOs on cross-border reserve sharing (only works if there is unused capacity in importing direction on at least one border all the time, not necessarily the same border), engage with demand side on demand side response in case of emergency (emergency reserves as a substitute for mFRR). The way to go forward will depend on the situation with respect to generation investments, cross-border availability of reserve, willingness of industry and cross-border TSOs, ERE and the costs.

3.6.2. The TSO has been requested to provide a complete list of technical units connected to the Albanian TSO and DSO network to verify availability of adequate volumes of FCR, aFRR and mFRR as well as potential volume of demand side response to substitute mFRR from generators. This list should inform feasibility of the start of the ABM and/or alternative measures needed. The analysis of this list and the discussion of alternative approaches if needed is in scope of the implementation phase.

4 AVAILABILITY COMMITMENT PROCESS.

4.1 Participant registration and mutation process

4.1.1 The TSO shall announce the tender and invite interested parties for an Expression of Interest.

4.1.2 Interested parties shall file an Expression of Interest with:

a. Product for which availability can be guaranteed

b. In case the interested party did not yet qualify as a BSP to tender for a capacity contract:
    i. The volume on which availability can be guaranteed and how it can be guaranteed
    ii. Proof of access to connected assets from which the service will be provided
    iii. Declaration of acceptation of the contracting terms and conditions
c. In case the interested party is a qualified BSP to tender for a capacity contract, the BSP concerned.

4.1.3 The TSO shall invite all parties that have submitted a complete EOI but that are not yet a qualified BSP for the tender, to prequalify as a BSP.

4.1.4 The TSO shall register all parties that have submitted a complete EOI that have also qualified as a BSP to participate in the tender.

4.2 Dimensioning and sizing

4.2.1 FCR

4.2.1.1 For FCR, the dimensioning requirements are according to ENTSO-E, Operational Handbook CE, Policy 1.

4.2.1.2 The TSO shall publish the argumentation for the required volumes of FCR to be contracted.

4.2.1.3 The dimensioning shall be carried out at least once a year. All capacity resulting from the dimensioning shall be contracted. The TSO shall strive for a common platform for contracting of FCR with neighbouring TSOs. The amount of FCR that can be exchanged (contracted outside LFC control block of Albania by the TSO or contracted by neighbouring TSOs in Albania) is limited by ENTSO-E rules.

4.2.1.4 As a member of ENTSOE, the TSO also takes part in the common FCR dimensioning and operation. According to ENTSO-E, the total needed FCR volume in the UCTE synchronous area is 3000 MW. By distributing this amongst the countries according to the ratio of the electricity generation in each control area to the total electricity generation in the UCTE synchronous area, the TSO's obliged FCR volume is around 6 MW. A minimum share of the volume (30%) shall be contracted directly within the TSO's control block.

4.2.2 aFRR

4.2.2.1 Every year, the TSO determines the dimensioning requirement for aFRR on the basis of the formula: **Minimum aFRR = Sqrt (10 x Lmax + 22500) – 150**

In this formula Lmax is the maximum anticipated consumer load for the Albanian control area for the coming contracting period, i.e. one year. Lmax is to be set by the TSO. As an example, with a reported winter peak load of 1400 MW in 2011, the minimum amount of aFRR to be procured will be set at about 42 MW. The dimensioning requirement is bidirectional, i.e. the resulting amount shall be contracted in both up- and downward direction.

4.2.3 mFRR

4.2.3.1 For upward mFRR, a volume equal to the largest single generating unit that can be online at any time during the year is required. The largest generating plant in Albania is the Komani power plant which has several units of which the largest is about 150 MW of installed capacity. It shall not be necessary to contract the complete 150 MW of mFRR reserves. The contracted amount of aFRR can be subtracted from it and for the remaining required upward mFRR, a part may be bid on a voluntary basis and a part may be provided by emergency contracts with neighbouring TSOs. For relying on voluntary bids, emergency reserves can be contracted to cover for any risks of insufficient volumes while at the same time providing an incentive to the market to offer more.

4.2.3.2 For emergency contracts with neighbouring TSOs it shall be considered that Albania is a transit country and there shall always be import capacity available with at least one TSO and export capacity available with another TSO.

4.2.4 RR

4.2.4.1 Replacement of generators after a forced outage is a market responsibility. Therefore, there are no dimensioning requirements for RR as the TSO shall not need RR.

4.2.5 Emergency reserves

4.2.5.1 There are no dimensioning requirements on emergency reserves as such. Any amounts that are missing from aFRR, mFRR and balancing reserve exchange contracts with neighbouring TSOs plus the amount of voluntary bids that can be relied on, sets the need for emergency reserve contracts. Best practice experiences elsewhere show that for some large electricity consuming industries adjustment of their production processes to allow for remote instructed demand reduction is quite feasible for a reasonable price and this potential shall therefore also be explored in Albania.

4.3 Bidding process

4.3.1 In the bidding process for the contracting of required capacities only registered participants for a given product may bid. Bids for a capacity contract shall be specified as:

a. Offering party;
b. Capacity product offered (FCR, aFRR or mFRR);
c. Volume offered (MW);
d. Price offered (€/MW). Note that this is the price per MW for guarantee of available volume of the product over the entire contracting period. Divided by the hours in the contracting period, this gives the price per MW and per hour;
e. End of availability commitment period if this is before the end of the contracting period.

4.3.2 The above primarily applies to aFRR and mFRR capacities which will be procured through weekly auctions. For FCR an annual auction is initially foreseen which may develop into a weekly auction eventually. For emergency reserves, an annual negotiated tender process is most suited.

4.3.3 TSO may reject a bid which does not cover the entire availability commitment period or may consider a break-up of the commitment period.

4.4 Selection process

4.4.1 The total amount of upward aFRR + mFRR to be contracted is equal to the dimensioning requirement for upward aFRR plus the amount remaining from the dimensioning requirement of upward mFRR after subtraction of volume of voluntary bids that may be expected and the volume that can be exchanged under mutual assistance contracts with neighbouring TSOs. The minimum amount of upward and downward aFRR to be contracted is equal to the aFRR dimensioning requirement.

4.4.2 For each product, for each hour in the contracting period, bids that have offered availability for that hour shall be selected in bid price merit order until the required volume is reached or until the budget limit is reached. Bids may only be selected for the entire contracting period.

4.4.3 If the budget limit is reached before the required amount is reached, raising of the budget shall be considered. If there are no more bids that cover the entire contracting period and the required amount is not reached, but bids that offer limited duration of availability would supplement the required amount, there are two considerations: either additional bids are in a new tender contracted for a shorter time period, or the TSO relies on voluntary bids that supplement the required volumes.

4.5 Pricing

4.5.1 All capacity bids are paid as bid. BSPs receive a remuneration based on contracted capacity times the contracted bid price per MW over the whole contracting period, or per MW per hour of the contracting period.

4.6 Results publication

4.6.1 Results of a tender shall be published before the delivery commitment process starts. Such publishment consists on publication of:

a. Requested Product;
b. Total volume offered;
c. Lowest bid price, highest bid price;
d. Total volume awarded;
e. Average volume weighted bid price of awarded volume; and
f. Highest bid price of awarded volume.

4.7 Timings

4.7.1 FCR tenders to be performed initially on an annual basis.

a. Call for Expression of Interest: 13 weeks ahead of the day of start of delivery
b. Closing of EoI period: 11 weeks ahead of the day of start of delivery
c. Gate opening for tender: 10 weeks ahead of the day of start of delivery
d. Gate closure for tender: 8 weeks ahead of the day of start of delivery
e. Results publication deadline: 6 weeks ahead of the day of start of delivery.

4.7.2 aFRR and upward mFRR tenders to be performed initially on a weekly basis.

a. Call for Expression of Interest (first auction): 13 weeks ahead of the day of start of delivery
b. Closing of EoI period (first auction): 11 weeks ahead of the day of start of delivery
c. Gate opening for auction: 10 weeks ahead of the day of start of delivery
d. Gate closure for auction: 2 working days ahead of the day of start of delivery
e. Results publication deadline: 1 working day ahead of the day of start of delivery.

4.7.3 Timings shall give TSO reasonable time for decision making and market parties reasonable time for preparation towards the next phase. Final timings shall be agreed in dialogue with market parties. Timings shall also be aligned with timings for prequalification.

4.8 Fall-backs

4.8.1 In case of failure of auction for whatever reason, the following options shall be considered:

4.8.2 A prerequisite to start the ABM shall be that sufficient technical technical units are qualified. Shall this not be the case then a dialogue with the industry and ERE will be required to seek solutions: delay of the start in order to allow new investments towards more pre-qualified volumes, reduce the amount to be contracted, i.e. more relying on free bids, engage with neighbouring TSOs on cross-border reserve sharing (only works if there is unused capacity in importing direction on some border, not necessarily the same border all the time), engage with demand side on demand side response in case of emergency (as a substitute for mFRR). There is no prescription for this process in general as the way to go forward will depend on the situation with respect to expansion planning, cross-border availability of reserve, willingness of industry and cross-border TSOs, ERE and last but not least, the costs.

a. If not enough volume can be procured with the first auction, the TSO should consider announcing requests for more bids in a second round of the same auction, e.g. on the next day. The precise timing needs to be discussed and agreed with the industry as they shall have the possibility to increase the volume of bids or adapt their bid prices;
b. If the tender fails due to technical issues, the issue shall be solved and the tender repeated after successful resolution of the failure.Depending on the reason for failure, the tender timings could be adapted to allow for resolution of the problem.

4.8.3 If at the end of the day still not enough volume can be contracted, ad-hoc measures shall be considered. For example emergency contracts with neighbouring TSOs or the demand side. In this case the imbalance price when these contracts are activated shall be high enough as a disincentive for the market to rely on the TSO, e.g. a surcharge of 25% on the activation price of the most expensive balancing energy bid.

5 DELIVERY COMMITMENT PROCESS

5.1 Bid specification

5.1.1 Bid categories

5.1.1.1 All delivery commitment bids for aFRR, mFRR and RR belong to one of the following:

a. Balancing purposes:
   i. Bids aFRR contracted;
   ii. Bids aFRR not contracted;
   iii. Bids mFRR/RR.
b. Other purposes (e.g. congestion management):
   i. Bids RR.

5.1.2 Structure of a delivery commitment bid message

5.1.2.1 A BRP offering on behalf of a BSP, can send more than one delivery commitment bids in a single bid message. A bid message has three layers:

a. The bid message
b. The bid (0..n per bid message)
c. Bid lines (92..100 per bid)

5.1.2.2 The bid message is composed by an (unlimited) number of bids. A bid message with number of bids nil (0) indicates the BRP does not want to submit any delivery commitment bids.

5.1.2.3 Each new bid message sent overrules all previous bid messages.

5.1.2.4 The bid messages are exchanged in a standardised format. the TSO shall define and make this standard available to all parties. The TSO shall publish a detailed description of this format.

5.1.2.5 The bid message is sent by the BRP to the central mailbox system of the TSO, and shall be addressed to the contact person defined by theTSO.

5.1.2.6 Each delivery commitment bid aFRR/mFRR/RR is composed of bid lines, one for each ISP (clock quarter of an hour). Any normal day counts 96 ISPs.

5.1.3 Attributes of a bid message

5.1.3.1 Attributes of a bid message are presented in the following table:

Attribute	Unit	Description	Permissible values
BSP	N/A	Identification of the BSP	EIC code
BRP	N/A	Identification of the BRP whose imbalance will be adjusted on activation	EIC code
Request	N/A	If the message is submitted at TSO's request, the TSO-issued request number must be included	TSO-issued request number

Date of delivery	N/A	The date for which the bids are valid	Date in the range: current to current + 7 calendar days

5.1.4 Attributes of a delivery commitment bid

5.1.4.1 Attributes of a bid message are presented in the following table:

Attribute	Unit	Description	Permissible values
Agreement	N/A	Identification of the agreement between the BSP and the TSO	TSO-issued contract number comprising 10 alphanumerical characters
Reference	N/A	Bidder-issued unique identification of the bid as part of the message	bidder's choice
Object[1]	N/A	An object enables a bidder to couple two bids. From an Object only one bid can be activated at the same time	bidder's choice

Activation time	ISP	Minimum ISP interval relative to current for which Bid is available to be activated by TSO; distinguishes aFRR, mFRR/RR for balancing, mFRR/RR for other purposes	Integer value in the 0 to 672 range (7 days)
			aFRR (contracted/not contracted): Activation Time = 0;
			mFRR Balancing: Activation Time = 1;
			RR for balancing: Activation time = 2, 3, 4;
			RR for other purposes: Activation Time ≥ 5

Activation Duration	ISP	Minimum number of consecutive ISP's for admissible activation by the TSO	Integer value 1 or in the range 0 to 672 (7 days) aFRR (contracted/not contracted), mFRR/RR for Balancing: Activation Duration = 1; RR for Other purposes: Activation duration ≥ 4
Volume	MW	Bidsize: + upward - downward	Upward: Integer in range 4 to 200; Downward: Integer in range -4 to - 200
Regulation rate[1]	% per	Regulation rate, as percentage of	One decimal place, value in

[1] Note that this attribute could also be specified as Full Activation Time (FAT) in minutes, the regulation rate can then be derived from: ramp rate = 60/FAT [%/min]

Attribute	Unit	Description	Permissible values
	minute of bid size (attribute "Volume")	attribute "Volume" per minute	the range 7.0 to 100.0
Location/Grid object	N/A	A connection, or set of connections, within the Albanian high-voltage grid, from which BSP will dispatch on activation. This connection or set of connections belongs to one owner or administrator.	EIC code

[1)] An aFRR object couples two bids of opposite sign (upward/downward); A mFRR/RR object for other purposes couples two bids with similar bid size and activation time, but with different activation duration and price.

5.1.5 Attributes of a delivery commitment bid line

5.1.5.1 Each ISP on the date of delivery for which the bid is available must be specified.

Attribute	Unit	Description	Permissible values
Availability	ISP	ISP number for which bid applies	Unique Integer value in range1 1 to 100, ascending
Bid price	€/MWh	Balancing energy bid price	Two decimal places Value in the range -10,000.00 to +10,000.00

5.1.5.2 For bids for balancing purposes the bid price may vary per ISP; for bids for other purposes the bid price must be constant.

5.1.5.3 The symbol (sign) of the product of the bid size and the BSP balancing energy activation price denotes the direction of the cash flow, with + indicating that the TSO pays the BSP and -, that the BSP pays the TSO.If Volume = 0, the bid price does not apply.

5.1.5.4 The symbol (sign) of the bid and the activation price derived from the bid prices of all activated bids dictate the direction of the cash flow:

	Activation price >0	Activation price <0
Upward balancing energy	TSO pays BSP	BSP pays TSO
Downward balancing energy	BSP pays TSO	TSO pays BSP

5.1.6 Optional aspects of attributes

5.1.6.1 The table below defines which attributes are optional and which are mandatory, depending on the bid category:

~~Bid category~~	aFRR	aFRR	mFRR/RR	RR

Attribute	Contracted	Not contracted	Balancing	Other purposes
BSP	Mandatory	Mandatory	Mandatory	Mandatory
ISP	Mandatory	Mandatory	Mandatory	Mandatory
Request	Optional	Optional	Optional	Optional
Date of delivery	Mandatory	Mandatory	Mandatory	Mandatory
Contract	Mandatory	N/A	N/A	N/A
Reference	Mandatory	Mandatory	Mandatory	Mandatory
Object	Optional	Optional	N/A	Optional
Activation time	Mandatory	Mandatory	Mandatory	Mandatory
Activation duration	Mandatory	Mandatory	Mandatory	Mandatory
Regulation rate	Mandatory	Mandatory	N/A	N/A
Location	Mandatory	Mandatory	Mandatory	Mandatory
Volume	Mandatory	Mandatory	Mandatory	Mandatory
Bid price	Mandatory	Mandatory	Mandatory	Mandatory

5.2 Bidding gate closures

5.2.1 Before the day of delivery

5.2.1.1 The balancing energy bids for the day of delivery are required to reach the TSO by 14h00 daily on the day prior to that of delivery. aFRR/mFRR/RR bid messages received by the TSO between 14h00 and the time of approval by the TSO that have not been provided with a valid Request number will be ignored (on notification of the sender).

5.2.1.2 As soon as the time of approval by the TSO has passed, the aFRR/mFRR/RR bids for the day of delivery can be revised. The procedure for the day of delivery comes into operation at 23h00 on the day of preparation.

5.2.2 During day of delivery

5.2.2.1 On the day of delivery, the deadline for submitting revised aFRR/mFRR/RR bids always closes one hour ahead of each ISP. After bidding gate closure for an ISP all bids for that ISP are rejected except those that have a Request number issued by the TSO.

Example: It is 18h42 and a BSP decides to revise its bids for the current day. At this time the BSP will be permitted to submit changes for the ISP from 19h45 to 20h00 and all further ISPs. In the event of the BSP submitting changed bids for one or more ISPs before 19h45, its bid message with all its bids will be rejected.

5.3 Results publication

5.3.1 The TSO shall publish a merged bid merit order for balancing purposes and for other purposes separately in an anonymized form. This merged bid ladder can be requested at any time for the next day and for any day before that. When showing, request date and time and the day of delivery shall be displayed.

5.3.2 Publication of an anonymized merged bid merit order has the following advantages:

a. BSPs can use it to (re)-position their bids or to post new bids

b. To a lesser extent, BRPs can base their assessment of imbalance risk on this information and act on the intraday market accordingly, however:

   i. Bids are not firm until final gate closure

   ii. It concerns a merged bid ladder of aFRR and mFRR bids while in practice aFRR bids may occasionally get activated before mFRR bids, even if they are more expensive (for technical reasons)

5.3.3 The anonymized merged bid merit order would show the balancing energy price at different levels of activated volumes, e.g. at 50 MW, 100 MW, 200 MW, 400 MW and 100% of total volume available in both directions (upward and downward).

5.4 Timings

5.4.1 This is a summary of the timings already provided above:

a. Gate opening for delivery commitment bidding: D-7, 0h00
b. Initial gate closure for delivery commitment bidding for all ISPs of day D: D-1, 14h00
c. Approval of initial bids by the TSO and re-opening of bidding gate for all ISPs of day D: D-1, 15h00
d. Final gate closure for delivery commitment bids of ISP i (i=0-100) on day D: D, 1 hour before start of ISP i.

(Identification of the company)

OST
Contact person in OST
Address

Date : ……

Project : "Ancillary services - OST"

Subject : **Sworn Statement**

I, Mr. *(name), (function),* having the necessary powers to represent hereby (name of the company) swear on my honor that:

- (*name of the company)* is not in a state of bankruptcy or of settlement, has not ceased its economic activity or has not obtained a judiciary arrangement, nor is in similar situation as a consequence of a similar procedure existing in the national laws and/ or regulations of the country of establishment *(name of the country);*
- *(name of the company)* has not filed for bankruptcy, nor is a procedure of settlement pending, nor is the company subject to a similar procedure existing in the national laws and/ or regulations of the country of establishment *(name of the country)*;
- *(name of the company)* has not been convicted of an offence concerning professional conduct by a judgement which has the force of res iudicata;
- *(name of the company)* has not been guilty of grave professional misconduct proved by any means which the contracting authority can justify ;
- *(name of the company)* has fulfilled its obligations relating to the payment of social security contribution in accordance with the laws of the country of establishment or in accordance with the laws of the country of the contracting authority ;
- *(name of the company)* has fulfilled their obligations relating to the payment of taxes in accordance with the laws of the country of establishment or in accordance with the laws of the country of the contracting authority;
- *(name of the company)* is not guilty of serious misrepresentation in supplying the information required in this document;
- *(name of the company)* respects all applicable laws (also if and when amended) and in particular the law relative to the well-being of workers at their workplace (law of 4 August 1996) as well as all obligations from the royal decree of 25 January 2001 (concerning temporary or mobile construction sites), modified by the royal decree of 19 December 2001 (concerning the additional training of coordinators in matters of safety and health).

(name of the company)

signature *(name)(address)(function)*