

Market Participant Agreement

Approved with ERE Board Decision no.63 of date 11/05/2017

The Electricity Market Purchase Agreement is signed today on date _____ between the Parties:

- Transmission System Operator – Market Operator (TSO – MO), registered in the Trade Register (National Registration Center) with Decision no.31935, of date 14.07.2004 and Headquarters in _____, represented by **Mr. Engjëll Zeqo**, hereinafter referred as TSO-MO.

- Electricity Market Participant, registered in _____ no. _____ and

Headquarters in _____, represented by _____
, hereinafter referred as _____

Chapter I General Provisions

Article 1

- 1.1 TSO company in compliance with Law No. 43/2015 “ On Power Sector” article 53, point 1, is the only holder of Electricity Transmission License, issued by ERE with Decision No.24 of date 26.03.2009.
Based on the Albanian Electricity Market Rules, Chapter II, point 2.4, approved with ERE Board Decision No.139 of date 25.08.2016, one of TSO operations is that of Market Operator.
- 1.2 (Market Participant, Party of this Contract) _____
in compliance with article 37, of Law No. 43/2015 “On Power Sector”, is holder of _____ License issued by ERE with decision no.____
of date _____.
Based on Chapter II of Albanian Electricity Market Rules, approved with ERE Board Decision no. 139 of date 15.08.2016, (the Market Participant, Party of this contract) _____, in the function of _____(according to the licensed activity) in the Albanian Electricity Market.

Chapter II Purpose of the Agreement

Article 2

- 2.1 This agreement regulates the agreements between the parties that sign it, TSO-MO and Electricity Market Participants and define the obligations and the rights deriving from their activity in the electricity market.

Chapter III

The rights and obligations of the parties

Article 3

- 3.1 The Parties agree to accept their respective role and function in the Electricity Market and engage to carefully implement the laws, codes, rules and trading

practices that regulate or have to do with the Power Sector and the Electricity Market.

- 3.2 The Parties agree to establish and implement agreements and contracts with the Electricity Market Participants in conformity with the Market Rules.
- 3.3 The Parties, agree to exchange information and data in conformity with their respective rights and obligations for information in conformity with the Market Rules.
- 3.4 The parties undertake to fulfill the respective financial obligations in conformity with the Market Rules and the bilateral Agreements related to them. In any case the Parties shall not undertake the mutual compensation of the obligations without the reconciliation and the approval of the other party.

Chapter IV

Market Participant

Article 4

4.1 The market participant agrees to comply at any time with the Market Rules, all accompanying technical codes and internal procedures of TSO-MO necessary for the operation of the Electricity Market.

4.2 All internal secondary legislations of TSO-MO according to point 4.1 that the Participant must implement, shall set obligations that do not exceed the obligations determined in the primary and secondary legislation of the power sector and the other secondary legislation issued by ERE.

Article 5

5.1 The market participant has the obligation to inform TSO-MO for every signed contract. He must submit to TSO-MO the information for each contract, identifying as follows:

- i. Identification of the contracting parties;
- ii. Delivery/withdrawal points;
- iii. Duration of the contract;
- iv. Contracted quantities.

These requests shall be implemented for all bilateral contracts including import/export contracts.

5.2 The contract signed between two market participants in the market, becomes effective after TSO-MO confirms its taking. TSO-MO shall confirm taking such a contract no later than 10 working days. The lack of confirmation within this deadline means that the contract is effective.

Article 6

The market participant shall submit to TSO-MO the notifications related with all net physical exchanges between the individual parties (contractual notification) or between the responsible parties for balancing, in order to physically realize the contractual obligations.

Article 7

7.1. The Market Participant shall submit to TSO-MO a Daily Program in compliance with the day ahead programming process as specified in the Grid Code, so that TSO determines the Daily Program form.

7.2. The form and way of submitting the daily program and the other ancillary procedures are object to be determined by TSO company in conformity with the Grid Codes and the Market Rules.

Article 8

8.1 The Market Participant shall be responsible for balancing to TSO for the whole generation, purchase, import, export, sale or consumption.

8.2 Electricity market participants may regulate the balancing responsibility by an agreement with the Transmission System Operator taking the status of the responsible party for balancing or by signing a contract for transferring the balancing responsibility to another balancing responsible party, being member of a balancing group, in conformity with the Market Rules. If this balance is not provided, or not realized on time, substance and form according to the obligations coming from the Market Rules and this Agreement from the responsible party, the Participant may require compensation.

8.3 Until the establishment of the balancing market, the tariffs for the realization of the balancing service shall be set according to the methodology approved by ERE. This methodology shall reflect the costs and they shall be public.

8.4 Where the Market Rules not define it, the responsibility shall be issued on the basis of the Civil Code.

Chapter V
TSO – MO
Article 9

9.1 TSO-MO has the right to require from the market participant all the necessary information, in conformity with the Electricity Market Rules, the Grid Code and accompanying Technical Codes, and the internal procedures and protocols of TSO-MO necessary for the functioning of the Electricity Market.

Article 10

10.1 TSO - MO is obliged to use the information ensured by the market participant, in conformity with the Electricity Market Rules, the Grid Code and accompanying Technical Codes, the internal procedures and protocols of TSO MO necessary for the operation of the Electricity Market.

Article 11

11.1 TSO-MO shall make available to each market participant any information regarding the operation of the electricity market not defined as confidential or commercially sensitive. Except of the definitions of point 11.1 and only the public interest and function deriving from the activity of Distribution System Operator (DSO) and the Universal Service Supplier (FSHU), TSO-MO shall give DSO and FSHU the data that these operators may require to maintain their services.

Chapter VI
Entry into force and Settlement /Termination of the
Agreement

Article 12

12.1 The sign of this contract is a condition for Electricity Market participation. The sign shall be only from the persons directly authorized according to the Albanian legislation or with an authorization to represent each party.

12.2 This agreement becomes effective and obligatory for the Parties on the date of its implementation.

12.3 This agreement is without deadline and the Participant may settle it by giving the prior notice to TSO-MO. TSO-MO may settle the agreement only on supported reasons and only after ERE approval.

Article 13

13.1 A market participant may withdraw from the electricity market with its own incentive, based on a written notification signed by the authorized representative of this participant. The notification shall be submitted at least

3 months before the date when shall be cancelled the registration of the market participant and shall be concluded the agreement. After taking this notification TSO shall immediately inform all the other market participants.

Article 14

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

Article 15

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

- The market participant does not fulfill any more one or more conditions necessary for registration as market participant (as defined on the Provisions for the Electricity Market Registration Procedures);
- The market participant does not fulfill any more the requirements regarding the financial guarantee or makes other payments (provided in the Provisions for the Electricity Market Registration Procedures);
- The market participant does not respect the Market Participation Agreement;
- The market participant is continuously guilty for the failure to respect the market rules and all the applicable codes for the Albanian electricity market or the financial agreement.

Article 16

If the market participant may not prove that he has avoid the reason (reasons) that caused its suspension, during the period specified in the notification for suspension, then TSO-MO shall proceed with the termination of the Market Participant Agreement.

If this decision of TSO-MO is rejected by the participant then after submitting the complaint, ERE shall verify if the reasons for the suspension of the commercial activities are justified and shall take the decision within 15 working days from taking the complaint.

The submission of the complaint at ERE from the Market Participant, suspends the implementation of TSO decision, until taking the decision by ERE.

Article 17

If the registration of the market participant is suspended then all the suspending (new) bids of the market participant shall be cancelled automatically for all the suspension period.

Article 18

18.1 TSO-MO shall terminate the Market Participation Agreement of a market participant in each of these cases:

- a. If the market participant does not fulfill any more one or some of the conditions necessary for registration as market participant (as defined in the Provisions for the Electricity Market Registration Procedures);
- b. If the market participant does not fulfill any more the requirements regarding the financial guarantees (as defined on the Provisions for the Electricity Market Registration Procedures);
- c. If the market participant does not respect the Market Participation Agreement;
- d. If the market participant is continuously guilty for not respecting the market rules and all the applicable codes in the Albanian electricity market.

18.2 The Market Participation Agreement shall be automatically and immediately revoked, when the license of the market participant is revoked by ERE.

Article 19

The disagreements between the parties that have not reached a solution in a friendly way shall be left for ERE judgment. ERE shall give its decision within 15 working days from the complaint date. Independently from ERE decision and after the decision, the parties have the right to go to court for the judicial review of the conflict. The competent Court for review of disagreements shall be the Administrative Court.

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

The form of this agreement is approved by ERE as “Market Participation Agreement”, with decision no. _____ of date ____/____/____

Transmission System Operator

Market Operator