



REPUBLIKA E SHQIPËRISË

**RULES FOR FINANCIAL GUARANTEES OF THE
PARTICIPANTS REGISTRATION IN THE
ELECTRICITY MARKET.**

**Approved by Decision No. 115, dated 27.07.2017,
ERE Board of Commissioners**

Chapter I

General

Provisions

Article 1

Authority

These rules are drafted and approved pursuant to Point No. III.2.4 of the “Provisional Rules of the Albanian Electricity Market”, approved by Decision no. 139, dated 15.08.2016 of the ERE Board, as amended.

**Article
2**

Purpose

The purpose of these rules is to determine the procedures for financial guarantees that every Participant in the Electric Power Market (EPM) must provide, on the benefit of the TSO plc, for the transmission service, prior to the registration on the EPM.

**Article
3**

Definitions and acronyms

- 1- ERE - The Energy Regulatory Entity is the regulatory authority of the Electric Power and Natural Gas Sector, which operates in accordance with Law no. 43/2015 "On the Electric Power Sector" and Law no.102 / 2015 "On the Natural Gas Sector";
- 2- EPM - Albanian Electric Power Market - is a system where effective sales and purchases are made, including Electric Power derivatives, through demands and bids, submitted in the long term and short term, referred to Law no. 43/2015 "On the Electric Power Sector";
- 3- TSO - Transmission System Operator is the legal entity, responsible for the operation, maintenance and development of the electric power transmission system, licensed by ERE.
- 4- Market Operator - Responsible structure, licensed for the operation, organization and management of the electric power market that is currently part of the TSO.
- 5- Market Participation Agreement - a document that governs the relations between the parties signing it, the OST-MO and the participants in the electric power Market, defining the obligations and rights deriving from their activity in the electric power market.
- 6- The participant in the electric power market - is a legal entity, registered as a member of the electric power market, including producers, traders, suppliers, customers, Transmission System Operator, Distribution System Operator, Closed Distribution Systems and Market Operator, holder of the license issued by ERE.
- 7 – Financial guarantee means a commitment to a bank, for covering and ensuring reliably, the fulfillment of the Market Participant financial obligations, towards the TSO.

Chapter 2

Technical information and Financial Guarantees, for the Registration in the Electric Power Market.

Article 4

Technical Information

- 1- Pursuant to the Market Participation Agreement, each participant into the Electric Power Market, must offer to the Market Operator, the technical information following, in the annex of this regulation.
- 2- Documentation, as appropriate, is original or certified copies.
- 3- This information is condition for Registration in the Electric Power Market.

Article

5

Deposit and use of the financial guarantee

1. Each subject enrolled in the Albanian Electric Power Market (EPM) will deposit into a commercial bank, established in Albania, a financial guarantee in ALL. Financial guarantee is a prerequisite for participation in EPM.
2. EPM Participant will notify the TSO for the deposit of the financial guarantee, no later than 15 working days before the physical program, provided by EPM Participant, become effective, in order to allow TSO to verify that the guarantee is being put.
3. An EPM Participant will authorize the TSO to use the amount of the guarantee for payments or transfers towards TSO, without its prior approval, except when the participant has presented, within seven working days from the notification of the TSO for the use of the guarantee, a complaint directed to ERE that explains, why the TSO should not use the guarantee.
4. TSO will notify the participant 10 working days in advance for the use of financial guarantee, the reason for its use (such as, unpaid obligations towards the TSO), as well as the date of execution of the financial guarantee.
5. TSO will use the financial guarantee of an EPM Participant for fulfilling the obligations that the latter has towards the TSO.
6. The amount of the financial guarantee shall be equal to 5% of the Monthly physical program, foreseen by the EPM Participant, multiplied by 10 ALL / kWh, but not more than 20 million ALL and not less than 500 thousand ALL, in conformity and in fulfillment of the Market Rules.
7. TSO will lose the right to use the financial guarantee of an EPM Participant, after the notification for the Participant deregistration from the EPM, as foreseen in the Regulation for the Registration procedures in the Electric Power Market.
8. After the notification of the Participant deregistration from the EPM, as foreseen in the

Regulation for the Electric Power Market Registration procedures, TSO has the right to use that part of the financial guarantee liability, corresponding to the backward liability of the Participant towards the TSO.

9. Any backward liability of the EPM Participant, once he is unsubscribed from the EPM, for which the TSO has affected his financial guarantee, as defined in paragraph above in this clause, may be the subject of appeal, in the District Court of Tirana.

Article 6

Appeal over the use of the Financial Guarantee

1- Any participant who opposes the use of financial guarantee from the TSO, may submit a complaint to ERE, within 7 working days from the receipt of notification by the TSO, related to the use of the financial guarantee, making aware the TSO too, for the complaint filed in ERE.

2- If a participant submits a complaint under paragraph 1 of this Article, the TSO will not use the guarantee, until it is permitted by ERE for such a thing, or after 30 working days from filing the complaint in the case ERE did not act, within the deadlines specified in these rules, ERE will take a decision for the appeal filed, which will be mandatory for OST implementation

3 - ERE's decision may be appealed by the EPM participant or TSO, in the Administrative Court within 30 calendar days of publication of the Decision in the Official Journal.

Chapter 3

Last Provisions

Chapter 7

Amendments to Regulation

These rules are object to review and change with decision of the ERE's Commissioners Board, proposed by the TSO, in accordance with the ERE's Practice Rules and Procedures.

Article 8

Entry into force

These rules become effective upon publication in the Official Journal.