# Balancing Service Provider AGREEMENT

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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

1. **[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**” ).

# 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.
5. 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.
6. 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.

# TERMS AND CONDITIONS OF THE AGREEMENT

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

# SUPERVISION BY THE OST, SUSPENSION

1. 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.
2. 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.
3. 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.

# REPRESENTATION

**Representations by the BSP**

1. Upon concluding this agreement, the BSP guarantees to OST that:
   1. All necessary actions, as required by the Albanian Balancing Market Rules have been undertaken for due authorization upon signing this Agreement; and
   2. 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.
2. 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**

1. Upon concluding this agreement the OST guarantees to the BSP that:
2. All necessary actions have been undertaken for due authorization upon signing this agreement, which is supplemented by the Albanian Balancing Market Rules; and
3. 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.

# DURATION OF THE AGREEMENT

1. 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.

# CONFIDENTIALITY

1. 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.
2. 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.
3. 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.
4. The confidentiality obligation does not limit OST to submit information to ERE or where and when this is required by law.
5. 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**

1. 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).
2. 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.
3. 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

1. This Agreement is integral part of Albanian Balancing Market and as such is approved by ERE. Amendments to this Agreement require the ERE approval.
2. OST may propose amendments to the Albanian Balancing Market Rules in accordance with the terms stipulated therein.
3. Each amendment of the Albanian Balancing Market Rules directly affects Parties to this Agreement.

# VIII. AGREEMENT TERMINATION

1. Each of the Parties may terminate this Agreement following a written notification in accordance with the Albanian Balancing Market Rules.
2. 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

1. 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

1. 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.
2. 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.*