



REPUBLIKA E SHQIPËRISË

RULES ON FINANCIAL GUARANTEES OF THE PARTICIPANTS FOR ELECTRICITY MARKET REGISTRATION

Chapter I General Provisions

Article 1 Authority

These rules are drafted and approved implementing point III.2.4 of the “Temporary Albanian Electricity Market Rules”, approved with ERE Board Decision, no.139, of date 25.08.2016 as amended.

Article 2 Purpose

The object of these rules is to define the procedures for financial guarantees that any participant in the electricity market should provide on the account of TSO company, for the transmission service, prior to the registration on the electricity market.

Article 3 Definitions and Acronyms

- 1- ERE - Energy Regulator Authority is the regulator authority in the Power and Natural Gas Sector, that operates in conformity with Law no.43/2015 “On Power Sector” and Law 102/2015 “On Natural Gas Sector”;
- 2- Albanian Electricity Market (TEE) – is a system where are performed the effective sales and purchases, including electricity derivatives, through requests and bids, submitted in long-term and short-term periods, referring to Law no. 43/2015 “On Power Sector”;

- 3- TSO – Transmission System Operator is the legal entity for the operation, maintenance and development of the transmission system licensed by ERE.
- 4- Market Operator – The responsible unit licensed for the operation, organization and management of the electricity market that is currently part of TSO company.
- 5- Market Participation Agreement - a document that regulates the agreements between the parties that sign it, TSO-MO and the Electricity Market Participants, by defining the obligations and rights arising from their activities in the Electricity Market.
- 6- Electricity Market Participant - is a legal entity, registered as electricity market participant, including the generators, traders, suppliers, customers, Transmission System Operator, Distribution System Operators, Closed Distribution Systems and the Market Operator who hold a license issued by ERE.
- 7- Financial guarantee shall mean an engagement in a bank, to cover and ensure the fulfillment in a reliable way of the Market Participant financial obligations to TSO.

Chapter II

Technical information and Financial Guarantee for Registration in the Electricity Market

Article 4 Technical information

- 1- Based on the Market Participant Agreement, each participant in the Electricity Market shall provide for the Market Operator the technical information on the annex of this regulation.
- 2- The documentation, according to the case, is the original or a notarized copy
- 3- This information is a condition for registration in the Electricity Market.

Article 5 Depositing and using the financial guarantee

1. Any entity registered in the Albanian Electricity Market (AEM) shall deposit in a commercial bank established in Albanian a financial guarantee in ALL. The financial guarantee is a pre-condition for participation in AEM.

2. The AEM participants shall notify TSO for the guarantee deposit no later than 15 working days before the physical program provided by the AEM participants becomes effective, so that permits TSO company to verify that the guarantee is made.
3. A participant of AEM shall authorize TSO to use the guarantee amount for payments or transfers for TSO company without prior approval, besides when the participant has presented within 7 working days from the TSO notification for the guarantee use, a complain at ERE that reasons why OST should not use the guarantee.
4. TSO shall notify the participant 10 working days before for the use of the financial guarantee, the reason to use (such as unpaid obligations to TSO) as well as for the execution date of the financial guarantee.
5. TSO shall use the financial guarantee of an AEM participant to fulfill the obligations that this latter has to TSO company.
6. The financial guarantee amount shall be equal to 5% of the monthly physical program provided by the participants in AEM multiplied with 10 ALL /kWh, but not higher than 20 million ALL and not less than 500 thousand ALL, in compliance with the fulfillment of the Market Rules.
7. TSO shall lose the right to use the financial guarantee of an AEM participant after the notification for deregistration of the participant from AEM, as provided in the Regulation of registration procedures in the Electricity Market.
8. After the notification for deregistration of the AEM participants, as provided in the Regulations on procedures for registration in the Electricity Market, TSO has the right to touch from the financial guarantee the part which corresponds to the unpaid financial liability of the participant to TSO company.
9. Each unpaid obligation of the AEM participants after being unregistered from AEM, for which TSO has touched the financial guarantee as defined on the above paragraph, may be object of search on the Court of Tirana.

Article 6

Complaint on using the financial guarantees

- 1- A participant that is against the use of financial guarantee from OST may file a complaint at ERE within 7 working days from the notification date of OST regarding the use of financial guarantee notifying even TSO for the complaint submitted at ERE.
- 2- If a participant files a complaint according to point 1 of this article, TSO shall not use the guarantee until is allowed to do so by ERE or after 30 working days from submitting the complain if ERE has not acted, within the deadlines set in these rules ERE shall take a decision for the submitted complaint, which shall be obligatory by TSO.
- 3- ERE decision may be appealed from the AEM participant or TSO in Tirana District Court within 30 days from publishing the Decision in the Official Gazette.

Chapter 3
Last provisions

Article 7
Amendments of the Regulation

These rules are object of review and amendment with ERE Board decision, proposed by TSO, in conformity with ERE Rules of Practice and Procedure.

Article 8
Entry into force

These rules enter into force after publication in the Official Gazette.
