

**REPUBLIC OF ARMENIA  
WHOLESALE ELECTRICITY MARKET  
TRADING RULES AND CONTRACTS**

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# REPUBLIC OF ARMENIA WHOLESAL ELECTRICITY MARKET TRADING RULES

## SECTION I. GENERAL PROVISIONS

### CHAPTER I. SUBJECT AND DEFINITIONS

1. The Republic of Armenia (RoA) Wholesale Electricity Market Trading Rules (hereinafter: WEM Rules) shall define the structure and principles of functioning of the Wholesale Electricity Market (WEM), the procedure for registration of WEM Participants, the trading rules, Orders submission procedures, procedures for import and export of electricity, principles of the functioning of Bilateral Contracts, the Day-Ahead and Balancing Markets, procedures on the provision of and payment for electricity and capacity supply and System services, requirements for the storage and transparency of WEM data, the rules and procedures aimed at increasing the efficiency of the WEM's operation, as well as other rules required for the well-organized, normal, and efficient operation of the WEM.
2. The main definitions used in these Rules:

- |                                       |   |
|---------------------------------------|---|
| <b>1) Trading (Settlement) Period</b> | A period of 60 minutes' duration.   |
| <b>2) Commercial Metering</b>         | Metering of electricity (capacity) quantities and provided services subject to payment within the framework of the trading relations of WEM Participants. |
| <b>3) Commercial Meter</b>            | A metering device for commercial measurement of electricity (capacity) quantities stated in the WEM Contract.   |
| <b>4) Trading day (TD)</b>            | A sequence of consecutive Trading periods from 00:00 until 23:59.   |

- 5) Generator** An entity that is eligible for electricity (capacity) generation and actually performs generation activity, except for a plant being in the stage of testing and commissioning.
- 6) Export Point** Crossing point of the interconnection line and the state border, where the export of electricity is carried out.
- 7) Distribution Network** A unified system of electricity distribution lines, substations, and other facilities controlled and operated by the Distributor.
- 8) EDN Code** The RoA Electricity Market Distribution Network (EDN) Code approved by the Commission.
- 9) Distributor** An entity holding an electricity (capacity) distribution license.
- 10) Confidential Information** Information on commercial status or financial secrets of a WEM Participant and/or other information, the public disclosure of which may harm the latter, as well as customer-related information available from the WEM Participants.
- 11) Transaction** An agreement between the WEM Trade Participants with respect to electricity trading in all segments and components of the WEM or a direct contract signed between a WEM Participant with a foreign physical or legal entity on the export of electricity or on the import of electricity to be sold in the WEM or to be used to satisfy its own demand.
- 12) Universal Supplier** An entity holding a universal supplier license.
- 13) Annual Adequacy Forecast (AAF)** A complex of annual forecasted indicators of electricity consumption, losses, and own needs, generation, import, and export defined by the WEM Rules.
- 14) WEM Participants** Generator, Universal Supplier, Supplier, Trader, Qualified Customer, Transmitter, Distributor, the ESO and the EMO.
- 15) WEM Trade Participants** Generator, Universal Supplier, Supplier, Trader, Qualified Customer, and Transmitter, Distributor in terms of electricity purchased to cover own needs and losses.

- 16) WEM Contract** A contract between WEM Participants for participation in the WEM.
- 17) This sub-provision has been repealed*
- 18) AMIR** The cross-border interconnection line comprising high-voltage transmission lines and other plants and apparatus as necessary that connects the electricity systems of Armenia and Iran.
- 19) Transmission network** The unified system of electricity transmission lines (including substations and other facilities), under the management and operation of the Transmitter, through which electricity is transmitted to the distribution network and customers, exported (imported), and/or transited to a third country.
- 20) Transmitter** An entity holding an electricity (capacity) transmission license.
- 21) ETN Code** The RoA Electricity Market Transmission Network Code approved by the Commission.
- 22) System Services** Services to be provided by the WEM Participants for reliable and safe operations of the electricity system in cases and procedures defined in the ETN Code.
- 23) Electricity System Operator (ESO)** An entity holding an Electricity System Operator license.
- 24) Order** An offer to sell and/or a bid to buy electricity submitted in accordance with the WEM Rules.
- 25) Commission** The Public Services Regulatory Commission of the Republic of Armenia.
- 26) Metering Point** Commercial and control metering points specified in the WEM Contract.
- 27) Metering Complex** A set of combined devices (current and potential transformers, electricity meters, impulse sensors, modems, adders and connection wires, and standalone power devices ensuring uninterrupted power supply for at least 1.5 hours connected to each other on the scheme approved by the design) for measurement and metering of electricity (capacity).

- 28) Metering Data** The quantity of electricity metered and recorded by a Metering Complex.
- 29) Balancing Service** A type of System Service envisaged by the ETN Code.
- 30) Balancing Market (BALM)** A segment of the WEM where Balancing energy is traded.
- 31) Balancing Energy** The difference between the quantity of electricity sold and purchased on the Bilateral Contracts and Day-Ahead Markets as a result of dispatching the system in real-time, and quantities of electricity that have been actually purchased and sold (including imported and exported or transited) within the same Trading Period, which shall be calculated according to the WEM Rules.
- 32) GEAM** Cross-border interconnection line comprising high-voltage transmission lines and other plant and apparatus as necessary that connects the electricity systems of Armenia and Georgia.
- 33) REM Rules** The Republic of Armenia Retail Electricity Market Trading Rules approved by the Commission.
- 34) Supplier** An entity holding an electricity supply license.
- 34.1) Micro Power Producer** A legal or physical entity generating electricity at a plant with installed capacity of up to 150 kW.
- 35) Import Point** A crossing point on the interconnection line through which the import of electricity is implemented.
- 36) Market Management System (MMS) User** A responsible entity (entities) appointed by a WEM Participant, except for the Market Operator.
- 37) Electricity Market Operator (EMO)** An entity holding the electricity market operator services license.
- 38) Qualified Customer** A customer recognized by the EMO as qualified based on the criteria defined by the WEM Rules.



- 39) Bilateral Contracts Market** A segment of the WEM where electricity trade is conducted based on direct contracts for the purchase and sale of electricity signed between the WEM Trade Participants.
- 40) Contractual Capacity** The annual capacity (by months) stated in the contract between an IPP plant and the Universal Supplier.
- 41) Boundary Point** The border of balance ownership of electric installations of the WEM Trade Participants.
- 41.1) Renewable Energy Sources** Non-fossil renewable energy sources (wind, solar, hydro, geo-thermal, biomass, biogas and other) suitable for generation of electricity and (or) thermal energy.
- 42) Control Meter** Electricity control metering device specified in the WEM Contract.
- 43) Transit** Transit transmission of electricity through the customs area of the RoA from the entry customs authority to the exit customs authority.
- 44) Available Capacity** Maximum capacity subject to dispatch by the ESO, which is determined by reducing the Contractual capacity by the capacity of limitations resulting from climatic conditions at thermal power plants (TPPs) and ANPP (external air temperature, humidity, location altitude), water flow and pressure at HPPs, as well as deterioration of main equipment, thermal load, and residual physical resources.
- 45) Clearing Price** A price formed in the Day-Ahead Market per each Trading Period of the Trading Day.
- 46) Day-Ahead Market (DAM)** A segment of the WEM where electricity trade is conducted based on the Transactions concluded on the day before the day of the actual delivery of electricity.

## **CHAPTER 2. OBJECTIVE AND PRINCIPLES OF WEM OPERATION**

3. The objectives of the WEM operation according to these Rules are as follows:
  - 1) To ensure gradual liberalization of the WEM, establishing flexible mechanisms of electricity trade;
  - 2) To support the improvement of the RoA electricity system competitiveness and investment environment;
  - 3) To create transparent and competitive conditions for WEM operation, encouraging new WEM Participants to enter the wholesale market;
  - 4) To promote cross-border trade.
4. WEM operation is based on the following fundamental principles:
  - 1) Implementing electricity trade in various segments of the WEM;
  - 2) Ensuring adequate conditions for economic competition in non-regulated segments of the WEM;
  - 3) Applying accountability mechanisms for violation of responsibilities under WEM Rules and Transactions, as well as for imbalances caused by a WEM Participant;
  - 4) Establishing transparent and non-discriminatory conditions for import, export, transit of electricity, and power flow exchange with regional systems;
  - 5) Export of electricity only after the domestic demand for electricity is satisfied;
  - 6) Authenticity and accessibility of information submitted by WEM Participants to the ESO and the EMO;
  - 7) Encouraging generation of electricity from renewable energy sources;
  - 8) Ensuring non-discriminatory access to the Transmission and Distribution Networks in the WEM.

### **CHAPTER 3. INFORMATION SUBMISSION AND NOTIFICATION**

5. The exchange of information among the WEM Participants as well as the submission of documents shall be performed appropriately.
6. The exchange of information and submission of documents shall be deemed appropriately performed if they have been handed personally with acknowledgment of receipt, or using a document sharing platform ( if such is available for the recipient of that correspondence), or by a registered letter (including with a notice of delivery), by email (including the email specified by the WEM Participant) or other means of communication securing the integrity of the message (including sending a message to a phone number specified by the WEM Participant), as well as through other electronic communication means defined by legislation, or if they have been handed with a mail delivery confirmation, unless otherwise specifically mentioned in the WEM Rules. In case the EMO is notified through the MMS tool, the data presented shall be deemed appropriately notified by the given WEM Participant to other WEM Participants whom it may concern.
7. The WEM Participants shall be liable for the accuracy of information (documents) provided in the WEM.
8. Where inaccuracies were revealed in the information or documents provided by a WEM Participant, those should be corrected within 3 business days after the inaccuracies were revealed and the parties notified each other unless another term is specified in the WEM Rules.
9. In cases provided for by the WEM Rules, the EMO and the ESO shall ensure the complete publication of information in the MMS provided by WEM Trade Participants.
10. The WEM Participant shall respond to the inquiries, applications, complaints, or suggestions of other WEM Participants within 5 business days from receipt of such unless another term is defined by the WEM Rules for the specific cases.

11. The information (document) shared by the WEM Participants with each other as well as that presented to the Commission shall be in the public domain if it is not deemed confidential under law.
12. The information (documents) defined in Provision 11 of the WEM Rules may be published in the manner prescribed by law. The party that published it shall be responsible for violating the requirements of the legislation through the publication of such information (documents).
13. Any information or document provided in the context of the WEM Rules shall be preserved for at least 5 years unless another longer period is defined by the WEM Rules or legislation for the storage of the given type of documents and data.

#### **CHAPTER 4. EMERGENCY SITUATIONS**

14. In cases defined by the ETN Code, when an emergency or force majeure situation (hereinafter, Emergency Situation) is declared, the WEM Participants shall operate exclusively based on the dispatch instructions of the ESO. The obligations assumed under Transactions shall be suspended for the entire period of the Emergency Situation and measures defined by the WEM Rules for violation thereof shall not be undertaken.
- 14.1. In case of occurring a force majeure for the MMS operation, the EMO shall without delay inform of this the WEM Participants and the ESO. Immediately after being notified by the EMO, the WEM Participants shall start acting exclusively following the dispatch instructions of the ESO. In case of a force majeure situation with the MMS operation the regulations and consequences pertinent to Emergency Situations defined in this Chapter shall be in force.
15. In Emergency Situations, electricity shall be sold at the maximum price defined by the Commission for the Balancing Service Providing Generator, except for those plants for which the

Commission has set a tariff. For these plants, the sale of electricity shall be performed at the tariff set by the Commission. At the same time, electricity shall be purchased at the actually formed average weighted price of electricity sale.

16. Within 10 business days after the ESO declares the end of the Emergency Situation and the beginning of the trading restart period, the ESO in cooperation with the EMO shall submit to the WEM Participants and the Commission the calculations on services actually provided by WEM Participants and the price of electricity actually delivered (purchased) during the Emergency Situation according to Provision 15 of the WEM Rules.
17. Within 3 business days from receiving the calculation from the EMO as described in Provision 16 of the WEM Rules, the Commission and the WEM Participants shall submit to the EMO their conclusions in writing. If the parties agree with the calculation results, the EMO shall upload them to the MMS, while in case of disagreements and disputes regarding calculations, the WEM Participants shall be guided by the procedures defined in the WEM Rules.

## **CHAPTER 5. WEM PARTICIPANTS' RESPONSIBILITY, DISPUTE (DISAGREEMENT) RESOLUTION**

18. The WEM Participant shall bear responsibility for non-fulfillment or inadequate fulfillment of the provisions of the WEM Rules in procedures defined by the RoA Law on Energy (hereinafter: the Law), WEM Rules, and WEM Contract.
19. The WEM Participant shall not be responsible for violations defined in the WEM Rules if they happened due to force majeure circumstances.
20. In terms of the WEM Rules, any circumstance or event (after-effect of that event) that led (may lead) to non-fulfillment or inadequate fulfillment of obligations defined by WEM Rules, and at the same

time is characterized by features stated below, is considered a force majeure situation:

- 1) The event is out of the control of a party affected by the force majeure.
  - 2) The party affected by force majeure undertook all possible actions and efforts (including precautional, alternative, legally defined) to prevent, weaken, eliminate, or avoid the influence of those circumstances (after-effects);
21. In terms of the WEM Rules, force majeure includes, but is not limited to the following situations:
- 1) Natural and man-made calamities; epidemics; acts of God (including floods, earthquakes, hurricanes, tornados, thunderstorms, heavy rains with lightning, snowstorms, and landslides); nuclear, chemical, or biological contamination; strikes; and public disorder;
  - 2) Rebellions, terroristic acts, wars, invasions, armed conflict, actions of foreign enemies, and blockade, which take place on or involve the territory of the RoA and could not be reasonably predicted;
  - 3) An act, activity, or inactivity of a state and municipal agency or other authorized body, due to which no permission or right was issued or extended to facilitate fulfillment of obligations, or due to which fulfillment of obligations was hindered, on condition that the WEM Participant acted in compliance with RoA legislation.
22. Where a force majeure situation arises, the affected party shall notify the other party about such circumstances within 10 days after it is reported on or after being impacted by those circumstances. The party that failed to notify the other party shall bear the risks associated with the negative impacts of non-notification.
- 22.1 Provision 21 of the WEM Rules shall not restrict the WEM Participant's right to apply to the Commission if extraordinary and unavoidable circumstances other than those described above

occur, requesting that they be recognized as force majeure as well, on the condition that they satisfy the requirements of this Chapter.

23. Where a dispute (disagreement) arises between the WEM Participants, the parties shall resolve it through negotiations.
24. The EMO and the ESO shall facilitate alternative dispute resolution within the framework of their jurisdictions.
25. If a dispute (disagreement) is not resolved by the parties, any party may apply to the Commission requesting that it resolve the dispute within its jurisdiction or may file a suit at a competent court, unless the parties have agreed to submit their dispute to arbitration.

## **SECTION 2. WEM PARTICIPANTS AND WEM CONTRACT**

### **CHAPTER 6. WEM TRADE PARTICIPANTS**

26. The electricity trade in the WEM among the WEM Trade Participants shall be conducted based on Transactions signed according to the WEM Rules.
27. The Generators shall be classified in the WEM into the following groups:
  - 1) Generators operating under Public-Private Partnership (hereinafter: PPP) contracts (hereinafter: IPP plants);
  - 2) Generators operating on renewable energy sources with up to 30 MW capacity with the Power Purchase Guarantee as provided for by the Law, except for IPP plants, (hereinafter: REPP plants);
  - 3) Generators subject to tariff regulation, except for IPP plants, REPP plants, and the Balancing Service Providing Generator (hereinafter: RPP plants);
  - 4) Generators operating in competitive conditions (hereinafter: CPP plants), including:
    - a) Thermal power plants;
    - b) Combined heat and power generation (cogeneration) plants;
    - c) Plants with an expired term for power purchase guarantee provided by the Law or by the PPP, as well as plants that according to the Law have refused from the power purchase guarantee defined by the Law;
    - d) IPP plants, which according to the PPP are eligible to operate under competitive conditions;
    - e) Micro Power Producers;
  - 5) Balancing Service Providing Generator under an electricity generation license (hereinafter: BSP).



28. According to the Law, its license, the WEM Rules, and the WEM Contract, a Generator shall:
  - 1) Sell electricity to the WEM Trade Participants;
  - 2) Purchase electricity on the WEM in case of failure to fulfill its contractual obligations using its own generation of electricity;
  - 3) Export electricity
  - 4) Generate electricity at one or more points and consume electricity at the same or different points, except for IPP, REPP, RPP plants and BSP.
29. According to the Law, its license, the WEM Rules, and the WEM Contract, the Universal Supplier shall:
  - 1) Purchase electricity from REPP plants, IPP plants, and other WEM Trade Participants;
  - 2) Import electricity;
  - 3) Sell the surplus of electricity to WEM Trade Participants.
30. According to the Law, its license, the WEM Rules, and the WEM Contract, a Supplier shall:
  - 1) Purchase electricity from WEM Trade Participants, except for REPP plants and IPP plants;
  - 2) Import electricity;
  - 3) Sell the surplus of electricity to WEM Trade Participants.
31. According to its licenses, the WEM Rules, and the WEM Contract, the BSP shall:
  - 1) Sell electricity on the regulated component of the Bilateral Contracts Market (hereinafter: RC) at quantities defined and prices regulated by the Commission;
  - 2) Purchase and sell electricity in cases defined by the WEM Rules;
  - 3) Purchase electricity in the WEM in case of failure to fulfill its contractual obligations using its own generation;
  - 4) Export and import electricity.
32. The rights defined as per sub-Provisions 2 to 4 of Provision 31 of the WEM Rules may be exercised by the BSP on condition of

- priority fulfillment of obligations under sub-Provision I of Provision 31 and Provision 43 of the WEM Rules.
33. According to the Law, its license, the WEM Rules, and the WEM Contract, an entity involved in wholesale electricity trade (hereinafter: Trader) shall:
    - 1) Purchase electricity from WEM Trade Participants at non-regulated prices, except for REPPs and IPP Plants;
    - 2) Import electricity;
    - 3) Sell electricity;
    - 4) Export electricity.
  34. According to the Law, the WEM Rules, and the WEM Contract, to meet its own needs, a Qualified Customer shall:
    - 1) Purchase electricity in the WEM;
    - 2) Import electricity;
      - 2.1. generate electricity exclusively for own needs;
    - 3) Sell the surplus of electricity to WEM Trade Participants.
  35. To acquire the status of a Qualified Customer, the customer (except for the residential customers) shall meet the following requirements:
    - 1) Be connected or be in the process of connection to the Transmission Network or Distribution Network;
    - 2) Have an electricity Metering Complex corresponding to the requirements of the ETN Code.
  36. According to the Law, its license, and the WEM Rules, the Transmitter and Distributor shall purchase electricity on the WEM to cover Transmission Network losses and Distribution Network losses, respectively, and for their own needs. The Universal Supplier instead of the Distributor shall buy electricity on the WEM for that purpose. To cover Transmission Network losses and own needs the Transmitter may generate electricity at its power plant as well.
  37. *This Provision has been repealed.*
  - 37.1. The actual installed capacity of the power plant of the Qualified

Customer generating electricity for its own needs (in case of more than one plant, the aggregate capacity) should not exceed the total connection capacity of the Qualified Customer's consumption systems at all Metering Points.

## **CHAPTER 7. WEM SERVICE PROVIDERS**

38. According to the WEM Rules, the EMO, ESO, Transmitter, and Distributor as well as the BSP shall provide services to the WEM Participants.
39. The EMO, in compliance with the Law, its license, the WEM Rules, and the WEM Contract, shall:
  - 1) Perform necessary functions related to the entrance to the MMS and termination of activity of the WEM Participants in the MMS;
  - 2) Perform necessary functions related to the provision and modification of balance responsibility status of the WEM Trade Participants, as well as the provision of the status of the Qualified Customer;
  - 3) Operate and maintain the MMS;
  - 4) Ensure the confidentiality of the information provided by the WEM Participants;
  - 5) Submit to the MMS the maximum allowed limit for WEM Participants to buy electricity, import electricity, and receive services;
  - 6) Acting as a beneficiary, submit a written claim to the bank issuing a guarantee for the payment of a sum of money with the guarantee by indicating the bank account number to which the money is subject to transfer;
  - 7) Return the bank guarantee to the issuing bank, indicating the waiver of its rights to it;
  - 8) Through the MMS, register the WEM Participants' Orders and Transactions;

- 9) Through the MMS, coordinate the normal operation of the DAM, including DAM clearing;
  - 10) Through the MMS, record the quantities of electricity purchased and sold by WEM Trade Participants;
  - 11) Through the MMS, calculate imbalances in the BALM;
  - 12) Through the MMS, except for the Transactions signed in the Non-Regulated Component of the Bilateral Contracts Market (hereinafter: NRC), prepare the statement of charges to be paid for electricity as well as services provided in the WEM by the WEM Participants and submit it for the WEM Participants' approval;
  - 13) Coordinate the cross-border trade of electricity;
  - 14) Coordinate Commercial Metering in the WEM;
  - 15) Perform other functions necessary to ensure normal and efficient operation of the WEM.
40. The ESO, in compliance with the Law, its license, the WEM Rules, the ETN Code, and the WEM Contract, shall:
- 1) Prepare the electricity system balance;
  - 2) Ensure the secure and reliable operation of the electricity system;
  - 3) Evaluate the system reliability and security indicators based on the Transaction allocation module;
  - 4) Offer WEM Trade Participants with the status of BRPI, BRPA, and BRPG the opportunity to review the Transactions allocation and provide the WEM Trade Participants with its version of the Transactions allocation with reasonable justifications;
  - 5) Manage the provision of System Services;
  - 6) Forecast the losses at the Transmission Network and notify the EMO and the Transmitter;
  - 7) Issue Dispatch Instructions to the BSP for balancing the supply and demand of the TD;
  - 8) In the event of Emergency Situation declared by the ESO,

- issue Dispatch Instructions to the WEM Participants;
  - 9) Coordinate the cross-border trade of electricity;
  - 10) Ensure the confidentiality of the information provided by the WEM Participants;
  - 11) Perform other functions necessary to ensure secure and reliable operation of the electricity system.
41. The Transmitter, in compliance with the Law, its license, the WEM Rules, and the WEM Contract, shall:
- 1) Provide transmission services to the WEM Trade Participants;
  - 2) Ensure uninterrupted operation of Metering Complexes that are the property of the Transmission Network.
  - 3) Perform other functions arising from the provision of electricity transmission service.
42. The Distributor, in compliance with the Law, its license, the WEM Rules, and the WEM Contract, shall:
- 1) Provide distribution services to the WEM Trade Participants;
  - 2) Register Metering Complex data of the WEM Participants connected to the Distribution Network, including Commercial meters and Control meter readings;
  - 3) Ensure the completeness of and availability of EMO access to the registered data through the real-time Automated Data Acquisition System (hereinafter: DAS), MMS, or other available software packages;
  - 4) Perform other functions arising from the provision of electricity distribution service.
43. The BSP, in compliance with the licenses and the WEM Rules, shall provide Balancing Services by purchasing/selling electricity at the BALM, as required for such a purpose.
44. Services provided in the WEM shall be paid for by the buyer at whose Metering Points the electricity was metered, and in the case specified in Provision 28 (4) of the WEM Rules by the WEM Participant, who has assumed the BRPI, BRPA, or BRPG status. In case of export or transit of electricity, the WEM services are

paid by the WEM Participant that exports or transits electricity. Services provided in the WEM shall be paid at tariffs approved by the Commission, as follows:

- 1) For transmission, ESO, and EMO services, if they are connected to the Transmission Network or Generator;
- 2) For transmission, ESO and EMO services, and distribution services as required by the REM Rules, if they are connected concurrently to the Transmission and Distribution Networks;
- 3) For transmission, ESO and EMO services, and distribution services as required by the REM Rules, if they are connected to the Distribution Network.

## **CHAPTER 8. WEM PARTICIPANTS' BALANCING RESPONSIBILITY**

45. Within the context of the WEM Rules, the WEM Trade Participant may trade electricity and use WEM services if:
  - 1) It has chosen the type of WEM balancing responsibility according to Provision 46 of the WEM Rules;
  - 2) Its Metering Complex is located at the Boundary point and meets the requirements as per the ETN Code;
  - 3) In case of assuming the status of BRPI, BRPA, or BRPG, it has provided the bank guarantee in compliance with the requirements of Provision 64 and Chapter 30 of the WEM Rules, and the Universal Supplier, according to the requirements of Chapter 31 of the WEM Rules, has provided funds securing a guarantee of payments.
46. The responsibility for balancing in the WEM may be undertaken in the following ways:
  - 1) According to Provision 48 of the WEM Rules, the WEM Trade Participant has assumed the status of an independent balance responsible party (hereinafter: BRPI);

- 2) According to Provision 49 of the WEM Rules, the WEM Trade Participant has joined the other participant's balancing group, authorizing the latter to bear its balancing responsibility (hereinafter: BRPA),
  - 3) According to Provision 50 of the WEM Rules, the WEM Trade Participant has joined the other participant's balancing group by authorizing the latter to trade electricity in the WEM on behalf of itself, to undertake the balancing responsibility and pay for services (hereinafter: BRPP),
  - 4) According to Provision 51 of the WEM Rules, the WEM Trade Participant has assumed the responsibility for imbalances of other WEM Trade Participants or has formed a balancing group (hereinafter: BRPG).
47. The WEM Trade Participant may have only one status at a time out of the aforementioned BRPI, BRPA, BRPP, and BRPG statuses. The WEM Trade Participant may be concurrently involved only in one WEM Trade Participant's balancing group that has acquired BRPG status.
  48. The WEM Trade Participant shall be eligible to assume BRPI status and be responsible for its own imbalances in the WEM. If a WEM Trade Participant with BRPI status has more than one Metering Point, then the imbalances shall be considered based on the total number of Metering Points. A WEM Trade Participant with BRPI status may refuse from that status in the case that it assumes BRPA, BRPP, or BRPG status. The RPPs and the Transmitter, in terms of Transactions for the sale/purchase of electricity in the WEM, and the Qualified Customer in case of generating electricity exclusively for own needs, shall mandatorily assume the BRPI status and have no right to refuse that status.
  49. A WEM Trade Participant shall have the right to obtain BRPA status and to authorize another WEM Trade Participant to bear its balancing responsibility if the latter has BRPG status. The cost of imbalances caused by a WEM Trade Participant with BRPA status

and of services resulting from those imbalances shall be charged to the participant with BRPG status, which has assumed the given responsibility. The BRPA may shift its balancing responsibility to another BRPG or refuse the BRPA status if it assumes BRPI, BRPG, or BRPP status.

50. A WEM Trade Participant shall have the right to obtain BRPP status and to be involved in the balancing group of a WEM Participant with BRPG status. The entire responsibility for imbalances in the WEM caused by a WEM Participant with BRPP status shall be undertaken by the participant that involved the latter in its balancing group. The BRPP may authorize another BRPG to trade electricity in the WEM on its behalf and to bear its balancing responsibility or to refuse BRPP status if it assumes BRPI, BRPG, or BRPA status. Traders shall have no right to acquire BRPP status. The following WEM Trade Participants shall mandatorily have BRPP status and have no right to refuse that status:
  - 1) Distributor
  - 2) IPP plants
  - 3) REPP plants
51. A WEM Trade Participant shall have the right to form a balancing group and assume BRPG status by involving therein WEM Trade Participants with BRPA or BRPP status. The WEM Trade Participant with BRPG status shall be responsible for imbalances caused by WEM Trade Participants with both BRPA status and BRPP status involved in its balancing group. The following WEM Trade Participants shall mandatorily have BRPG status and have no right to refuse that status:
  - 1) Universal Supplier
  - 2) Suppliers
  - 3) BSP
52. The relationship between WEM Trade Participants with BRPG status and WEM Trade Participants with BRPA status and BRPP status involved in the balancing group of the latter shall not be



- regulated, except for the Universal Supplier and participants involved in its balancing group.
53. The following limitations shall be set for the balancing group of a WEMTrade Participant:
    - 1) A Qualified Customer that has acquired or intends to acquire BRPP status may not be involved in the balancing group of a Qualified Customer with the BRPG status,
    - 2) A CPP that has acquired or intends to acquire BRPP status may not be involved in the balancing group of a CPP with BRPG status.
  54. The Universal Supplier and the Supplier shall mandatorily involve the following participants in their balancing group and take joint responsibility for imbalances caused by the latter:
    - 1) For the Universal Supplier – the Customers that signed a supply contract with the Universal Supplier; the IPP and REPP plants with BRPP status and a signed contract with the Universal Supplier, all plants under commissioning and testing, as well as the Distributor,
    - 2) For the Supplier – the Customers that have signed a supply contract with the Supplier.
  55. A WEM Trade Participant with BRPG status, except for the Universal Supplier, Suppliers, and BSP shall have the right to terminate the activity of a balancing group with the intention to acquire BRPI, BRPP, or BRPA status; it may also remove WEM Trade Participants with BRPP or BRPA status from the balancing group.
  56. The balancing responsibility status of the WEM Trade Participant as mentioned in Provision 46 of the WEM Rules shall change or a participant shall involve in another balancing group according to Provisions 70-72 of the WEM Rules. During each change of status or involvement in another balancing group, the terms and conditions for the provision of the given status during MMS registration, as well as those defined in this Chapter, shall apply.

## **CHAPTER 9. WEM CONTRACT**

57. For participation in the WEM, participants shall sign the WEM Contract. The WEM Contract shall be concluded between the WEM Service Providers and the WEM Trade Participants.
58. The WEM Contract is deemed to be a contract of adhesion (offer) in terms of Article 444 of the RoA Civil Code, to which the WEM Trade Participants may join in procedures defined by this Chapter.
59. For registration, WEM Service Providers shall submit their offer to the EMO through the MMS and the WEM Trade Participants shall submit their acceptance to join the WEM Contract that complies with the model contract approved by the Commission.
60. For trading electricity in the WEM, the IPP and REPP plants shall sign the following contracts defined by the Commission in addition to the WEM Contract with the Universal Supplier:
  - 1) Contract on connection of a power plant under construction (reconstruction) to the Distribution Network on delivery of electricity during commissioning and testing works and on sale/purchase of electricity (Generator – Distributor Contract for a power plant of 30 MW and above installed capacity with a power purchase guarantee); or
  - 2) Contract on connection of a power plant under construction (reconstruction) to the Distribution Network on delivery of electricity during commissioning and testing works and on sale/purchase of electricity (Generator – Distributor (Universal Supplier) Contract for a plant under 30 MW installed capacity with a power purchase guarantee).

## **SECTION 3. REGISTRATION AND CESSATION FROM THE WEM**

### **CHAPTER 10. PROCEDURE FOR REGISTRATION OF WEM PARTICIPANTS AND ACQUISITION OF BALANCING RESPONSIBILITY STATUS**

61. To participate in the WEM, a WEM Participant shall file an application for registration in the MMS, submit the documents listed in Provision 63 of the Rules, and fill in the following data:
- 1) Name, State registration number (ID card number);
  - 2) Tax Identification Number (Social Security Number);
  - 3) Location (Registration) address;
  - 4) Notification address (if different from the location (registration) address);
  - 5) Email address;
  - 6) Phone number;
  - 7) Bank details;
  - 8) Quantity and data of MMS users by vested authorities
  - 9) Generators shall provide as well:
    - a) Power plant location address;
    - b) Metering Complex data by Metering Point;
    - c) Type of energy carrier used for electricity generation;
    - d) Actual installed capacity, and in case of performing an activity subject to regulation as defined by the Law, the installed capacity stated in the electricity (capacity) generation license;
    - e) Minimum technological capacity;
    - f) Ramp-up rate;
    - g) Ramp-down rate;
    - h) Capacity at each Metering point in case more than one Metering point is connected to the electricity network.

- 10) Notice of acquisition of the Qualified Customer status. In this case, the following shall be filled in, as well:
  - a) Location of the given consumption system;
  - b) Metering Complex data by Metering Point;
  - c) Electricity Network connection capacity of the consumption system;
  - d) Capacity at each Metering Point in case more than one Metering Point is connected to the electricity network,
  - e) Actual installed capacity of the plant, in case of electricity generation exclusively for own needs.
62. While registering with the MMS, the WEM Participant shall specify its preferable balancing responsibility status: BRPI, BRPA, BRPP, or BRPG. If it assumes BRPA or BRPP status, the WEM Participant shall specify the details of the WEM Trade Participant with BRPG status that will be responsible for its imbalances.
63. While filing the MMS registration application, the WEM Trade Participant shall attach the following:
  - 1) The ID card, the State registration certificate (for a legal entity), documents verifying MMS users' Authorities, and their electronic signature samples;
  - 2) The Operation license issued by the Commission, and, in case of obtaining a Qualified Customer status and being connected to the Transmission or Distribution network, the electricity supply contract signed with the Universal Supplier, and if being in the process of connection to the Transmission or Distribution network, the Transmission network connection contract or the Distribution network connection contract, respectively, or the justification for the status obtained.
  - 3) For WEM Service Providers, the signed offer to join the WEM Contract for WEM Trade Participants and digitally signed acceptance of offer, which is subject to registration with the EMO according to the WEM Rules;
  - 4) Written consent of the WEM Trade Participant with BRPG

status, in case the participant intends to acquire BRPA or BRPP status;

- 5) The scanned copy of the bank guarantee for the acquisition of BRPI, BRPG ,or BRPA status, except for the Universal Supplier, Transmitter, and BSP.
64. Upon submission of the scanned copy of the original bank guarantee through the MMS, the WEM Trade Participant that has submitted the bank guarantee shall send the original bank guarantee to the EMO by post or as a registered letter with verification of receipt. Requirements of this Provision shall be in effect while providing a new guarantee after expiration of the current bank guarantee, as well as with the purpose of increasing the allowed amount of the guarantee.
65. Within 2 business days from the receipt of the MMS registration application, except for the case provided by Provision 66 of the WEM Rules, the EMO shall check the compliance of data presented during registration with the MMS and data provided in the Acceptance or Offer, as well as the bank guarantee with the requirements of the Law, the WEM Participant License, the Acceptance of the offer to join the WEM Contract, and the WEM Rules.
66. The ESO shall check the information on technological and/or emergency capacity provided by the Qualified Customer in the Acceptance and shall inform the EMO of the results through the MMS within 3 business days. In the case of positive conclusions from the ESO, the EMO shall check the compliance of the data provided by the Qualified Customer during the registration in the MMS within 1 business day, pursuant to Provision 65 of the WEM Rules.
67. Once the submitted data comply with the requirements of this Chapter and, in case of Qualified Customers, the requirements of Provision 35 and 37.1 as well, the EMO shall register the WEM Participant and:

- 1) Provide the MMS access token;
  - 2) Register the Offer of the WEM Service Provider and Acceptance in the case of the WEM Trade Participant;
  - 3) Register accordingly its BRPI, BRPG, BRPA, or BRPP status, specifying the status' activation year, month, day, and time;
  - 4) Confirm in the MMS the maximum allowed limit for buying electricity, importing electricity, and receiving services for the given WEM Participant depending on the amount of the submitted bank guarantee. The maximum allowed limit is determined by reducing the amount of the bank guarantee by 5 percent;
  - 5) Inform the Distributor of the Qualified Customer status obtained.
68. Where non-compliance with the acts specified in Provision 65 is revealed in the MMS registration data, within the timeframe specified in the same Provision, the EMO shall reject the registration by providing reasonable grounds for the rejection in writing.
69. If the EMO rejects the WEM Participant's registration, the new application for registration shall be submitted according to Provisions 61 and 64 of the WEM Rules.

## **CHAPTER II. PROCEDURES ON CHANGING AND TERMINATING BALANCING RESPONSIBILITY STATUS**

70. At least 10 days prior to the change, in the case of intending to change its balancing responsibility status defined in Provision 46 of the WEM Rules, or at least 25 days prior, in the case of intending to terminate the balancing group activity, a WEM Trade Participant shall submit an application to the EMO through the MMS specifying its preferred balancing responsibility status and the date to assume that status. If the WEM Trade Participant wants to assume BRPP or BRPA status or wants to join a balancing group of another WEM Trade Participant with BRPG status, then it shall attach to its

application the written consent of the WEM Trade Participant with BRPG status and to whose balancing group the given participant intends to join.

71. Within 3 business days from receipt of the application mentioned in Provision 70 of the WEM Rules, the EMO shall check its compliance with the requirements of Chapter 8 of the WEM Rules and if no discrepancies are revealed, it shall confirm the new balancing responsibility status of the WEM Trade Participant starting the day specified in the application; where discrepancies are revealed, it shall reject the application, providing reasonable arguments, and notify the applicant through the MMS. In cases where:

1) The WEM Trade Participant applied to be involved in the balancing group of another WEM Trade Participant with BRPG status or applied with a request to change its balancing responsibility status within a currently active balancing group, then:

a) Within 2 business days after checking the compliance of the application with the requirements defined in the WEM Rules, the EMO shall, through the MMS, submit the application for the approval of the WEM Trade Participant with BRPG status to whose balancing group the given applicant wishes to join, or in whose balancing group the involved applicant wishes to change its balancing responsibility status;

b) Within 2 business days from receipt of the EMO's notification, the WEM Trade Participant with BRPG status shall approve the involvement of the applicant in its balancing group or the change of its status within the given group or shall reject the request;

c) Within 1 business day after receipt of the answer of the WEM Trade Participant with BRPG status, the EMO shall, from the date specified in his/her application, remove the applicant from the current balancing group and include

him/her in the new group or change his/her balancing responsibility status by informing the applicant, the WEM Trade Participant with BRPG status of the current balancing group, as well as the WEM Trade Participant with BRPG status of the new balancing group.

- 2) The WEM Trade Participant with BRPG status wishes to acquire another balancing responsibility status, the EMO, within 2 business days after having checked the compliance of the application with the requirements defined by the WEM Rules, shall inform the participants involved in the given balancing group through the MMS and, from the date specified in the application, shall terminate the activity of the group and provide the applicant the status mentioned in the application.
72. In case the balancing group terminates its activity and the WEM trade participant included in that group does not assume any other balancing responsibility status or become involved in another balancing group in accordance with this Chapter of the WEM Rules upon receipt of the notice of termination of group activity, then his/her activity in the WEM shall be ceased pursuant to Paragraph (b) of sub-Provision 2 of Provision 73.

## **CHAPTER 12. PROCEDURE FOR CESSATION OF WEM PARTICIPATION**

73. The cessation of a WEM Participant's market participation shall be implemented in the following manner:
- 1) Upon the initiative of the WEM Participant, except for WEM Service Providers, RPP plants, BSP and the Universal Supplier, submitting a written application to the EMO at least 10 days prior to the cessation and at least 25 days in the case of a WEM Trade Participant with BRPG status, specifying the year, month, day, and time of the cessation;
  - 2) Upon the EMO's initiative:



- a) If the WEM Participant license has been terminated (expired) or the status has been lost;
  - b) If the WEM Participant failed to choose another balancing responsibility status or join another balancing group according to Chapter 11 of the WEM Rules.
74. A WEM Trade Participant may apply for the cessation of participation in the WEM on condition that:
- 1) All the obligations undertaken within the framework of the WEM are fulfilled;
  - 2) All the payments provided for by the WEM Rules are paid.
75. In case of cessation of participation in the WEM according to the procedures defined by Paragraph a) of sub-Provision 2 of Provision 73 of the WEM Rules, the activities of the given WEM Participant shall be terminated on the day the corresponding resolution of the Commission on license validity expiration or termination of the license enters into force, unless another date is defined by the resolution.
76. In case of cessation as per Paragraph b) of sub-Provision 2 of Provision 73 of the WEM Rules, the activity of the given WEM Participant shall be terminated on the day of termination of the balancing group activity according to sub-Provision 2 of Provision 71 of the WEM Rules.
77. Within 5 business days after receipt of the WEM Trade Participant's application, the EMO shall inform the given Participant of its approval of the application if it complies with the requirements specified in Provisions 74 of these Rules, or, in case of non-compliance, inform the Participant of the rejection of the application, specifying the basis for rejection.
78. If the EMO approves the application of the WEM Trade Participant for cessation from the WEM:
- 1) The WEM Contract with the given WEM Trade Participant shall be considered terminated;
  - 2) Taking into consideration that the generating plant and/

or consumption system of the WEM Trade Participant is connected to the Transmission or Distribution Network, the EMO shall inform the latter 5 business days in advance through the MMS about the disconnection of the given participant from the Transmission or Distribution Network, respectively, specifying the year, month, day, and time of the disconnection. If the given participant has acquired the status of a consumer in the Retail Market, then the REM Rules shall apply;

- 3) In case of a bank guarantee, the EMO, as a beneficiary, indicating its waiver of the rights to it, shall return it to the WEM Trade Participant;
- 4) If the application has been submitted by a WEM Trade Participant with BRPG status, then the EMO shall terminate its balancing group activity and, at least 20 business days prior, shall inform the WEM Trade Participants involved in that balancing group, specifying the year, month, day, and time of the termination of activity. The balancing responsibility status of these participants shall be changed in accordance with the requirements of Provision 72 of the WEM Rules;
- 5) If the application has been submitted by a WEM Trade Participant with BRPP or BRPA status, then the EMO shall inform the WEM Trade Participant with BRPG of the balancing group in which the given participant was involved at least 5 business days before the cessation day, specifying the year, month, day, and time of the cessation.

## **SECTION 4. MMS MODULES AND WEM PARTICIPANT PROFILE**

### **CHAPTER 13. MODULES OF THE MARKET MANAGEMENT SYSTEM SOFTWARE**

79. The MMS is designed to ensure operation of the WEM, including electronic communications and trade in different segments of the WEM, conclusion of Transactions, and implementation of calculations.
80. Each WEM Participant shall access the MMS using the token provided by the EMO.
81. The tokens shall be delivered by hand based on the delivery-acceptance act, 4 free-of-charge tokens per participant, except for REPP plants, for which 2 tokens are provided free of charge. Additional tokens shall be provided by the EMO, subject to payment of 50,000 AMD (value-added tax, or VAT, included).
82. Within 2 business days after the receipt of the application for additional tokens and if a payment verification document is presented, the EMO shall provide the required quantity of tokens to the given WEM Participant, and if no payment document is presented, the EMO shall reject the application.
83. The MMS shall comprise specifications that will be able to ensure:
  - 1) Uninterrupted and reliable operation of the MMS;
  - 2) User's two-factor authentication and activity validation through a password generating device and password generating software;
  - 3) Communication between the WEM Participants;
  - 4) Use of documents certified by electronic signature;
  - 5) Issuance and registration of electronic invoices notified and paid;
  - 6) Data compliance verification and notifications of potential

- inadequacies for the Orders submitted to different segments of the WEM;
- 7) Verification of Transactions in progress in different WEM segments and all Bids as to their being secured by guarantees, and in case the guarantee amount is insufficient, automatic restriction of the Participant's right to bid;
  - 8) Data integrity and removal protection for information recorded in the MMS;
  - 9) Protection from unauthorized third-party access;
  - 10) Automatic application of allowable limits for submission of Orders and conclusion of Transactions by fixing the amount stated in the bank guarantee;
  - 11) Availability of a backup system, which is based on an individual electronic platform, highly secured, and compatible with the MMS main platform, to be activated in case of malfunction of the MMS main platform or temporary failure of system operation.
84. The MMS shall include at least the following platforms:
- 1) Users Database and Management platform;
  - 2) System Forecast platform;
    - a) Annual Adequacy Forecast module;
    - b) Availability and Dispatch Information Management module;
  - 3) Bilateral Contracts Management platform;
  - 4) Day-Ahead Market Management platform;
  - 5) BALM Management and Imbalances Settlement platform;
  - 6) Transaction Management platform comprising:
    - a) Transactions allocation module,
    - b) Signed Transactions module.
  - 7) Financial Operations Platform comprising:
    - a) Financial guarantees management module;
    - b) Invoices module per WEM segments, components, Trading periods, Transactions, Transaction Parties, payments, and liabilities, as well as Metering Points.

- 8) Information and communication platform:
  - a) Notifications and Inquiries module;
  - b) Information and analysis module;
  - c) MMS Users support module.
85. The WEM Trade Participant has right of access to the MMS platforms and modules that are directly relevant to him/her.
86. The EMO shall be responsible for the operation, safety, maintenance, and control of the MMS.
87. The EMO and the ESO, within the framework of their jurisdictions, shall be responsible for the confidentiality of the information recorded in the MMS.

#### **CHAPTER 14. WEM PARTICIPANT'S VIRTUAL ELECTRONIC CARD (E-CARD)**

88. The WEM Participant's virtual e-card shall be included in the MMS Users Database platform.
89. The virtual e-card of the WEM Participant registered with the MMS shall contain information defined in this Chapter. The WEM Participant shall be required to notify EMO about any inaccuracies or changes in the data recorded on their virtual cards. The Market Operator shall make changes to the virtual card in compliance with the requirements of Provisions 65 and 66 of the WEM Rules.
90. The general profile of the WEM Participant's virtual e-card shall contain the following data:
  - 1) Name, State registration number (ID card number);
  - 2) Tax Identification Number (Social Security Number);
  - 3) Location (Registration) address;
  - 4) Notification address (if different from the location (registration) address);
  - 5) Email address;
  - 6) Phone number;
  - 7) Bank details;

- 8) Licenses, if required by law;
  - 9) Balance responsibility status in the WEM acquired in accordance with Provision 46 of the WEM Rules;
  - 10) Quantity and data of MMS users by vested authorities;
  - 11) For a WEM service provider, the signed offer for the WEM contract, and for a WEM Trade Participant, an electronic copy of the acceptance of the WEM Contract and the functions reserved for the latter in the WEM;
  - 12) WEM segments and components where the WEM Participant is entitled to act.
91. For a Generator, the virtual e-card shall also contain the following information:
- 1) Power plant location address;
  - 2) Metering Complex data by Metering Point;
  - 3) Type of energy carrier used for electricity generation;
  - 4) Actual installed capacity, and in case of performing an activity subject to regulation as defined by the Law, the installed capacity stated in the electricity (capacity) generation license;
  - 5) Minimum technological capacity;
  - 6) Ramp-up rate;
  - 7) Ramp-down rate;
  - 8) Capacity at each Metering Point if more than one Metering Point is connected to the electricity network
92. For a Qualified Customer, the electronic virtual card shall also contain the following information:
- 1) Location of the given consumption system;
  - 2) Metering Complex data by Metering Point;
  - 3) Electricity network capacity of the consumption system;
  - 4) Capacity at each Metering Point if more than one Metering Point is connected to the electricity network,
  - 5) Actual installed capacity of the plant, in case of electricity generation exclusively for own needs.

## **CHAPTER 15. WEM PARTICIPANT'S ELECTRONIC ACCOUNT**

93. The WEM Participant's electronic account consists of the following sub-accounts:
  - 1) Seller sub-account;
  - 2) Buyer sub-account;
  - 3) Importer sub-account;
  - 4) Exporter sub-account;
  - 5) Balancing sub-account.
94. In addition to the sub-accounts defined in Provision 93 of the WEM Rules, the Universal Supplier shall have also the Universal Supplier sub-account.
95. Each sub-account of the WEM Participant's electronic account shall include data on transactions carried out by the latter for each Trading Period per segment and component of the WEM, including:
  - 1) Quantity of electricity, for the purchase or sale of which the WEM Participant concluded Transactions, by segment and component of the WEM;
  - 2) Confirmations made by the EMO and the ESO verifying the conclusion of Transactions for the cases defined by the WEM Rules;
  - 3) Quantity of electricity that, according to Metering Complex records, has been actually purchased and sold by the WEM Participant;
  - 4) Hourly differences between the electricity quantities stated in the signed Transactions and those actually traded by the WEM Participant;
  - 5) Prices for hourly differences of electricity quantities that were stated in Transactions and those that were actually traded by the WEM Participant and their cumulative sum;
  - 6) Guaranteed allowed limits and residual values of the WEM Trade Participants with BRPI, BRPA, or BRPG status to purchase and/or import electricity and receive services.

## **SECTION 5. ELECTRICITY SYSTEM ANNUAL ADEQUACY FORECAST**

### **CHAPTER 16. ANNUAL ADEQUACY FORECAST OF THE ELECTRICITY SYSTEM**

96. The Annual Adequacy Forecast of the electricity system aims to:
  - 1) Assess the ability to meet the domestic market demand, demonstrated appropriately by the hourly balances of supply and demand for all steady-state regimes in which the electricity system may operate under the normal operation;
  - 2) Cover the domestic market demand by dispatching all available resources on a least-cost principle, ensuring reliability and security of the system, as well as hourly schedules of the GEAM and AMIR interconnections;
  - 3) Develop generation schedules for RPP plants, subject to approval by the Commission in accordance with Provision 108 of the WEM Rules;
  - 4) Assess availability of capacities for balancing;
  - 5) Assess the feasibility of cross-border (including transit) flows.
97. The ESO shall develop the AAF based on its own forecasts and estimates of the demand and supply of the RoA electricity system, available information on the capability of interconnection transmission lines, as well as data inputs from the WEM Participants and competent authorities of the other countries' electricity systems.
98. By October 1 of each year, the WEM Participants mentioned in Provision 99 of these WEM Rules shall submit to the ESO the hourly schedules of their forecasted supply and consumption to the Distribution and/or Transmission Networks for all 12 months of the next calendar year.
99. The WEM Participants shall provide the following information to the ESO:



- 1) The EMO shall provide the forecasted hourly import and export schedules on an annual basis, including transit;
- 2) Generators (except for REPP and IPP plants) shall provide:
  - a) Generation hourly schedules, own consumption needs and losses for each individual unit separately (if the plant consists of several units) on an annual basis. Moreover, generation schedules for HPPs with annual or seasonal regulation reservoirs shall be based on the average historical amount of annual generation for HPPs. Generation schedules for HPPs with multiannual regulation reservoirs shall be based on the guaranteed amount of electricity generation, taking into account the hydrological situation forecasted at the start of the year and the reserve water resources in the reservoir of the HPPs under consideration. The irrigation regime forecast for the period covered by the AAF is coordinated with the RoA state authorized body. River natural flow forecasts for the period covered by the AAF shall take into account the multiannual trend of hydrological situation changes and the forecasts of the meteorological service;
  - b) Relevant justifications when an application in accordance with the ETN Code is presented for the modification of technical characteristics during the observed period by the AAF.
- 3) The Universal Supplier shall provide:
  - a) Hourly load schedules of its consumers at all connection nodes of the WEM and hourly generation schedules of the installations of APPs defined by the Law;
  - b) Hourly generation schedules for REPP and IPP plants.
- 4) The Distributor shall provide the forecasts of losses and own needs of the Distribution Network, which is prepared in accordance with the EDN Code;

- 5) The Supplier shall present the hourly schedules of its load at all connection nodes of the WEM;
  - 6) The Qualified Customer shall present the load schedules for all connection nodes of the WEM and generation schedules of its plant generating electricity exclusively for own needs, if such is available.
100. To submit to the ESO the information mentioned in sub-Provision 3 of Provision 99 of the WEM Rules, each year by September 1, the Universal Supplier shall receive the following:
- 1) IPP plants shall submit the information mentioned in sub-Provision 2 of Provision 99 of the WEM Rules;
  - 2) Customers with installed capacity of 10 MW and over connected during the previous calendar year to the Transmission Network or Distribution Network, except for Qualified Customers, shall submit their hourly load schedules.
101. The ESO shall take into account the forecasted electricity generation of the new plants and the capacity of the out-of-operation plants during the observed AAF period.

## **CHAPTER 17. ANNUAL ADEQUACY FORECAST VERIFICATION**

102. By October 20 of each year, the ESO shall submit through the MMS to each WEM Participant the draft AAF. Within 3 business days, the WEM Participants shall approve the Draft or provide to the ESO their objections. The ESO may accept or reject each suggestion on the draft AAF to ensure system reliability and security indicators. If a suggestion is rejected, the ESO shall inform the WEM Participant through the MMS by providing reasonable justifications. The ESO shall provide all the suggestions, rejections, and justifications to the body authorized by the RoA Government and the Commission.
103. By November 1 of each year, the ESO shall be obliged to coordinate

- the AAF with the state authorized body and present it to the Commission and the WEM Participants.
104. Within 10 business days from receipt of the AAF, the Commission may require from the ESO clarifications including revisions to the AAF, if it does not comply with the requirements of the Law or legal acts of the Commission or contains unsubstantiated assessments.
  105. The ESO shall provide necessary clarifications not later than 5 business days in cases defined in Provision 104 of the WEM Rules.
  106. By November 15, the WEM Participants may submit to the Commission their suggestions in response to the AAF clarification.
  107. Based on Provisions 96 and 104 of the WEM Rules, the Commission shall inform the ESO of its position on the final version of AAF by December 15. Within 2 business days from receipt of the Commission's position, ESO shall approve and publish the AAF in the MMS.
  108. Every year by December 15, the Commission shall approve:
    - 1) The mandatory amount of electricity for sale in the RC by RPP plants;
    - 2) Available and Contractual capacities of IPP plants if provided by the PPP agreement.

## **SECTION 6. ELECTRICITY TRADE IN WEM**

### **CHAPTER 18. WEM STRUCTURE**

109. The WEM comprises the following market segments:
- 1) Bilateral Contracts Market;
  - 2) Day-Ahead Market;
  - 3) Balancing Market.
110. The Bilateral Contracts Market consists of the following components:
- 1) Long-term contracts component;
  - 2) Regulated component;
  - 3) Non-regulated component.
111. Electricity from all plants during the commissioning and testing works that was delivered during that period to the Transmission or Distribution Networks shall be sold exclusively to the Universal Supplier under the terms stipulated by the Commission.
112. *This Provision has been repealed.*

### **CHAPTER 19. TRADE OF ELECTRICITY IN THE LONG-TERM CONTRACTS COMPONENT OF THE BILATERAL CONTRACTS MARKET**

113. Electricity trade in the Long-Term Contracts Component of the Bilateral Contracts Market (hereinafter: LC) shall be carried out between IPP plants and REPP plants on the one hand and the Universal Supplier on the other hand, as well as IPP plants and the BSP in cases provided for by the PPP Agreement.
114. The relationship between IPP plants and the BSP shall be regulated according to the contract signed in the LC. The BSP shall be obliged to sell the electricity quantity stated in the provisions of the contract with IPP plants signed in the LC to the Universal Supplier.

115. IPP and REPP plants shall not be eligible to sell electricity in other WEM segments or components. The prices of electricity sold to the Universal Supplier shall be regulated by the Commission.
116. The ESO shall be eligible to issue Dispatch Instructions to IPP plants that signed contracts with the Universal Supplier in the WEM LC to reduce to the minimum the electricity purchase expenses required to satisfy the needs of the Universal Supplier and its customers. In such cases, the ESO shall take into consideration the priority obligation of the Universal Supplier to buy electricity from IPPs and REPPs.
117. The sale/purchase of capacities of IPP plants shall be carried out in the LC and shall include capacities ordered by the ESO according to the ETN Code.

## **CHAPTER 20. ELECTRICITY TRADE IN THE REGULATED COMPONENT OF THE BILATERAL CONTRACTS MARKET**

118. Trade of electricity in the RC shall be carried out between RPP plants and the BSP on the one hand, and the Universal Supplier, Suppliers, Qualified Customers, and the Transmitter on the other hand. Traders and CPP plants shall not trade in the RC.
119. Trade of electricity in the RC shall be based on tariffs defined by the Commission and on monthly quantities of electricity mandatory for sale in the RC approved by the Commission in accordance with Provision 108 of the WEM Rules.
120. Within the period from the 15th day to the 20th day of each month, the Universal Supplier, Suppliers, Qualified Customers as well as the Transmitter shall submit through the MMS to the EMO their bids for electricity, subject to purchase the next month in the RC, which shall contain information on the electricity quantity in the form of hourly load schedules. In cases when the Universal Supplier, Suppliers, Qualified Customers, as well as the Transmitter submit bids electricity after the expiration of the period specified

- in this Provision, the latter shall not participate in the monthly electricity trade of the RC.
121. The electricity quantity specified in the Order shall not exceed the average quantity of electricity consumed at the Metering Point during the same period over the last three years. Where data on the quantity of consumed electricity for the last three years is missing, then:
    - 1) Data on the previous two years or, if not available, on the previous one year shall be taken into account;
    - 2) For new customers connected to the electricity Transmission Network or Distribution Network, monthly data on the forecasted volume of electricity consumption specified in the documents attached to the Connection Application and in the connection contract shall be taken into account.
  122. A WEM Trade Participant that participates in the RC shall have the right to change or withdraw its bid before the date specified in Provision 120 of the WEM Rules.
  123. Within 1 business day after the date specified in Provision 120 of the WEM Rules, the EMO shall distribute through the MMS the quantity of electricity subject to mandatory sale by RPP plants and BSP in the RC in the month defined by the Commission among the Universal Supplier, Suppliers, Qualified Customers, and Transmitter that have submitted Bids, accordingly:
    - 1) Where the cumulative quantity of electricity specified in the bids is more than the quantity of electricity subject to sale by RPP plants within the next month, then the quantity specified in the Bids shall be allocated between participants who submitted the Bids in proportion to the quantities of electricity specified in their Bids;
    - 2) Where the cumulative quantity of electricity specified in the bids is less than the quantity of electricity subject to sale by RPP plants within the next month, then the bid of each WEM Trade Participant shall be satisfied according to the quantity

- of electricity specified in the submitted Bid;
- 3) Electricity shall be allocated first from generators operating at low tariffs defined by the Commission and then from the generators operating at higher tariffs;
  - 4) Mathematical rounding shall be applied when sold electricity is allocated between buyers, but if the sold or purchased electricity exceeds the quantity specified in the Orders as a result, mathematical rounding shall be applied to the deficit.
124. Within 1 business day after the electricity quantities subject to mandatory sale in the RC are allocated among the WEM Trade Participants according to Provision 123 of the WEM Rules, the EMO shall record in the corresponding sub-accounts of the WEM Participants' virtual e-cards the data on electricity quantities subject to delivery and on amounts subject to payment in accordance with transactions registered.
  125. Electricity subject to mandatory sale in the RC by RPP plants and the BSP but not demanded shall be included in the amount of electricity to be sold in the DAM.
  126. Electricity subject to mandatory sale in the RC by RPP plants and the BSP but not demanded may be sold in the NRC and may be exported after the closure of the DAM, according to Chapter 27 of the WEM Rules.
  127. Where deviations from the Transactions signed in the RC are revealed, the EMO and the WEM Participants, as parties to the Transaction, shall be guided by the regulations defined in Chapter 25 and Chapter 26 of the WEM Rules.

## **CHAPTER 21. ELECTRICITY TRADE IN THE NON-REGULATED COMPONENT OF THE BILATERAL CONTRACTS MARKET**

128. Electricity trade in the NRC shall be conducted between the CPP plants, the BSP, Traders, the Universal Supplier, Suppliers, Qualified

- Customers, the Transmitter and, in cases defined in Provision 132 of the WEM Rules, the RPP plants as well.
129. Electricity trade in the NRC shall be concluded based on Transactions signed between the NRC participants. The participants in the NRC shall be required to notify the ESO and the EMO of the quantity of electricity subject to trade under these Transactions according to Provision 130 of the WEM Rules.
  130. In order for the Transaction on purchase of electricity in the NRC to become effective, no later than 1 business day after signing the Transaction or, in cases when the Transaction implies trading within the TD, no later than 1 day prior to Trading Day (hereinafter: TD-1) at 16:59, the Participants who have signed the Transaction shall be obliged to confirm through the MMS the information on the quantity of electricity purchased and sold. The ESO and the EMO shall be automatically informed through the MMS of the Transactions signed.
  131. A Transaction signed in the NRC may be amended or terminated by the WEM Participants who concluded the Transaction at any time, and in cases when the Transaction implies trading within the TD, no later than by TD-1 at 16:59. Amendment or termination of the Transaction shall take effect after the parties to the Transaction confirm it through the MMS. The ESO and the EMO shall be automatically informed through the MMS on amendments and terminations of the Transactions signed in the NRC.
  132. After the publication of the DAM results under the procedures defined by Provision 160, the RPP plants shall have the right to sell electricity not demanded in the DAM to the NRC within the period from 15:30 to 16:59 of TD-1.
  133. Once the Transaction signed by the NRC participants is submitted to the EMO in accordance with Provision 130, not more than 1 hour later, the EMO shall:
    - 1) Register the Transaction in the MMS as a Transaction concluded by parties;



- 2) In line with the registered Transaction, record in the corresponding sub-accounts of the Participants' virtual-cards the data on electricity quantities subject to delivery between the Participants without data on amounts subject to payment.
134. Export and import of electricity from the NRC may be carried out according to Chapter 27 of the WEM Rules.
135. Where deviations from the Transactions signed in the NRC are revealed, the EMO and WEM Participants party to the Transaction shall be guided by the regulations defined in Chapter 25 and Chapter 26 of the WEM Rules.

## **CHAPTER 22. DAY-AHEAD MARKET**

136. Trade of electricity in the DAM shall be carried out by CPP plants, RPP plants, Traders, the Universal Supplier, Suppliers, Qualified Customers, the Transmitter, and the BSP, with regard to electricity that is subject to mandatory sale but not demanded in the RC.
137. Trade of electricity in the DAM shall be carried out on an hourly basis. The electricity quantities subject to sale and purchase and their prices shall be calculated by the MMS in procedures defined by Chapter 23.
138. All DAM activities shall be carried out for the next TD and completed 1 day prior to TD-1, within the periods defined in this Section.
139. Prices of Offers submitted to the DAM by the WEM Participants shall not exceed the maximum BSP price approved by the Commission, and in the case of the RPP plants, to be 20 percent higher than the electricity tariff defined by the Commission or have a negative value. Such Offers shall be rejected by the EMO.
140. DAM Participants may submit the following types of Orders:
  - 1) Offers – single or stepwise;
  - 2) Bids – single or stepwise.
141. DAM Orders should include the following information:

- 1) For a single Order that proposes one price for electricity purchased or sold in each Trading Period of the TD, the information comprises:
    - a) The electricity price expressed in AMD/kWh with an accuracy of up to 2 decimal places;
    - b) The electricity quantity expressed in kWh.
  - 2) In the case of a single Order without pricing:
    - a) If it is an Offer, only the quantity of electricity for sale is indicated, with the price equal to zero;
    - b) If it is a Bid, only the quantity of electricity demanded is indicated, with the price equal to the maximum price defined by the Commission for the provision of Balancing Services.
  - 3) In the case of stepwise Orders, the Order proposes different price-quantity steps over the TD trading period, depending on the quantities subject to sale or purchase. Such a Bid or Offer shall include up to 5 steps, in which the sale price for each successive step shall be higher than the previous one, whereas the purchase price for each successive step shall be lower than the previous one. At the same time, the price-quantity steps in Bids and Offers shall be proposed independently, so that the seller be able to sell and the buyer be able to buy any price-quantity step separately. Bids and Offers shall contain the information specified in the above-mentioned Sub-Provision 1, paragraphs a and b for each proposed step.
142. Export and import of electricity from the DAM shall be carried out according to Chapter 27 of the WEM Rules.

## **CHAPTER 23. DAM CLEARING RULES**

143. For DAM Clearing purposes, all electricity Offers and Bids submitted by the WEM Participants shall be aggregated in order to produce 1 aggregated supply curve and 1 aggregated demand

curve for each Trading Period. The processes shall entail adding all offered quantities at each price step to construct the aggregated supply curve and adding all demanded quantities at each price step to construct the aggregated demand curve.

144. If the aggregated supply and the aggregated demand curves for the specific Trading Period intersect, then the Clearing Price for that period, as well as the fully or partially cleared and non-cleared Orders, shall be determined in accordance with Provisions 146 to 151.
145. If the aggregated supply and the aggregated demand curves for the specific Trading Period do not intersect, then the Clearing Price for that period, as well as the fully, partially cleared, and non-cleared Orders, shall be determined in accordance with Provisions 152 to 155.
146. Where there is just one price point and more than one quantity point at which the aggregated supply and demand curves intersect and the quantity of the marginal Offer is equal to the quantity of the marginal Bid, then:
  - 1) The Market Clearing price of the specific Period of the TD is the price at the intercept;
  - 2) An Offer is fully cleared as long as its price is equal to or lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) A Bid is fully cleared as long as its price is equal to or higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 5) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) The cleared market quantity equals the total quantity of the cleared Offers, which also equals the quantity of cleared Bids.

147. Where there is just one point at which the aggregated supply and demand curves intersect and the quantity of the marginal Offer exceeds the quantity of the marginal Bid, then:
- 1) The Market Clearing price of the specific Period of the TD is the price at the intercept, which is determined by the marginal Offer;
  - 2) An Offer is fully cleared as long as its price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Offer shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD up to the quantity that is cleared by the marginal Bid. Where the marginal Offer is composite, i.e., several Offers with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear the Bids shall be allocated among these Participants in proportion to the quantity indicated in each Offer;
  - 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Bids.
148. Where there is one price point and more than one quantity points over which the aggregated supply and demand curves intersect and the quantity of the marginal Offer exceeds the quantity of the marginal Bid, then:
- 1) The Market Clearing Price of the specific Period of the TD is the price at the intercept;
  - 2) An Offer is fully cleared as long as its price is lower than the Market Clearing Price of the specific Trading Period of the TD;

- 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Offer shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that is cleared by the marginal Bid. Where the marginal Offer is composite, i.e., several Offers with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear the Bids shall be allocated among these Participants in proportion to the quantity indicated in their Offers;
  - 5) A Bid is fully cleared as long as its price is equal to or higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Offers.
149. Where there is just one point at which the aggregated supply and demand curves intersect and the quantity of the marginal Bid exceeds the quantity of the marginal Offer, then:
- 1) The Market Clearing Price of the specific Period of the TD is the price at the intersection point, which is determined by the marginal Bid;
  - 2) An Offer is fully cleared as long as its price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Bid shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that is covering the marginal Offer. Where the marginal Bid is composite, i.e., several Bids with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear

- the Offers shall be allocated among these Participants in proportion to the quantity indicated in their Bids;
- 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Offers or step of Offers.
150. Where there is one price point and more than one quantity point over which the aggregated supply and demand curves intersect and the quantity of the marginal Bid exceeds the quantity of the marginal Offer, then:
- 1) The Market Clearing price of the specific Period of the TD is the price at the intersection points;
  - 2) An Offer is fully cleared as long as its price is equal to or lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Bid or a step of the Bid shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that is covering the marginal Offer. Where the marginal Bid is composite, i.e., several Bids with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear the Offers shall be allocated among these Participants in proportion to the quantity indicated in their Bids;
  - 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Offers.

151. Where there are more than one price point and one quantity point over which the aggregated supply and demand curves intersect at the point where the quantity of the marginal Bid is equal to the quantity of the marginal Offer then:
- 1) The Market Clearing price of the specific Period of the Trading is determined by the marginal Offer;
  - 2) An Offer is fully cleared as long as its price is equal to or lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 5) A Bid shall not be cleared if the price is equal to or lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) The cleared market quantity equals the total quantity of the cleared Offers, which also equals the cleared Bids. Offers and Bids submitted by WEM Participants that lead to an increase in the total cleared market quantity will not be cleared regardless of their price.
152. Where the aggregated supply and demand curves do not intersect because the quantity of the marginal Offer is not enough to match any Bid at the indicated Offer price, then an additional zero quantity-price step equal to the corresponding Bid is considered to be the marginal Offer. Following this adjustment, the DAM clearing will be performed in accordance with the following rules:
- 1) The Market Clearing Price of the specific Period of the TD is the price at the intersection point, which is determined by the marginal Bid;
  - 2) An Offer is fully cleared as long as its price is lower than the Market Clearing Price of the specific Trading Period of the TD;

- 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Bid shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that covers the marginal Offer. Where the marginal Bid is composite, i.e., several Bids with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear the Offers shall be allocated among these Participants in proportion to the quantity indicated in their Bids;
  - 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Offers.
153. Where the aggregated supply and demand curves do not intersect because the price of the marginal Bid is higher than the price of the marginal Offer and the quantity of the marginal Offer is equal to the quantity of the marginal Bid, then:
- 1) The Market Clearing price of the specific Period of the TD is determined by the marginal Offer;
  - 2) An Offer is fully cleared as long as its price is equal to or lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Offer shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that is covering the marginal Bid. Where the marginal Offer is composite, i.e., several Offers with the same price have been received from different WEM Participants,



then the residual amount of electricity required to clear the Bids shall be allocated among these Participants in proportion to the quantity indicated in their Offers;

- 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Offers which also equals the quantity of cleared Bids.
154. Where the aggregated supply and demand curves do not intersect because the price of the marginal Bid is higher than the price of the marginal Offer and the quantity of the marginal Offer exceeds the quantity of the marginal Bid, then:
- 1) The Market Clearing price of the specific Period of the TD is determined by the marginal Offer;
  - 2) An Offer is fully cleared as long as its price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 3) An Offer shall not be cleared if the price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 4) The marginal Offer shall be partially cleared at the Market Clearing Price of the specific Trading Period of the TD for up to the quantity that is covering the marginal Bid. Where the marginal Offer is composite, i.e., several Offers with the same price have been received from different WEM Participants, then the residual amount of electricity required to clear the Bids shall be allocated among these Participants in proportion to the quantity indicated in their Offers;
  - 5) A Bid is fully cleared as long as its price is higher than the Market Clearing Price of the specific Trading Period of the TD;
  - 6) A Bid shall not be cleared if the price is lower than the Market Clearing Price of the specific Trading Period of the TD;
  - 7) The cleared market quantity equals the total quantity of the cleared Bids.

155. Where the aggregated supply and demand curves do not intersect because the price of the first Offer is higher than the price of the first Bid, then the EMO shall inform the Participants that the DAM shall not be cleared.

## **CHAPTER 24. DAM TRANSACTIONS**

156. The submission of Orders in the DAM starts at 10:29 in TD-1 and ends at 12:59 in TD-1, which is the DAM Gate Closure Time.
157. The WEM Trade Participants may modify or withdraw the submitted Orders before the DAM Gate Closure Time. The price proposals of DAM Orders made by the WEM Trade Participants in the MMS shall become visible for the EMO only after 14:29 of TD-1.
158. Taking into consideration the electricity prices and quantity specified by Participants in their Orders, the EMO shall validate DAM Orders through the MMS and, before 13:59 of TD-1, shall accept the Order or suggest that the WEM Trade Participant revise the Order, providing reasonable justifications for non-acceptance. Participants that receive a suggestion for revision from the EMO shall be required to submit the final revised Order to the EMO before 14:29 of TD-1.
159. The EMO shall perform the DAM Clearing through the MMS based on the Orders received by 14:30 of TD-1.
160. By 14:59 of TD-1, the EMO shall publish in the MMS and on its official website the DAM Clearing Prices and the summary data on electricity sale/purchase Transactions per Trading Periods of the TD.
161. Electricity sale/purchase Transactions between WEM Trade Participants that submitted Offers and Bids that have been cleared as a result of DAM Clearing shall be deemed concluded from the period specified in Provision 160 of the WEM Rules.
162. The DAM Transactions shall be concluded such that the

electricity quantity sold by each WEM Trade Participant on the DAM shall be allocated between buyers in proportion to the amount of electricity purchased per Trading Period of the TD. Moreover, mathematical rounding is applied during the allocation of the amount of electricity between buyers, but if the sold or purchased electricity exceeds the quantity specified in the Orders as a result, mathematical rounding shall be applied to the deficit. When there is electricity surplus sold at the Clearing price in the DAM as a result of the above calculations, the residual amount of the electricity of the WEM Participant who sold a larger amount of electricity and submitted the Offer first shall be allocated by unit between Participants, prioritizing those who sold the larger amount of electricity and submitted an Offer first until the electricity surplus is completely allocated. The same approach is applied in the case of electricity deficit, sold at the Clearing price in the DAM.

163. Before 19:59 of TD-I, the EMO shall register all the executed Transactions of DAM in the MMS and record in the Participants' virtual e-cards the data the quantity and costs of electricity sold and purchased per TD-I Trading Period.
164. Where deviations from Transactions signed in the DAM are revealed, the EMO and the parties of the Transaction shall be guided by regulations defined in Chapter 25 and Chapter 26 of the WEM Rules.

## **CHAPTER 25. BALANCING MARKET**

165. Trading of balancing electricity between the BSP on one hand and other WEM Trade Participants with BRPI status and BRPG status on the other hand shall be implemented on the BALM
166. The BALM shall be a regulated market where Transactions are executed as a result of Imbalance settlement calculations performed by the EMO through the MMS.

167. By 15:29 of TD-I, the BSP shall publish in the MMS the sale price of electricity for the TD for balancing purposes for all Trading Periods if it is lower than the maximum BSP price set by the Commission. The BSP balancing electricity price cannot be more than 20 percent of the DAM Clearing price, if DAM clearing has been done and the price is above zero. Otherwise, the BSP balancing electricity price for TD shall be assumed to be equal to the maximum price defined by the Commission if the BSP has not published the balancing electricity price. The BSP shall be obliged to comply with all dispatch instructions of the ESO on balancing the TD's supply and demand.
168. WEM Trade Participants with BRPI status and BRPG status shall sell electricity surplus and purchase electricity shortages that occur as a result of imbalances from the BSP, in cases and procedures defined by the WEM Rules.

## **CHAPTER 26. IMBALANCE SETTLEMENT**

169. The imbalances shall be calculated by the EMO through the MMS for each WEM Trade Participant with BRPI status and BRPG status for each Trading Period of the TD.
170. By 17:59 of TD-I, each WEM Trade Participant with BRPI, BRPA, and BRPG status, except for the Transmitter, shall submit to the ESO and EMO the quantities of electricity subject to delivery, export, and import, as well as that which is subject to generation and consumption at Metering Points with a capacity of 10 MW or above in all WEM segments during the TD period per all Metering Points and Trading Periods of the TD (hereinafter: Transactions allocation).
171. Per Trading Period, WEM Trade Participants shall submit Transaction allocations that correspond to the technical characteristics included in their virtual e-card, also taking into account information about non-availability.

172. The ESO, based on the Transactions allocation submitted by the WEM Trade Participants with BRPI status and BRPG status, shall evaluate the system reliability and security indicators based on the requirements of the ETN Code. The ESO has the right to offer to review the Transactions allocations of WEM Trade Participants with BRPI status and BRPG status in cases where their offered option does not enable them to ensure system reliability and security indicators and they cannot be regulated in procedures defined by the ETN Code through the BSP.
173. Where the change of a Transactions allocation offered by a WEM Trade Participant with BRPI and/or BRPG status is deemed necessary by the ESO, then by 19:29 of TD-1, the ESO shall submit through MMS to the given participant its suggested Transaction allocation option with relevant justifications. The WEM Trade Participant with BRPI or BRPG status shall be obliged to accept and be guided by the Transaction allocation option offered by the ESO.
174. The net volume of imbalances for each WEM Trade Participant with BRPI or BRPG status shall be calculated by the EMO through the MMS and determined in the following way:
  - 1) The actual quantity of metered electricity delivered, consumed, exported, or imported shall be determined for the Metering Point of each WEM Trade Participant with BRPI or BRPG status per Trading Period of the TD;
  - 2) The volume of TD net imbalances for each WEM Trade Participant with BRPI or BRPG status shall be determined by comparing the actual metered data by Trading Periods with the Transactions concluded by the latter, except for sub-Provision 3 of this Provision. Moreover, the calculation of imbalances resulting in the cross-border trade of electricity shall be carried out separately, and the calculated imbalances shall be distributed proportionally among the WEM participants carrying out import and export of electricity

in proportion to Transactions on an hourly basis. When calculating imbalances, the minimum unit of measurement is 1 kWh, and smaller units are subject to mathematical rounding.

- 3) In case of electricity import and export Transactions, no imbalance is calculated if there are no imbalances arising from the Transactions of the WEM Trade Participant.
175. Payments for imbalances to be assigned to each BRPI or BRPG as appropriate based on the aggregation of their imbalances for each Trading Period in the TD shall be calculated as follows:
- 1) When the BRPI- or BRPG-netted imbalance volume during the Trading Period is negative, and as a result of this, the BRPI or BRPG buys electricity from the BSP, then an amount equal to the product of that quantity of electricity and the price defined by the BSP in each Trading Period of the TD as specified in Provision 167 of the WEM Rules shall be debited to the latter's balancing sub-account as an amount to be paid to the BSP;
  - 2) When the BRPI- or BRPG-netted imbalance volume during the Trading Period is positive and as a result of this, the BRPI or BRPG sells electricity to the BSP, then an amount equal to the product of that quantity of electricity and the price corresponding to the lowest tariff for sale set for the WEM RC shall be credited to the latter's balancing sub-account as an amount to be paid by the BSP.
176. The EMO shall conduct and upload records defined by Provision 175 of the WEM Rules to the MMS by 08:59 of the one day after the Trading day (hereinafter: TD+1).

## **SECTION 7. CROSS-BORDER TRADE, TRANSIT, AND TECHNICAL POWER FLOWS**

### **CHAPTER 27. CROSS-BORDER TRADING**

177. Cross-border trade of electricity shall be carried out by concluding a direct contract with a foreign natural person or legal entity on the export of electricity or on the import of electricity to be sold in the WEM or to meet its own demand.
178. Import of electricity shall be carried out by the Universal Supplier, Suppliers, Traders, Qualified Customers, and BSP in the following cases:
- 1) The Universal Supplier and Suppliers import electricity to meet the electricity demand of WEM participants or customers in their balancing group;
  - 2) Traders import electricity to meet the electricity demand of WEM Participants in their balancing group, as well as to sell it in the NRC and DAM;
  - 3) Qualified Customers may import the electricity to satisfy their demand.
179. Export of electricity shall be carried out by Traders, CPPs, and, if prescribed by the WEM Rules, by the BSP and RPPs in the following cases:
- 1) Traders, CPPs, RPPs, and the BSP shall export electricity subject to sale in the NRC;
  - 2) Traders shall export electricity subject to sale in the DAM;
  - 3) The BSP may export the electricity purchased from the WEM Participants as a result of imbalances.
180. In order for a Transaction on import or export of electricity to be considered effective, no later than 1 business day after signing the Transaction or, in cases when the Transaction implies trading within the TD, no later than by TD-1 at 16:59, the WEM Trade Participant who is a party to the Transaction shall be obliged to

- submit information on the amount of electricity imported or exported on an hourly basis to the ESO and the EMO through the MMS.
181. Transactions on import or export of electricity may be amended or terminated by the WEM Participants who concluded the Transaction at any time, and in cases when the Transaction implies trading within the TD, no later than by TD-1 at 16:59. The WEM Participant shall inform the ESO and the EMO through the MMS of the amendment or termination of the Transaction, providing the approval of the other party to the Transaction.
  182. Information on the export and import of electricity shall be included in the Transactions allocation provided in Provision 170 of the WEM Rules.
  183. The EMO and the ESO shall coordinate the process of organizing cross-border trade in procedures defined by the WEM Rules.
  184. In cases of import of electricity, the seller is deemed to have delivered the purchased electricity to the buyer at the Point of Import.
  185. Where deviations from Transactions signed on cross-border trade are revealed, the EMO and the Party to the Transaction shall be guided by regulations defined in Chapter 25 and Chapter 26 of the WEM Rules.

## **CHAPTER 28. TRANSIT OF ELECTRICITY**

186. Transit of electricity shall be performed through the Traders based on the contract signed with the transit client.
187. Electricity transit is considered to be a simultaneous Transaction of import and export of electricity carried out by a Trader and all provisions of the WEM Rules on the import and export of electricity shall apply to it equally. The amount of imported electricity is not taken into account in the payments to the WEM Service Providers stated in Provision 44 of the WEM Rules.



188. Where deviations from Transactions signed on the transit of electricity are revealed, the EMO and the Party to the Transaction shall be guided by regulations defined in Chapter 25 and Chapter 26 of the WEM Rules.
189. Transit delivery of electricity shall be carried out only if it neither contradicts the interests of domestic consumers, nor reduces reliability and security indicators of the RoA electricity system, nor hinders the fulfillment of obligations undertaken within the framework of already-concluded contracts of the BSP with respect to the AMIR Interconnection.
190. The ESO may terminate transit delivery if the reliability and security indicators of the RoA electricity system are reduced or are under threat of reduction.

## **CHAPTER 29. TECHNICAL POWER FLOWS**

191. Technical power flows shall be carried out exclusively by the BSP through the AMIR Interconnection based on the electricity generation license issued by the Commission and the AMIR technical power flows agreement.
192. The BSP shall sign contracts with the ESO, the EMO, and the Transmitter, as well as the Distributor, if it requires using the Distribution Network as well.
193. To fulfill its obligations, the BSP shall have the right to purchase electricity in WEM in cases provided for by the WEM Rules. Electricity generated at the Vorotan Cascade shall not be purchased for technical power flow exchange through AMIR.
194. The ESO shall coordinate the implementation of technical power flows.
195. The ESO shall be obliged to notify the EMO and the BSP in writing of the commencement, interruption, resumption, or termination of the technical power flows as prescribed in Provision 180 of the WEM Rules.

196. The ESO may terminate technical power flows if reliability and safety indicators of the RoA electricity system are reduced or are under threat of reduction.
197. In Emergency Situations, technical power flows through the AMIR and GEAM Interconnections shall be carried out by the BSP based on relevant contracts.

## **SECTION 8. WEM PAYMENTS GUARANTEES**

### **CHAPTER 30. PAYMENTS GUARANTEE MECHANISM**

198. To buy, import or export electricity and receive services on the WEM, the WEM Trade Participants, excluding the Universal Supplier, Generators, Transmitter, and the BSP, shall provide to the EMO a bank guarantee issued by any commercial bank operating in the Republic of Armenia, in procedures prescribed in this Chapter, Provision 64 of the WEM Rules, and Annex I to the WEM Rules.
199. The bank that presented the guarantee upon the request of the WEM Trade Participant (principal) shall accept liability in writing before the creditor of the principal that, in case of non-fulfillment or inadequate fulfillment by the principal of its liabilities under Transactions, following the written application of the EMO acting as a beneficiary in an undisputable manner, a certain amount will be transferred to a corresponding bank account specified by the EMO within the relevant limits of the guarantee amount.
200. For the bank guarantee:
- 1) The effective period shall not be less than 45 days;
  - 2) The defined amount shall not be less than 5 million AMD.
201. When submitting an Order in the RC and DAM, the available residual amount of the WEM Trade Participant's bank guarantee in the MMS shall be reduced as follows:
- 1) In the case of submitting Bids in the RC — by 150 percent of the cost calculated as a product of the quantity of electricity stated in the Bid and the highest tariff defined for RPP plants participating in the RC;
  - 2) In the case of submitting Bids in the DAM — by the cost of electricity calculated as a product of the quantity of electricity stated in the Bid and the maximum tariff defined by the Commission for balancing services.

202. The available residual amount of the WEM Participant's bank guarantee mentioned in Provision 201 of the WEM Rules as a result of the Transaction concluded in the RC and DAM shall be adjusted in the MMS as follows:
- 1) By an amount equal to the cost of electricity purchased under the Transaction;
  - 2) By an amount equal to the cost of the ESO service, which is determined as a product of the quantity of electricity purchased under the given Transaction and the tariff defined by the Commission for the ESO service;
  - 3) By an amount equal to the cost of the EMO service, which is determined as a product of the quantity of electricity purchased under the given Transaction and the tariff defined by the Commission for the EMO services;
  - 4) By an amount equal to the cost of the Transmitter's service, which is determined as a product of the quantity of electricity purchased under the given Transaction and the tariff defined by the Commission for transmission services;
  - 5) By an amount equal to the cost of the Distributor's service, which is determined as a product of the quantity of electricity purchased under the given Transaction and the average weighted cost of distribution service for the given WEM Trade Participant actually formed in the previous month. If no distribution service was provided to the given WEM Trade Participant, the bank guarantee amount shall be determined as a product of the quantity of electricity purchased under the given Transaction and the highest tariff defined by the Commission for the provision of distribution services to the Participant at Metering Points on the distribution network;
  - 6) For the cost of balancing service which is equal to the product of a twentieth of electricity quantity purchased under the Transaction and the maximum tariff defined for balancing services.

203. The available residual amount of the WEM Participant's bank guarantee as a result of the Transaction concluded in NRC shall be adjusted in the MMS as follows:
- 1) By the sum of monthly costs of services determined in accordance with sub-Provisions 2–5 of Provision 202 of the WEM Rules, except for electricity Import Transactions, for which the guarantee amount shall not be reduced;
  - 2) By the amount of the monthly cost of Balancing services determined in accordance with sub-Provision 6 of Provision 202, except for electricity Transit, Export, and Import Transactions;
  - 3) In the case of electricity Transit, Export, and Import Transactions, by the amount of the monthly cost of electricity calculated as a product of electricity purchased under the given Transaction and the maximum tariff defined by the Commission for balancing services.
204. Once the settlement of imbalances of the NRC, DAM, and RC is completed as described in Provision 176 of the WEM Rules, the reduced amount of the WEM Participant's bank guarantee (mentioned in Provisions 202 and 203 of the WEM Rules) shall be adjusted in the MMS before 09:59 of TD+1 in the following manner:
- 1) By an amount equal to the cost of the service actually rendered by ESO, which is determined as a product of the quantity of electricity actually purchased for the TD and the tariff defined by the Commission for ESO service;
  - 2) By an amount equal to the cost of the service actually rendered by the EMO, which is determined as a product of the quantity of electricity actually purchased for the TD and the tariff defined by the Commission for EMO services;
  - 3) By an amount equal to the cost of the service actually rendered by the Transmitter, which is determined as a product of the quantity of electricity actually purchased for the TD and the

- tariff defined by the Commission for transmission services;
- 4) By an amount equal to the cost of the service actually rendered by the Distributor, which is determined by the cost of the distribution service formed as a product of the quantity of electricity purchased for the TD and the distribution service tariff for the given connection point of the WEM Trade Participant; if the WEM Trade Participant is connected to the different voltage levels of the distribution network, then the bank guarantee shall be reduced by an amount equal to the sum of service costs formed as a result of the product of electricity passed through the given voltage level and the distribution service tariff defined for the given voltage level;
  - 5) By an amount equal to the cost of the balancing service actually rendered, which is determined by the cost of electricity actually purchased from the BSP for the TD.
205. The allowed bank guarantee limit of the WEM Trade Participant shall comprise the total sum of costs of Transactions already signed but not paid for and services obtained, as well as new Transactions to be signed and services to be rendered.
206. Upon expiration of the maximum allowed limit, the WEM Participant shall be deprived of the right to submit new Orders and conclude new Transactions. If the given WEM Participant has made all the payments to the sellers for electricity purchased, imported, or exported and services provided under the Transaction, then the bank guarantee presented by that WEM Participant to the EMO shall be considered not to be encumbered by liabilities that are already paid, and the given WEM Participant shall regain the right to submit new Orders and conclude new Transactions. If the WEM Participant makes complete or partial payments to the seller within the framework of its Transactions, the given Participant shall inform the EMO within 1 business day by presenting a proof of payment through the MMS.

## **CHAPTER 31. PROCEDURES FOR MAKING PAYMENTS FROM THE SPECIAL ACCOUNT (ACCOUNTS) OF THE UNIVERSAL SUPPLIER AND USING THE GUARANTEED AMOUNT**

207. The Universal Supplier shall ensure guaranteed payments to Generators with 30 MW and over of installed capacity and WEM Service Providers for electricity purchased for the LC, DAM, and BALM and in the RC through special account (accounts) and a bank guarantee agreed upon with the Commission in the required guaranteed amount as a supplementary means to secure the payment of debts accumulated by the end of the previous month. The Guarantee shall not be less than 10 percent of the total amount charged for the previous year's average monthly purchase of electricity (capacity) and for services provided by WEM Service Providers (except for the services provided by the Distributor). The choice of the banks servicing the special account (accounts) shall be coordinated with the Commission.
208. The special account (accounts) servicing contracts and modifications to these contracts and the Guarantee shall be agreed upon with the Commission in advance.
209. The special account (accounts) funds shall be managed in compliance with WEM Rules and the Universal Supplier License.
210. Payments in cash made by customers for consumed electricity shall be accepted by commercial banks operating in the territory of the RoA and by legal entities holding a license for the provision of payment and settlement services (hereinafter: payment and settlement organizations), in compliance with the contracts signed by the Universal Supplier with the banks and payment and settlement organizations. According to these contracts, the payments collected from the customers for the consumed electricity by the banks and the payment and settlement organizations shall be transferred to the special account (accounts) in one banking day, except for the amounts

collected by Haypost Closed Joint Stock Company, which shall be transferred to the special account (accounts) within 1 banking day in Yerevan, 2 banking days in urban communities, and up to 5 banking days in rural communities. The payments collected from the customers for the electricity consumed, except for the Special Account (accounts), cannot be transferred to another bank account, as stated in the contracts signed between the Universal Supplier and banks or payment and settlement organizations. The contracts and further modifications thereto shall be submitted to the Commission for approval.

211. In the case of a bank transfer for the electricity consumed, the customer shall transfer funds only to the banking account mentioned in the invoicing documents issued by the Universal Supplier, and the Universal Supplier shall mention only one of the Special Accounts or attached technical accounts (subaccounts) in the invoicing documents submitted to the customers.
212. The Universal Supplier's payments for the electricity purchased and services provided to WEM Participants can be made only through the Special Account (accounts) based on the Universal Supplier's payment orders.
213. If the Universal Supplier fails to make payments by the time defined in the Contracts, the Generators with 30 MW and over of installed capacity and WEM services providers (except for the Distributor) in the LC, DAM, BALM, and RC may apply to the bank that provided the Guarantee to have their requirements met under that Guarantee. The guarantee-issuing bank shall review the submitted claims and issue a Resolution within 5 business days. If the funds under the Guarantee are insufficient to cover the amounts claimed and the amounts to be covered by the Guarantee-issuing bank, the Universal Supplier shall transfer the deficient amount to the Special Account (accounts) and pay to the Participants that have submitted claims to the guarantee-issuing bank the amount sufficient enough to cover the claims and meet



the coverage deficiency within the 5 business days required for revision of claims and issuance of the resolution. If the claims are satisfied by the guarantee-issuing bank, the Universal Supplier shall submit a new Guarantee to the Commission for approval within 10 working days.

214. Starting on the 5<sup>th</sup> day of each month, the total amounts deposited into the Special Account (accounts) shall be deemed to be pledged in favor of Generators with 30 MW and over of installed capacity and WEM Service Providers (except for the Distributor) in the LC, DAM, and BALM segments and in the RC as means to secure the payment of actual debts accumulated by the end of the previous month. This should be stated in the pledge agreements between the Universal Supplier and the above entities. Generators with installed capacity under 30 MW; other sellers acting in the LC, DAM, and BALM and in the RC; and service providers other than WEM Service Providers shall not sign pledge agreements with the Universal Supplier. The pledge agreement, as well as modifications and changes thereto, shall be coordinated with the Commission. The amounts deposited into the Special Account (accounts) shall also be used for making payments for electricity purchased by the Universal Supplier from other entities in order to sell it on the domestic market. The pledge shall be terminated after the Universal Supplier fulfills all financial liabilities available at the end of the previous month. Upon completion of the mentioned function, the Universal Supplier may dispose of the amounts available in the Special Account (accounts) and transfer them to its current accounts only.
215. Only the amounts collected from the customers for electricity consumed or amounts transferred exclusively from the current accounts of the Universal Supplier can be deposited into the Special Account (accounts). Funds from the Special Account (accounts) can only be used for making payments for electricity purchased

and services provided in the LC, DAM, and BALM segments and in the RC, or, if the collateral is terminated as mentioned in Provision 214 of the WEM Rules, they can be transferred exclusively to the current accounts of the Universal Supplier.

216. The procedure in Provision 215 of the WEM Rules shall be stated in the Special Account (accounts) service contract (contracts).
217. Each month, the Universal Supplier shall provide the Special Account (accounts) transaction statement to the Commission, in compliance with the forms set by the Commission.

## **SECTION 9. METERING OF ELECTRICITY AND INVOICING**

### **CHAPTER 32. EMO RESPONSIBILITY FOR COMMERCIAL METERING**

218. This Section shall define regulations and relationships associated with electricity metering in the WEM.
219. Commercial metering in the WEM, calculation of inevitable technological losses during actual regimes of the Transmission Network, and metering of actual losses of electricity in the Transmission Network shall be implemented by the EMO.
220. The EMO shall implement Commercial metering in the WEM for Boundary Points of WEM Participants located on the Transmission and Distribution Networks based on data collected from Metering Complexes installed at those Boundary Points. In case of failure of commercial meters, the EMO shall implement Commercial metering based on the data received from control metering complexes specified in the WEM Contract.
221. The EMO shall be liable for the reliability of the data it has submitted, in procedures defined in the RoA law.

### **CHAPTER 33. METERING DATA COLLECTION AND PERIODICITY**

222. Collection of data from the metering points shall be implemented by the EMO through the DAS. The minimum unit of the metering data is 1 kWh, and smaller units are subject to mathematical rounding.
223. For the purposes of metering data collection, the EMO shall ensure the following:
  - 1) Operational condition of the DAS and related infrastructure;

- 2) Collection of data being transferred from Metering Complexes to the system-level server;
  - 3) Reflection of metering data in the MMS in real time for all Trading periods of the TD.
224. WEM Participants shall ensure free access to Metering Complexes registered in the DAS and the possibility of unhampered collection of data by the EMO, as well as ensure the working condition of equipment and devices used for data transmission and communication.

#### **CHAPTER 34. METERING OF ELECTRICITY ON THE GENERATOR SIDE**

225. Electricity delivered by a Generator shall be metered for each plant separately. The Commercial Metering Complex shall be installed in compliance with the requirements defined in the ETN Code.
226. The EMO shall be obligated to meter electricity delivered or consumed by the Generator at:
- 1) The Generator-Transmitter Boundary point;
  - 2) The Generator-Distributor Boundary point;
  - 3) The Generator-Customer Boundary points.
227. Commercial metering of the IPP's Contractual capacity in the WEM shall be performed by the EMO according to the contract signed between the Universal Supplier and the IPP. The Contractual capacities shall be subject to payment if a two-part tariff with an electricity rate and a monthly capacity charge is established for IPP plants. If the information provided by the ESO on the IPP's available capacities for the Settlement month contains different data on actual available capacities, then their average weighted capacity shall be recorded as the one to be paid for.
228. Reduction of the IPP's available capacity shall be considered a Contract violation and shall not be subject to payment.

## **CHAPTER 35. METERING OF ELECTRICITY ON THE TRANSMITTER AND DISTRIBUTOR SIDE**

229. Metering of electricity transmitted by the Transmitter shall be implemented at the Generator-Transmitter, Transmitter-Qualified Customer, and Generator-Distributor Boundary Points, as well as at the Import and Export Points; and for the Distributor, at the Distributor-WEM Trade Participant Boundary Point.
230. The EMO shall be obligated to register the following data with regard to the Transmitter and the Distributor:
- 1) Electricity imported by the WEM Participants at the Import point;
  - 2) Electricity delivered by the WEM Participants at the Export point;
  - 3) Electricity delivered to the Distributor at the Transmitter-Distributor Boundary Point;
  - 4) Electricity delivered to the WEM Participants at the Distributor-WEM Participant Boundary Point.

## **CHAPTER 36. SPECIFIC METERING RECONCILIATION CASES**

231. For metering data verification, the EMO shall prepare electricity balances of WEM Trade Participants for the balancing group (or groups) formed by Metering Complexes included in the DAS according to the ETN Code.
232. In the case that the actual established balance exceeds the limit values of the average statistical data for the last year or the allowable imbalance limit values, then:
- 1) The EMO shall be obliged to inform the parties to the Transaction of the sudden change in the metered levels and offer to find out the reasons for the sudden changes in the metered value.

- 2) The parties to the Transaction, with the involvement of the EMO, shall inspect the balance group (or groups) of Metering Complexes registered in the DAS, and, if failures are detected in the Metering Complexes, shall prepare a corresponding statement.
  - 3) The EMO shall make recalculations when there is a statement about a failure of commercial Metering Complexes.
  - 4) If no failure is detected in the balancing group of Commercial Metering Complexes and their connection circuits, the deviation of the actual imbalance value from the average statistical data (if the actual imbalance value does not exceed the allowable imbalance limit value of the given Balancing group) is deemed to be acceptable due to the agreed changes of regime, and recalculations shall not be performed.
  - 5) If the actual imbalance value exceeds the allowable imbalance limit value, but a failure of the Metering Complexes and its connection circuits is not detected as a result of the inspection, the party managing the Metering Complexes shall perform an ad-hoc inspection of Commercial meters as well as current and potential transformers, prepare relevant protocols, and replace the Metering Complexes, if necessary. The cited reports are the basis for drawing up a recalculation statement.
  - 6) Recalculation shall be performed based on the data received from the control meters. Recalculation results shall be included in the payment documents of the next month after the failure is detected.
233. The allowable imbalance limit shall be determined by the EMO in compliance with the Methodology approved by the Commission's Resolution No. 60 of November 19, 2001 "On calculation of unavoidable losses of electricity at 110 kV and higher electric networks."

## **CHAPTER 37. CALCULATION OF LOSSES AT THE TRANSMISSION NETWORK**

234. By the 10th day of each month, the EMO shall be obligated to submit to the Transmitter information in writing about actual losses of metered electricity in the Transmission Network for the previous month, as well as to publish the information in the MMS.
235. Before the 15th day of the next month, the EMO shall calculate the inevitable technological losses caused by actual regimes of operation in the Transmission Network for the given Trading Period, according to the methodology approved by the Commission's Resolution No. 60 of November 19, 2001 "On the calculation of unavoidable losses of electricity at 110 kV and higher electric networks" and publish it in the MMS.

## **CHAPTER 38. STATEMENT OF CHARGES**

236. Within the first 5 business days of each month, based on information recorded in the electronic accounts of WEM Participants in accordance with Chapter 15 of the WEM Rules, the EMO shall prepare a statement of charges to be paid for electricity and provided services, and submit them to the WEM Participants for confirmation.
237. Charges to be paid for electricity and provided services shall be calculated in AMD with an accuracy of up to 2 decimal places through mathematical rounding.
238. If the WEM Participants have no objections to the charges for electricity and provided services, they shall confirm the statement of charges presented by the EMO within 2 business days after receiving the statement.
239. Within 2 business days after confirming the statement of charges, the WEM Participants shall prepare and submit to other parties the statement of charges on electricity delivered or purchased or services provided.

240. The WEM Participant who received the statement of charges shall, within 1 business day after the day of receipt, confirm the statement of charges for electricity delivered to him/her or purchased by and for the services provided to him/her or provided by him/her, and within 3 business days shall make respective payments, except for the Universal Supplier. The Universal Supplier shall make the payments by the 25th day of each month.



## **SECTION 10. MONITORING OF THE WEM**

### **CHAPTER 39. STATEMENT OF CHARGES**

241. The ESO and the EMO shall be responsible for collecting data provided for by this Section and for publishing them on the official websites as appropriate, making them permanently available.
242. The ESO shall collect and publish the following data:
- 1) Information on the electricity system load per Trading Period, to be published based on the information provided by the EMO;
  - 2) The electricity system load forecast per Trading Period, to be published at least 14 hours before the DAM Gate Closure and be updated afterward every 2 hours on a rolling basis;
  - 3) Week-, month-, and year-ahead aggregated electricity system load forecasts, to be published based on the forecast data; year-ahead System Load Forecasts to be published every week;
  - 4) Information relating to the unavailability of the transmission network, to be published no later than 1 hour after the change in availability;
  - 5) Information relating to congestion management measures, if any;
  - 6) Forecast of total generation per Trading Period;
  - 7) Information related to the unavailability of Generating Units;
  - 8) Renewable energy sources Forecast per Trading Period of the TD. Such forecasts should be made publicly available for every Trading Period of the TD by 08:59 of TD-1.
243. The EMO shall collect and publish the actual delivery per Trading Period (per technology, where data is available).

## **CHAPTER 40. MONITORING OF THE DAM**

244. The EMO shall collect and publish the following data on the DAM:
- 1) Information on the electricity system load per Trading Period;
  - 2) Volume of electricity trade in the DAM;
  - 3) DAM Clearing Price per Trading Period of the TD;
  - 4) Imbalance Settlement Prices per Trading Period defined in accordance with Chapter 26 of the WEM Rules;
  - 5) Total Imbalance quantities per Trading Period.

## SECTION II. TRANSITIONAL PROVISIONS

245. Before February 1, 2023:

- 1) RPPs and plants whose legally defined purchase guarantees have expired, as well as those that have no purchase guarantee, shall be mandatorily involved in the Universal Supplier's Balancing Group by obtaining binding BRPP status, according to Provision 54 of the WEM Rules. The Universal Supplier shall be responsible for any imbalances caused by RPPs and plants with expired purchase guarantees, as well as those that have no purchase guarantee that are included in its Balancing Group;
- 2) RPPs, as well as TPPs with a capacity exceeding 30 MW, for which the Commission has set a capacity fee, taking into account the importance of maintaining the Electricity System reliability and security indicators during the transition phase at levels required by the ESO, shall also participate in the LC, as prescribed in Provision 113 of the WEM Rules. The Universal Supplier shall buy electricity (capacity) ordered by its Customers from the mentioned plants at the tariffs set by the Commission. In cases provided for under this Provision, the following shall be applied for thermal power plants with a capacity exceeding 30 MW:
  - a) In regard to capacity that was not ordered for Customers of the Universal Supplier, the regulations established for Traders shall be applied according to the WEM Rules, subject to priority Transactions concluded as a Trader;
  - b) In regard to capacity ordered for Customers of the Universal Supplier, the regulations established for IPPs shall be applied, at the same time reducing the capacity to be paid for by the Universal Supplier according to Provision 227 of the WEM Rules by the amount calculated as follows:

$$\Delta P_{TPP} = \frac{P_O * \sum_{i=1}^T P_{NRi}}{P_{TPP} * T}$$

where:

$\Delta P_{TPP}$  – the amount of capacity (MW) subject to reduction from the capacity to be paid for by the Universal Supplier to the TPP exceeding 30 MW

$P_O$  – the amount of capacity (MW) ordered for Customers of the Universal Supplier from the TPPs exceeding 30 MW

$P_{NRi}$  – the amount of capacity (MW) to be traded by the TPPs exceeding 30 MW at hour  $i$  and at non-regulated prices

$P_{TPP}$  – the total installed capacity of all aggregates (units) of the TPP exceeding 30 MW to be involved in the electricity trade at non-regulated prices for the volumes ordered for Customers of the Universal Supplier (MW)

$T$  – the number of hours of the settlement month

- 3) The RC defined in Chapter 20 of the WEM Rules shall not operate;
- 4) According to Provision 113 of the WEM Rules, the plants whose purchase guarantees have expired, as well as those that have no purchase guarantee, shall also participate in LC trading. The Universal Supplier shall buy electricity from the mentioned plants at the minimum price set for the Generators providing Balancing Services. This Provision shall not restrict the right of plants whose purchase guarantee has expired, as well as those that have no purchase guarantee, to participate in WEM trading as a Trader, losing the right to sell electricity to the Universal Supplier in the LC and leaving the Balancing Group of the Universal Supplier;
- 5) According to Provision 136 of the WEM Rules, RPP plants shall not participate in DAM trading.

(To be filled in a bank form)

\_\_\_ 20 \_\_\_

**BANK GUARANTEE No. \_\_\_**

By this guarantee (hereinafter, referred to as the Guarantee) \_\_\_\_\_ (hereinafter, referred to as the Guarantor) upon request of \_\_\_\_\_ (hereinafter, referred to as the Principal), is unconditionally committed to paying a monetary amount of up to \_\_\_\_\_ (hereinafter, the Guarantee Amount) to \_\_\_\_\_ (hereinafter, referred to as the Beneficiary), following the written claim of the latter (hereinafter, referred to as the Claim) for non-compliance or inadequate compliance of the Principal with the liabilities arising from the \_\_\_\_\_ contract (hereinafter, referred to as the Contract) signed on \_\_ \_\_ 20\_\_ between the Principal and the Beneficiary, pursuant to the following conditions:

1. The Guarantee shall be a security for adequate fulfillment by the Principal of its liabilities under the Contract;
2. The Guarantee shall be valid from \_\_ 20\_\_ till \_\_ 20\_\_ inclusive;
3. The following documents shall be enclosed with the Claim:
  - \_\_\_\_\_
  - \_\_\_\_\_
4. Within a maximum of business days after the receipt of the Claim and documents enclosed, the Guarantor is committed to discussing the Claim and documents enclosed, in order to check their compliance with the terms of the Guarantee.
5. The Guarantee Amount shall be reduced by the amount paid by the Guarantor according to the Claim.
6. The Beneficiary's right of claim for the payment of the Guarantee

Amount arising from the Guarantee may be assigned to the other entity upon the written consent of the Guarantor.

7. Relations associated with the Guarantee shall be regulated by the Legislation of the Republic of Armenia.

Authorized person/Signature

# **REPUBLIC OF ARMENIA WHOLESALE ELECTRICITY MARKET CONTRACTS**

**Annex  
To the RoA Public Services  
Regulatory Commission  
Resolution N 518 N  
Adopted on December 25, 2019**

## **ARMENIA WHOLESALE ELECTRICITY MARKET CONTRACT (OFFER)**

The Electricity Market Operator (EMO), Electricity System Operator (ESO), Transmitter, Distributor, Balancing Services Providing Generator (hereinafter, together defined as Wholesale Electricity Market Services Providers) on one side, and all Wholesale Electricity Market Trade Participants on the other side, mutually called Parties, being guided by the Republic of Armenia Law on Energy (Law), other laws of the Republic of Armenia, the WEM Trading Rules and Electricity Market Transmission Network Code (hereinafter, together defined as the Rules) and other legal acts of the Commission, signed this contract on the following:

### **CHAPTER I. SUBJECT OF CONTRACT**

- I. Subject to the terms of this contract and the Rules:
  - 1) For trading of electricity in the WEM, the WEM Trade Participants shall be obliged to acquire balancing responsibility status as well as to conclude and execute Transactions in procedures defined by the Rules;
  - 2) The EMO undertakes to coordinate WEM operations, including WEM Participants' registration and adherence to this Contract;
  - 3) The ESO, the EMO, the Distributor, and the Transmitter undertake to provide, respectively, the services of the

electricity system operator, electricity market operator, electricity distribution, and electricity transmission, and the WEM Participant undertakes to pay for the provided services;

- 4) The Generator providing balancing services (BSP) undertakes to provide such services by trading electricity required for balancing in the Balancing Market (BALM).

## **CHAPTER 2. RIGHTS AND OBLIGATIONS OF THE PARTIES**

2. The WEM Trade Participants, in accordance with the Law, the License, the Rules, and this Contract, shall be responsible for:
  - 1) Registering in the Market Management System (MMS) and acquiring balancing responsibility status;
  - 2) In order to buy, to import electricity as well as to receive services, the WEM Trade Participants, excluding the Universal Supplier, Generators, and the Transmitter, shall provide to the EMO a bank guarantee;
  - 3) Endorsing the requirement of the EMO to receive monetary compensation in case of a violation of the obligations assumed under this Contract and Transactions by another WEM Participant within the framework of the bank guarantee provided by the violating Participant;
  - 4) Presenting their Transactions allocation to the ESO and the EMO and, in case of comments by the ESO, approving and applying the Transactions allocation option offered by the latter within the TD;
  - 5) Executing Transactions on electricity trading;
  - 6) Paying the WEM services providers for the provided services;
  - 7) Selling electricity surpluses and purchase electricity shortages from the BSP that occur as a result of imbalances;
  - 8) Adopting and approving the statement of charges to be paid for electricity and provided services prepared by the



- EMO as well as billing documents submitted by the WEM Participants;
- 9) Acting in accordance with the dispatch instructions issued by the ESO in the event of Emergency Situations;
  - 10) Selling electricity in Emergency Situations at the maximum price defined by the Commission for the BSP, except for cases provided for by legal acts;
  - 11) Ensuring the fulfillment of other obligations prescribed by the specified legal acts.
3. The WEM Trade Participants, in accordance with the Law, the License, the Rules, and this Contract, have the right to:
- 1) Demand that parties to a Transaction in the WEM pay for electricity sold based on the Transaction;
  - 2) Export and import electricity in cases envisaged by the specified legal acts;
  - 3) Terminate activity in the WEM, except for the Generators subject to tariff regulation (except for Generators defined in the Rules), as well as the Universal Supplier, Transmitter, and Distributor;
  - 4) Exercise other rights prescribed by the specified legal acts.
4. The EMO, in accordance with the Law, the License, the Rules, and this Contract, shall be responsible for:
- 1) Enabling entrance to the MMS and termination of activity of the WEM Participants in the MMS;
  - 2) Enabling the provision and modification of balance responsibility status of the WEM Trade Participants, as well as enabling the provision of Qualified Customer status;
  - 3) Operating and maintaining the MMS;
  - 4) Ensuring the confidentiality of the information provided by the WEM Participants;
  - 5) Submitting to the MMS the maximum allowed limits for buying electricity, importing electricity, and receiving services for the WEM Participants;

- 6) Acting as a beneficiary, submitting a written claim to the bank issuing the guarantee to pay a sum of money with the guarantee by indicating the bank account number to which the money is subject to transfer;
  - 7) Returning the bank guarantee to the WEM Trade Participant, waiving rights to it;
  - 8) Registering the WEM Participants' Orders and Transactions through the MMS;
  - 9) Coordinating the normal operation of the Day Ahead Market (DAM), including DAM clearing through the MMS;
  - 10) Recording the quantities of electricity purchased and sold by WEM Trade Participants through the MMS;
  - 11) Calculating imbalances in the BALM through the MMS;
  - 12) Through the MMS (except for Transactions signed in the Non-Regulated Component of the Bilateral Contracts Market), preparing the statement of charges to be paid for electricity as well as services provided in the WEM by the WEM Participants and submitting them for the WEM Participants' approval;
  - 13) Coordinating the cross-border trade of electricity;
  - 14) Coordinating Commercial Metering in the WEM;
  - 15) Ensuring normal and efficient operation of the WEM.
5. The EMO, in accordance with the Law, the License, the Rules, and this Contract, has the right to:
    - 1) Require the Parties to pay for the services provided;
    - 2) Refuse the registration of a WEM Trade Participant in the MMS, the application of a WEM Trade Participant for cessation from the WEM, the granting of balancing responsibility status to a WEM Participant or the modification of said status, or the granting of Qualified Customer status;
    - 3) Ensure fulfillment of other functions arising from the provision of the electricity market operator services.
  6. The ESO, in accordance with the Law, the License, the Rules, and

- this Contract, shall be responsible for:
- 1) Preparing the electricity system balance;
  - 2) Ensuring the reliable and secure operation of the electricity system;
  - 3) Evaluating the system reliability and security indicators based on the Transactions allocation module;
  - 4) Managing the provision of System services;
  - 5) Forecasting losses of the Transmission Network and notifying the EMO and the Transmitter;
  - 6) Coordinating the cross-border trade of electricity;
  - 7) Ensuring the confidentiality of the information provided by the WEM Participants;
  - 8) Performing other functions necessary to ensure the secure and reliable operation of the electricity system.
7. The ESO, in accordance with the Law, the License, the Rules, and this Contract, has a right to:
- 1) Require the Parties to pay for the services provided;
  - 2) Issue dispatch instructions to the BSP for balancing the supply and demand of the TD;
  - 3) Offer to a WEM Trade Participant that has assumed the status of a BRPI, BRPA, or BRPG to review the Transactions allocation and provide the latter with its version of the Transactions allocation with reasonable justifications;
  - 4) Issue dispatch instructions to the WEM Participants in the event of Emergency Situations declared by the ESO;
  - 5) Ensure fulfillment of other functions arising from the provision of electricity system operation services.
8. The Transmitter, in accordance with the Law, the License, the Rules, and this Contract, shall be responsible for:
- 1) Providing transmission services to the WEM Trade Participants;
  - 2) Ensuring the uninterrupted operation of the Metering Complexes in the Transmission Network;

- 3) Performing other functions arising from the provision of electricity transmission service.
9. The Transmitter, in accordance with the Law, the License, the Rules, and this Contract, has a right to:
  - 1) Procure electricity on the WEM to cover Transmission Network losses and own needs;
  - 2) Require the Parties to pay for the services provided;
  - 3) Exercise other rights prescribed by the specified legal acts.
10. The Distributor, in accordance with the Law, the License, the Rules, and this Contract, undertakes to:
  - 1) Provide distribution services to the WEM Trade Participants;
  - 2) Register the data of the Metering Complexes of the WEM Participants connected to the Distribution Network, including readings of Commercial and Control Meters;
  - 3) Ensure the completeness and availability of access to the registered data for the EMO through the real-time Automated Metering System, the MMS, or other available software;
  - 4) Perform other functions arising from the provision of electricity distribution service.
11. The Distributor, in accordance with the Law, the License, the Rules, and this Contract, has a right to:
  - 1) Procure electricity at the WEM to cover Distribution Network losses and own needs;
  - 2) Require the Parties to pay for the services provided;
  - 3) Exercise other rights prescribed by the specified legal acts.
12. The BSP plant, in accordance with the Law, the License, the Rules, and this Contract, shall be responsible for:
  - 1) Providing balancing services by trading the electricity needed for balancing;
  - 2) Selling electricity on the regulated component of the Bilateral Contracts Market at quantities defined and prices regulated by the Commission;
  - 3) Publishing in the MMS the sale price of electricity for that TD

- for balancing purposes for all Trading Periods if it is lower than the maximum BSP price set by the Commission;
- 4) Complying with all Dispatch Instructions of the ESO on balancing the supply and demand for the TD;
  - 5) Ensuring the implementation of technical power flows, including in Emergency Situations;
  - 6) Ensuring the fulfillment of other obligations prescribed by the specified legal acts.
13. The BSP plant, in accordance with the Law, the License, the Rules, and this Contract, has a right to:
- 1) Purchase electricity on the WEM in case of failure to fulfill its contractual obligations using its own generation of electricity;
  - 2) Purchase and sell electricity in cases defined by the Rules;
  - 3) Export and import electricity;
  - 4) Demand the WEM Trade Participants pay for the sold electricity;
  - 5) Exercise other rights.
14. The rights defined as per sub-Provisions 1-3 of Provision 13 of this Contract may be exercised by the BSP on condition of priority fulfillment of obligations under sub-Provisions 1 and 2 of Provision 12 of this Contract.

### **CHAPTER 3. PAYMENTS GUARANTEES**

15. The services being provided in the WEM as well as the electricity purchased in the WEM shall be paid for by the WEM Participants in procedures established by the Rules.
16. Within the context of this Contract, the amounts of payments for services provided in the WEM and for electricity purchased in the WEM shall be considered as:
- 1) Equal to tariffs approved by the Commission, except for cases specified in sub-Provisions 2 and 3 of this Provision;
  - 2) Fixed, upon agreement of all the Parties, if:

- a) No tariff has been defined by the Commission for the given service as well as for electricity provided by the given seller;
  - b) The Parties have agreed upon a price less than the tariff (as long as such agreements are not discriminatory for other WEM Participants);
- 3) Estimated by the EMO in the cases of electricity trade on the DAM or on the BALM pursuant to the Rules.
17. The Parties shall be obliged to make all payments due in full and on time as established by the Rules and prescribed by this contract, as well as by transactions executed and documents signed pursuant to the Rules, and only then to undertake actions for settlement of possible disputable issues.
18. In order to buy or import electricity and to receive services on the WEM, the WEM Trade Participants, excluding the Universal Supplier, Generator, Transmitter, and BSP, shall provide to the EMO a bank guarantee issued by any commercial bank operating in the Republic of Armenia (RoA) in procedures prescribed by the Rules and this Contract.
19. The Universal Supplier shall ensure that payments are made in accordance with regulations on Special Account (Accounts) of the Rules.

#### **CHAPTER 4. INFORMATION ACCESSIBILITY AND CONFIDENTIALITY**

20. For implementation of this Contract, any and all information subject to sharing between the Parties shall be shared and the documents shall be handed over in a manner prescribed in the Rules.
21. In cases of non-provision of information, delayed provision, or provision of false or incomplete information subject to sharing by all Parties for the implementation of this Contract, any Party shall bear liability for damages resulting from such non-provision.
22. All information disclosed by all Parties to each other for

implementation of this Contract shall be used by them exclusively for the purposes of this Contract.

## **CHAPTER 5. EMERGENCY SITUATIONS**

23. In cases defined by the ETN Code, when an Emergency Situation is declared, the WEM Participants shall operate exclusively based on the dispatch instructions of the ESO. The obligations assumed under the Transactions shall be suspended for the entire period of the Emergency Situation and measures defined by the Rules for violation thereof shall not be undertaken.
24. In Emergency Situations, electricity shall be sold at the maximum price defined by the Commission for the BSP, except for those plants for which the Commission has set a tariff. For these plants, the sale of electricity shall be performed at the tariff set by the Commission. At the same time, electricity shall be purchased at the actually formed average weighted price of electricity sale.
25. Within 10 business days from the ESO's declaration of the end of the Emergency Situation and the beginning of the trading restart period, the ESO, in cooperation with the EMO, shall submit to the WEM Participants and the Commission the calculations on services actually provided by WEM Participants and the price of electricity actually delivered (purchased) during the Emergency Situation, according to Provision 24 of this Contract.
26. Within 3 business days from the receipt of the calculation from the EMO as described in Provision 25 of this Contract, the Commission and the WEM Participants shall submit to the EMO their conclusions in writing. If the parties agree with the calculation result, the EMO shall download it to the MMS, while in case of disagreements and disputes regarding calculations, the WEM Participants shall be guided by this Contract and the Rules.

## **CHAPTER 6. RESPONSIBILITIES OF PARTIES**

27. Where a Party failed to comply with or inadequately complied with responsibilities arising from this Contract and from the Transactions, it shall compensate the other Parties for damages suffered due to this failure in procedure defined by the Law.
28. In the event of a violation of the payment terms in accordance with this Contract, one party shall be entitled to inflict a penalty on the breaching party equal to 0.1 percent of the unpaid amount for each delayed day. If such a penalty is calculated, the cost of the delivered electricity shall be repaid first from the payments made according to the limitation period for its payment, and only after that shall the calculated penalty be paid.
29. The WEM Participants shall not be responsible for violations if they happen due to force majeure circumstances. Force majeure circumstances, as well as the procedure for their application, are defined by the Rules.
30. The EMO shall not be responsible for obligations arising from the Transactions concluded through the MMS software, except for violations of requirements for operation of the software specified in the Rules.

## **CHAPTER 7. CONTRACT VALIDITY PERIOD**

31. This contract is deemed to be a contract of adhesion (offer) in terms of Article 444 of the RoA Civil Code, to which any person being entitled to electricity generation, supply, universal supply, wholesale electricity trade, as well as any qualified customer who has a right under the Law and the Rules to participate in WEM (Acceptant).
32. For each WEM Participant this contract shall enter into force immediately upon the registration of such participant in the MMS software and shall remain in force until the termination of the WEM participation in the manner prescribed by the Rules.



33. According to Annex I of this Contract (Acceptance for adhering to the Wholesale Electricity Market Contract) all Acceptances signed by WEM Participants and registered by the EMO shall form an integral part of this contract.

## **CHAPTER 8. INTERPRETATION OF CONTRACT**

34. The definitions of this Contract shall be interpreted in accordance with their meanings defined in the Law and the Rules, unless otherwise stipulated in this Contract.
35. If establishing a Wholesale Electricity Market New Model Contract (offer) or amending the present Contract, the terms of this Contract shall be deemed to be respectively amended, in compliance with the procedure and timeframe set by the corresponding decision of the Commission.

## **CHAPTER 9. DISPUTE RESOLUTION**

36. Where a dispute or disagreement arises between the WEM Participants, the parties shall resolve them through negotiations.
37. If a dispute (disagreement) is not settled by the parties, any party to a dispute (disagreement) may apply to the Commission requesting that it resolve the dispute within its jurisdiction, or may file a suit at a competent court, unless the parties have agreed to submit their dispute to arbitration.

## **SIGNATURES**

Electricity Market Operator

Electricity System Operator

Transmitter

Distributor

Balancing Services Providing Generator

**Annex N I**  
**To the model contract (offer)**  
**of the RoA**  
**Wholesale Market Rules**

**ACCEPTANCE OF ADHERENCE TO THE  
WHOLESALE ELECTRICITY MARKET CONTRACT**

\_\_\_\_\_, represented by \_\_\_\_\_  
(Acceptant Name)

\_\_\_\_\_, acting based on \_\_\_\_\_  
adheres in full to the Contract as \_\_\_\_\_.

*For Generators*

Commission Issued License № \_\_\_\_\_

Issued \_\_\_\_\_

Type of licensed activity \_\_\_\_\_

Location address \_\_\_\_\_

Metering Complex data by each Metering Point \_\_\_\_\_

Installed capacity stated in the License \_\_\_\_\_

Capacity at each Metering Point, in case of connecting to the electric  
network

at more than one metering points \_\_\_\_\_

*For Qualified Customers*

Consumption system location address \_\_\_\_\_

Metering Complex data by each Metering Point \_\_\_\_\_

Consumption system network connection capacity \_\_\_\_\_

Capacity at each Metering Point in case of connecting to the electric network at more than one metering point \_\_\_\_\_

For Universal Supplier, Suppliers

Activity area

WEM Trade Participant's accessible market segments in the WEM:

- I. Bilateral Contracts
  - a. Regulated component
  - b. Non-regulated component
  - c. Long-term contracts component
2. Day-Ahead Market
3. Balancing Market

Authorized representative of the WEM Trade Participant

Position (status) \_\_\_\_\_

Signature \_\_\_\_\_

\_\_\_\_\_20\_\_\_\_\_.

Below I provide information on points of boundary (delivery), acceptance, and metering of electricity:

1. Points of boundary (delivery) \_\_\_\_\_
2. Commercial (control) metering points
3. Commercial (control) meter, metering transformer data:

<b>METERING TRANSFORMER</b>		<b>POTENTIAL</b>	TRANSFORMATION RATIO	11							PARTY RESPONSIBLE FOR INTEGRITY OF COMMERCIAL METERS, METERING TRANSFORMERS ON THE TERRITORY BEING THE PROPERTY OF OR CONTROLLED BY THE WEM TRADE PARTICIPANT
			ACCURACY CLASS	10							
<b>METERING TRANSFORMER</b>		<b>POTENTIAL</b>	TYPE, NAMEPLATE, TYPE AND NUMBER OF THE CUSTOMER SEAL	9							PARTY RESPONSIBLE FOR INTEGRITY OF COMMERCIAL METERS, METERING TRANSFORMERS ON THE TERRITORY BEING THE PROPERTY OF OR CONTROLLED BY THE WEM TRADE PARTICIPANT
			TRANSFORMATION RATIO	8							
<b>METER</b>		<b>CURRENT</b>	ACCURACY CLASS	7							PARTY RESPONSIBLE FOR INTEGRITY OF COMMERCIAL METERS, METERING TRANSFORMERS ON THE TERRITORY BEING THE PROPERTY OF OR CONTROLLED BY THE WEM TRADE PARTICIPANT
			TYPE, NAMEPLATE, TYPE AND NUMBER OF THE CUSTOMER SEAL	6							
			MONTH AND YEAR OF THE NEXT METER CALIBRATION	5							
<b>METER</b>		<b>CURRENT</b>	NOMINAL VOLTAGE (V)	4							PARTY RESPONSIBLE FOR INTEGRITY OF COMMERCIAL METERS, METERING TRANSFORMERS ON THE TERRITORY BEING THE PROPERTY OF OR CONTROLLED BY THE WEM TRADE PARTICIPANT
			PERMISSIBLE CURRENT (A)	3							
			TYPE, NAMEPLATE, TYPE AND NUMBER OF THE SEAL	2							
<b>LOCATION</b>				1							

Below I provide information on technological and/or emergency capacities:

MAXIMUM PERMISSIBLE CAPACITY	TECHNOLOGICAL CAPACITY	EMERGENCY CAPACITY	DURATION OF TECHNOLOGICAL PROCESS (CYCLE)	PERIOD REQUIRED FOR EMERGENCY CAPACITY
KW	KW	KW	HOUR	HOUR

I. Emergency and (or) technological capacities

N	FEEDING CENTER	3	FEEDING LINE	4	EMERGENCY BACKUP			TECHNOLOGICAL BACKUP			OTHER CAPACITY		SUB-CUSTOMER	
					5	6	7	8	9	10	11	12	13	14
					POWER RECEIVERS, POWER SUPPLY RESTRICTION OF WHICH CAN RESULT IN REAL AND INEVITABLE DANGER TO HUMAN LIFE AND THE ENVIRONMENT	FEEDING LINE EMERGENCY CAPACITY, KW	FEEDING LINE ON WHICH EMERGENCY CAPACITY IS TRANSFERRED	POWER RECEIVERS, POWER SUPPLY RESTRICTION OF WHICH CAN RESULT IN REAL AND INEVITABLE DANGER TO HUMAN LIFE AND THE ENVIRONMENT	FEEDING LINE TECHNOLOGICAL CAPACITY, KW	FEEDING LINE ON WHICH EMERGENCY CAPACITY IS TRANSFERRED	CAPACITY KW	DAILY ELECTRICITY CONSUMPTION, KWH	TOTAL LOAD, KW	TECHNOLOGICAL AND EMERGENCY BACKUP CAPACITY KW
1														
	Total													

2. Capacity to be cut off

<b>Z</b>	<b>FEEDING CENTER</b>	<b>FEEDING LINE</b>	<b>FEEDING LINE LOAD, KW</b>	<b>AMOUNT OF TECHNOLOGICAL AND EMERGENCY RESERVED CAPACITY ON THE FEEDING LINE, KW</b>	<b>FEEDING LINE ON WHICH RESERVED CAPACITY IS TRANSFERRED</b>	<b>CAPACITY TO BE CUT OFF KW</b>	<b>NOTES</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Total</b>							

3. Capacity that is not subject to being cut off until the end of the period required to ensure the duration of the technological process and emergency capacity

<b>Z</b>	<b>FEEDING CENTER</b>	<b>FEEDING LINE</b>	<b>FEEDING LINE MAXIMUM CAPACITY KW</b>	<b>EMERGENCY RESERVED CAPACITY KW</b>	<b>TECHNOLOGICAL RESERVED CAPACITY KW</b>	<b>NOTES</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Total</b>						

**OTHER TECHNICAL DATA** \_\_\_\_\_

WEM TRADE PARTICIPANT \_\_\_\_\_

LOCATION \_\_\_\_\_

BANK ACCOUNT NUMBER \_\_\_\_\_

PHONE \_\_\_\_\_

ACTIVITY LICENSE N \_\_\_\_\_

DIRECTOR \_\_\_\_\_

\_\_\_\_\_

(SIGNATURE, NAME, SURNAME)



**Annex N I**  
**Approved by**  
**The Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 543-N dated**  
**December 13, 2017**

**CONTRACT**  
**ON CONNECTION OF A POWER PLANT UNDER**  
**CONSTRUCTION (RECONSTRUCTION) TO THE**  
**DISTRIBUTION NETWORK, ON DELIVERY OF**  
**ELECTRICITY DURING COMMISSIONING AND**  
**TESTING WORKS AND ON SALE/PURCHASE OF**  
**ELECTRICITY**  
**(GENERATOR - DISTRIBUTOR CONTRACT FOR A POWER**  
**PLANT OF 30 MW AND ABOVE INSTALLED CAPACITY**  
**WITH POWER PURCHASE GUARANTEE)**

Yerevan \_\_\_\_\_ 20

The Company \_\_\_\_\_  
(Company name)

hereinafter, the Generator  
represented by \_\_\_\_\_ on the one side,  
(Name, Surname, Position)

and \_\_\_\_\_  
(Company name)

hereinafter, the Distributor (Universal Supplier) represented by  
\_\_\_\_\_  
(Name, Surname, Position)

on the other side, collectively known as the Parties and separately known as the Party, being guided by the Energy Law of the Republic of Armenia and other laws of the Republic of Armenia, this Contract and other legal acts, as well as in the cases provided for herein by provisions of the Public-Private Partnership agreements (hereinafter referred to as PPP) signed with the Generator, have concluded this Contract on the following:

## I. DEFINITIONS USED IN THE CONTRACT

I. The main definitions used in the context of this Contract are as follows:

- 1) **Trading Rules** The wholesale electricity market trading rules of the Republic of Armenia approved by the Commission.
- 2) **Generation License** The electricity (capacity) generation license No. \_\_\_ issued to the Generator.
- 3) **Commercial Meter** A metering device for commercial measurement of electricity (capacity) quantities stated in this Contract.
- 4) **Plant** “\_\_\_\_\_” power plant of \_\_\_\_\_M W installed capacity with electricity purchase guarantee stated by the Law or by PPP agreement.
- 5) **Electricity System Operator (ESO)** An entity holding an Electricity System Operator license.
- 6) **Commission** Public Services Regulatory Commission of the Republic of Armenia.
- 7) **Metering Point** A boundary point or a point at the distribution network close to the boundary point, where the metering complex is placed.
- 8) **Metering Complex** A set of combined devices (current and voltage transformers, electrical energy meters (control and commercial), impulse sensors, modems, adders and connection wires that are connected to each other according to the scheme approved by design) which is designed for measuring and settlement of electricity (capacity).

- |  |   |
|--|---|
| <b>9) Settlement Month</b>                   | A period starting at 00:00 of the first day until 24:00 of the last day of a calendar month.  |
| <b>10) Special Account</b>                   | A special account (accounts) in a commercial bank (banks) operating on the territory of the Republic of Armenia opened by the Distributor to secure the guarantee payments for electricity (capacity) delivered and services provided to Generators of 30 MW and above installed capacity, wholesale market participants and service providers. |
| <b>11) Connection Point</b>                  | The physical point at the distribution network to which the Plant is connected.   |
| <b>12) Electricity Market Operator (EMO)</b> | An entity holding a license for provision of market operation services.   |
| <b>13) Boundary Point</b>                    | Border of balance ownership of electricity facilities of Parties.   |
| <b>14) Control Meter</b>                     | A meter for control metering of electricity (capacity), defined in this Contract.   |
| <b>15) Technical Conditions</b>              | Technical requirements (Annex I) for connection of the Plant to the distribution network on the principle of implementing connection (reconstruction) works at least costs for the Parties, provided to the Generator by the Distributor and agreed upon with the ESO.  |
| <b>16) Network Codes</b>                     | Electricity System Network Codes of the Republic of Armenia approved by the Commission.   |

## 2. SUBJECT OF CONTRACT

2. By this Contract:

- 1) The Distributor shall ensure connection of the constructed (reconstructed) Plant of the Generator to the distribution network.
- 2) The Generator shall deliver electricity produced during testing and commissioning of the Plant to the Distributor and the Distributor shall pay for electricity delivered.

- 3) The Generator shall produce, and the Distributor shall purchase the total amount of electricity and/or capacity delivered by the Generator, in timeframes and amounts stated in the Law or in the PPP agreement, if such is available.

### **3. DISTRIBUTION NETWORK CONNECTION PROCEDURE AND DELIVERY OF ELECTRICITY DURING TESTING AND COMMISSIONING**

3. The connection of the Plant to the distribution network shall be implemented according to the design (connection diagram) developed based on Technical Conditions.
4. The Technical Conditions shall be provided for the period stated in the Generation License for construction of the Plant and may be extended once the construction period is extended, for the same period and on the same terms.
5. If for connection of the Plant to the electric network there is a need to modify the distribution network to adjust it to the reconstructed electric facilities, the Distributor shall be required to accomplish necessary works (including the network design changes) before \_\_\_\_\_ (which should not exceed the period of 90 business days preceding the day of effectiveness of the Technical Conditions), by notifying the Generator within 5 days about the completion of the works.
6. Electric facilities being reconstructed or newly constructed on the distribution network as it is specified in the Provision 5 of this Contract, shall be the property of the Distributor, and the installed Metering Complexes, as well as any equipment and software packages required for connection to the automated electricity (capacity) metering system, shall be the property of the Generator.
7. In the process of developing (modifying) the Plant construction (reconstruction) design, in case of changes in the Technical Parameters, the Generator shall inform the Distributor in writing

about those changes so that corresponding changes, if such are necessary, be made in the Technical Conditions. The Distributor shall within 15 days after the receipt of the application provide to the Generator the modified Technical Conditions or its conclusion on leaving those unchanged, along with appropriate justifications. In case of disagreement of the Generator, the dispute shall be resolved according to Chapter 10 of this Contract.

8. The Generator shall implement activities required for connection of the Plant to the electric network (including design and construction works) as defined in Technical Conditions and at least 70 days prior to the expiration of the effectiveness of Technical Conditions shall apply to the Distributor for obtaining permission for actual connection or for energizing the line (hereinafter, the Permission for Connection) submitting the following documents:
  - 1) Application for Connection, according to the requirements of Annex 2 of this Contract,
  - 2) Copy of the conclusion of a state-authorized body responsible for the technical supervision on the results of commissioning of the electric installation;
  - 3) Connection Operations Program;
  - 4) Protocol developed according to Provision 40 of this Contract (tripartite act).
9. Within 10 business days after receiving the application specified in Provision 8 above, the Distributor shall check the compliance of the documents provided by the Generator with the requirements of this Contract and shall submit to the ESO's approval the Connection Operations Program and the Application for Connection Permission.
10. Within 5 business days after receiving the required information from the Distributor, the ESO shall inform the Distributor on approval of the Connection Operations Program and the Application, or on deficiencies revealed.
11. Upon receiving the conclusion of the ESO, the Distributor within

- 5 business days shall provide to the Generator the Permission for Connection (in case of a positive conclusion) or shall inform about deficiencies revealed (in case of a negative conclusion).
12. In case of failure of the Generator to eliminate the revealed deficiencies, the Permission for Connection shall not be issued to the latter.
  13. Within 5 business days upon issuance of the Connection Permission, the Generator shall apply to the Distributor and the ESO in writing specifying the preferred date for actual connection (energization) of the Plant to the distribution network.
  14. If the preferred date of connection (commissioning, testing) of the Plant specified by the Generator is not acceptable for the ESO for reliability and safety considerations, the ESO shall in 3 business days negotiate with the Generator on postponing the date of connection (commissioning, testing) not to exceed 10 business days of the date previously specified by the Generator.
  15. The actual connection of the Plant to the distribution network shall be implemented based on the design (connection scheme) developed according to Technical Conditions and Connection Operations Program mentioned in Provision 8 of this Contract and be fixed in Annex 3 of the Contract on Technical Parameters for Connection of the Plant.
  16. Starting the moment of delivery of electricity from the Plant to the distribution network until the completion of the construction period fixed in the Generation License, the electricity delivered to the Distributor shall be considered as electricity delivered during testing and commissioning works, whereas metering of and calculation of payments for such electricity shall be performed according to Chapter 6 of this Contract taking into account the specific requirement of Provision 17 of this Contract.
  17. The payment for electricity delivered by the Generator during testing and commissioning works shall be paid by the Distributor within the period starting the day the first resolution on setting a

tariff for electricity delivered from the Plant came into effect until the 25th day of the next settlement month, at a tariff approved by the Commission for the given Plant, not to exceed the tariff rate set for the plant that provides balancing services in the given settlement month.

18. Changes to the Technical Conditions and the Technical Parameters stated in Annex 3 to this Contract may be introduced exclusively upon mutual consent of the Parties.

#### **4. SALE AND PURCHASE OF ELECTRICITY**

19. Upon completion of the construction period stated in the Generation License and adjusted by the Commission's resolution, sale of electricity shall start to be carried out according to this Contract.
20. The maximum annual duration of suspension by the Distributor of the electricity supply without limitations (regardless of the reason of suspension) at the Connection Point, except for the cases defined in Sub-Provisions 1 and 2 of Provision 52, shall make up to 87.6 hours, while in case of exceeding this value the Parties shall be guided by Provision 47 of this Contract, unless otherwise prescribed by the PPP agreement.
21. The tariff for the sale of electricity to the Distributor shall be set by the Commission. In cases and procedures defined by the Law, electricity may be sold to the Distributor at a price lower than the one approved by the Commission. The sale price of electricity shall be stated in Annex 4 of this Contract.
22. Where the tariff is changed by the Commission, the new tariff shall come into effect from the date defined by the Commission. In such cases the Parties shall be required to make corresponding changes in Annex 4 of this Contract.

## **5. RIGHTS AND RESPONSIBILITIES OF PARTIES**

23. The Parties shall be guided by the RoA Energy Law and other laws of the Republic of Armenia, this Contract, and other legal acts.
24. The Distributor shall:
  - 1) Develop the Technical Conditions and in case of necessity, make corresponding changes in the Technical Conditions, or, according to Chapter 3 of the Contract, provide a conclusion on leaving them unchanged;
  - 2) In case and period provided for by Provision 5 of this Contract, perform works at its own expenses on reconstruction of its electric installations notifying the Generator about the accomplishment of such works;
  - 3) Issue a Connection Permission to the Generator or inform the Generator about the deficiencies revealed, according to Chapter 3 of this Contract;
  - 4) Ensure actual connection to the distribution network of the Plant constructed (reconstructed) based on the Technical Conditions as required by Chapter 3 of this Contract;
  - 5) In case of failure of the Generator to perform necessary works and to apply to the Distributor as prescribed in Provision 8 of this Contract, implement actual connection of the Plant to the distribution network upon completion of required works by the Generator and a corresponding notification of the Distributor according to Chapter 3 of this Contract;
  - 6) Accept electricity produced during testing and commissioning works;
  - 7) Pay for electricity delivered during testing and commissioning works, in procedures and periods defined by this Contract;
  - 8) Maintain the maximum annual indicator specified in Provision 20 of this Contract; before the 6th day inclusive of the month next to the Settlement month, notify the Generator about the total duration of suspension of electricity supply at the



- Connection Point during the Settlement month, by days and by hours of a day;
- 9) Over the period of 20 years starting the day the first resolution on setting a tariff for electricity delivered from the Generator to the Distributor came into effect, accept the whole amount of electricity delivered by the Generator, according to this Contract, Network Codes and Trading Rules;
  - 10) Pay for electricity delivered in procedures and periods defined by this Contract;
  - 11) Pay penalty to the Generator for violation of contractual obligations, according to Chapter 8 of this Contract;
  - 12) Ensure fulfillment of obligations in respect of Metering Complexes specified in Chapter 7 of this Contract;
  - 13) Ensure free access of authorized representatives of the Generator and EMO to its premises to perform necessary examination (checking) of the Metering complex, if the latter is located on its territory.
25. The Distributor shall have the following rights:
- 1) To refuse the issuance of the Connection Permission in case of non-compliance of documents to be submitted by the Generator as specified in Provision 8 with the requirements of this Contract and failure of the Generator to eliminate the deficiencies revealed according to Provision 12 of this Contract;
  - 2) To refuse the connection of the Plant to the distribution network in case of violation of the Technical Conditions and Connection Operations Program by the Generator;
  - 3) To impose penalty for non-fulfillment of obligations under this Contract by the Generator, according to Chapter 8 of this Contract;
  - 4) To access to the premises of the Generator to perform necessary examination (checking) of the Metering Complex.
26. The Generator shall be obliged:

- 1) In case provided for in Provision 7 of this Contract to notify the Distributor in writing on making respective changes in the Technical Conditions, if any are of necessity,
  - 2) Throughout the entire duration of its activities not to violate the connection scheme designed according to the Technical Conditions and Technical Parameters stated in Annex 3 of this Contract, including all modifications and changes thereof
  - 3) To ensure production of 80% of the designed annual electricity output during the first 10 tariff years defined for the Plant, including at least 60 % of annual delivery to the distribution network, and production of 70 % of electricity for the next 10 tariff years, including at least 50% of annual delivery to the distribution network, unless otherwise prescribed by the PPP agreement,
  - 4) To incur charges and responsibilities associated with purchase, installation, replacement and operation (including maintenance, repair and storage) of necessary electric facilities and Metering Complexes located before the Boundary Point, as well as the equipment and software required for connection to the automated metering system of the distribution network,
  - 5) To ensure fulfilment of obligations related to the Metering Complex according to Chapter 7 of this Contract,
  - 6) In procedures coordinated with the Distributor and EMO, to ensure access of the authorized representatives of the Distributor and EMO to its premises to carry out necessary examination (checking) of the Metering Complex.
27. The Generator shall have the right:
- 1) To impose penalties on the Distributor for non-fulfillment of contractual obligations, according to Chapter 8 of this Contract;
  - 2) To access to the premises of the Distributor to perform necessary examination (checking) of the Metering Complex, if the latter is located on the territory of the Distributor;

- 3) To surrender its rights stated in this Contract, including through a collateral.

## **6. METERING AND PAYMENTS FOR ELECTRICITY TRADED**

28. Electricity delivered from the Generator to the Distributor shall be metered by the EMO according to the Trading Rules.
29. Metering of electricity delivered shall be implemented by the EMO for the Boundary Point based on data obtained from commercial (control) meters specified in Annex 5 of this Contract. If the Metering Complex is installed beyond the Boundary Point, the amount of technological losses occurred at electric facilities in-between the Boundary and Metering Points shall be subtracted or added to the amount of electricity metered by the Metering Complex. The technological losses shall be calculated according to the procedures defined in Annex 9 of this Contract.
30. By the end of the Settlement month based on the metering data, the EMO shall develop the Act on electricity subject to payment (Annex 6) and submit it for signatures of the Parties before the 6th day inclusive of the next Settlement Month.
31. If no objections are arisen with regard to the Act, the Parties shall sign the Act on electricity subject to payment provided by the EMO before the 12th day inclusive of the month next to the Settlement month.
32. Once the Parties signed the Act on electricity subject to payment, the Generator before the 15th day inclusive of the month next to the Settlement Month shall develop an invoice for electricity delivered and submit it to the Distributor.
33. The Distributor shall sign (approve) the invoice for electricity delivered by the Generator only if the Act on electricity subject to payment has been signed by the Generator.
34. Before the 25<sup>th</sup> day inclusive of the month following the Settlement

- Month, the Distributor shall make a payment from the Special Account for electricity delivered during the Settlement Month.
35. Starting the 5th day of each month the amounts being deposited to the Special Account shall be considered pledged in favor of the Generator, according to the Collateral Contract signed between the Distributor and the Generator. The Collateral in respect of the Generator shall be considered terminated once the financial liabilities of the Distributor towards the Generator are completely fulfilled as of the end of the previous month.
  36. Where the Distributor fails to pay to the Generator by the time defined in the Contract, the Generator shall be eligible to apply to the guarantee issued bank to have its claims met under that guarantee. In case the funds under the guarantee are not sufficient to cover the amounts claimed by the Generator and amounts to be covered by the guarantee issued bank, the Distributor within 5 business days required for revision of claims and issuance of the resolution Shall transfer the lacking amounts to the Special Account (Accounts) and pay to the Generator in the amount sufficient to cover the claims and the remaining (lacking) funds.

## **7. METERING COMPLEX**

37. The Metering Complex shall be installed at the Boundary Point (in case of a reasonable justification and EMO's approval, it may be installed beyond the Boundary Point).
38. The Generator shall ensure the compliance of the Metering Complex with the requirements of Network Codes (including location and installation requirements).
39. The Metering Points selected, the quantity and accuracy classes of Control and Commercial Meters and metering transformers, as well as secondary circuits shall comply with the requirements of Network Codes and be coordinated with the EMO at the stage of

- design. The layout of the Metering Complex and main parameters shall be attached to this Contract.
40. The installation and replacement of electricity (capacity) Metering Complexes or their individual elements shall be implemented by the Parties in the presence of the EMO, by developing a corresponding protocol (tripartite act) as specified in Annex 7 of this Contract.
  41. The clipboards of meters or their installation boxes shall be sealed (unsealed) by the EMO in the presence of Parties and a corresponding protocol (tripartite act) shall be developed. Metering Transformers (current and voltage), their electric panels or doors of their installation boxes shall be sealed by Parties upon the initiative of one of the Parties, and a bilateral protocol shall be developed.
  42. While replacing the Metering Complex or its individual elements, the Generator shall ensure the transfer of alternative metering data to the EMO that would be acceptable for the EMO.
  43. Where the integrity of the Metering Complex is violated or any failure is disclosed, starting the moment of disclosure until the end of the next business day, the Party shall be required to inform the EMO about this and to write a notice on the deficiencies or failures of the equipment in a special log, as well as take measures to eliminate the deficiencies or to replace the equipment in the shortest possible time.
  44. In case of failure of the Metering Complex, the commercial metering of electricity (capacity) by the EMO shall be implemented based on the Control Meter data.

## **8. RESPONSIBILITIES OF PARTIES**

45. For non-fulfillment or inadequate fulfillment of obligations under this Contract the Parties shall bear responsibility in procedures defined by this Contract, the Network Codes, Trading Rules and the Law.

46. In case of violation of obligations provided for by Sub-Provisions 4-6 of Provision 24 of the Contract, the Generator shall have the right to request a compensation for each delinquent day to be paid by the Distributor in the amount of 20 AMD for each kWh of the average daily designed output of the Plant, not exceeding 365 days. In case a Tariff Agreement is available in the Generation License approved by the Commission, the Generator shall have the right to request that the Distributor instead of the specified 20 AMD pay a compensation for each delinquent day and for each kWh of the average daily designed output of the Plant in the amount equal to the tariff defined in the Tariff Agreement, however not exceeding the tariff rate set for the plant that provides balancing services in the given Settlement Month. In case the tariff rate defined in the Tariff Agreement is not in AMD, then the average currency exchange rate in AMD that the Central Bank of Armenia has announced on the first delinquent day shall be used for calculation of the compensation amount.
47. In case the Distributor violated the maximum annual indicator specified in Provision 20 of this Contract, the Generator shall have the right to request a compensation by the Distributor for each delinquent hour equal to the product of the average quantity of electricity per hour delivered during the same month of the previous year and the tariff rate of the Generator effective as of the delinquent month. If no electricity has been delivered during the same month of the previous year, then the average quantity of electricity delivered per hour during the previous month shall be accepted in the calculation as the average quantity per hour, and if no electricity has been delivered during the previous month, then the average quantity of the Plant's designed output per hour shall be accepted as the average hourly quantity.
48. In case of violation of payment periods mentioned in Provisions 17 and 34 of this Contract, the Generator shall have the right to impose a penalty on the Distributor equal to 0.1 % of the unpaid

amount for each delinquent day, not to exceed the unpaid amount in total.

49. In case if amount of electricity delivered by the Generator was less than that defined in Sub-Provision 3 of Provision 26 of this Contract, the Distributor shall be eligible to impose a penalty on the Generator for each outstanding kWh equal to the difference between the Generator's tariff effective as of the given tariff year and the tariff set for the plant that provides balancing services.
50. While calculating the penalty, the principle amount (if such is available) out of all payments by the Party shall be covered on the first place based on the time limits set for the payment, and only then the calculated penalty shall be paid.

## **9. FORCE MAJEURE SITUATIONS**

51. The Parties shall not be responsible for the breach of contract obligations, if those were caused by force majeure situations in terms of these Contract, any circumstances or events (after-effects) that resulted (may result or will result) in non-fulfillment or inadequate fulfillment of the contractual obligations and at the same time are characterized by features stated below, are considered to be a force majeure situation:
  - 1) occurred out of control of the Party,
  - 2) The Party undertook all possible measures and efforts (including precautional, alternative, legally defined) to prevent, eliminate, mitigate or avoid the mentioned circumstances (after-effects),
  - 3) The Party has informed the other Party about such circumstances in the shortest possible period of time but not later than within 10 days after being notified about it.
52. In terms of these Contract, particularly the following situations are considered force majeure:

- 1) Natural and man-made disasters, epidemics, natural forces (including floods, earthquakes, hurricanes, tornados, thunderstorms, heavy rains with lightning, snowstorms, landslips), nuclear, chemical and biological contamination strikes, public disorders.
  - 2) Rebellions, terrorism, wars, invasions, armed conflicts, actions of external enemies and blockade, which take place on or involves the territory of the Republic of Armenia and couldn't be reasonably prevented.
  - 3) An act, activity or inactivity of a state and municipal agency or other authorized body, due to which no permission or right was issued or extended to facilitate fulfillment of obligations stated in this License, or due to which fulfillment of obligations was hindered, on condition that the Licensee acted in compliance with the RoA legislation.
53. Provision 52 of these Rules does not restrict the Party's right to apply to the Commission once any extraordinary or unavoidable circumstances other than the abovementioned happened, and to request the Commission to consider them force majeure, if they can be classified as such according to this Chapter.

## **10. DISPUTE RESOLUTION**

54. All disputes and disagreements arising from this Contract shall be solved through negotiations, and in case of a written application of one of the Parties - through the Commission's mediation.
55. If no consensus is obtained for the final dispute solution, the matter shall be transferred to the Arbitration, in procedures and terms defined in Annex 8 of this Contract.
56. Where the disputable issue is about the Act on electricity subject to payment developed by the EMO, then upon a written application of one of the Parties the EMO shall in 3 business days and not later than before the 13th day inclusive of the month next to



the Settlement Month solve the dispute including by organizing a discussion with interested parties.

57. If it is not possible to solve the disputable issue in procedures and dates defined in Provision 56 above, then the Parties shall be required to sign the Act on electricity subject to payment that was developed by the EMO as a result of the above-mentioned procedure before the 13th day inclusive of the month next to the Settlement Month and the Distributor shall be obliged to make the payment and only then to solve the dispute. The claiming party shall be required to attach his special opinion to the Act on electricity subject to payment.

## **II. ADDITIONAL CONDITIONS**

58. The Parties shall be obliged to strictly follow the orders (instructions) of the ESO given within its authority, which could not relate to restriction or suspension of delivery of electricity by the Generator.
59. The Parties shall provide the copies of this Contract to the EMO and the ESO.
60. If at the moment of signing this Contract the Plant is in the process of connection (or has been connected) to the transmission network, this Contract shall be effective in terms of testing and commissioning works and sale/purchase of electricity. If the Plant is in the stage of generating electricity within the period stated in the Generation License, this Contract shall be effective only in terms of sale/purchase of electricity.
61. Upon mutual agreement of the Parties other provisions may be defined in Annex 9 of this Contract that should not contradict this Contract, the Commission's resolutions and other legal acts.

## **12. VALIDITY OF CONTRACT, MODIFICATION AND TERMINATION PROCEDURE**

62. This Contract shall come into force from the moment of its registration with the Commission and shall be valid:
  - 1) In terms of provisions related to the connection of the Plant to the distribution network, until obligations of the Parties stated in Provisions 3-16 of Chapter 3 are completely fulfilled,
  - 2) In terms of provisions related to the implementation of testing and commissioning works, until the obligation defined in Provision 17 of this Contract is completely fulfilled;
  - 3) In terms of provisions related to the sale/purchase of electricity as defined in this Contract, until the completion of the period of guaranteed purchase of electricity generated at the Plant.
63. In case if a new model form was approved or modifications were introduced by the Commission to the current model form of the Contract on connection of the Plant under construction (reconstruction) to the distribution network, on delivery of electricity during commissioning and testing works and on sale/purchase of electricity, the Parties shall be required to sign a new Contract or to make corresponding modifications to the effective Contract within the period defined by the Commission.
64. Modifications to this Contract shall be made in writing upon mutual agreement of the Parties on condition that those do not contradict this Contract, acts approved by the Commission or other legal acts.
65. Modification to or termination of this Contract shall not relieve the Parties from fulfillment of obligations that were undertaken and not satisfied prior to the change of the Contract or from responsibility for non-fulfillment of those.
66. The Contract shall be terminated:
  - 1) Upon mutual consent of the Parties,
  - 2) Upon unilateral initiative of the Distributor, if the Generation

- License has been considered void on condition that the Generator has been dully notified,
- 3) Upon unilateral initiative of the Generator on condition that the Distributor has been notified in advance,
  - 4) In other cases, specified by Law.
67. This Contract shall be developed in three legally valid and equal copies by one for each Party and the Commission.

### **13. NOTIFICATION OF PARTIES**

68. The Parties shall be obliged to deliver notices, notifications and other documentation in a dully manner. The documents shall be considered dully delivered, if they have been sent by an ordered letter to the address for notifications specified in this Contract, by email specified in Prerequisites of the Parties with the receipt confirmed, or have been handed personally with acceptance note, as well as by other ways of delivery, unless other proper way of delivery is specified in the Trading Rules or the Network Codes or this Contract for specific cases.
69. In case of changes in the address for notifications specified in this Contract, the Parties shall inform each other in writing within 5 days after making such changes.
70. If the Party did not inform about the changes in the address for notifications, any information sent to the address for notifications that is specified in this Contract, shall be considered dully delivered.

### **14. LIST OF ANNEXES MAKING INTEGRAL PART OF CONTRACT**

71. The following are the integral parts of this Contract:
- 1) Annex I - Technical Conditions for Connection of the Plant to the Distribution Network

- 2) Annex 2 – Application for Distribution Network Connection Permission
- 3) Annex 3 – Technical Parameters for Connection of the Plant to the Electric Network
- 4) Annex 4 – Agreement on Sale Price of Electricity
- 5) Annex 5 – Information on Boundary, Metering Points, Commercial (Control) Meters and Metering Transformers
- 6) Annex 6 – Act on Electricity Subject to Payment
- 7) Annex 7 – Protocol (Act) on Installation and Replacement of Electricity (Capacity) Metering Complexes or their Individual Elements
- 8) Annex 8 – Arbitration Procedures
- 9) Annex 9 – Other Provisions

## **GENERATOR**

Location \_\_\_\_\_

Account Number \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Fax \_\_\_\_\_

Generation License No. \_\_\_\_\_

Director \_\_\_\_\_

(signature, name, surname)

## **DISTRIBUTOR**

Location \_\_\_\_\_

Account Number \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Fax \_\_\_\_\_

Generation License No. \_\_\_\_\_

Director \_\_\_\_\_

(signature, name, surname)

**PUBLIC SERVICES REGULATORY  
COMMISSION OF ARMENIA**

Registration date: \_\_\_\_\_ 20 \_\_\_\_\_

Registration number: \_\_\_\_\_

Authorized body: \_\_\_\_\_

(signature, name, surname)

**TECHNICAL CONDITIONS FOR  
CONNECTION OF THE PLANT TO THE  
DISTRIBUTION NETWORK**

**DISTRIBUTOR**

\_\_\_\_\_  
(position, name, signature)  
  
\_\_\_\_\_ 20 \_\_\_\_\_

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)  
  
\_\_\_\_\_ 20 \_\_\_\_\_

**COORDINATED WITH  
SYSTEM OPERATOR**

\_\_\_\_\_  
(position, name, signature)  
  
\_\_\_\_\_ 20 \_\_\_\_\_

# APPLICATION FOR DISTRIBUTION NETWORK CONNECTION PERMISSION

## GENERATOR

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

## TECHNICAL PARAMETERS FOR CONNECTION OF THE PLANT TO THE ELECTRIC NETWORK

### DISTRIBUTOR

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

### GENERATOR

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

### SYSTEM OPERATOR

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_



## AGREEMENT ON SALE PRICE OF ELECTRICITY

Tariff for electricity delivered by the Generator to the Distributor, approved by the Commission is as follows:

Electricity Tariff \_\_\_\_\_ AMD/kWh

By this Agreement the Distributor and the Generator upon mutual consent set the following price for electricity:

Electricity Price \_\_\_\_\_ AMD/kwh

Electricity price shall become effective from \_\_\_\_\_20\_\_\_\_ and shall remain effective until a new electricity tariff is approved by the Commission.

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_

## INFORMATION ON BOUNDARY, METERING POINTS, COMMERCIAL (CONTROL) METERS AND METERING TRANSFORMERS

1. The Boundary (Delivery) Points of the \_\_\_\_\_ (Generator) are the following
2. Commercial (Control) Metering Points
3. Data of Metering Transformers of Commercial (Control) Meters

Location	Meter				Metering Transformer						Party responsible for integrity of commercial meters, metering transformers on the territory being the property of or controlled by the Generator	
					Current			Voltage				
	Type, nameplate, type and number of the seal,	Permissible current (A)	Nominal Voltage (V)	Month and year of the next meter calibration	Type, nameplate, type and number of the consumer's seal,	Accuracy class	Transformation ratio	Type, nameplate, type and number of the consumer's seal,	Accuracy class	Transformation ratio		
1	2	3	4	5	6	7	8	9	10	11	12	

**DISTRIBUTOR**

\_\_\_\_\_  
(position, name, signature)  
\_\_\_\_\_ 20 \_\_\_\_\_

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)  
\_\_\_\_\_ 20 \_\_\_\_\_

**COORDINATED WITH  
MARKET OPERATOR**

\_\_\_\_\_  
(position, name, signature)  
\_\_\_\_\_ 20 \_\_\_\_\_

## ACT ON ELECTRICITY SUBJECT TO PAYMENT

Distributor \_\_\_\_\_

Generator \_\_\_\_\_

Settlement Month \_\_\_\_\_ 20\_\_ to \_\_\_\_\_ 20\_\_

Total quantity of electricity delivered \_\_\_\_ kWh

Basis \_\_\_\_\_

### DISTRIBUTOR

### GENERATOR

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_

\_\_\_\_\_ 20 \_\_

### COORDINATED WITH MARKET OPERATOR

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_

« \_\_\_\_\_ » \_\_\_\_\_ 20\_\_

## PROTOCOL (ACT) ON INSTALLATION AND REPLACEMENT OF ELECTRICITY (CAPACITY) METERING COMPLEXES OR THEIR INDIVIDUAL ELEMENTS

(direction of the power plant, substation )

Nameplate of the removed meter (CT, VT)	Type (make)	Meter reading		Last meter calibration	Nominal current A	Nominal voltage.V	Current Transformer		Voltage Transformer	
		From Bus	To Bus				Ratio	Accuracy	Ratio	Accuracy
		Tot.	Tot.							
		T1	T1							
		T2	T2							
Nameplate of the installed meter (CT, VT)	Type (make)	Meter reading		Last meter calibration	Nominal current A	Nominal voltage.V Ratio	Current Transformer		Voltage Transformer	
		From Bus	To Bus				Ratio	Accuracy	Ratio	Accuracy
		Tot.	Tot.							
		T1	T1							
		T2	T2							

Notice \_\_\_\_\_

---

**DISTRIBUTOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**COORDINATED WITH  
MARKET OPERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

## ARBITRATION PROCEDURE

1. Where the disputable issue is not possible to solve through negotiations, it shall be transferred to the Arbitration upon a written claim of one of the Parties, based on the requirements of International Chamber of Commerce Arbitration Rules.
2. Under this Annex the Arbiters' Selection Procedure may be defined.
3. Arbitration shall be held at the following location \_\_\_\_\_.
4. The language of communication and documentation related to Arbitration Procedure shall be. \_\_\_\_\_
5. Any decision or award made in the process of Arbitration shall be final and binding for the Parties and shall be subject to mandatory implementation in defined procedures.
6. Arbitration charges, including arbiters' payments, shall be made as follows \_\_\_\_\_:
7. In the process of dispute resolution defined in Provision 55 of this Contract or Arbitration procedures, before decision is made on disputable issues the Parties shall continue fulfillment of their obligations under this Contract.

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
20

\_\_\_\_\_  
20

**OTHER PROVISIONS**

- I. Other provisions being defined by the Parties in this Annex should not contradict to this Contract, Acts of the Commission and other legal documents.

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_



**CONTRACT**  
**ON CONNECTION OF A POWER PLANT UNDER**  
**CONSTRUCTION (RECONSTRUCTION)**  
**TO THE DISTRIBUTION NETWORK, ON DELIVERY**  
**OF ELECTRICITY DURING COMMISSIONING AND**  
**TESTING WORKS AND ON SALE/PURCHASE**  
**OF ELECTRICITY**

**(GENERATOR - DISTRIBUTOR (UNIVERSAL SUPPLIER) CONTRACT FOR A**  
**POWER PLANT UNDER 30 MW INSTALLED CAPACITY WITH**  
**POWER PURCHASE GUARANTEE)**

Yerevan \_\_\_\_\_ 20\_\_

The Company \_\_\_\_\_  
(Generating Company (person) name, Surname)

hereinafter, the Generator  
represented by \_\_\_\_\_ on the one side,  
(Name, Surname, Position)

and the company holding the license for electricity distribution or  
universal supply,

\_\_\_\_\_  
(Company name)

hereinafter, the Distributor or Universal Supplier represented by

\_\_\_\_\_  
(Name, Surname, Position)

on the other side, collectively known as the Parties and separately known as the Party, being guided by the Energy Law and other laws of the Republic of Armenia, this Contract and other legal acts, have concluded this Contract on the following:

## I. DEFINITIONS USED IN THE CONTRACT

I. The main definitions used in the context of this Contract are as follows:

- 1) **Trading Rules** The wholesale electricity market trading rules of the Republic of Armenia approved by the Commission.
- 2) **Generation License** The electricity (capacity) generation license No. \_\_\_\_\_ issued to the Generator.
- 3) **Plant** \_\_\_\_\_ power plant of \_\_\_\_\_ MW installed (to be installed) capacity with electricity purchase guarantee stated by the Law.
- 4) **Electricity System Operator (ESO)** An entity holding the electricity system operator license.
- 5) **Commission** Public Services Regulatory Commission of the Republic of Armenia.
- 6) **Metering Point** A boundary point or a point at the network close to the boundary point, where the Metering complex is placed, if it is not stated otherwise in the Network Code.
- 7) **Metering Complex** A set of combined devices (current and voltage transformers, electrical energy meters (control and commercial), impulse sensors, modems, adders and connection wires that are connected to each other according to the scheme approved by design) which is designed for measuring and settlement of electricity (capacity).
- 8) **Metering Device** Electricity meter or a set of combined devices (electricity meter, current and potential transformers) calibrated by the body of metrology.

<b>9) Settlement Month</b>	A period starting at 00:00 of the first day until 24:00 of the last day of a calendar month.
<b>10) Special Account</b>	A special account (accounts) in a commercial bank (banks) operating on the territory of the Republic of Armenia opened by the Distributor to secure the guarantee payments for electricity (capacity) delivered by the Generator.
<b>11) Connection Point</b>	The physical point at the distribution or transmission network to which the Plant is connected; in case of connection through the other person network, the physical point for connection of the plant of that person to the distribution and transmission network.
<b>12) Electricity Market Operator (EMO)</b>	An entity holding the market operator license.
<b>13) Boundary Point</b>	Border of balance ownership of electricity facilities of Parties.
<b>14) Technical Conditions</b>	Technical requirements (Annex 1) for connection of the Plant to the distribution network provided by the Distributor to the Generator, and, in case of the plant of 10 MW and over, agreed upon with the ESO.
<b>15) Network Codes</b>	Electricity System Network Codes of the Republic of Armenia approved by the Commission.

## **2. SUBJECT OF CONTRACT**

### **2. By this Contract:**

- 1) The Distributor shall ensure connection of the Generator's Plant under construction (reconstruction) to the distribution network,
- 2) The Generator shall deliver electricity produced during testing and commissioning of the Plant to the Universal Supplier and the Universal Supplier shall pay for electricity delivered,
- 3) The Generator shall produce, and the Universal Supplier shall purchase the total amount of electricity and/or capacity delivered by the Generator.

### **3. DISTRIBUTION NETWORK CONNECTION PROCEDURE AND DELIVERY OF ELECTRICITY DURING TESTING AND COMMISSIONING**

3. The connection of the Plant to the distribution network shall be implemented according to the connection diagram developed based on the Technical Conditions.
4. The Technical Conditions shall be developed by the Distributor based on the principle of implementing connection (reconstruction) works (new network construction and distribution network reconstruction, upgrading, expansion) at least costs for the Parties.
5. The Technical Conditions shall be provided by the Distributor for the Plant construction period stated in the Generation License, and, in case of extension of the mentioned period, shall be extended for the same period and under the same conditions.
6. If for connection of the Plant to the electric network the Distributor needs to modify the network to adjust it to the reconstructed electric facilities, the Generator shall pay to the Distributor a connection fee equal to the total cost of works on construction of new capacities, reconstruction of the existing capacities (including design) required for the connection of the Plant to the distribution network (hereinafter, Connection Fee).
7. The Connection Fee for the Plant shall be defined by the Distributor upon the consent of the Generator based on the rough cost estimation provided in Annex 2 of this Contract and shall be adjusted by the actual cost of the works envisaged by Provision 6 of this Contract.
8. The Generator shall transfer the 80 percent of the rough cost estimation amount envisaged by Annex 2 (Advance Payment) within \_\_\_\_\_ months from the date of signing the Contract to the bank account mentioned in the terms of this Contract.
9. The Distributor shall implement the works on reconstruction of its electric facilities required for connection of the Plant to the distribution network within \_\_\_\_\_ days starting the next day of the

Advance Payment (that shall not be later than 80 days before the expiration of the Technical Conditions) notifying the Generator within 5 days about the completion of these works. In case of violation by the Generator of the period stated in Provision 8 of this Contract, the period specified in this Provision for implementation of works shall be extended for the period violated.

10. The Distributor shall make the final calculation of the Connection Fee and submit to the Generator the invoicing document along with the notification defined in Provision 9 of this Contract, reducing the amount of Advance Payment from the actual cost of reconstruction of its electric facilities required for the connection of the Plant to the distribution network.
11. The Connection Fee submitted by the\ invoicing document in accordance with Provision 10 of this Contract shall not exceed 110 percent of the rough cost estimation envisaged in Annex 2 of this Contract.
12. In case of a positive difference between the Connection Fee and the Advance Payment in the invoicing document submitted in accordance with Provision 10 of this Contract, the Generator shall pay the Distributor, and in case of a negative difference, the Distributor shall pay the Generator the amount of the mentioned difference within the period specified in Provision 17 of this Contract.
13. In the framework of this Contract, the capacities being reconstructed or newly constructed at the distribution network shall be the property of the Distributor, whereas the installed Metering Complex, as well as any equipment and software packages required for connection to the automated metering system shall be the property of the Generator.
14. In the process of developing (modifying) the Plant construction (reconstruction) design, in case of changes in the Technical Parameters, the Generator shall preliminary inform the Distributor in writing about those changes so that corresponding changes, if

such are necessary, be made in the Technical Conditions. Within 15 days after the receipt of the application the Distributor shall provide to the Generator the modified Technical Conditions or its conclusion on leaving them unchanged, as well as if necessary the modified amount of the Connection Fee with appropriate justifications. In case of agreement of the Generator, the Parties shall be guided by Provision 73 of this Contract; in case of disagreement of the Generator, the Technical Conditions shall remain unchanged or this Contract shall be terminated according to Provision 75 on condition that the positive difference between the actual costs borne by the Distributor and the Advance Payment is paid.

15. Where the costs envisaged in Provision 14 of this Contract are less than the Advance Payment, the difference shall be paid back by the Distributor to the Generator within 5 business days after notification of termination by the latter in a due manner.
16. According to Technical Conditions, the Generator shall implement works on connection of the Plant to the electric network (including design and construction works) and at least 70 days prior to the expiration of the effectiveness of Technical Conditions shall apply to the Distributor for obtaining a permission for actual connection or for energizing the line (hereinafter, the Permission for Connection) submitting the following documents:
  - 1) Application for Connection, according to the requirements of Annex 3 of the Contract;
  - 2) In cases prescribed by the legislation, copy of the conclusion of a state-authorized body responsible for the technical supervision on the results of commissioning of the electric installation,
  - 3) Connection Operations Program,
  - 4) Protocol for installation and replacement of electricity (capacity) metering complexes or their parts (tripartite act).
17. Within 10 business days after receiving the application specified in

- Provision 16 above, the Distributor shall check the compliance of the documents provided by the Generator with the requirements of this Contract.
18. For the Plant with the installed capacity of 10 MW and above, the Distributor shall then submit the documents prescribed in provision 16 of this Contract for the ESO's approval within the timeframe provided in Provision 17 of this Contract.
  19. Within 5 business days after receiving the documents prescribed in Provision 18 from the Distributor, the ESO shall inform the Distributor on approval of the Connection Operations Program or on deficiencies revealed therein.
  20. Upon receiving the conclusion of the ESO within the timeframe prescribed in Provision 17 and in cases prescribed in Provision 18, the Distributor within 5 business days, shall provide to the Generator the Permission for Connection (in case of a positive conclusion) or shall inform the latter about deficiencies revealed (in case of a negative conclusion).
  21. In case of failure of the Generator to eliminate the revealed deficiencies within in the reasonable timeframe but not later than 20 business days prior to the expiration of validity of Technical Conditions, the Permission for Connection shall not be issued to the latter.
  22. Within 5 business days upon issuance of the Permission for Connection, the Generator shall apply to the Distributor and in cases prescribed in Provision 18 also to the ESO in writing specifying the preferred date for actual connection (energization) of the Plant to the distribution network.
  23. If the preferred date specified by the Generator for connection (energization) of the Plant is not acceptable for the ESO for reliability and safety considerations, the ESO shall in 3 business days negotiate with the Generator on postponing the date of connection (energization) not to exceed 10 business days of the date previously specified by the Generator.

24. The actual connection of the Plant to the distribution network shall be implemented based on the design (connection scheme) developed according to Technical Conditions and Connection Operations Program mentioned in this Contract and be fixed in Annex 3 of the Contract On Technical Parameters for Connection of the Plant.
25. The changes in Technical Conditions and Technical Parameters stated in Annex 4 shall be made only upon the mutual agreement.
26. Starting the moment of delivery of electricity from the Plant to the distribution network until the completion of the construction period fixed in the Generation License, the electricity delivered to the Universal Supplier shall be considered delivered during testing and commissioning works; metering and calculation of payments for such electricity shall be performed according to Chapter 6 of this Contract taking into account the specific requirement of Provision 27 of this Contract. In case the Plant's capacity is not completely installed, then, starting the moment the delivery to the distribution network commenced up to the moment the period of generation is fixed in the Generation License, electricity delivered to the Universal Supplier shall be considered as electricity delivered during testing and commissioning works.
27. The payment for electricity delivered by the Generator during testing and commissioning works shall be paid by the Universal Supplier within the period starting the day the first resolution on setting a tariff for electricity delivered from the Plant came into effect until the 25<sup>th</sup> day of the next settlement period, at a tariff approved by the Commission for the given Plant, not to exceed the tariff rate set for the plant that provides balancing services in the given settlement period.

#### **4. SALE AND PURCHASE OF ELECTRICITY**

28. Upon completion of the construction period adjusted by the



- Commission's resolution and stated in the Generation License, the sale of electricity shall be carried out according to this Contract.
29. The maximum annual duration of suspension by the Distributor of the electricity supply without limitations (regardless of the reason of suspension) at the Connection Point, except for the cases defined in Sub-Provisions 1 and 2 of Provision 61, shall amount to 87.6 hours, while in case of exceeding this value the Parties shall be guided by Provision 54 of this Contract, unless otherwise prescribed by the PPP agreement.
  30. The tariff for the sale of electricity by the Generator to the Universal Supplier shall be set by the Commission. In cases and procedures defined by the Law, the electricity may be sold to the Universal Supplier at a price lower than the one approved by the Commission. The sale price of electricity shall be stated in Annex 5 of this Contract.
  31. Where the tariff is changed by the Commission, the new tariff shall come into effect from the date defined by the Commission. In such cases the Parties shall be required to make corresponding changes in Annex 5 of this Contract.

## **5. RIGHTS AND RESPONSIBILITIES OF PARTIES**

32. The Parties shall be guided by the RoA Energy Law and other laws of the Republic of Armenia, this Contract and other legal acts.
33. The Distributor and the Universal Supplier shall:
  - 1) Develop the Technical Conditions and in case of necessity, make corresponding changes in the Technical Conditions, or provide a conclusion on leaving them unchanged as it is required according to Chapter 3 of the Contract,
  - 2) In case and period provided for by Provision 9 of this Contract, perform works at its own expenses on reconstruction of its electric installations notifying the Generator about the accomplishment of such works,

- 3) Perform the final calculation of the Connection fee and submit to the Generator the invoicing document for the Connection fee according to Provision 10 of this Contract,
- 4) Pay to the Generator's bank account the difference between the Connection fee and Advance Payment in procedures and timeframes prescribed in Provision 10 of this Contract,
- 5) Return to the Generator the difference between the actual cost the Distributor spent for the implementation of works defined in Provision 6, in accordance with Sub-Provision 1 of Provision 15 and 36 of this Contract,
- 6) Issue a Permission for Connection to the Generator or inform the Generator about the deficiencies revealed, according to Chapter 3 of this Contract,
- 7) Ensure actual connection of the constructed (reconstructed) Plant to the distribution network based on Technical Conditions as required by Chapter 3 of this Contract,
- 8) In case of failure of the Generator to perform necessary works and to apply to the Distributor pursuant to Provision 16 of this Contract, the actual connection of the Plant to the distribution network shall be performed upon completion of the required works by the Generator and a corresponding notification of the Distributor according to Chapter 3 of this Contract,
- 9) Accept electricity produced during testing and commissioning works,
- 10) Pay for electricity delivered during testing and commissioning works, in procedures and periods defined by this Contract,
- 11) Over the period of 15 years for small hydro power plants and over the period of 20 years for other renewable energy plants (solar, wind, geothermal and biomass) starting the day the first resolution on setting a tariff for electricity delivered from the Generator to the Universal Supplier came into effect, accept the whole amount of electricity delivered by the

Generator, according to this Contract, Network Codes and Trading Rules,

- 12) Maintain the maximum annual indicator defined in Provision 29 of this Contract. Before the 6th day inclusive of the month following the Settlement month, provide to the Generator the reference on non-acceptance of electricity delivered by the Generator at the Connection Point, by days and hours of the day,
  - 13) Pay for electricity delivered, in procedures and periods defined by this Contract,
  - 14) Pay penalty to the Generator for violation of contractual obligations, according to Chapter 8 of this Contract;
  - 15) Ensure fulfillment of obligations in respect of Metering Complexes specified in Chapter 7 of this Contract;
  - 16) Ensure free access of representatives of the Generator and EMO to its premises to perform necessary examination (checking) of the Metering complex, if the latter is located on its territory.
34. The Distributor and the Universal Supplier shall have the following rights:
- 1) To refuse issuance of the Permission for Connection in case of non-compliance of documents subject to submission by the Generator as specified in Provision 16 with the requirements of this Contract and failure of the Generator to eliminate the deficiencies revealed according to Provision 21 of this Contract,
  - 2) To refuse actual connection of the Plant to the distribution network in case of violation by the Generator of the Technical Conditions and Connection Operations Program agreed with the Distributor,
  - 3) To impose penalty for non-fulfillment of obligations under this Contract by the Generator, according to Chapter 8 of this Contract,

- 4) To access to the premises of the Generator to perform necessary examination (checking) of the Metering Complex.
35. The Generator shall be obliged:
- 1) Pay to the Generator's bank account the difference between the Connection fee and Advance Payment specified in the invoice document in accordance with the procedures and timeframe specified in Provision 10 of this Contract,
  - 2) In case provided for in Provision 14 of this Contract, notify the Distributor in writing on making respective changes in Technical Conditions, if any are of necessity,
  - 3) Eliminate the deficiencies revealed as defined in Provision 20 of this Contract within the timeframe specified in Provision 21,
  - 4) Throughout the entire duration of its activities not to violate the connection scheme designed according to the Technical Conditions and the Technical Parameters stated in Annex 4 of this Contract, including all modifications and changes thereof,
  - 5) To ensure production of 80% of the designed annual electricity output during the first 10 tariff years defined for the Plant, including at least 60 % of annual delivery to the distribution network, and production of 70 % of electricity for the next 10 tariff years, including at least 50% of annual delivery to the distribution network, unless otherwise prescribed by the PPP agreement;
  - 6) To incur charges and responsibilities associated with purchase, installation, replacement and operation (including maintenance, repair and storage) of necessary electric facilities and Metering Complexes, as well as the equipment and software required for connection to the automated metering system of the distribution network,
  - 7) To ensure fulfilment of obligations related to the Metering Complex according to Chapter 7 of this Contract;
  - 8) In procedures coordinated with the Distributor (Universal Supplier) and the EMO, to ensure access of the representatives

of the Distributor and EMO to its premises to carry out necessary examination (checking) of the Metering Complex.

36. The Generator shall have the right:
- 1) To request in writing from the Distributor to return the Advance Payment within 5 business days starting the moment the payment was made. After expiration of the mentioned deadline, the Advance Payment shall be subject to return only on condition that actual costs incurred by the Distributor to perform works envisaged in Provision 6 of this Contract are compensated within 5 business days the request is received,
  - 2) To terminate the Contract in case of non-agreement with Technical Conditions and Connection Fee modified in accordance with Provision 14 of this Contract,
  - 3) To impose penalties on the Distributor or the Universal Supplier for non-fulfillment of contractual obligations, according to Chapter 8 of this Contract,
  - 4) To access the premises of the Distributor or the Universal Supplier to perform necessary examination (checking) of the Metering Complex, if the latter is located on the territory of the Distributor or Universal Supplier,
  - 5) To surrender its rights stated in this Contract, including through a collateral.

## **6. METERING AND PAYMENT FOR ELECTRICITY TRADED**

37. Electricity delivered from the Generator to the Universal Supplier shall be metered by the EMO according to the Trading Rules.
38. Metering of electricity delivered shall be implemented by the EMO for the Boundary Point based on data obtained from the commercial (control) Meter devices specified in Annex 7 of this Contract. If the Metering Complex is installed beyond the Boundary Point, the amount of technological losses occurred at electric facilities in-between the Boundary and Metering Points shall be subtracted

or added to the amount of electricity metered by the Metering Complex. The technological losses shall be calculated according to the procedures defined in Annex 11 of this Contract.

39. By the end of the Settlement month based on the control metering devices data, the EMO shall develop the Act on electricity subject to payment (Annex 8) and submit it for signatures of the Parties before the 6<sup>th</sup> day inclusive of the next Settlement Month.
40. If no objections are arisen with regard to the Act, the Parties shall sign the Act on electricity subject to payment provided by the EMO before the 12<sup>th</sup> day inclusive of the month next to the Settlement month.
41. Once the Parties signed the Act on electricity subject to payment, the Generator shall before the 15<sup>th</sup> day inclusive of the month next to the Settlement Month develop an invoice for electricity delivered and submit it to the Universal Supplier.
42. The Universal Supplier shall sign (approve) the invoice for electricity delivered by the Generator only if the Act on electricity subject to payment has been signed by the Generator.
43. The Distributor shall make a payment from the Special Account for electricity delivered during the Settlement Month before the 25<sup>th</sup> day inclusive of the month following the Settlement Month.

## **7. METERING COMPLEX**

44. The Metering Complex shall be installed at the Boundary Point (in case of a reasonable justification and EMO's approval, it may be installed beyond the Boundary Point).
45. The Generator shall ensure the compliance of the Metering Complex with the Network Codes requirements (including in terms of location and installation requirements).
46. The Metering Points selected, the quantity and accuracy classes of Control and Commercial Metering devices, as well as secondary circuits shall comply with the requirements of the Network Codes

and be coordinated with the EMO at the stage of design. The layout of the Metering Complex and main parameters shall be attached to this Contract.

47. The installation and replacement of electricity (capacity) Metering Complexes or their individual elements shall be implemented by the Parties in the presence of the EMO, by developing a corresponding protocol (tripartite act) as specified in Annex 9 of this Contract.
48. The clipboards of meters or their location boxes shall be sealed (unsealed) by the EMO in the presence of Parties and a corresponding protocol (tripartite act) shall be developed. Metering Transformers (current and voltage), their electric panels or doors of their installation boxes shall be sealed by Parties upon the initiative of one of the Parties, and a bilateral protocol shall be developed.
49. While replacing the Metering Complex or its individual elements, the Generator shall ensure transfer of alternative metering data to the EMO that would be acceptable for the EMO.
50. Where the integrity of the Metering Complex is violated or any failure is disclosed, starting the moment of disclosure until the end of the next business day, the Party shall be required to inform the EMO about this and to write a notice on the deficiencies or failures of the equipment in a special log, as well as take measures to eliminate the deficiencies or to replace the equipment in the shortest possible time.
51. In case of failure of the Metering Complex, the commercial metering of electricity (capacity) by the EMO shall be implemented based on the Control Meter data.

## **8. RESPONSIBILITIES OF PARTIES**

52. For non-fulfillment or inadequate fulfillment of obligation under this Contract the Parties shall bear responsibility in procedures

defined by this Contract, the Network Codes, Trading Rules and the Law.

53. In case of violation of obligations provided for by Sub-Provisions 6-9 of Provision 33 of the Contract, the Generator shall have the right to request that the Distributor or the Universal Supplier pay a compensation for each delinquent day and for each kWh of the average daily designed output of the Plant installed capacity or in case of partially installed capacity for that capacity, in the amount equal to the tariff defined by the Commission for similar plants, however not exceeding the tariff rate set for the plant that provides balancing services in the given Settlement Month and not more than for 365 days.
54. In case the Distributor violated the maximum annual indicator specified in Provision 29 of this Contract, the Generator shall have the right to request a compensation by the Distributor for each delinquent hour to be equal to the product of the average quantity of electricity per hour delivered during the same month of the previous year and the tariff rate of the Generator effective as of the delinquent month. If no electricity has been delivered during the same month of the previous year, then the average quantity of electricity delivered per hour during the previous month shall be accepted in the calculation as the average quantity per hour, and if no electricity has been delivered during the previous month, then the average quantity of the Plant's designed output per hour shall be accepted as the average hourly quantity.
55. In case of violation of payment periods mentioned in Provisions 27 and 43 of this Contract, the Generator shall have the right to impose a penalty on the Distributor for each delinquent day equal to 0.1 % of the unpaid amount, not to exceed the unpaid amount in total.
56. In case of violation of the term set for the payment of the difference between the Connection fee and Advanced Payment according to Provision 12 of this Contract, the Generator shall have the right



to impose the Distributor, and the Distributor shall have the right to impose the Generator a penalty equal to 0.1 % of the unpaid amount for each delinquent day, not to exceed the unpaid amount in total.

57. In case of violation of Sub-Provision I of Provision 35, the Distributor shall have the right to impose a penalty on the Generator, and in case of violation of Sub-Provision I of Provision 36 the Generator shall have the right to impose a penalty equal to 0.1 % of the unpaid amount for each delinquent day, not to exceed the unpaid amount in total.
58. In case if the amount of electricity delivered by the Generator was less than that defined in Sub-Provision 5 of Provision 35 of this Contract, the Universal Supplier shall be eligible to impose a penalty on the Generator for each outstanding kWh equal to the difference between the tariff set for the plant that provides balancing services and the Generator's current tariff, if the currently effective tariff of the Generator is lower than the tariff of the plant that provides balancing services.
59. While calculating the penalty, the principle amount (if such is available) out of all payments by the Party shall be covered on the first place based on the time limits set for the payment, and only then the calculated penalty shall be paid.

## **9. FORCE MAJEURE SITUATIONS**

60. The Parties shall not be responsible for the breach of contract obligations, if those were caused by force-majeure situations in terms of this Contract, any circumstances or events (after-effects) that resulted (may result or will result) in non-fulfillment or inadequate fulfillment of the contractual obligations and at the same time is characterized by features stated below, is considered to be a force majeure situation:
  - 1) occurs out of control of the Party,

- 2) The Party undertook all possible measures and efforts (including precautional, alternative, legally defined) to prevent, eliminate, mitigate or avoid the mentioned circumstances (after-effects),
  - 3) The Party has informed the other Party about such circumstances in the shortest possible period of time but not later than within 10 days after being notified about it.
61. In terms of this Contract, particularly the following situations are considered force majeure:
- 1) Natural and man-made disasters, epidemics, natural forces (including floods, earthquakes, hurricanes, tornados, thunderstorms, heavy rains with lightning, snowstorms, landslips), nuclear, chemical and biological contamination strikes, public disorders.
  - 2) Rebellions, terrorism, wars, invasions, armed conflicts, actions of external enemies and blockade, which take place on or involves the territory of the Republic of Armenia and couldn't be reasonably prevented.
  - 3) An act, activity or inactivity of a state and municipal agency or other authorized body, due to which no permission or right was issued or extended to facilitate fulfillment of obligations stated in this License, or due to which fulfillment of obligations was hindered, on condition that the Licensee acted in compliance with the RoA legislation.
62. Provision 61 of these Rules does not restrict the Party's right to apply to the Commission once any extraordinary or unavoidable circumstances other than the abovementioned happened, and to request the Commission to consider them force majeure, if they can be classified as such according to this Chapter.

## **10. DISPUTE RESOLUTION**

63. All disputes and disagreements arising from this Contract shall be solved through negotiations, and in case of a written application of one of the Parties - through the Commission's mediation.
64. If no consensus is obtained for final dispute solution, the matter shall be transferred to the Arbitration, in procedures and terms defined in Annex 8 of this Contract.
65. Where the disputable issue is about the Act on electricity subject to payment developed by the EMO, then upon a written application of one of the Parties the EMO shall in 3 business days and not later than before the 13th day inclusive of the month next to the Settlement Month solve the dispute including by organizing a discussion with interested parties.
66. If it is not possible to solve the disputable issue in procedures and dates defined in Provision 65 above, then the Parties shall be required to sign the Act on electricity subject to payment that was developed by the EMO as a result of the above-mentioned procedure before the 13th day inclusive of the month next to the Settlement Month and the Universal Supplier shall be obliged to make the payment and only then to solve the dispute. The claiming party shall be required to attach his special opinion to the Act on electricity subject to payment.

## **11. ADDITIONAL CONDITIONS**

67. For the plant with installed capacity of 10 MW and above the Parties shall be obliged to strictly follow the orders (instructions) of the ESO given within its authority, which could not relate to restriction or suspension of delivery of electricity by the Generator.
68. The Parties shall provide the copies of this Contract to the EMO, and in case of the plant with installed capacity of 10 MW and above, to the ESO as well.
69. If at of the moment of signing this Contract the Plant is in the

process of connection (or has been connected) to the transmission network, this Contract shall be effective in terms of testing and commissioning works and sale/purchase of electricity. If the Plant is in the stage of generating electricity as stated in the Generation License, this Contract shall be effective only in terms of sale/purchase of electricity.

70. Upon mutual agreement of the Parties other provisions may be defined in Annex 11 of this Contract that should not contradict this Contract, the Commission's resolutions and other legal acts.

## **12. VALIDITY OF CONTRACT, MODIFICATION OR TERMINATION PROCEDURE**

71. This Contract shall come into force from the moment of its registration with the Commission and shall be valid:
  - 1) In terms of provisions related to the connection of the Plant to the distribution network, until obligations of the Parties stated in Provisions 3-25 of Chapter 3 are completely fulfilled,
  - 2) In terms of provisions related to the implementation of testing and commissioning works, until the obligation defined in Provision 27 of this Contract is completely fulfilled;
  - 3) In terms of provisions related to the sale/purchase of electricity as defined in this Contract, until the completion of the period of guaranteed purchase of electricity generated at the Plant.
72. In case if a new model form was approved or modifications were introduced by the Commission to the actual model form of the Contract on connection of the Plant under construction (reconstruction) to the distribution network, on delivery of electricity during commissioning and testing works and on sale/purchase of electricity, the Parties shall be required to sign a new Contract (Generator – Distributor (Universal Supplier) Contract for Power Plants under 30 MW installed capacity with a power

- purchase guarantee provided by the law) or to make corresponding modifications to the acting Contract within the period defined by the Commission.
73. Modifications to this Contract shall be made in writing upon mutual agreement of the Parties on condition that those do not contradict this Contract, acts approved by the Commission or other legal acts.
  74. Modifications of this Contract shall not relieve the Parties from fulfillment of obligations that were undertaken and not satisfied prior to the change of the Contract or from responsibility for non-fulfillment of those.
  75. The Contract shall be terminated:
    - 1) Upon mutual consent of the Parties,
    - 2) Upon unilateral initiative of the Distributor or the Universal Supplier, if the Generator requests to return the Advance Payment in accordance with Sub-Provision I of Provision 36, as well as if the Generation License has been considered void on condition that the Generator has been duly notified,
    - 3) Upon unilateral initiative of the Generator on condition that the Distributor or the Universal Supplier has been notified in advance,
    - 4) In other cases, specified by Law.
  76. This Contract shall be developed in three legally valid and equal copies by one for each Party and the Commission.

### **13. NOTIFICATION OF PARTIES**

77. The Parties shall be obliged to deliver notices, notifications and other documentation in a duly manner. The documents shall be considered duly delivered, if they have been sent by an ordered letter to the address for notifications specified in this Contract, by email specified in Prerequisites of the Parties with the receipt confirmed, or have been handed personally with acceptance note,

as well as other ways of delivery, unless other proper way of delivery is specified in the Trading Rules or Network Codes or this Contract for specific cases.

78. In case of changes in the address for notifications specified in this Contract, the Parties shall inform each other in writing within 5 days after making such changes.
79. If the Party did not inform about the changes in the address for notifications, any information sent to the address for notifications that is specified in this Contract, shall be considered dully delivered.

#### **14. LIST OF ANNEXES MAKING INTEGRAL PART OF CONTRACT**

80. The following are the integral parts of this Contract:
  - 1) Annex 1 - Technical Conditions for Connection of the Plant to the Distribution Network
  - 2) Annex 2 – Rough Cost Estimation of the Connection Fee
  - 3) Annex 3 - Application for Distribution Network Connection Permission
  - 4) Annex 4 - Technical Parameters for Connection of the Plant to the Electric Network
  - 5) Annex 5 - Agreement on Sale Price of Electricity
  - 6) Annex 6 – Annual Amount of Electricity Delivery from the Plant
  - 7) Annex 7 – Information on Boundary and Metering Points, Commercial (Control) Meter Devices
  - 8) Annex 8 – Act on Electricity Subject to Payment
  - 9) Annex 9 – Protocol (Act) on Installation and Replacement of Electricity (Capacity) Metering Complexes or their Individual Elements
  - 10) Annex 10 – Arbitration Procedures
  - 11) Annex 11 – Other Provisions

**GENERATOR**

Location \_\_\_\_\_

Account Number \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Fax \_\_\_\_\_

Generation License No. \_\_\_\_\_

Director \_\_\_\_\_

(signature, name, surname)

**DISTRIBUTOR (UNIVERSAL SUPPLIER)**

Location \_\_\_\_\_

Account Number \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Fax \_\_\_\_\_

Generation License No. \_\_\_\_\_

Director \_\_\_\_\_

(signature, name, surname)

**PUBLIC SERVICES REGULATORY  
COMMISSION OF ARMENIA**

Registration date: \_\_\_\_\_

Registration number: \_\_\_\_\_

Authorized body: \_\_\_\_\_

(signature, name, surname)

**Annex N I**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**TECHNICAL CONDITIONS FOR**  
**CONNECTION OF THE PLANT TO THE**  
**DISTRIBUTION NETWORK**

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_

**AGREED WITH SYSTEM OPERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_



**Annex N 2**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**ROUGH COST ESTIMATION OF THE**  
**CONNECTION FEE**

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_

**AGREED WITH SYSTEM OPERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

**Annex N 3**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**APPLICATION FOR DISTRIBUTION NETWORK**  
**CONNECTION PERMISSION**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**Annex N 4**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**TECHNICAL PARAMETERS FOR**  
**CONNECTION OF THE PLANT TO THE**  
**DISTRIBUTION NETWORK**

**DISTRIBUTOR**

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**GENERATOR**

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**SYSTEM OPERATOR**

\_\_\_\_\_

(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**Annex N 5**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**AGREEMENT ON SALE PRICE OF ELECTRICITY**

Tariff for electricity delivered by the Generator to the Universal Supplier approved by the Commission is as follows:

Electricity Tariff \_\_\_\_\_AMD/kWh

By this Agreement the Universal Supplier and the Generator upon mutual consent sent the following price for electricity:

Electricity Price \_\_\_\_\_AMD/kwh

Electricity price shall become effective from \_\_\_\_\_, 20\_\_\_\_ and shall remain effective until a new electricity tariff is approved by the Commission.

**DISTRIBUTOR  
(UNIVERSAL SUPPLIER)**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_

**Annex N 6**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**ANNUAL AMOUNT OF ELECTRICITY DELIVERY  
FROM THE PLANT**

	Amount of Electricity Delivery (kWh)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

**DISTRIBUTOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**AGREED WITH SYSTEM OPERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**Annex N 7**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**INFORMATION ON BOUNDARY AND**  
**METERING POINTS, COMMERCIAL (CONTROL)**  
**METERING DEVICES**

1. The Boundary Points of the \_\_\_\_\_  
(Generator) are the following:
2. The Delivery Points of the \_\_\_\_\_  
(Generator) are the following:
3. Commercial (Control) Metering Points
4. Data of Commercial (Control) Meters, Metering Transformers are  
the following:

Location	Meter				Metering Transformer									
	Type, nameplate, type and number of the seal,	Permissible current (A)	Nominal Voltage (V)	Month and year of the next meter calibration	Current				Voltage					
					Accuracy class	Transformation ratio	Month and year of the next meter calibration	Type, nameplate, type and number of the consumer's seal,	Accuracy class	Transformation ratio	Month and year of the next meter calibration			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	Party responsible for integrity of commercial meters, metering transformers on the territory being the property of or controlled by the Generator

**DISTRIBUTOR**

\_\_\_\_\_  
 (position, name, signature)  
 \_\_\_\_\_ 20 \_\_\_\_

**GENERATOR**

\_\_\_\_\_  
 (position, name, signature)  
 \_\_\_\_\_ 20 \_\_\_\_

**COORDINATED WITH MARKET OPERATOR**

\_\_\_\_\_  
 (position, name, signature)  
 \_\_\_\_\_ 20 \_\_\_\_



**Annex N 8**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**ACT ON ELECTRICITY SUBJECT**  
**TO PAYMENT**

Universal Supplier \_\_\_\_\_

Generator \_\_\_\_\_

Settlement Period \_\_\_\_\_ 20\_\_ . to \_\_\_\_\_ 20\_\_

Total quantity of electricity delivered \_\_\_\_\_ kWh

Basis \_\_\_\_\_

**DISTRIBUTOR**  
**(UNIVERSAL SUPPLIER)**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_

\_\_\_\_\_ 20 \_\_

**AGREED WITH MARKET OPERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_

**Annex N 9**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

« \_\_\_\_\_ » \_\_\_\_\_ 20\_\_

**PROTOCOL (ACT) ON INSTALLATION AND**  
**REPLACEMENT OF ELECTRICITY (CAPACITY)**  
**METERING DEVICES**

(direction of the power plant, substation )

Nameplate and seal of the removed meter (CT,VT)	Type (model)	Meter reading		Last meter calibration date	Nominal current A	Nominal voltage, V	Current Transformer		Voltage Transformer	
		From Bus	To Bus				Ratio	Accuracy	Ratio	Accuracy
		Tot.	Tot.							
		T1	T1							
		T2	T2							
Nameplate and seal of the installed meter (CT,VT)	Type (model)	Meter reading		Next meter calibration month and year	Nominal current A	Nominal voltage, V	Current Transformer		Voltage Transformer	
		From Bus	To Bus				Ratio	Accuracy	Ratio	Accuracy

		Tot.	Tot.							
		T1	T1							
		T2	T2							

Notice \_\_\_\_\_  
 \_\_\_\_\_

**DISTRIBUTOR  
 (UNIVERSAL SUPPLIER)**

**GENERATOR**

\_\_\_\_\_  
 (position, name, signature)

\_\_\_\_\_  
 (position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_\_

**COORDINATED WITH  
 MARKET OPERATOR**

\_\_\_\_\_  
 (position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_\_

**Annex N 10**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**ARBITRATION PROCEDURE**

1. Where the disputable issue is not possible to solve through negotiations, it shall be transferred to the Arbitration upon a written claim of one of the Parties, based on the requirements of International Chamber of Commerce Arbitration Rules (Rules).
2. Under this Annex the Arbiters' Selection Procedure may be defined.
3. Arbitration shall be held at the following location \_\_\_\_\_
4. The language of communication and documentation related to Arbitration Procedure shall be\_\_\_\_\_.
5. Any decision or award made in the process of Arbitration shall be final and binding for the Parties and shall be subject to mandatory implementation in defined procedures.
6. Arbitration charges, including arbiters' payments, shall be made as follows:\_\_\_\_\_
7. In the process of dispute resolution defined in Provision 64 of this Contract or Arbitration procedures, before decision is made on disputable issues the Parties shall continue fulfillment of their obligations under this Contract.

**DISTRIBUTOR**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
20 \_\_\_\_

\_\_\_\_\_  
20 \_\_\_\_

**Annex N II**  
**To the Model Contract Approved**  
**by the Republic of Armenia Public**  
**Services Regulatory Commission**  
**Resolution No. 456-N dated**  
**December 12, 2018**

**OTHER PROVISIONS**

1. Other provisions being defined by the Parties in this Annex shall not contradict to this Contract, Acts of the Commission and other legal documents.
2. [ ]

**DISTRIBUTOR**  
**(UNIVERSAL SUPPLIER)**

**GENERATOR**

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_  
(position, name, signature)

\_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_ 20 \_\_\_\_

## ACRONYMS

1. **AAF** Annual Adequacy Forecast
2. **AMIR** Cross-border interconnection line between Iran and Armenia
3. **ANPP** Armenian Nuclear Power Plant
4. **BALM** Balancing Market
5. **BRPA** WEM Trade Participant who has joined another participant's balancing Group, authorizing the latter to bear its balancing responsibility
6. **BRPG** WEM Trade Participant who has assumed responsibility for imbalances of another WEM Trade Participant or has formed a balancing group
7. **BRPI** WEM Trade Participant who has assumed the status of an independent balance responsible party
8. **BRPP** WEM Trade Participant who has joined another participant's balancing group by authorizing the latter to trade electricity in the WEM on its behalf, undertake balancing responsibility, and pay for services
9. **BSP** A Generator providing Balancing services under electricity generation license
10. **CPP plants** Generators operating in competitive conditions
11. **DAM** Day-Ahead Market
12. **DAS** Automated Data Acquisition System
13. **EDN Code** Republic of Armenia Electricity Market Distribution Network Code approved by the Commission
14. **EMO** Electricity Market Operator
15. **ESO** Electricity System Operator
16. **ETN Code** Republic of Armenia Electricity Transmission Network Code approved by the Commission

<b>17. IPP plants</b>	Generators operating under the Public-Private Partnership
<b>18. LC</b>	Long-Term Contracts Component of the Bilateral Contracts Market
<b>19. MMS</b>	Market Management System
<b>20. NRC</b>	Non-Regulated Component of Bilateral Contracts Market
<b>21. PPP</b>	Public-Private Partnership
<b>22. RC</b>	Regulated Component of the Bilateral Contracts Market
<b>23. REM Rules</b>	Republic of Armenia Retail Electricity Market Trading Rules approved by the Commission
<b>24. REPP plants</b>	Hydropower plants and plants operating using other renewable energy sources (wind, solar, geothermal, and biomass) under 30 MW capacity, except for IPP plants, with the Power Purchase Guarantee as provided for by the Law
<b>25. RoA</b>	Republic of Armenia
<b>26. RPP plants</b>	Generators subject to tariff regulation, except for IPP plants, REPP plants, and the Balancing Service providing Generator
<b>27. TD</b>	Trading Day
<b>28. TD+1</b>	One day after the Trading Day
<b>29. TD-1</b>	One day before the Trading Day
<b>30. WEM Contract</b>	Contract between WEM Participants for participation in the WEM
<b>31. WEM Participants</b>	Generator, Universal Supplier, Supplier, Trader, Qualified Customer, Transmitter, Distributor, ESO, and EMO
<b>32. WEM Rules</b>	Wholesale Electricity Market Trading Rules of the Republic of Armenia

# **REPUBLIC OF ARMENIA WHOLESALE ELECTRICITY MARKET TRADING RULES AND CONTRACTS**

**With the amendments of 27.04.2022**



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