

Ref.No.KESH /___/11/2021

Framework agreement concerning the Storage and Exchange of Electricity

Between

Albanian Power Corporationj.s.c.

Address: Blloku "Vasil Shanto", Tirana, Albania

(Hereinafter referred as "**KESH**" or "**Authority**")

And

Address: _____

(Hereinafter referred as " _____ " or "**Operator**")

(KESH and _____ hereinafter referred jointly as the "**Parties**")

ARTICLE 1.

THE PURPOSE

1. By this Framework Agreement, the operators selected after a qualification process and the authority, aim to establish the rules for Storage/Exchange of electricity contracts, in which the Parties shall enter into through the competition process conducted in the future by the Authority, in accordance with the conditions and circumstances dictated by the Government decision No. 620, dated 22.10.2021, only between the operators that are parties to the Framework Agreement.
2. This Framework Agreement, will enable the Authority and the operator to act quickly in time for the purpose of electricity storage/exchange based on an equal, transparent and coherent process.

ARTICLE 2.

SUBJECT

1. The scope of this Framework Agreement is to establish the rules regarding the contracts which will be concluded through the competition process only between economic operators that are parties to this Framework Agreement.
2. The operator is only one of the parties to the framework agreement.

ARTICLE 3.

PRIMARY OBLIGATIONS

1. The Authority has the obligation to notify the operator for any tender procedure that will be conducted regarding the storage/Exchange of electricity by sending the Invitation to the e-mail address notified by the Operator.
2. The Operator is under the obligation, whenever requested by The Authority, to send its offer in accordance with the requirements in the Invitation.

ARTICLE 4.

CONTRACTS IN IMPLEMENTATION OF THE FRAMEWORK AGREEMENT

(GENERAL TERMS AND SPECIAL COMMERCIAL TERMS)

1. General Terms and Special Commercial Terms form an integral part of this Framework Contract and shall be interpreted as a whole.
2. In the event of any changes or partial invalidity of the framework agreement, this does not affect the rest of the agreement.

ARTICLE 5.

The competitive process of the framework agreement.

1. The tender process will be carried out with all operators, that are part of the framework agreement, whenever the Authority predict/intends to deposit / exchange electricity in accordance with the provisions of the VKM no. 620, date 22.10.2021
2. For each tender process the authority will prepare Invitations for Offer and will send them to all operators that are part of the framework agreement.
3. The invitation for offer in every case must contain at least:
 - Capacity (MW);
 - The amount of energy in MWh;

- Delivery period (delivery) in hour-blocks / days / weeks / months;
 - Delivery period (return) in hours-blocks / days / weeks / months;
 - Transmission capacity provider;
 - Electricity delivery point;
 - Offer evaluation criteria;
 - Deadline and the manner of submitting offer;
 - Validity of offers;
 - Conditions and terms of payment.
4. The invitation for offer is sent / notified to the e-mail notified to each of the participants that is a party in the framework agreement for energy the storage / exchange and it will be published on the KESH j.s.c. official website.
 5. The evaluation of the offer/offers will be made in accordance with the requirements defined in the Invitation for Offer as well as in accordance with the provisions of Decree Nr. 620, date 22.10.2021, of the Council of Ministers.
 6. Each bidder offers only one time. Winning offers will be the ones that contain the highest coefficient of energy storage and exchange according to the peak and off peak profile delivered by KESH j.s.c.
 7. In case the participant, who turns out to have offered the highest exchange coefficient, has not offered to exchange the entire amount of electricity offered, then the remaining quantity will be exchanged with the next winning bidder, until the quantity of energy exchanged is complementing.
 8. In case when more than one participant offers the same coefficient, then, the winner will be announced all those participants who have offered in direct proportion also to the offered quantity to be exchanged.
 9. At the end of the offer evaluation process, the company announces the result to all the bidders and announces the result on the official website.
 10. The winning party / parties will be notified to sign the individual contract regarding the energy that will be exchanged according to the accepted offer.

ARTICLE 6.

Majeure Force

1. For the purposes of this contract, Majeure force means an occurrence beyond the reasonable control of the Party that pretends or affected from the Majeure force, which can't be avoided or overcome and which makes it impossible for the Party claiming and affected by the Force Majeure to carry out its delivery or acceptance obligations, including, but not limited, one or more of the following:
 - a. The malfunction of the communication or computer systems of the network of the respective operator (operators), which prevents the Party claiming and being affected by the Force Majeure in fulfilling its delivery or acceptance obligations; or
 - b. The suspension of delivery or acceptance by the network of the respective operator or the disregard for the obligations of the claiming and affected Party by the Force majeure regarding the planning according to this Contract.
2. The claiming Party upon learning of the Force Majeure, will notify the other Party as soon as possible of the beginning of the Force Majeure and, to the extent that is possible, to send it a non-compelling assessment of the expected duration regarding its inability to act.
3. The Claiming Party shall make every reasonable effort to lower the effects of the Majeure Force and during the period that Majeure Force will be ongoing, the claiming party shall inform the other Party of all reasonable changes and, where possible, the expected duration of its inability to act.

4. The claiming party who fulfills all the obligations to notify and reduce the effects of the majeure Force shall be considered that it hasn't been in violation or delay and shall be relieved (and not simply suspended) from the obligations to deliver / give and/ or deliver / receive for the period of time and to the extent that this Force majeure prevents its performance.
5. No obligation in paying damages shall arise for the Claiming Party in regards to the quantity of non-provided or non-received energy.

ARTICLE 7.

The settlement of the disputes

Any dispute, or claim arising out of or in relation to this contract, including its validity, invalidity, violation or termination, shall be settled by the Tirana Judicial District Court in accordance with Albanian law.

ARTICLE 8.

Validity and Termination of the agreement

1. This Agreement enters into force after it is signed by the parties.
2. The parties will agree that this agreement will valid for a period of 3 years, starting from the signing date.
3. This agreement will be terminated unilaterally by KESH j.s.c. in case of creation of the Albanian Energy Exchange, change of the model of the energy market in the Republic of Albania or in cases of changes of laws or bylaws that make the provision of this contract inapplicable.

PARTY:	FOR _____ (_____)	FOR KESH (ALBANIAN POWER CORPORATION– KESHJ.S.C)
SIGNATURE:	_____	_____
NAME, SURNAME:		Ergys Verdho
DUTY:		Administrator/CEO
DATED:	___/___/2021	___/___/2021

GENERAL TERMS AND SPECIAL COMMERCIAL TERMS

Individual Contract on Energy Exchange/Storage

Between

Albanian Power Corporation j.s.c.

Address: Blloku "Vasil Shanto", Tirana, Shqiperi

(Referring below as "**KESH**" or "**Authority**")

And

.....

Address:.....

(Referring below as "**.....**" or "**Operator**")

Article 1

Purpose

1. This contract intends to regulate the electricity storage/exchange relationship between the parties in accordance with what is defined in the Request.
2. This contract defines the fundamental principles and other aspects of the electricity storage/exchange contract implementation according to the requirements that are defined in the Request for Offer.

Article 2

Subject

The scope of this contract is:

1. Electricity deposit by the Authority in the period / profile / quantity specified in the invitation for offer.
2. The electricity return from the Operator in the agreed period /profile/quantity between the parties at the end of the competition process.

Article 3

The Technical and Financial Aspects

1. The Parties will reconcile the process of nomination regarding electricity storage / exchange programs in accordance with the provisions of the Agreement and the rules of the Albanian Energy Market
2. The provider of the transmission capacities of the deposited / exchanged electricity, as a rule, will be the Operator. All the costs related to Transmission Capacities, as a rule are the responsibility of the Operator, with the exception of the cases when it is phrased in the Invitation for Offer that the Authority undertakes and ensures the transmission capacities.

Article 4

GUARANTEE FOR OBLIGATION FULFILLMENT

1. The party which will result the winner for the realization of the exchange procedure is obliged that immediately before the beginning of the delivery of energy for the purpose of exchange, to issue for the delivery party KESH j.s.c. a guarantee instrument in the form of a bank guarantee or other guarantee instrument issued by third parties, for the value of the exchanged energy at the time of the exchange.
2. The delivery of Energy will not be executed if the other party will not issue a guarantee instrument.
3. In purpose to participate in these procedures, the parties can issue long-term guarantee in values that they will think are reasonable for the purposes of guaranteeing the fulfillment of the obligation to KESH j.s.c.

4. If the guarantee is issued in accordance with paragraph 3 of this article, then, the party that executes the energy exchange can exchange energy up to the quantity corresponding the amount of the guarantee at the moment of the delivery.

Article 5

Reconciliation and penalties

1. Within 5 (five) days from the moment of providing / receiving energy, the parties will confirm to each other the amount of delivered energy.
2. If from the reconciliation it results that one of the parties has not fulfilled the obligation, then the latter, within 5 days notifies in writing the other party the ascertainment of the non-fulfillment of the obligation.
3. In case of non-fulfillment of obligations deriving from agreement, the party that is in conditions of non-fulfillment of the obligation is obliged to pay the other party a penalty that is calculated as follows:

The penalty= the quantity of delivered energy x HUPX price on the hours that the energy should have been delivered (hour in D-1) x coefficient 1.5.

4. The party that has not fulfilled the obligation is obliged that within 20 working days from the moment of receiving the notification to complete the payment in the creditor's account number. If the debtor does not pay the penalty within the set deadline, the creditor has the right to use the debtor's guarantee for the fulfillment of the obligation.
5. If the guarantee does not cover the entire obligation of the debtor, the compensation for the damage caused as a result of the delay, will carry Interest, starting from the day of the Set Deadline, included, but the date of payment will be excluded, at the rate equal to EURIBOR of one month specified in the Payment Term, plus 3 (three) percent per year of the value of the unpaid amount of the energy bill issued for each day of delay.

Article 6

Contact people

1. All the notices sent based or in accordance with this Contract, must be sent in writing form to the following address by email or fax:

For _____

Administrator of Contract

Attn:

Phone no:

Mobile no:

Fax no:

E-mail:

Program/Scheduling /Reconciliation

Attn:

Phone no:

Mobile no:

Fax no:

E-mail:

For KESH

Attn:

Phone no:

Mobile no:

Fax no:

E-mail:

Attn:

Phone no:

Mobile no:

Fax no:

E-mail:

Back Office

Attn:

Assistant

Phone no:

Mobile no:

Fax no:

E-mail:

Attn:

Phone no:

Mobile no:

Fax no:

E-mail:

Article 7

Majeure Force

1. For the purposes of this contract Majeure force means an occurrence beyond the reasonable control of the Party that pretends or affected from the Majeure force, which can't be avoided or overcome and which makes it impossible for the Party claiming and affected by the Force Majeure to carry out its delivery or acceptance obligations, including, but not limited, one or more of the following:
 - c. The malfunction of the communication or computer systems of the network of the respective operator (operators), which prevents the Party claiming and being affected by the Force Majeure in fulfilling its delivery or acceptance obligations; or
 - d. The suspension of delivery or acceptance by the network of the respective operator or the disregard for the obligations of the claiming and affected Party by the Force majeure regarding the planning according to this Contract.
2. The claiming Party upon learning of the Force Majeure, will notify the other Party as soon as possible of the beginning of the Force Majeure and, to the extent that is possible, to send it a non-compelling assessment of the expected duration regarding its inability to act.
3. The Claiming Party shall make every reasonable effort to lower the effects of the Majeure Force and during the period that Majeure Force will be ongoing, the claimingparty shall inform the other Party of all reasonable changes and, where possible, the expected duration of its inability to act.
4. The claiming party who fulfills all the obligations to notify and reduce the effects of the majeure Force shall be considered that it hasn't been in violation or delay and shall be relieved (and not simply suspended) from the obligations to deliver / give and/ or deliver / receive for the period of time and to the extent that this Force majeure prevents its performance.
5. No obligation in paying damages shall arise for the Claiming Party in regards to the quantity of non-provided or non-received energy.

Article 8

VALIDITY AND TERMINATION OF THE CONTRACT

1. This contract is valid for the period of framework agreement
2. The breachof the contract does not liberates the parties from the obligations that are created before the termination.

Article 9

The settlement of the disputes

Any dispute, or claim arising out of or in relation to this contract, including its validity, invalidity, violation or termination, shall be settled by the Tirana Judicial District Court in accordance with Albanian law.

Article 10.

Applicable Law

This contract will be governed by and interpreted in accordance with Albanian law.

Article 11

Partial Invalidity

If any of the provisions of this contract is invalid, or becomes invalid, then, such contractual provisions (to the extent that they are invalid, illegal and unenforceable) will not be given any effect and will not be considered in this contract, but without repealing any of the remaining provisions of the contract.

Article 12

Contract Transfer

The parties have not the right to transfer their rights based on this contract to a third party without the prior written consent of the other party. Giving approval may not be unreasonably delayed, refused or prohibited.

PARTY:	FOR _____ (_____)	FOR KESH (ALBANIAN POWER CORPORATION– KESHJ.s.c)
SIGNATURE:	_____	_____
NAME, SURNAME:		Ergys Verdho
DUTY:		Administrator/CEO
DATED:	____/____/2021	____/____/2021

Template - Confirmation of Individual Contract

Deposi/Exchange Date:

Reference Number:

Authority: KESH j.s.c.

Operator:

Coefficient resulted from the procedure:

1/...

Delivery

Deal Details:

Delivery Start	Delivery End	Delivery Profile	Contract Capacity
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Totals:	Total Volume:
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Return

Deal Details:

Delivery Start	Delivery End	Delivery Profile	Contract Capacity
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Totals:	Total Volume:
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Contract Type: Coefficient based

Time Zone: CET

Delivery Point:

Delivery Schedule:

CBC: Provided by

Contract terms:

This Confirmation confirms the Individual Contract entered into pursuant to the Framework Deposit/Exchange Agreement concerning the Delivery and Acceptance of Electricity, signed by the Parties with Effective Date _____, concerning the deposit/exchange of electricity between the Parties and supplements and forms part of that Framework Deposit/Exchange Agreement. In case of any inconsistencies between the terms of this Confirmation and the Individual Contract, please contact us immediately.

(KESH sh.a.)

Name:

Title:

(.....)

Name:

Title: