



## Annexes to Final Report: Contract models (Task 5)

*EKC and IMP*

May 2019

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# Technical Assistance to the Implementation of Cross-border Electricity Balancing

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## *Task 5:*

### *DEVELOPMENT OF A ROADMAP TOWARDS A REGIONAL/EUROPEAN BALANCING COOPERATION/MARKET*

### *Annexes: Contract models*

May 2019



## Table of Contents

ANNEX 1: AGREEMENT MODEL on LFC block pre-netting .....	3
ANNEX 2: AGREEMENT MODEL on Mutual Cross-border Exchange of Balancing Energy .....	12



## ANNEX 1: AGREEMENT MODEL ON LFC BLOCK PRE-NETTING

### Article 1. Purpose of the Agreement

1. The TSOs from the Load Frequency Control (LFC) block \_\_\_\_ (in further text referred to individually or collectively as *Party/Parties*) participate in European Imbalance Netting (IN) target mechanism called International Grid Control Cooperation (in further text referred to as *IGCC*), as *IGCC members*.
2. As IGCC members, Parties are obliged to maintain the balance between generation and consumption in their LFC areas.
3. IGCC is based on aFRR Optimisation for the activation of aFRR. The aFRR demand (Pdemand) of participating LFC areas is provided to the aFRR optimisation system, which returns the correction signal (Pcorr) to the secondary controllers of each IGCC member after each optimisation step.
4. IGCC allows the pre-netting of aFRR demand among the TSOs belonging to LFC block, with priority usage of Cross Zonal Capacity (CZC) between them, while the rest of Pdemand and the rest of available CZC is attributed to the main IGCC optimisation cycle.
5. This document, as the LFC Block Pre-netting Cooperation Agreement (in the following text referred to as the "*Agreement*" or "*Pre-netting Agreement*"), is an Annex to the LFC Operation Agreement of LFC Block \_\_\_\_\_. The Agreement defines the rules and responsibilities of pre-netting on LFC block level, fully in line with IGCC Multilateral Agreement (in further text referred to as *MLA*), and subordinated to IGCC mechanism.

### Article 2. Definitions

1. The definitions in this Agreement are as follows.  
  
(list from Stakeholder document (**Error! Bookmark not defined.**))

### Article 3. Scope of the Pre-netting Agreement

1. This Agreement defines the mutual rights and obligations of Parties as LFC block members regarding their pre-netting cooperation, subordinated to IGCC.
2. The content of this Agreement is formed by the mutual rights and obligations of the Parties. The main subjects are as follows:
  - a. Principles of the pre-netting cooperation within LFC Block
  - b. Relations to IGCC



- c. Operational responsibilities
- d. Settlement
- e. Governance

#### Article 4. Objectives

1. Imbalance Netting mechanism general objective is avoiding of counter activations of aFRR by netting the Pdemand of participants, with respecting of security constraints defined through the CZC limitation.
2. IGCC objectives are fostering of cooperation among IGCC members; lowering the amount of activated aFRR; strengthening the security of supply; generation social welfare of each IGCC member. Other IGCC objectives refer to MLA.
3. Pre-netting cooperation objectives are fostering of cooperation of Parties at LFC block level, avoiding counter activations of aFRR on the LFC block level and priority usage of CZC for pre-netting within the overall IGCC mechanism, assuming the common dimensioning of balancing reserve among the Parties in the LFC block.
4. Each Party belonging to LFC block remains solely responsible for the operational security of its transmission network, including the operation of its LFC.

#### Article 5. General principles

1. The basic principles of Imbalance Netting mechanism within IGCC are referred in MLA.
2. The basic principles of pre-netting assumes:
  - a. The assignment of Imbalance Netting potential among LFC block parties in each real time optimisation cycle is based upon the principles of proportional distribution and non-discrimination.
  - b. The correction of the Parties as calculated by the Pre-netting optimisation system is integrated into the aFRR control loops of the LFC areas.
    - i. Each Party calculate the aFRR demand of its LFC area;
    - ii. The aFRR demand and Limits are sent to the Pre-netting optimisation system
    - iii. The Pre-netting optimisation system calculates the corrections whilst respecting the limits;



- iv. The corrections are sent to the Parties and are used as input for the aFRR control loops of the LFC area
- c. Towards main IGCC mechanism, the following is provided:
  - i. The potential remainder of the aFRR demand unsettled on the LFC block level is provided to the IGCC aFRR Optimisation system;
  - ii. The potential remainder of the Limits, not used on the LFC block level is provided to the IGCC aFRR Optimisation system;
3. The determination of pre-netting energy quantities is performed for each settlement period. The pre-netting energy quantities for each Party and each settlement period consist of two values, the pre-netting import and pre-netting export of a Party.
4. The pre-netting settlement is determined for each settlement period for pre-netting import and pre-netting export of all Parties.
5. The pre-netting settlement shall have the aim to share gained benefits in a fair manner between the Parties.
6. All borders between LFC block members shall be part of pre-netting.

## Article 6. Governance

1. On the level of IGCC, the Steering Committee (SC) is the decision making body, with the right to take binding decisions on any matter or question related to the implementation of IGCC MLA. Assuming that Steering Committee of IGCC will deal with general organization on overall IGCC level, Expert Group (EG) on the level of LFC block performing pre-netting is the main body to organize pre-netting subordinated to IGCC.
2. Each Party shall carry out this Agreement by means of the Permanent Working Group (PWG) related to LFC Block pre-netting. All Parties shall endeavour to take decisions that comply with the national legislation of all the Parties.
3. Each Party appoints one regular representative in the PWG to discuss and to take binding decisions upon any matter related to the design, the implementation and operation according to the rights and obligations set forth by the Agreement. In case the regular representative is not able to represent the Party, a delegation to another representative of the Party is possible. Other representative shall be empowered to take any binding decisions upon its company on all items of the agenda, if the regular representative cannot attend a meeting. If a Party is unable to attend a Permanent Working Group meeting, such absent Party may mandate the representative of another Party. In such case, the absent Party shall inform by any means the other Parties before the meeting starts, that the Party cannot attend and gives the name of the Party representing the Party on its behalf. One



voting representative may represent more than one Party provided it is duly mandated to do so.

4. Permanent Working Group members shall decide commonly upon how to meet and the frequency and location of its meetings, with the restriction that the Permanent Working Group shall have at least two physical meetings per calendar year.
5. The Permanent Working Group is the expert body of the pre-netting cooperation and prepares background materials (such as analyses, impact assessment, summaries or decisions) and evaluates and proposes concepts in relation to the development of this Agreement. The Permanent Working Group meets as often as needed and in the way, its members decide upon. The Permanent Working Group may meet either physically or by remote meeting devices (such as e.g. conference call, video call).
6. The Permanent Working Group shall appoint a convenor, after the Agreement enters into force. The convenor shall be one of the Parties and can be changed anytime by the decision of the Permanent Working Group. The convenor organizes work of the Permanent Working Group and is a single point of contact between the Permanent Working Group and the LFC block organisation, as well as towards IGCC Steering Committee.

#### **Article 7. Decision making**

1. The decisions of Permanent Working Group related to pre-netting are made in line and subordinated to the IGCC process. Parties shall implement a decision process, which ensures effective decision making with the aim to find unanimous decisions and to comply with the objectives of pre-netting under IGCC.
2. Each Party is obligated to take part in the decision process. At least 2/3 of the Parties must be present in person to initiate a decision process at Permanent Working Group meeting.
3. Decisions of are made by unanimity of all Parties in the Permanent Working Group. For each decision to be taken, each Party shall take part in the decision process or be represented through a mandate.
4. Parties shall commonly cooperate to find a suitable solution for all Parties. In case a Party is able to demonstrate that a successful decision would have a strong detrimental effect and the objectives of pre-netting cannot be reached anymore, or is able to demonstrate successfully that it is temporarily not able to comply with the decision, all Parties shall actively cooperate and make reasonable efforts to find a solution in order to prevent a possible termination by the respective Party of the Agreement.

#### **Article 8. Operational responsibilities**

1. On the level of LFC Block, all Parties (TSOs) shall be technically equipped to perform a role of Host TSO, to perform the calculation and provision of correction signal for pre-netting.





Permanent Working Group will appoint one TSO to perform a role of a Host TSO. Permanent Working Group will as well appoint another TSO to perform a role of backup host TSO. Permanent Working Group will appoint one TSO (being a host/backup host/ or not) to perform a role of accounting and settlement.

2. Each Party shall actively cooperate and fulfil the requirements set forth by the pre-netting process, including but not limited to:
  - a. implementation of the control structure as well as the necessary real-time data exchange, such as continuous and correct calculation and provision of input values necessary for correct calculation of the Corrections; correct processing of the Corrections received from the Host TSO;
  - b. the operation according to the operational guidelines; the provision of highly available and redundant communication lines to the Host TSO; a plausibility check on the input values for the pre-netting optimization system.
3. The Host TSO shall operate and maintain the pre-netting optimization system according to the pre-netting mechanism requirements, including but not limited to the following tasks:
  - a. the acquisition and observation and plausibility check of the input values for the optimisation as well as for the operational transparency
  - b. the correct calculation of the Corrections according to the optimization algorithm
  - c. timely submission to the Parties of the calculation values
  - d. provision of residual correction requests and all calculated values to the IGCC mechanism
4. All Parties shall agree on the definition of Limits restricting the power flows caused by pre-netting and remainder of Limits to be provided to IGCC mechanism.

## **Article 9. Settlement**

1. Each Party shall actively cooperate with all other Parties in order to
  - a. create and revise concepts related to the settlement of energy exchange;
  - b. implement and execute mutual billing procedures;
  - c. monitor the correct implementation and execution of the settlement, according to the settlement principles.



2. Each Party shall implement and carry out the procedures for the settlement of pre-netting energy exchange set forth by Settlement procedure in a proper and timely manner.
3. In case the pre-netting Opportunity Prices are no longer used, the methodologies used for calculation of the pre-netting Opportunity Prices of Parties are no longer applicable. In such a case, Parties agree upon amendment to the Opportunity prices (Annex).
4. Invoices shall fall under the VAT reverse charge regime.

#### **Article 10. Cost sharing**

1. Each Party shall bear its own costs and is solely responsible for the due payment of all the fees and costs related to the technical infrastructure necessary for the successful operation of pre-netting.
2. All Parties agree and acknowledge that the operational costs of the Host TSO are individual costs of the Host TSO.
3. All Parties agree and acknowledge that all cost of a TSO performing accounting and settlement are individual costs of this TSO.

#### **Article 11. Confidentiality of information**

1. All of the information relating to exchanged values, limits, algorithms, settlement and accounting concluded under this Agreement shall be kept confidential.
2. In the event that the submission of the confidential information referred to in paragraph 1 of this Article is required by state authorities or an international organization in which one or more Contracting Parties are members, and the submission of such information is undoubtedly deemed a liability assumed by any of the Contracting Parties, that Contracting Party shall submit the requested data to the state authority or international organization and notify the other Contracting Party thereof in writing.
3. Each of the Contracting Parties shall be entitled to record telephone calls relating to this Agreement and to keep these recordings as evidence. The Contracting Parties are not obliged to notify each other about recording telephone calls. The Contracting Parties declare they have obtained the approval of their employees and other persons for recording telephone calls and keeping records.
4. The Contracting Parties shall keep the information referred to in paragraph 1 of this Article as confidential for two years from the date of conclusion of the transaction in question.

#### **Article 12. Force majeure**

1. The Parties understand force majeure as meaning any event that occurred after conclusion of the Agreement, that could not reasonably be predicted, that could not be ascribed to fault by either of the Parties and that made performance of the Agreement impossible,



either temporarily or permanently. The following situations, among others, will be considered as force majeure: war, natural disasters, industrial action at suppliers, damage to equipment for generating, transmitting or distributing electrical energy, legal and official arrangements and/or other circumstances that cannot be averted by the affected Party, the occurrence of which cannot be immediately remedied by reasonable technical and economic means.

2. If the Parties are prevented from fulfilling the mutual contractual obligations by force majeure, the corresponding obligations are suspended until the force majeure event and its consequences are removed. The Parties shall make sure that in cases of force majeure it is ensured without delay and with all reasonable means that obligations can be resumed as soon as possible.

#### **Article 10. Settlement of disputes**

1. Each Party shall be liable for damages caused to the other Party by a breach of this Agreement. The maximum amount of liability for damages cannot exceed the financial amount of \_\_\_\_\_.
2. All Parties shall make every effort to amicably resolve any dispute that may arise when providing services under this Agreement.
3. In the event of a disputed situation, the following procedure shall apply:
  - a. A Party which believes it has a certain claim towards the other Party shall submit to this Party a request for regulating the claim in question which contains: the basis and the amount of the claim, reference to the provisions of this Agreement, as well as attached relevant documentation;
  - b. Records from the dispatch documents and billing data submitted to IGCC shall be considered as evidence;
  - c. The request shall be delivered to the other Party in person with a receipt or by registered mail.
4. The authorized representatives of all Parties shall meet at a specified time and at the agreed place. If only a partial dispute settlement is reached, the report should strictly separate the resolved and unresolved issues and to precisely describe the part covered by the agreement and the part that remains unresolved. If the Parties fail to reach an agreement within 60 days from the date of submission of the request referred to in paragraph 1 of this Article, all agreements arising out of or in connection with this Agreement shall be settled by the Foreign Trade Court of Arbitration.

#### **Article 13. Extension**

1. Prerequisites for joining the pre-netting Agreement for other Parties (TSOs) are:
  - a. They are members of IGCC



- b. They are members of LFC Block \_\_\_\_\_
2. The Agreement is valid for the new party on the date of entry into force of the corresponding accession agreement.
3. In the case the Agreement has to be adapted to the new party, the validity of the Agreement for the new party may not be earlier than the necessary adaptation of the Agreement.

#### **Article 14. Termination**

1. Each Party is entitled to terminate this Agreement by written notice, taking into account a three-month period prior to the date of termination.
2. The termination by a Party does not affect the validity of this Agreement for the remaining Parties. In such a case, the Parties are obliged to adapt related Annexes to the new situation.
3. Notwithstanding paragraphs (1) and (2) of this article, the Host TSO can only terminate this Agreement, taking into account a period of 1 (one) year prior to the termination.
4. A Party can be excluded from pre-netting by unwillfull termination of this Agreement with immediate effect upon written notice by unanimous decision of other Parties, if the Party breaches the fulfilment of one or more of the basic principles and obligations of the pre-netting cooperation as stated in Article 2, Article 4, Article 7 and Article 10.
5. All Parties shall seek for a compromise solution in order to mitigate the impacts of a termination on any Party.

#### **Article 15. Final provisions**

1. This Agreement is concluded for an indefinite period and shall become effective on the first calendar day in the month following the month when it is signed by the authorized representatives of all Parties.
2. The Parties declare that they have concluded this Agreement freely and have acted upon their free and personal will, and were not forced to act in this way, nor were they found in some unfavourable circumstances.
3. Amendments to this Agreement shall be made in the written form signed by the authorized representatives of all Parties and shall be indicated by numbers in ascending order.
4. The Annexes to this Agreement can be amended by Permanent Working Group decision, according to the decision making procedure. Changes or amendments to the Annexes are only effective if they have been made in writing and shall become effective after the last signature by the Parties.



5. If, due to a change in the relevant regulations of the countries of the Contracting Parties or the ENTSO-E Rules, any of the provisions hereof is held to be invalid or unenforceable, all Parties shall endeavour to replace such a provision with another appropriate provision as soon as possible.

#### **Article 16. Annex to the Pre-netting Agreement**

1. The Annex of this Pre-netting Agreement is the IGCC Multilateral Agreement (MLA), as an integral and inseparable part of this Pre-netting agreement. In case of conflicts in the interpretation between the Pre-netting Agreement and MLA, the MLA prevails first, followed by the Pre-netting Agreement.

#### **Signatories**

(TSO 1): \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_

(TSO 2): \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_

(TSO 3): \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_



## ANNEX 2: AGREEMENT MODEL ON MUTUAL CROSS-BORDER EXCHANGE OF BALANCING ENERGY

### Article 1. Purpose of the Agreement

1. This Agreement establishes the conditions and rules under which the Contracting Parties shall deliver to each other the Cross-border mFRR balancing energy (hereinafter referred to as the "CBmFRRE") using their available reserves in real time and not endangering the system's security.
2. The Contracting Parties have decided to conclude this Agreement which shall facilitate the cooperation between the Contracting Parties aimed at carrying out the cross-border mFRR balancing energy delivery

### Article 2. Terms and Abbreviations

1. List of terms and abbreviations is provided in Annex.

### Article 3. Scope of the CBmFRRE Agreement

1. The subject of this Agreement is the provision of assistance in the form of CBmFRRE delivery between Contracting Parties via high-voltage interconnection transmission lines for the needs of balancing the system (regulation area) of one of the Contracting Parties. The assistance is of mutual nature between Contracting Parties so under this Agreement all Contracting Parties can be the CBmFRRE supplier or recipient. Therefore, all the rights and obligations arising out of this Agreement are equally applicable to all Contracting Parties as the Supplier or Recipient.

### Article 4. Governance

1. Each Contracting Party appoints one regular representative in the High Level Working Group (HLWG) and one in Permanent Working Group (PWG) to discuss and to take binding decisions upon any matter related to the design, the implementation and operation of cross-border supply of balancing energy. In case the regular representative is not able to represent the Contracting Party, a delegation to another representative of the Contracting Party is possible. This other representative shall be empowered to take any binding decisions upon its company on all items of the agenda, if the regular representative cannot attend a meeting.
2. The HLWG is the decision making body of the mFRR cooperation with the right to take any binding decision on any matter or question related to the implementation. It is a superior body to the WB6 mFRR PWG. The HLWG representatives shall have the power to take any binding decision on behalf of their company in relation with the implementation of cross-border mFRR energy exchange. They shall decide commonly upon how to meet



(physically, by conference call or electronically via for instance web conference) and the frequency and location of its meetings, with the restriction that the HLWG shall have at least two physical meetings per calendar year.

3. For a good functioning of the mandate process, described in paragraph (2) of this article, the date of the meeting shall be communicated to the HLWG Members at the latest 15 (fifteen) calendar days before the meeting takes place, or as otherwise unanimously agreed upon.
4. The PWG is the expert body and prepares background materials for the HLWG (e.g. analyses, impact assessment, summaries or decisions) and evaluates and proposes concepts in relation to the development of this Agreement. The PWG may meet either physically or by remote meeting devices (such as e.g. conference call, video call).
5. The PWG shall decide on a convenor at the first meeting of the PWG after this Agreement enters into force. The convenor shall be one of the Contracting Party and can be changed anytime by the decision of the PWG. The convenor organizes work of the PWG and is a single point of contact between the PWG and the HLWG.

#### **Article 5. Decision making**

1. The Contracting Parties shall implement a decision process, which ensures effective decision making with the aim to find unanimous decisions and to comply with the objectives of cross-border mFRR energy exchange.
2. Each Contracting Party is obligated to take part in the decision process. At least 2/3 of the Contracting Parties must be present in person to initiate a decision process at an HLWG meeting
3. Without prejudice to Article - Governance, decisions of Contracting Parties are made by unanimity of all Contracting Parties in the HLWG. The decision process can consist of one or two voting rounds. Each voting round, each Contracting Party shall have one vote. Contracting Party have the right to abstain from voting for each decision to be taken, in which case the vote of the abstaining Contracting Party is not taken into account for reaching unanimity for this specific decision.

#### **Article 6. Activation**

1. For the purposes of protocoling transactions for the exchange of CBmFRRE, as a rule, the remaining available cross-border capacity after the completion of the intraday process is used. No part of the net transmission capacity can be reserved in advance for cross-border energy delivery. This CBmFRRE delivery shall not affect the pre-specified (reported) capacity.
2. The Contracting Parties shall submit offers for CBmFRRE expressed in energy (MWh) - price (EUR/MWh) pairs, based on national and internal rules regulating the electricity balancing market, as well as other relevant regulations.
3. The Contracting Parties shall exchange indicative offers of CBmFRRE in the following time frames:





- a. On D-1 day, before 16:00 h, for D day, the quantities of CBmFRRE with the related prices;
  - b. On D day, 30 minutes before the beginning of the hour in which delivery is offered, the quantities of CBmFRRE with the related prices.
4. The Contracting Party with which the need arises as to the obtaining or delivery of CBmFRRE shall submit a request to the other Contracting Party. CBmFRRE is activated by the agreement of the Contracting Parties' dispatchers or via regional activation platform.
5. The start and end time of CBmFRRE activation is given in the five-minute resolution (full hour and 00, 05, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55 minutes). The amount of activated CBmFRRE reduced to the mean hour value must give an integer value of power in MW.
6. Documenting the CBmFRRE activation shall be carried out by mutual signing of the completed CBmFRRE Activation Confirmation (based on this Agreement) (hereinafter referred to as: Confirmation) by dispatchers of Contracting Parties or by sending activation request to regional activation platform.
7. The CBmFRRE activation is deemed completed after harmonizing and setting the values of CBmFRRE exchange on the virtual transmission line that connects Supplier and Recipient in SCADA/EMS systems of the Contracting Parties. The data on the exchanged CBmFRRE from the Confirmation is entered by Supplier in its SCADA/EMS system and forwarded by Supplier to Recipient using the TASE2 protocol. Both parties treat this data in their SCADA/EMS systems as an exchange by virtual transmission line connecting Supplier and Recipient.
8. When a Contracting Party on its SCADA/EMS system sets the value of exchange on the virtual transmission line, it then changes its area control error by the same value. The goal is for the TSO delivering the CBmFRRE to have a negative area control error and for the TSO receiving the CBmFRRE to have a positive area control error. By activating the generator reserve in the area supplying the CBmFRRE, this energy flows through the physical transmission lines into the area receiving the CBmFRRE and the area control errors of all TSOs return to zero.
9. The energy exchanged by the virtual transmission line is treated as exchanged electricity between Contracting Parties in accordance with the Accounting Agreement.
10. The names of the persons authorized to contract the CBmFRRE delivery under this Agreement, as well as their data, are listed in Annex to this Agreement. In the event of a need to update the list of authorized persons or their data, the Contracting Party wishing to update the list shall send a new one by e-mail in PDF in Word format (and the original copy by mail if requested) to the other Contracting Parties, according to Article – Persons authorized for communication, paragraph 3. There is no need to re-sign this Agreement in case of amending Annex to the Agreement.
11. Telephone communication between the dispatchers regarding the procedures described in this Article shall be recorded. In case of using the regional platform for activation, activation log shall be archived.
12. Communication between the Contracting Parties shall be carried out through the IT system, telephone, e-mail or fax.





## Article 7. Pricing and billing

1. The Contracting Parties agree that the quantity of delivered CBmFRRE shall be specified in the written Confirmation or in the Activation Request as per Article - Activation, paragraph 6 of this Agreement model. The quantity specified in the Confirmation shall be considered a valid quantity for delivery.
2. The Contracting Parties agree that the Recipient shall pay to the Supplier a binding price for CBmFRRE equal to the price agreed by the Contracting Parties prior to the commencement of the CBmFRRE delivery and mutually confirmed by the Contracting Parties in accordance with Article IV, paragraph 6.
3. The Contracting Parties shall offer a price from the balancing mechanism applicable in its country, which is valid for the expected start and duration of the CBmFRRE delivery.

## Article 8. Terms of payment

1. Invoicing and payment shall be made according to the following conditions:
  - a. Invoicing is done on a monthly basis for each month during which the CBmFRRE is delivered and based on the Confirmation;
  - b. The invoices should contain elements in accordance with the legal regulations of the Contracting Parties, including all information necessary under the Value Added Tax (VAT) Laws applicable in participating countries.
  - c. The Party that supplied the CBmFRRE shall issue a payment invoice at the latest on the fourth working day after the expiration of the month in which the delivery of electricity was made. The invoice shall be sent to the other Contracting Party by both e-mail and mail (in its original form).
  - d. The date for payment indicated in the invoice is always the date when the indicated amount should be paid to the bank account of the Supplier. The date for paying all invoices issued by the Contracting Parties shall be the 20th calendar day of the month following the month in which the delivery was made.
  - e. The Contracting Parties shall bear tax liabilities and duties as well as other expenditures which resulted from the implementation and enforcement of this Agreement. The Parties hereto settle payments without any deductions and fees of correspondent banks that shall be borne by the party settling the payment.
2. In the event of a delay in the fulfilment of their financial obligations, the Contracting Parties shall pay interest at a rate of 0.03 % for arrears, for each day of delay. The delay starts to be counted from the first day after the payment due date and ends on the date of making the payment

## Article 9. Confidentiality of information

5. All of the information relating to commercial transactions concluded under this Agreement shall be kept confidential.
6. In the event that the submission of the confidential information referred to in paragraph 1 of this Article is required by state authorities or an international organization in which



one or more Contracting Parties are members, and the submission of such information is undoubtedly deemed a liability assumed by any of the Contracting Parties, that Contracting Party shall submit the requested data to the state authority or international organization and notify the other Contracting Party thereof in writing.

7. Each of the Contracting Parties shall be entitled to record telephone calls relating to this Agreement and to keep these recordings as evidence. The Contracting Parties are not obliged to notify each other about recording telephone calls. The Contracting Parties declare they have obtained the approval of their employees and other persons for recording telephone calls and keeping records.
8. The Contracting Parties shall keep the information referred to in paragraph 1 of this Article as confidential for two years from the date of conclusion of the transaction in question.

#### **Article 10. Settlement of disputes**

5. Each Contracting Party shall be liable for damages caused to the other Contracting Party by a breach of this Agreement. The maximum amount of liability for damages cannot exceed the financial amount of the agreed CBmFRRE delivery.
6. All Contracting Parties shall make every effort to amicably resolve any dispute that may arise when providing services under this Agreement.
7. In the event of a disputed situation, the following procedure shall apply:
  - a. A Contracting Party which believes it has a certain claim towards the other Contracting Party shall submit to this Contracting Party a request for regulating the claim in question which contains: the basis and the amount of the claim, reference to the provisions of this Agreement, as well as attached relevant documentation;
  - b. Records from the dispatch documents and billing data submitted to the control block and the Swissgrid Coordination Center in Laufenburg shall be considered as evidence;
  - c. The request shall be delivered to the other Contracting Party in person with a receipt or by registered mail.
8. The authorized representatives of all Contracting Parties shall meet at a specified time and at the agreed place. If only a partial dispute settlement is reached, the report should strictly separate the resolved and unresolved issues and to precisely describe the part covered by the agreement and the part that remains unresolved. If the Contracting Parties fail to reach an agreement within 60 days from the date of submission of the request referred to in paragraph 1 of this Article, all agreements arising out of or in connection with this Agreement shall be settled by the Foreign Trade Court of Arbitration.



### **Article 11. Force Majeure**

1. The Contracting Parties understand force majeure as meaning any event that occurred after conclusion of the Agreement, that could not reasonably be predicted, that could not be ascribed to fault by either of the Contracting Parties and that made performance of the Agreement impossible, either temporarily or permanently. The following situations, among others, will be considered as force majeure: war, natural disasters, industrial action at suppliers, damage to equipment for generating, transmitting or distributing electrical energy, legal and official arrangements and/or other circumstances that cannot be averted by the affected Contracting Party, the occurrence of which cannot be immediately remedied by reasonable technical and economic means.
2. If the Contracting Parties are prevented from fulfilling the mutual contractual obligations by force majeure, the corresponding obligations are suspended until the force majeure event and its consequences are removed. The Contracting Parties shall make sure that in cases of force majeure it is ensured without delay and with all reasonable means that obligations can be resumed as soon as possible.

### **Article 12. Persons authorized for communication**

3. Representatives for operational management (dispatchers) of all Contracting Parties are authorized to conclude individual transactions for the delivery of CBmFRRE and to take all other measures necessary for the fulfilment of obligations arising out of the concluded CBmFRRE deliveries transactions. Representatives for operational management (dispatchers) of all Contracting Parties are authorized to validate individual commercial transactions.
4. Representatives of all Contracting Parties have been given a power of attorney within this Agreement to negotiate matters relating to the subjects, deadlines and other conditions relating to the implementation of this Agreement. If the negotiations lead to an initiative to amend this Agreement, that proposal shall be deemed merely a draft amendment to this Agreement. The authorized representatives for contractual relations are not entitled to modify, terminate or conclude this Agreement
5. The Contracting Parties shall inform each other in writing of any change regarding the authorized representative for communication or change in the address, telephone or fax of that representative at the latest 3 working days prior to such a change taking effect, in accordance with Article - Activation paragraph 9.

### **Article 13. Final Provisions**

1. This Agreement is concluded for an indefinite period and shall become effective on the first calendar day in the month following the month when it is signed by the authorized representatives of all Contracting Parties.



2. The documents referred to in Terms of Payment (invoices) and Settlement of Dispute of this Agreement must be delivered by registered mail or in person with a receipt. If the documents are delivered by e-mail or by fax, the date of delivery shall be deemed to be the date when these documents are delivered to the addressee. In all other cases, the date of delivery shall be deemed to be the date on which the documentation was delivered to the addressee, either by registered mail or in person.
3. If one of the Contracting Party defaults in the manner and pursuant to the provisions of this Agreement, the other Contracting Party shall provide the defaulting party with a written warning to fulfil the contractual obligations. If the defaulting Contracting Party continues to default even after the written warning, the other Contracting Party may terminate the Agreement without a warning, by sending a written notice of the date of termination.
4. The Contracting Parties declare that they have concluded this Agreement freely and have acted upon their free and personal will, and were not forced to act in this way, nor were they found in some unfavourable circumstances.
5. Amendments to this Agreement shall be made by an Annex in the written form signed by the authorized representatives of all Contracting Parties and shall be indicated by numbers in ascending order.
6. If, due to a change in the relevant regulations of the countries of the Contracting Parties or the ENTSO-E Rules, any of the provisions hereof is held to be invalid or unenforceable, all Contracting Parties shall endeavour to replace such a provision with another appropriate provision as soon as possible.
7. By entering into force of this Agreement, the prior Agreement on purchase and sale of tertiary regulation energy for balancing the system as well as all its accompanying annexes shall cease to have effect.

### Signatories

(TSO 1): \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_

(TSO 2): \_\_\_\_\_

Authorised signature: \_\_\_\_\_



Technical Assistance to the Implementation of Cross-border  
Electricity Balancing

Task 5 – Integration Roadmap – Annexes: contract models



Place, date: \_\_\_\_\_

(TSO 3): \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_