

Pursuant to Article 24, paragraph (1), point 1), indent 24 and in conjunction with Article 84, paragraph (4) of the Law on Energy *(„Official Gazette of the Republic of Macedonia“ no. 96/18 and "Official Gazette of the Republic of North Macedonia" no. 96/19 and 236/22), the Energy, Water Services, and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia, in the session held on 22 February 2024, adopted the following

RULES ON EXEMPTION FROM APPLYING SEPARATE OBLIGATIONS DERIVING FROM THE GRID RULES ON ELECTRICITY TRANSMISSION^{1*}

I GENERAL PROVISIONS

Article 1

These rules regulate the procedure, terms and criteria of the Energy, Water Services, and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia (hereinafter: Energy Regulatory Commission) for allocating the right of exemption from applying separate obligations of the Grid Rules for Electricity Transmission (hereinafter: Grid Rules), i.e., exemption from applying connection rules, set in Annex 3 - Application for connection of generation units and Annex 4 - Application for consumer connection, from the Grid Rules on Transmission, especially:

1. The criteria under which exemption from applying separate obligations from the Grid Rules is allocated;
2. Form, content, and manner of submitting the application for exemption from applying separate obligations from Grid Rules;
3. Necessary documents which is attached to the application referred to in point 2 paragraph (1) of this Article, and
4. Procedure and timeline for proceeding upon the application referred to in point 2 paragraph (1) of this Article.

Article 2

- (1) When allocating the right of exemption from applying separate obligations set in Annex 3 of the Grid Rules - Applications for connection of generation units, the Energy Regulatory Commission takes into account the following criteria:
 1. Whether the exemption from applying all or only some of the provisions of the Grid Rules which refer to the connection of generation units may affect negatively the functioning and stability of the power system
 2. Whether the current or future producer may fulfill partially or completely all the requirements set in Annex 3 of Grid Rules if faced with justified technical or economic difficulties referring to:
 - The type of primary energy which is used in the generation unit,
 - Type of synchronous and asynchronous generator,
 - Technological development and possibilities of producers for complying with separate requirements contained in the Grid Rules.
 3. Whether the approval for exemption may cause a discriminatory behavior of the power system generator (hereinafter: ETSO) toward similar or identical generation units, for identical cases of connection to the electricity transmission grid.
- (2) When allocating the right of exemption from applying separate obligations set in Annex 4 of the Grid Rules - Applications for connection of consumers, the Energy Regulatory Commission considers the following criteria:
 1. Whether the exemption from applying all or only some of the provisions referred to in Annex 4 - Applications for consumer connection, from the Grid Rules may affect negatively the functioning and stability of the power system,

¹ * These rules provide compliance with Regulation (EU) 2016/631 of 14 April 2016 on establishing a network code on requirements for grid connection of generators and Regulation (EU) 2016/1388 of 17 August 2016 on establishing a network code of generators and Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection

2. Whether the exemption causes or may cause discriminatory behavior of ETSO toward similar or identical plants of the consumer or the distribution system, for identical cases of their connection to the electricity transmission grid.

Article 3

The Energy Regulatory Commission may decide that the plants for electricity production and consumption and the electrical distribution systems connected to the electricity transmission system for which a request for granting the right of exemption has been submitted may not have to comply with the requirements of the Grid Rules from which the exemption is requested, from the day of submitting the application for allocating the right of exemption until a decision for allocating the right of exemption is made by the Energy Regulatory Commission.

II SUBMITTING THE APPLICATION FOR ALLOCATING THE RIGHT OF EXEMPTION

II.Submitting the application for allocating the right of exemption for the generation unit

Application for allocating the right of exemption submitted by the owner of a generation unit

Article 4

- (1) A current producer who is obliged to comply with these rules or a future producer may apply for allocation of exemption for separate generation modules in their generation units.
- (2) The application referred to in paragraph (1) of this Article is submitted to ETSO and contains the following:
 1. Identification of the current or future owner of the generation unit and contact person;
 2. Description of the generation module or modules subject to the application for allocating the right of exemption and the total installed capacity of the generation unit;
 3. Reference to the provisions of the Grid Rules subject to the application for the right of exemption,
 4. Detailed justification with relevant documents and cost-benefit analysis prepared in line with Article 9 and 10 of these Rules;
 5. Evidence that the required right for exemption will not adversely affect the cross-border trade in electricity.
- (3) Within 15 days from receiving the application referred to in paragraph (2) of this Article, TSO shall notify the applicant whether the application is complete and in order, and if TSO determines that the application is incomplete, it shall require from the applicant to submit the necessary additional information within 30 days.
- (4) If the applicant does not submit the additional requested information within the period established in paragraph (3) of this article, it will be considered that he has given up from the application.
- (5) ETSO shall evaluate the application for allocating the right of exemption taking into account the criteria referred to in Article 2 of these rules.
- (6) Within six months from the day of receiving the application, TSO shall submit the application referred in paragraph (1) of this Article and the evaluation referred to in paragraph (5) of this Article to the Energy Regulatory Commission.
- (7) The application referred to in paragraph (6) of this Article shall be submitted by TSO in the form contained in Annex 1, which is an integral part of these Rules.
- (8) The timeline referred to in paragraph (6) of this Article can be extended for an additional period of 30 days if the TSO requires additional information from the applicant referred to in paragraph (1) of this Article.

- (9) The Energy Regulatory Commission shall adopt a decision referring to the application for allocating the right of exemption within six months from the day of receiving the application.
- (10) The timeline referred to in paragraph (9) of this Article may be extended to an additional period of three months if the Energy Regulatory Commission requires additional information from the applicant referred to in paragraph (1) of this Article or from other interested parties, whereby the three-month timeline shall start run after receiving the requested additional information .
- (11) If the applicant referred to in paragraph (1) of this Article does not submit the additional information referred to in paragraph (10) of this Article within two months after receiving the request by the Energy Regulatory Commission, it shall be considered that he has given up the application, unless:
 1. The Energy Regulatory Commission make a decision to extend the timeline, or
 2. The applicant referred to in paragraph (1) of this Article, by submitting a justified notification, informs the Energy Regulatory Commission that the application for allocating the right of exemption is complete.
- (12) The Energy Regulatory Commission shall adopt a justified decision referring to the application for allocating the right of exemption for Energy adopts a reasoned decision regarding the submitted request for granting the right of exemption, and if the right of exemption is allocated, it shall determine the expiration of the right.
- (13) The Energy Regulatory Commission shall submit a copy of the decision referred to in paragraph (12) of this Article to the applicant and TSO.
- (14) The Energy Regulatory Commission may revoke the decision for allocating the right of exemption due to a change in circumstances and the inapplicability of the circumstances for adopting the decision, or upon a justified recommendation from the Secretariat of the Energy Community Regulatory Board.

Application for allocating the right of exemption of a generation unit submitted by TSO

Article 5

- (1) The TSO may submit to the Energy Regulatory Commission an application for allocating the right of exemption for individual generation modules or for a group of generation modules connected or to be connected to the power transmission system.
- (2) The application referred to in paragraph (1) of this Article shall be submitted by TSO in the form contained in Annex 1, which is an integral part of these Rules.
- (3) Attached to the application referred to in paragraph (1) of this article, TSO shall submit the following:
 1. TSO identification and data of the contact person;
 2. Description of the generation module or modules subject to the application for allocating the right of exemption and the total installed capacity and number of the generation units;
 3. Reference to the obligation or obligations deriving from Grid Rules subject to the application for allocating the right of exemption and detailed description of the requested exemption;
 4. Detailed justification of the application and relevant documents;
 5. Evidence that the requested right of exemption will not negatively affect the cross-border trade with electricity and
 6. Cost-benefit analysis of the requested exemption, prepared in line with Articles 9 and 10 of these Rules.
- (4) The Energy Regulatory Commission shall adopt a decision referring to the submitted application for allocating the right of exemption within six months from the day of receiving the application.
- (5) The timeline referred to (4) of this Article, may be extended for an additional period of three months, if the Energy Regulatory Commission requires from the TSO or from other interested parties for additional information, whereby the additional timeline shall start in the next day from the day of receiving the complete information.
- (6) If the TSO does not submit the additional information referred to in paragraph (5) of this Article, within two months after receiving the request submitted by the Energy Regulatory Commission, it shall be considered that he has given up the application, unless:
 - 1) The Energy Regulatory Commission makes a decision to extend the timeline, or
 - 2) The TSO, by submitting a justified notification, informs the Energy Regulatory Commission that the application for allocating the right of exemption is complete.

- (7) The Energy Regulatory Commission shall adopt a justified decision referring to the application for allocating the right of exemption for Energy adopts a reasoned decision regarding the submitted request for granting the right of exemption, and if the right of exemption is allocated, it shall determine the expiration of the right.
- (8) The Energy Regulatory Commission shall submit a copy of the decision referred to in paragraph (7) of this Article to the TSO and to the Energy Community Secretariat and to the Energy Community Regulatory Board.
- (9) The Energy Regulatory Commission may revoke the decision for allocating the right of exemption due to a change in circumstances or upon a justified recommendation from the Energy Community Secretariat of the Energy Community Regulatory Board.

II.2 Submitting the application for allocating the right of exemption for a consumer

Application for allocating the right of exemption submitted by the owner of a consumer or DSO

Article 6

- (1) The current or future owners of plants for energy consumption, or the current or future DSO or closed distribution systems may submit an application for allocating the right of exemption from one or more obligations, set in the Grid Rules for current plants or units for electricity consumption, connected to the electricity transmission system and for electricity distribution plants or electricity distribution systems connected to the electricity transmission system.
- (2) The application referred to in paragraph (1) of this Article is submitted to ETSO and contains the following:
 1. Identification of the owner of the plant for consumption or the future owner of the plant for consumption or DSO or closed distribution systems, and data of the contact person;
 2. Description of the plant for consumption, connected to the electricity transmission system, or electricity distribution plants or electricity distribution systems connected to the electricity transmission system, subject to the application for allocation the right of exemption;
 3. Reference to the obligation or obligations deriving from Grid Rules subject to the application for allocating the right of exemption and detailed description of the requested exemption;
 4. Detailed justification with relevant documents and cost-benefit analysis prepared in line with Article 9 and 10 of these Rules;
 5. Evidence that the required right for exemption will not adversely affect the cross-border trade in electricity.
- (3) Within 15 days from receiving the application referred to in paragraph (2) of this Article, TSO shall notify the applicant whether the application is complete and in order, and if TSO determines that the application is incomplete, it shall require from the applicant to submit the necessary additional information within 30 days.
- (4) If the applicant referred to in paragraph (1) of this Article does not submit the additional requested information within the period established in paragraph (3) of this Article, it shall be considered that he has given up from the application.
- (5) TSO assesses the application and the cost-benefit analysis, submitted in line with paragraph (2) of this Article, taking into account the criteria referred to in Article 2 of these Rules.
- (6) Within six months from the day of receiving the application, TSO shall submit the application referred in paragraph (2) of this Article and the evaluation referred to in paragraph (5) of this Article to the Energy Regulatory Commission.
- (7) The application referred to in paragraph (6) of this Article shall be submitted by TSO in the form contained in Annex 2, which is an integral part of these Rules.
- (8) The timeline referred to in paragraph (6) of this Article can be extended for an additional period of 30 days if the TSO requires additional information from the applicant.

- (9) The Energy Regulatory Commission shall adopt a decision referring to the application for allocating the right of exemption within six months from the day of receiving the application.
- (10) The timeline referred to in paragraph (9) of this Article may be extended to an additional period of three months if the Energy Regulatory Commission requires additional information from the applicant referred to in paragraph (1) of this Article or from other interested parties, whereby the three-month timeline shall start run after receiving the requested additional information .
- (11) If the applicant referred to in paragraph (1) of this Article does not submit the additional information referred to in paragraph (10) of this Article within two months after receiving the request by the Energy Regulatory Commission, it shall be considered that he has given up the application, unless:
1. The Energy Regulatory Commission make a decision to extend the timeline, or
 2. The applicant referred to in paragraph (1) of this Article, by submitting a justified notification, informs the Energy Regulatory Commission that the application for allocating the right of exemption is complete.
- (12) The Energy Regulatory Commission shall adopt a justified decision referring to the application for allocating the right of exemption for Energy adopts a reasoned decision regarding the submitted request for granting the right of exemption, and if the right of exemption is allocated, it shall determine the expiration of the right.
- (13) The Energy Regulatory Commission shall submit a copy of the decision referred to in paragraph (12) of this Article to the applicant referred to in paragraph (1) of this Article and to the TSO.
- (14) The Energy Regulatory Commission may revoke the decision for allocating the right of exemption due to a change in circumstances and the inapplicability of the circumstances, or if the basis for adopting the decision are not applicable anymore, or upon a justified recommendation from the Energy Community Secretariat or the Energy Community Regulatory Board.

Application for allocating the right of exemption for a consumer or DSO, submitted by the TSO

Article 7

- (1) The TSO may submit to the Energy Regulatory Commission an application for allocating the right of exemption set in the Grid Rules for plants or units of electricity consumption, connected to the electricity transmission system, and for electricity distribution plants or electricity distribution systems connected to the electricity transmission system, which shall especially contain the following:
1. Identification of the owner of the plant for consumption, the DSO or closed distribution systems, and data of the contact person;
 2. Description of the plant for consumption, connected to the electricity transmission system, or electricity distribution plants or electricity distribution systems connected to the electricity transmission system, subject to the application for allocation the right of exemption, and the overall installed capacity and the number of consumption units connected to the transmission grid, number of distribution plants connected to the transmission grid;
 3. Reference to the obligation or obligations deriving from Grid Rules subject to the application for allocating the right of exemption and detailed description of the requested exemption;
 4. Detailed justification of the application and relevant documents;
 5. Evidence that the requested right of exemption will not negatively affect the cross-border trade with electricity and
 6. Cost-benefit analysis of the requested exemption, prepared line Articles 9 and 10 of these Rules.
- (2) The application referred to in paragraph (1) of this Article shall be submitted by TSO in the form contained in Annex 2, which is an integral part of these Rules.
- (3) The Energy Regulatory Commission shall adopt a decision referring to the submitted application for allocating the right of exemption within six months from the day of receiving the application.
- (4) The timeline referred to (6) of this Article, may be extended for an additional period of three months, if the Energy Regulatory Commission requires from the TSO or from other interested parties for additional

information, whereby the additional timeline shall start in the next day from the day of receiving the complete information.

- (5) If the TSO does not submit the additional information referred to in paragraph (8) of this Article, within two months after receiving the request submitted by the Energy Regulatory Commission, it shall be considered that he has given up the application, unless:
 - 1) The Energy Regulatory Commission make a decision to extend the timeline, or
 - 2) The TSO, by submitting a justified notification, informs the Energy Regulatory Commission that the application for allocating the right of exemption is complete.
- (6) The Energy Regulatory Commission shall adopt a justified decision referring to the application for allocating the right of exemption for Energy adopts a reasoned decision regarding the submitted request for granting the right of exemption, and if the right of exemption is allocated, it shall determine the expiration of the right.
- (7) The Energy Regulatory Commission shall submit a copy of the decision referred to in paragraph (6) of this Article to the TSO and to the Energy Community Secretariat and to the Energy Community Regulatory Board.
- (8) The Energy Regulatory Commission may set additional requirements related to the preparation of the applications for allocating the right of exemption submitted by TSO, thus considering the demarcation between the electricity transmission and the electricity distribution system and the consults with system operators, owners of consumption plants and other users of the electricity transmission and distribution system.
- (9) The Energy Regulatory Commission may revoke the decision for allocating the right of exemption due to a change in circumstances and the inapplicability of the circumstances, or if the basis for adopting the decision are not applicable anymore, or upon a justified recommendation from the Energy Community Secretariat or the Energy Community Regulatory Board.

Preliminary analysis of cost-benefit analysis and cost-benefit analysis for applying the applications for current users of the electricity transmission system

Article 9

- (1) Before the current users of the electricity transmission system referred to in Article 5 paragraph (1) and Article 7 paragraph (1) comply with the requirements set in the Grid Rules, TSO shall conduct a preliminary cost-benefit analysis in a procedure set in Article 4 of the Grid Rules.
- (2) Current users shall provide the necessary data of the TSO for preparing the preliminary analysis and the cost-benefit analysis in timelines set in the Grid Rules.
- (3) Before the current or future users of the electricity transmission system referred to in Article 4 paragraph (1) and Article 6 paragraph (1) submit an application for allocating the right of exemption from one or more obligations set in the Grid Rules, they shall prepare a preliminary cost-benefit analysis.
- (4) The TSO shall collaborate with current or future users referred to in paragraph (3) of this Article when preparing the preliminary cost-benefit analysis and shall provide the necessary data within 30 days from the submission of the application.

General principles for preparing the cost-benefit analysis

Article 10

- (1) TSO, current and new producers, consumer units or the DSO shall prepare a cost-benefit analysis based on the following calculation principles:
 - Net current value,

- Investment return
 - Rate of return,
 - Necessary period for achieving the return point.
- (2) Entities referred to in paragraph (1) shall quantify the socio-economic benefits in the sense of improving the security of supply, whereby they shall especially comprise the following:
- Related reduction of the impossibility of supply during the operating age of the change,
 - The possible volume and duration of such an impossibility of supply,
 - Social cost per hour of such an impossibility of supply.
- (3) Entities referred to in paragraph (1) shall quantify the benefits for the electricity market, the cross-border trade and the integration from the renewable energy sources, thus comprising:
- The frequency response of the active power,
 - Balancing reserves,
 - Providing reactive power,
 - Congestion management,
 - Protection measures.
- (4) The TSO shall quantify the costs for applying the necessary rules of current users of the electricity transmission grid, thus comprising the following:
- Direct costs for implementing particular requirements,
 - Costs related to the adequate lost possibilities,
 - Costs related to the change caused by maintenance and management.

Registering issued decisions for allocating or refusing the applications for the right of exemption

Article 11

- (1) The Energy Regulatory Commission shall establish and keep an electronic register of issued decisions allocating or refusing the right of exemption from separate obligations set in the Grid Rules.
- (2) The register referred to in paragraph (1) of this Article shall contain the following:
1. Applications subject to allocated or refused right of exemption,
 2. Content of the requested exemption,
 3. Reasons for allocation or refused right of exemption and
 4. Consequences deriving from the allocation of the right of exemption
- (3) Every six months, and upon a request even more often, the Energy Regulatory Commission shall submit to the Energy Community Secretariat and to the Energy Community Regulatory Board and updated and consolidated register referred to in paragraph (1) of this Article.

Final provision

Article 12

These Rules shall enter into force in the eighth day of its publication in the "Official Gazette of the Republic of North Macedonia".

No. Xx-

22 February 2024

Skopje

President

**of the Energy, Water Services and Municipal Waste Services
Regulatory Commission of the Republic of North Macedonia**

Marko Bislimoski

Annex 1- Application for allocating the right of exemption of a generation unit/ module in generation units

1. Applicant data:

Name	
Seat	
Address	
e-mail	
phone:	
Applicant ²	

2. Contact person of the producer

Name and Surname	
Title	
e-mail	
phone:	

3. Data of the generation unit

Name:	
Type of the generation module	
Primary energy	
Location	
Installed capacity (kW)	
Number of generation units	
Voltage of connection (kV)	
Certificate of the equipment manufacturer (circle)	Yes No
Planned operating age of the module	
Planned initiation of operation	
Provisions from grid rules, subject to exemption	
Proposal for the duration of the exemption	

² If the application is submitted by the TSO in line with Article 5, the data of a current or future producer shall be submitted

4. Attached documents

a) main documents

Documents	Submitted (Yes / No)
Description of generation modules, subject to exemption	
Detailed description of the requested exemption	
Detailed description with adequate attached documents and cost-benefit description	
Evidence that the requested exemption shall not affect negatively the cross-border electricity trade.	

b) other documents

No.	Name of document

Place and date of submission:	Name, surname, and signature of the representative

Annex 2 - Application for allocating the right of exemption for owners of plants for energy consumption or DSO

1. Applicant data:

Name:	
Seat:	
Address	
e-mail	
phone:	
Applicant ³	

2. Contact person of the owner of the plant for consumption/DSO

Name and Surname	
Title	
e-mail	
phone:	

3. Data of the plant/electricity distribution system

Name:	
Location	
Installed capacity (kW)	
Voltage of connection (kV)	
Planned operating age	
Planned initiation of operation	
Provisions from grid rules, subject to exemption	
Proposal for the duration of the exemption	

³ If the application is submitted by the TSO in line with Article 7, the data of the owner of the plant for consumption/DSO shall be submitted

4. Attached documents

a) main documents

Documents	Submitted (Yes / No)
Description of the plant for consumption, connected to the electricity transmission system, or electricity distribution plants or electricity distribution systems connected to the electricity transmission system, subject to the application for allocation the right of exemption	
Detailed description of the requested exemption	
Detailed description with adequate attached documents and cost-benefit description	
Evidence that the requested exemption shall not affect negatively yhe cross-border electricity trade.	

b) other documents

No.	Name of document

Place and date of submission:	Name, surname, and signature of the representative