



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULLATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



ELECTRICITY IMPORT, EXPORT AND TRANSMISSION LICENSE

GRANTED TO :

”EDS International KS” L.L.C

Registration Number: ZRRE/Li_47/15

Prishtinë, 31 March 2016



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CHAPTER I : LICENSE TERMS

1. **Energy Regulatory Office** (hereinafter “ERO”), in compliance with the authority provided under Article 14 paragraph 2 sub paragraph 2.2 of the Law on Energy Regulator (Law no. 03/L-185), Article 15 of the Law on Energy (Law No. 03/L-184), Article 34 of the Law on Electricity (Law No.03/L-201), and Rule on Licensing of Energy Activities in Kosovo, issues to **“EDS International KS” L.L.C, having its address at Pejton “ Mujo Ulqinaku” No.5 ap 4** (hereinafter the licensee) **the Electricity Import, Export and Transmission License.**
2. Territory covered by this license is the entire territory of the Republic of Kosovo.
3. The license is issued for sale and purchase of electricity in a total capacity of up to **100 MW**.
4. The licensee may:
 - 4.1. purchase capacity and electricity from generators with unregulated prices;
 - 4.2. purchase and sell capacity and electricity from other suppliers at unregulated prices;
 - 4.3. purchase capacity and electricity from the public supplier, if the sale of capacities and electricity is allowed to the public supplier by the license and legislation in force;
 - 4.4. sell capacity and electricity to the public supplier at an unregulated price; and
 - 4.5. transmit, import and export electricity.
5. The license is valid from **31 March 2016** and shall continue to be valid until **30 March 2021**, with a possibility of renewal, in accordance with Rule on Licensing of Energy Activities in Kosovo.

Stamped with the common stamp of Energy Regulatory Office on:_____.

Signed by the Chairman of the Energy Regulatory Office, **Mr. Enver Halimi** (on behalf of the ERO Board):_____.

Signed on: _____



CHAPTER II: LICENSE CONDITIONS

Article 1: Definitions

1. Terms used in this license shall have the following meaning:

"Member " -direct or indirect relationship with the licensee, any shareholder company or subsidiary of the licensee, or any subsidiary of a shareholder company of the Licensee, established under applicable legislation.

"Electricity Export" -transmission of electricity from Kosovo to another country, in the sense that at the same time the electricity will be accepted from that country.

"Electricity Import" –acceptance of electricity in Kosovo from another country, in the sense that at the same time the electricity will be accepted.

"Financial Year" – period from 1 January to 31 December of the same calendar year.

"Joint Stock Company" – any company defined as such in accordance with applicable law in Kosovo.

"Legislation" – Law on Energy (Law no. 03/L-184), Law on Energy Regulator (Law no. 03/L-185), Law on Electricity (Law no. 03/L-201), and other primary or secondary legislation regulating the energy sector.

"Market Rules" - rules adopted by ERO, determining the functioning of electricity market and the relationship between the Market Operator and market participants, as well as interactions between these parties and Transmission System Operator.

"Codes" - the technical rules developed by Transmission System Operator and Distribution System Operator under the Law on Electricity and approved by ERO, in accordance with the Law on Energy Regulator.

"Energy Purchase Agreement" – an agreement for purchase of electricity with the generator of energy in accordance with Article 18 of the Law on Electricity.

"Subsidiary" - Any enterprise owned or controlled by another enterprise, as defined by the applicable legislation in Kosovo.

"Transmission" - electricity transport through Kosovo Transmission System, where neither generation nor corresponding acceptance of electricity is not realized in Kosovo.



2. Other terms used in this license shall have the same meaning prescribed to them as in the terms used in applicable legislation.

Article 2: Prohibition of Subsidies and Cross-subsidies

The licensee shall prevent or avoid any situation where electricity wholesale supply, import and export activity award or obtain any subsidy or cross-subsidy (direct or indirect) from any other activity of the licensee or any subsidiary (partner) or any member and/or any other person.

Article 3: Compliance with the Distribution Code, the Grid Code, the Metering Code and the Rule on General Conditions of Energy Supply

1. The license shall comply with the provisions of the Distribution Code, the Grid Code, the Metering Code and the Rule on General Conditions of Energy Supply.
2. The Licensee may seek derogation (postponement) in implementation of those provisions that are inapplicable under paragraph 1 of this Article. ERO may, after reviewing the application by the licensee, allow or reject the derogation (postponement) of the implementation deadline.

Article 4: Market Rules

1. The licensee shall act in conformity with the applicable Market Rules.
2. The licensee may seek derogation (postponement) in implementation of certain provisions of the Market Rules. ERO may, after reviewing the application by the licensee, allow or reject the derogation (postponement) of the implementation deadline.

Article 5: Health and Safety

The licensee shall undertake any action necessary to protect people from injuries that may be caused by the licensee while performing the activities of wholesale supply, import and export of electricity, in accordance with the applicable legislation.

Article 6: Labour

Regarding to employment relationships and safety at work, the licensee shall act in conformity with the applicable legislation in Kosovo.



Article 7: Change in Control of the Licensee

1. The licensee shall notify ERO of any changes expected in control at least sixty (60) days in advance. Change in control shall not be effective until it is approved by ERO.
2. The licensee shall notify ERO of any change in the organizational structure of the licensee. Such notice shall be given to ERO no later than three (3) days from the date of such a change.

Article 8: Provision of information to ERO

1. The Licensee shall submit to ERO Information and reports relating to energy contracts with other enterprises licensed by ERO, in the manner and on time frames that ERO will require.
2. If the licensee, in accordance with the Rule on Confidential Information requires certain information to be considered as confidential, it is obliged to mark such information as confidential and to justify its request to ERO. ERO will review such a request pursuant to the Rule on Confidential Information.
3. Energy Regulatory Office is entitled to ask from the Licensee any confidential information, necessary for performance of its functions and duties in accordance with Article 12 of the Law on Energy Regulator.
4. The licensee shall appoint a person through which it will communicate with Transmission System Operator and Market Operator. The address, phone number, fax number or the electronic mail address of such person shall be submitted to Transmission System Operator and Market Operator.
5. The licensee shall hand over to ERO details of any changes in information submitted in the course of application for this license.

In this Article:

"Information" - material in any form and shall include, without limitation, any contract, book, document, record, accounting, calculation (statutory or other), assessment, return or report of any description or explanation (verbal or written) with respect to these information that may have been required by ERO.



Article 9: Renewal, Modification, Suspension, Transfer and Termination of the License.

1. ERO may renew, modify, suspend and terminate this license, in accordance with the Law on Energy Regulator and Rule on Licensing of Energy Activities in Kosovo.
2. ERO may transfer this license in accordance with the Law on Energy Regulator and Rule on Licensing of Energy Activities in Kosovo, but ensuring that that the license obligations may be performed by another licensee if the costumers will not be affected by such a transfer.

Article 10: Fees

The licensee shall pay to ERO any initial or annual fee determined pursuant to the Rule on Fees, issued by ERO.

Article 11: Administrative Measures and Fines

1. In case of violation of provisions of applicable legislation, including rules issued by ERO, articles and other conditions of this License, or the instructions given to the licensee by the ERO, ERO has the power to impose administrative measures and fines to the licensee, in accordance with Article 52 of the Law on Energy Regulator and Rule on Administrative Measures and Fines.
2. Administrative measures and fines may be imposed to the enterprise as a legal entity as well as to responsible people within the enterprise.
3. The amount of the fine shall be assessed in accordance with the Law on Energy Regulator and the Rule on Administrative Measures and Fines.

Article 12: Dispute Settlement

1. Any dispute that may arise or is related to licensed activities shall be resolved in compliance with the Rule on Resolution of Complaints and Disputes in the Energy Sector, issued by ERO.
2. Decisions of ERO related to extension, modification, suspension, termination and transfer of license as well as decisions on fines as a consequence of violations of license conditions or violations of applicable legislation, may be contested by the Licensee at the competent court, in conformity with the applicable laws.