**ALBANIAN POWER EXCHANGE - ALPEX J.S.C**

# TECHNICAL DECISION No. 1-T

**"Procedure of Admission in the Exchange of the Exchange Member, its Resignation and other matters with regard to Exchange Members in ALPEX Markets"**

Based on the provisions stipulated in the ALPEX Rules and more specifically, defined in par. A.1.1.2 point c), Sections C.1.2, C.2.3 and F.4.2, as in force:

**ALPEX j.s.c approved:**

1. Technical Decision - Procedure of Admission in the Exchange of the Exchange Member, its Resignation and other matters with regard to Exchange Members in ALPEX Markets.
2. Technical Decision No. 1-T is submitted for notification to the Energy Regulatory Authority.

This decision takes effect immediately.

**CEO OF ALPEX J.S.C**

**Sokol Dishnica**

# Article 1

# Objective - Scope – Definitions

This Technical Decision sets out the following matters in relation to Exchange Members in ALPEX Markets:

* + - * 1. the process of admission in the Exchange Member.
        2. the process related to the Exchange Member resignation.
        3. the process related to an Exchange Member's corporate transformations; and
        4. the process applicable in case of relocation of the Exchange Member's IT Infrastructure.

The definitions of this Technical Decision have the same meaning as those stipulated in the ALPEX Glossary or ALPEX Rules & Procedures and in the relevant legislation regarding the electricity markets.

Article 2  
Procedure of Admission in the Exchange

# Process and Stages necessary to be admitted as an Exchange Member in ALPEX

* + - * 1. In order to be admitted in the Exchange, the Applicant must successfully complete the procedure of this Article. All the process consists of three (3) individual stages, as follows:

the evaluation of the Membership application, followed by its respective Decision,

the preparation for the activation of the Exchange Member in ETSS, and

the activation of the Exchange Member in ETSS.

* + - * 1. ALPEX will assist the Applicants during the process regarding Membership Application. Participation in each subsequent stage of the process requires the successful completion of the preceding stage.

## First stage: The evaluation of the Membership Application, followed by its respective Decision.

## This stage is related to the evaluation of the Membership Application process and the signing of the Exchange Membership Agreement between ALPEX and the Applicant, if all the requirements set out below are fulfilled.

## General terms

## The Applicant completes and submits the Membership Application, that is a standard form provided by ALPEX. The Membership Application shall be accompanied by a Known-your-client standard form.

## The Membership Application shall be accompanied by all the information and supporting documents, as described in this Technical Decision.

## All supporting documents can be submitted in Albanian or English and must contain the company seal, as the case might be. The list of supporting documents will be provided by ALPEX to the Applicant and will indicate which of the documents must be submitted in copies or original/notarized copies of the original.

## During the evaluation of the following information, as well as the supporting documentation related to the Applicant's data, ALPEX may request of the Applicants to provide additional documents/information at this stage as described below, if ALPEX is not satisfied.

## Eligible Entities

If the Applicant submits a Membership Application to ALPEX, he becomes aware of the requirements stipulated in section C.1.1 of the ALPEX Rules, he must submit the following documents:

* + - * 1. Valid extract that he is registered and is active in the National Business Center (NBC) in Albania.
        2. License/Act issued by the Energy Regulatory Authority (or any applicable exemptions or derogations to hold any such relevant acts and licenses) electricity market (where applicable) as required by the Applicable Law.
        3. Proof that it is the Balance Responsible Party, or that it is part of the Group of the Balance Responsible Party confirmed by TSO.
        4. Proof that he is registered with the relevant Energy Regulatory Authority as per REMIT Rules.
        5. have, or satisfy ALPEX that it will have, the technical capability to trade on the ALPEX Platforms.
        6. To declare whether he will be a Direct Clearing Member or submit a statement of cooperation with a General Clearing Member of ALPEX in respect of the Clearing and Settlement Procedures.
        7. Proof that he paid Administrative Fee, as per ALPEX Fee Schedule, published in ALPEX’s website.
        8. Following the fulfillment of requirements from (a) to (g), if ALPEX considers that further information or clarification is needed, it will send a notice to the Applicant, to provide this information or clarification. If this required information is not provided to ALPEX within 15 (fifteen) Days, it will be considered that the Membership Application is withdrawn.

## Admission process

Following the successful completion of 2.1.1.2 requirements, ALPEX will ask the Applicant the provide the following documents for further evaluation, related to the assessment of the Applicant’s legal, technical, and economical capacities:

* + - * 1. Statute of the Company
        2. Proof from the Court and the Prosecution (issued not later than 30 days), that the company is not undergoing bankruptcy process or any other penal process or has been convicted of the following criminal offences:

1. fraud according to the provisions of the legislation in force.
2. money laundering or financing of terrorism according to the provisions of the legislation in force.
3. forgery.
   * + - 1. Proof from the Court and the Prosecution (issued not later than 30 days), that the Company’s CEO/Managing Director is not undergoing or has convicted of the following criminal offences:
4. participation in a structured criminal group, criminal organization, armed gang, terrorist organization, according to the provisions of the legislation in force;
5. corruption according to the provisions of the legislation in force;
6. fraud according to the provisions of the legislation in force;
7. money laundering or financing of terrorism according to the provisions of the legislation in force;
8. offenses with terrorist intent or criminal offenses related to terrorist activity, according to the provisions of the legislation in force;
9. forgery;
10. child labor and other forms of human trafficking according to the provisions of the legislation in force.
    * + - 1. Self-Declaration indicating the Energy/Power Exchanges where the Company is or was registered.
          2. The financial statements of Applicant for the last three (3) years. If the Applicant has been established within the last 3 years, he must submit all the available financial statements.
          3. The Applicant shall inform ALPEX regarding their organizational, operational and techno-economic infrastructure as well as adequate and suitable control and security mechanisms for the electronic processing of data and internal control procedures with respect to its participation in ALPEX Markets.
          4. The Transmission System Operators, the Distribution System Operators, Renewable Energy Sources Operators, Public Generator Companies and Universal Service Suppliers will submit only the documents stipulated in paragraph 2.1.1.1 (a) and those stipulated in paragraph 2.1.1.3 (a) and (f).

After submitting all the above documents, ALPEX will make the necessary evaluations of the Application. If the Applicant fulfills the requirements of this Technical Decision, ALPEX will issue an Admission Notice, that allows Applicants to continue the procedures for signing of the Exchange Membership Agreement, except for the cases when the applicant intends to become a Direct Clearing Member. In this case, the process of signing the Exchange Membership Agreement must be in tandem with the process of signing the Framework Clearing Agreement. The Applicant shall return the executed Exchange Membership Agreement to ALPEX promptly after receiving it. If ALPEX is satisfied that the Exchange Membership Agreement has been properly executed by the Applicant and the Entrance Fee is paid and all the specified conditions have been satisfied, then ALPEX shall notify the Exchange Member in writing of the Effective Date of its membership.

## 2.1.2. Second Stage: Preparation for activation of the Exchange Member in ETSS

The second stage starts on the next business day after the entrance into force of the Exchange Membership Agreement.

The Exchange Member must perform the following steps regarding its activation in ETSS:

* + - * 1. The Exchange Member must have the required IT infrastructure to ensure its successful connection to ALPEX's Energy Trading Spot System (ETSS), in accordance with the provisions of this Technical Decision and the ALPEX Rules and Procedures, no later than 60 (sixty) Days.
        2. Must appoint a sufficient number of its traders (based on its judgement, without jeopardizing the ALPEX Rules and Procedures requirements), to be trained and Certified by ALPEX, no later than 5 (five) Days.
        3. In order to check the readiness of the Exchange Member and its Certified Traders, ALPEX will request participation in mock trading sessions or other simulation scenarios of actual trading or clearing conditions.

If the Exchange Member will not respect the timeline above, its request will be rejected for not completing the second stage. The Exchange Member has to re-submit the Membership Application if he intends to continue to be admitted to the Exchange. Any withdrawal in this Stage by the Exchange Member will not constitute in the reimbursement of the Entrance Fee.

If the requested documentation/actions are submitted within the timeline defined above and satisfy ALPEX, this stage will be considered successfully completed and the Exchange Member will be notified accordingly.

## 2.1.3. Third Stage: Activation of the Exchange Member in the Energy Trading Spot System (ETSS)

* + - * 1. Firstly, the Exchange Member must pay to ALPEX the applicable Annual Fee, as per ALPEX’s Fee Schedule, published on ALPEX’s website.
        2. Once the Exchange Member successfully completes the actions described in the above stages and par. 2.1.3 (a), it is required to submit to ALPEX the following forms in accordance with the procedures below, which are posted on ALPEX website.

Activation Form

With this form, the Exchange Member must indicate the dates on which it wishes to be activated:

* in the Day-Ahead Market, and/or
* in the Intraday Market (when applicable)

Connection to the Energy Trading Sport System (ETSS) Form

With this form, the Exchange Member requests the assignment/deletion of users, as well as the starting/termination/modification of connection to ETSS.

* + - * 1. The above actions must be completed within 15 (fifteen) Days of the completion of the 2nd Stage.
        2. If the Exchange Member acts as a Direct Clearing Member, its activation as an Exchange Member is carried out after its activation as a Direct Clearing Member.
        3. The Exchange Member acting as a Direct Clearing Member has the right to access ALPEX’s systems in accordance with the ALPEX’s Clearing and Settlement Procedure, where required by the relevant ALPEX Rules and the decisions made pursuant thereto.

# Communication with ALPEX regarding this Technical Decision

The Applicant can submit the required documents as a first step via email (scanned copy of the original or notarized documents) in order to be evaluated by ALPEX. In any case, the Applicant must submit the copy, or the original/notarized “hard copy” documents, before signing of the Exchange Membership Agreement by both parties, as stipulated in the list of the documents, provided by ALPEX. This communication will not affect any of the above-mentioned timelines defined for each stage.

Exchange Members are solely responsible for the completeness, correctness and truthfulness of the information provided to ALPEX, either original or updated at any time, and must respond promptly to ALPEX's requests.

The Exchange Member is obliged to immediately inform ALPEX, as indicated by the ALPEX Rules and Procedures, of any change in the Exchange Member registry data. Until notification of this change, any document is legally disclosed to the contact details provided by the Exchange Member at the stage of the submission of Application.

# Article 3 The Exchange Member Resignation Procedure

# In addition to the specifications in the C.2.3, C.2.8 of the ALPEX Rules, in order to complete the resignation process, the Exchange Member shall comply with the following:

* + - * 1. The Exchange Member which intends to resign must fulfill a standard resignation form, provided by ALPEX.
        2. Upon the effective date of resignation provided by the Exchange Member in the standard resignation form, ALPEX will deactivate the Exchange Member from ETSS and ALPEX will not allow the Exchange Member to put bids in ETSS for the Delivery Day corresponding with the effective date of resignation.
        3. From the resignation request until the effective resignation date, the Exchange Member must fulfill all obligations and liabilities towards ALPEX, under the ALPEX Rules and Procedures.
        4. If ALPEX does not accept the resignation request, ALPEX will provide a reasoned answer.
        5. If ALPEX accepts the resignation request, ALPEX will notify the Exchange Member in writing, specifying the time the resignation takes effect.

# Article 4 Corporate Transformations of the Exchange Members

# Absorbing of an Exchange Member by another Exchange Member of ALPEX

The conditions provided in this paragraph (4.1) apply exclusively when both the absorbed and the absorbing legal entities are Exchange Members in ALPEX.

## Actions of the absorbed Exchange Member and absorbing Exchange Member

1. In cases when an Exchange Member is being absorbed by another Exchange Member, the absorbing Exchange Member continues to act as an Exchange Member, and consequently all of the absorbed Exchange Members rights and obligations will be transferred to the absorbing Exchange Member.
2. The absorbed and absorbing Exchange Members have to notify ALPEX 5 (five) days prior to the day the merger will legally take effect. Upon this notice, ALPEX will apply the provisions of Suspension on the absorbed Exchange Member, as stipulated in ALPEX Rules.
3. In any case, after the merging effective date, the absorbing Exchange Member must fulfill all obligations deriving from the activity in the ALPEX Markets of the absorbed Exchange Member, in accordance with the ALPEX Rules and Procedures and Technical Decisions. Any default on the fulfillment of those obligations within the defined timelines will lead the absorbing Exchange to be in Default.
4. Upon conclusion of the abovementioned procedure, ALPEX will apply the Termination process on the absorbed Exchange Member, as stipulated in ALPEX Rules.

The absorbing Exchange Member must comply with the following procedures:

## Installation of the IT structure and activation in the Energy Trading Spot System (ETSS)

The installation procedure includes the following three (3) stages:

### 1st Stage

Along with the information as stipulated in 4.1.1, b) of this Technical Decision, the Exchange Member at least ten (10) Days prior to the time on which the Exchange Member states that it wishes to use the existing IT Infrastructure of the absorbed Exchange Member for its business purpose, sends an updated information letter to ALPEX and cooperates with it:

* + - * 1. on planning any changes to the IT Infrastructure
        2. on designing the timetable for the implementation of the above action.

### 2nd Stage

At the latest 5 (five) Days before using the IT Infrastructure of the absorbed Exchange Member, the absorbing Exchange Member must submit to ALPEX a request for relocation of the new IT Infrastructure.

### 3rd Stage

Access infrastructure of the absorbed Exchange Member will be accommodated for the use of the absorbing Exchange Member, within a reasonable time. During the transition period, the absorbed Exchange Member access infrastructure cannot be used by the absorbing Exchange Member.

To complete this Stage the absorbed Exchange Member must bring a copy of the valid company extract where it’s depicted that the absorbed Exchange Member isn’t performing business activity.

After the completion of the 3rd Stage, regarding the absorbed Exchange Member, ALPEX will take the following actions:

* + - * 1. deletion of all users of the absorbed Exchange Member from ETSS and EMCS.
        2. deletion of all the information of the absorbed Exchange Member.

## Transitional and final provisions

## Once the merger is complete, ALPEX immediately updates its Exchange Member database with the new address and new details of the absorbing Exchange Member resulting from the merger.

# Article 5 Relocation of an Exchange Member's IT Infrastructure

In the case of relocation of an Exchange Member's IT Infrastructure to another address, the Exchange Member must perform the following actions.

### First Stage

At least thirty (30) Days prior to the time stated by the Exchange Member that he wishes his IT Infrastructure to operate in the new address, the Exchange Member sends an information letter with the changed details of the new address to the ALPEX:

* + - * 1. on planning any changes to the Exchange Member's IT Infrastructure.
        2. on designing the timetable for the implementation of the above action.

### Second Stage

At the latest ten (10) Days prior to the stated time of operation of the Exchange Member's IT infrastructure in the new address, the Exchange Member must have completed the required technical preparation, according to the instructions of ALPEX.

### Third Stage

At the latest twenty (20) Days prior to the stated time of operation of the Exchange Member's IT Infrastructure in the new address, the Exchange Member must electronically submit to ALPEX the relevant standard form, which is posted on ALPEX's website for the Exchange Member's changes.

# Article 6 Enforcement

This Technical Decision will enter into force on \_\_/\_\_/2023.

This Technical Decision will be posted on ALPEX’s official website [www.alpex.](http://www.alpex.)al