

*Registered by
The State Electricity System,
JSC Date: 26-08-14, #5/003-00
Registration #: 23/03-10*

Standard Conditions Of the Contract on Guaranteed Capacity Sale

Tbilisi

September 1, 2014

Preamble

Standard Conditions of the Contract herein (further referred as Standard Conditions) has been developed considering the requirements of the Civil Code of Georgia, the Law of Georgian on Electricity and Natural Gas (Article 23¹) and Articles 20, 21 and 22 of the Electricity (Capacity) Market Rules, approved by the Order #77 (dated August 30, 2006) of Georgian Ministry of Energy.

Article 1. General Provisions

1.1 Standard Conditions herein represent the multiple-use preformed contractual conditions (typical contract form), established by the first party – Energy System Commercial Operator (further referred as “the Electricity Market Operator”, JSC registered at Tbilisi Tax Inspection, on 7 August 2006, Register #205170036 and represented by its General Director Vakhtang Ambokadze) to the second party – Qualified Enterprise (further referred as “the Enterprise”), which:

- a) In compliance with the Law of Georgia on Electricity and Natural Gas and the Electricity (Capacity) Market Rules (further referred as “The Market Rules”), participates in the wholesale trade of electricity and guaranteed capacity;
- b) Is obliged to buy the guaranteed capacity, based on the Law of Georgia on Electricity and Natural Gas and the Electricity (Capacity) Market Rules.

1.2 Connection of the Enterprise with the Standard Conditions is carried out in compliance with existing legislation and the Article 4 of these Conditions.

1.3 The Electricity Market Operator sells the guaranteed capacity provided by the source of guaranteed capacity to the Enterprise, taking into consideration that the Electricity Market Operator does not represent the source of the guaranteed capacity.

1.4 The norms prescribed by active legislation including the Market Rules are filled with Standard Conditions. Active legislation regulates the issues not considered by the Standard Conditions.

Article 2. Definition of Terms

2.1 Main terms used in Standard Conditions have the same meaning as prescribed by Georgian Law on Electricity and Natural Gas and relevant bylaws issued (adopted) by the National Energy and Water Regulatory Commission.

Article 3. Subject of Standard Conditions

3.1 According to the Standard Conditions, the Electricity Market Operator shall insure that guaranteed capacity, purchased from guaranteed capacity reserve (based on the Standard Conditions of the Contract on Buying Guaranteed Capacity) is sold to the Enterprise and the Enterprise shall insure full and timely compensation of guaranteed capacity price.

Article 4. Connection to the Standard Conditions

4.1 The Enterprise shall be considered as the party of this Contract. Accordingly, guaranteed capacity shall be considered as purchased by Standard Conditions herein in the event that:

4.1.1 It represents qualified enterprise as distribution licensee, direct consumer or exporter;

4.1.2 It has received the electricity at the delivery points during calculation period, for the purpose of distributing, transmitting for retailed customers, directly using or exporting it.

4.2 From the moment of connection with the Standard Conditions, the Enterprise shall gain the rights and obligations provided by these Conditions.

Article 5. Cost of Guaranteed Capacity

5.1 Guaranteed capacity sold by the Electricity Market Operator to the Enterprise is calculated in compliance with the Law of Georgia on Electricity and Natural Gas, the Market Rules and appropriate decree of Georgian National Energy and Water Regulatory Commission.

5.2 The guaranteed capacity price payable by the Enterprise is established by each source of guaranteed capacity individually.

5.3 The Electricity Market Operator shall submit the information about guaranteed capacity cost calculation upon request from the Enterprise.

5.4 The Electricity Market Operator does not represent the entity responsible for providing the energy system with guaranteed capacity.

Article 6. Settlement

6.1 The guaranteed capacity sales act signed between the Electricity Market Operator and the Enterprise reflects the guaranteed capacity, sold to the Enterprise;

6.2 The Electricity Market Operator shall submit for signature to the Enterprise four properly completed and certified copies of the acts of guaranteed capacity sale, in twelve calendar days, after the end of calculation period. The Enterprise is obliged to return two signed copies of the act to the Electricity Market Operator within the period of two calendar days;

6.3 Based on the data provided in the act of guaranteed capacity sale (in spite of the presence of the Enterprise's approval), the Electricity Market Operator shall issue appropriate settlement documentation (the invoice) about the cost of guaranteed capacity and submit it to the Enterprise. Corresponding Tax Legislation regulates the conditions and rule of issuing and submitting the Tax invoice;

6.4 The Enterprise is obliged to compensate (via transfer to the bank account indicated in the settlement documentation) the amount indicated in the settlement documentation directly to the Electricity Market Operator, not later than 25 day after the end of the calculation period. The obligation shall be considered fulfilled on the day, when full price of guaranteed capacity arrives on the bank account of the Electricity Market Operator. Whether the Enterprise agrees or not with the amount indicated in the guaranteed capacity sales act and/or settlement documentation, the Enterprise is obliged to transfer the amount indicated in the settlement documentation of the Electricity Market Operator;

6.5 If guaranteed capacity cost (compensation amount considered by the Tax Legislation of Georgia) adjustment is resulted in:

6.5.1 Increase of guaranteed capacity cost, not later than 25 calendar days after the end of issuing correcting document settlement (invoice), the Enterprise is obliged to compensate additionally payable amount to the Electricity Market Operator, as a result of adjustment;

6.5.2 Decrease of guaranteed capacity cost, not later than 28 calendar days after the end of issuing correcting document settlement (invoice), the Electricity Market Operator is obliged to compensate to the Enterprise excess of the amount accrued for the benefit of Enterprise, not later than 28 calendar days after the end of issuing correcting document settlement (invoice).

6.6 As a rule, settlement between the parties is carried out by bank transfer, unless the Electricity Market Operator's sends written request on applying another common rule of settlement.

6.7 If the guaranteed capacity cost and/or additional amount payable as a result of adjustments is not compensated or is partly compensated within the terms, determined by the Standard Conditions herein, the penalty - 0,06% of unpaid amount per each delayed day shall be imposed to the unpaid amount, starting from the 26th calendar day after the expiration of deadline established for the payment or after the end of month, when corrective settlement documents (invoice) are issued. The penalty will stop applying on next day (excluding the

latter), after the due amount is transferred to the bank account of the Electricity Market Operator.

6.8 The penalty is calculated immediately after the end of reporting period, of which the Electricity Market Operator informs the Enterprise through his letter and attached calculations. After receiving written notification, the Enterprise acquires an obligation to pay the accrued penalty.

6.9 Based on the Standard Conditions herein, recoverable amount is not subject to the exemption or offset in contradictory requirements and/or otherwise without prior written consent of the Electricity Market Operator. Based on the Standard Conditions, the Enterprise's obligation to pay the outstanding amount may not be transferred to any other person without the prior written consent of the Electricity Market Operator.

6.10 According to the Standard Conditions, in case of incomplete payment and/or breach of deadline for the payment of guaranteed cost or any tax, duty or imposed fines, the Electricity Market Operator shall be entitled to the statutory measures, including, but not limited to the right of Electricity Market Operator to require the restriction or termination of electricity supply from the Enterprise following applicable rules.

Article 7. Payment Guarantee

7.1 In case the Enterprise violates the obligation indicated in the Articles 6.4 and 6.5.1 of Standard Conditions, the Electricity Market Operator is authorized to request submission of bank guarantee in a written form on the amount due by the day of claim as well as due amount expected by the settlement period(s) of future calculation period. The amount secured by the bank guarantee cannot be less than the unpaid amount, according to the Articles 6.4 and 6.5.1.

7.2 Failure of the Enterprise to present the bank guarantee is subject to taking measures considered by the Article 6.10 of Standard Conditions herein. The Electricity Market Operator sends the notification about termination or curtailment of electricity (capacity) supply to the electricity dispatch licensee in compliance with the Market Rules.

Article 8. Force Majeure

8.1 In Standard Conditions herein, Force Majeure and Force Majeure Occurrence, for any party means the circumstances, which cannot be controlled by present party, when they cannot be avoided, stopped or improved, despite all efforts of such party, when consequently the obligations imposed by Standard Conditions cannot be fulfilled. Force Majeure occurrences include but are not limited to the:

8.1.1 War, military actions, blockade, modillion, requisition and embargo;

8.1.2 Unrest, revolution, rebellion, civil war, breach of public order, civil riot, sabotage and

terrorist actions;

8.1.3 Lightning, fire, explosion, storm, wind, flood, earthquake, hurricane and other natural disasters.

8.2 None of the parties is requested to fulfill the contract obligations if the reason for non-fulfillment is Force Majeure, provided that lack of funds by any of the parties is not considered as Force Majeure;

8.3 The parties are liberated from full or partial fulfillment of contract obligations only during the effectiveness of occurrences indicated in Paragraph 6.1. Under such circumstances, deadline for the fulfillment of contracted obligations will be rescheduled by the length of Force Majeure period;

8.4 In the event of Force Majeure, the party directly affected by it shall send another party the written notification about the occurrence within five workdays. This notification shall include relevant facts, information, possible consequences and duration. The document (issued by the Chamber of Trade and Industry of Georgia), justifying Force Majeure occurrence shall be presented within the following one month.

Article 9. Dispute Resolution

9.1 The Electricity Market Operator and the Enterprise shall take all possible actions to settle any dispute or disagreement, which can occur in relation with Standard Condition (its definition, usage and/or fulfillment) herein;

9.2 If the parties fail to reach common agreement, they shall appeal to the Georgian National Energy and Water Regulatory Commission or court (active within the borders of Georgia) if the location of fulfillment of Standard Conditions is under the jurisdiction of this court.

9.3 The Electricity Market Operator has the right to request immediate enforcement of the decision of First Instance Court, commensurate to the Code of Civil Procedures (Article 268, Part 1¹).

Article 10. Other Conditions

10.1 If any of the provisions of Standard Conditions, its part or usage towards any party is illegal or impossible to fulfill, all other provisions will be considered effective and sustainable and they will remain in force, whereas ineffective and unsustainable provisions shall be separated from Standard Conditions, so that legality and fulfillment possibility of others will be retained as fully as possible;

10.2 Terms included in the Standard Conditions herein are obligatory for the parties and their respective legatees. Entrusting the obligations imposed by Standard Conditions herein to the

other party, without written approval of the second party is unacceptable;

10.3 Standard Conditions herein are regulated and defined by the Legislation of Georgia;

10.4 Standard Conditions herein come to effect from September 1, 2014 and stays in force indefinitely.

Electricity System Commercial Operator, JSC Address:

#2 Baratashvili Street
Old Tbilisi District
Tbilisi, Georgia

Bank Details:

Bank of Georgia, JSC
Vera Branch
Bank Code TBCBGE22
A/A GE76TB7505936030100001
ID Code 205170036

Vakhtang Ambokadze
General Director

**GEORGIAN NATIONAL ENERGY AND
WATER REGULATORY COMMISSION**

D E C I S I O N #30/2

August 14, 2014

Tbilisi

**About Approval of Standard
Conditions
Of the Contract on Guaranteed Capacity Sale**

Based on the Law of Georgia on Electricity and Natural Gas (Article 5, Paragraph 2 and Article 23¹), the Georgian National Energy and Water Regulatory Commission has decided to:

1. Approve attached Standard Conditions of the Contract on Guaranteed Capacity Sale;
2. The decision shall become valid from the date of announcement at the Commission Session;
3. The decision can be appealed in Tbilisi Civil Court (Address: of #6 Aghmashenebeli Alley, 12th km) within one month after its official publication;
4. Oblige the PR Department (N. Lashkhia) to ensure the prompt public disclosure of this decision at the publicly accessible place of Commission building, and the Commission website;
5. Assign control of performance to the Commission's Electricity Department (N. Beridze).

Chairman

I. Milorava

Commission Member

M. Nadiradze

Commission Member

G. Shonia

*Registered by The State
Electricity System, JSC
Date: 16-08-16,
Registration #: 5/003-001*

AMENDMENT N1

To the Standard Conditions of the Contract on Guaranteed Capacity Sale

Tbilisi

August 11, 2016

The following amendment to the Standard Conditions of the Contract on Guaranteed Capacity

Sale, dated on September 1, 2014 (Dispatch Licensee Registration N 5/003-00-00, dated 26.08.2014) have been prepared based on the decision N36/33, dated on May 24, 2016 and decision N52/13, dated on August 4, 2016 adopted by Georgian National Energy and Water Regulatory Commission:

1. Paragraphs 4.1.1-4.1.2 of the Contract shall be formed as follows:

“4.1.1. it is registered by the Electricity Market Operator as the Qualified Enterprise: Distribution Licensee, Direct Customer, Exporter or Power Plant Owner During the Test Run and/or a Comprehensive Testing Period;

4.1.2 It has received the electricity at the delivery points during calculation period, for the purpose of distributing, transmitting for retailed customers, directly using, exporting or for it's own consumption during the test run and/or a comprehensive testing period”.

2. The Paragraph 6.4¹. shall be added after the Paragraph 6.4 of the Contract:

“6.4¹. Regardless, the Enterprise agrees or not with the guaranteed capacity sale act and/or facts indicated in the settlement documentation (invoice), the Enterprise shall transfer the amount indicated in the settlement documentation to the account of the Electricity Market Operator. This liability shall be considered fully fulfilled on the date, when total cost of Guaranteed Capacity is received on the account of the Electricity Market Operator. During the fulfillment of the obligations arising from this contract, the Enterprise is required to specify the purpose of payment in the Payment Order (the name of duty, which must be paid).

In the event that the purpose of payment shall not be specified in the Payment Order and paid amount is insufficient to cover the debt to the Electricity Market Operator, the debt should be covered under the terms of article 387 of the Civil Code of Georgia and if requirements has the equal force, the Electricity Market Operator shall allocate the paid amount proportionally between the debts of guaranteed capacity and balancing electricity.”

3. This amendment becomes effective from the day of approval by the Georgian National Energy and Water Regulatory Commission and registration by the Dispatch Licensee under the terms of the “Electricity (Capacity) Market Rules” and remain in force

indefinitely.

**JSC “Electricity System
Commercial Operator”**

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Tbilisi District

2 Baratashvili Street

Bank Details: TBCBGE22

a/a GE76TB7505936030100001

Identification Code: 205170036

Vakhtang Ambokadze

General Director

GEORGIAN NATIONAL ENERGY AND WATER REGULATORY COMMISSION

DECISION N36/33

May 24, 2016

Tbilisi

About amendments to the Standard Conditions Of the Contract on Selling of Guaranteed Capacity

Based on the Law of Georgia on Electricity and Natural Gas (Article 5 and Paragraph 1 of Article 22¹) and article 29 of regulation about implementation of administrative procedures adopted by the commission dated on August 7, 2003, the Georgian National Energy and Water Regulatory Commission has decided to:

1. The following amendments shall be made to the standard conditions on selling of the Guaranteed Capacity approved by the Decision N30/2 on August 14, 2014 of the Georgian National Energy and Water Supply Regulatory Commission:

a) Paragraphs 4.1.1. and 4.1.2. of the Contract shall be formed as follows:

“4.1.1. it is registered by the Electricity Market Operator as the Qualified Enterprise: Distribution Licensee, Direct Customer, Exporter or Power Plant Owner During the Test Run and/or a Comprehensive Testing Period;

4.1.2 It has received the electricity at the delivery points during calculation period, for the purpose of distributing, transmitting for retailed customers, directly using, exporting or for it’s own consumption during the test run and/or a comprehensive testing period”.

b) The paragraph 6.4¹. shall be added after the Paragraph 6.4. of the Contract:

“6.4¹. Regardless, the Enterprise agrees or not with the guaranteed capacity receipt-delivery act and/or facts indicated in the settlement documentation (invoice), the Enterprise shall transfer the amount indicated in the settlement documentation to the account of the Electricity Market Operator. This liability shall be considered fully fulfilled on the date, when total cost of Balancing Electricity is received on the account of the Electricity Market Operator. During the fulfillment of the obligations arising from this contract, the Enterprise is required to specify the purpose of payment in the Payment Order (the name of duty, which must be paid).

In the event that the purpose of payment shall not be specified in the Payment Order and paid amount is insufficient to cover the debt to the Electricity Market Operator, the debt should be covered under the terms of article 387 of the Civil Code of Georgia and if requirements has the equal force, the Electricity Market Operator shall allocate the paid amount proportionally between the debts of guaranteed capacity and balancing electricity.”

2. The decision shall become valid from the date of announcement at the Commission Session;

3. The decision can be appealed in Tbilisi Civil Court (Address: #6 Aghmashenebeli Alley, 12th km) within one month after its official publication;
4. Oblige the Commission's PR Department ensuring prompt public disclosure of this decision at the publicly accessible place of Commission building, and the Commission website;
5. Assign control of performance to the Commission's Electricity Department.

Chairman

I. Milorava

Commission Member

G. Phangani

Commission Member

G. Shonia

GEORGIAN NATIONAL ENERGY AND WATER REGULATORY COMMISSION

DECISION N52/13

August 04, 2016

Tbilisi

About changes to the Decision N36/33 of Georgian National Energy and Water Regulatory Commission about the amendments to the Standard Conditions Of the Contract on Selling of Guaranteed Capacity

Georgian National Energy and Water Regulatory Commission (hereafter “Commission”) has discussed on public meeting the subject about the correction of mistake in the N36/33 decision of Georgian National Energy and Water Regulatory Commission (dated on 24 May 2016) about “Amendment in the Decision N30/2 of Georgian National Energy and Water Regulatory Commission (Dated 14 August 2014) about “Confirmation of the Standard Terms of the Contract about Selling of Guaranteed Capacity”.

On 24 may 2016, Commission issued the decision N36/33, according to that, the amendments were implemented in the Standard Terms of Contract about “Selling the Guaranteed Capacity (hereafter “standard terms”), which had been confirmed with N30/2 decision of Georgian National Energy and Water Regulatory Commission, Dated 14 August 2014. According to these amendments, articles 4.1.1 and 4.1.2 of standard terms were formed in new edition and article 6.4¹ was added to these terms, where the technical mistake was made. Particularly, “electricity receipt and acceptance act ” was pointed instead of “guaranteed capacity sales act” in the first sentence of first paragraph of article 6.4¹ of the N36/33 decision and “total cost of balancing electricity” was pointed instead of “total cost of guaranteed capacity” in the second sentence of the first paragraph of the same article.

Based on the Law of Georgia on Electricity and Natural Gas (Article 5) and article 59 of General Administrative Code, the Georgian National Energy and Water Regulatory Commission has decided to:

1. The following amendments shall be made to the Decision N36/33 on May 24, 2016 of Georgian National Energy and Water Regulatory Commission about the amendments to the standard conditions on selling of the Guaranteed Capacity approved by the Decision N30/2 on August 14, 2014 of the Georgian National Energy and Water Supply Regulatory Commission:

b) The paragraph 6.4¹. shall be added after the Paragraph 6.4. of the Contract:

“6.4¹. Regardless, the Enterprise agrees or not with the guaranteed capacity sale act and/or facts indicated in the settlement documentation (invoice), the Enterprise shall transfer the amount indicated in the settlement documentation to the account of the Electricity Market Operator. This liability shall be considered fully fulfilled on the date, when total cost

of Guaranteed Capacity is received on the account of the Electricity Market Operator. During the fulfillment of the obligations arising from this contract, the Enterprise is required to specify the purpose of payment in the Payment Order (the name of duty, which must be paid).

In the event that the purpose of payment shall not be specified in the Payment Order and paid amount is insufficient to cover the debt to the Electricity Market Operator, the debt should be covered under the terms of article 387 of the Civil Code of Georgia and if requirements has the equal force, the Electricity Market Operator shall allocate the paid amount proportionally between the debts of guaranteed capacity and balancing electricity.”

2. The decision shall become valid from the date of announcement at the Commission Session;
3. The decision can be appealed in Tbilisi Civil Court (Address: #6 Aghmashenebeli Alley, 12th km) within one month after its official publication;
4. Oblige the Commission’s PR Department ensuring prompt public disclosure of this decision at the publicly accessible place of Commission building, and the Commission website;
5. Assign control of performance to the Commission's Electricity Department.

Chairman

I. Milorava

Commission Member

G. Phangani

Commission Member

G. Shonia

*Registered by The State
Electricity System, JSC
Date: 09-08-18,
Registration #: 5/003-002*

AMENDMENT N2

To the Standard Conditions of the Direct Contract on selling of the Guaranteed Capacity

Tbilisi

August 06, 2018

The following amendment to the Standard Conditions of the Direct Contract on selling of the Guaranteed Capacity, dated on September 1, 2014 (Dispatch Licensee Registration N 5/003-00, dated 26.08.14) have been prepared based on the decision N61/17 adopted by Georgian National Energy and Water Regulatory Commission, dated on July 26, 2018:

1. Paragraphs 6.1. and 6.2. of Article 6 of the Contract shall be formed as follows:

„6.1 The guaranteed capacity sales act materially or electronically signed between the Electricity Market Operator and the Enterprise reflects the guaranteed capacity, sold to the Enterprise;

6.2 The Electricity Market Operator shall materially or electronically submit for signature to the Enterprise four properly completed and certified copies of the acts of guaranteed capacity sale, in twelve calendar days, after the end of calculation period. The Enterprise is obliged to return materially or electronically two signed copies of the act to the Electricity Market Operator within the period of two calendar days.“

2. The paragraph 6.11. shall be added after the Paragraph 6.10. of the Contract:

„6.11. In cases specified in paragraphs 6.1 and 6.2 of this Agreement, the electronic version of the guaranteed capacity sales act shall be formulated and signed through the electronic system on the website of the Electricity Market Operator (www.esco.ge). An electronic and electronically signed guaranteed capacity sales act has the same legal force as material and materially signed receipt and delivery act.“

3. This amendment becomes effective the day of approval by the Georgian National Energy and Water Regulatory Commission and registration by the Dispatch Licensee under the terms of the Electricity (Capacity) Market Rules and remain in force indefinitely.

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Vakhtang Ambokadze

General Director

GEORGIAN NATIONAL ENERGY AND WATER REGULATORY COMMISSION

DECISION N61/17

July 26, 2018

Tbilisi

About amendments to the Standard Conditions Of the Contract on Selling of Guaranteed Capacity

Based on the Law of Georgia on Electricity and Natural Gas (Article 5 and Paragraph 1 of Article 22¹) and Article 63 of General Administrative Code, the Georgian National Energy and Water Regulatory Commission has decided to:

1. The following amendments shall be made to the standard conditions on selling of the Guaranteed Capacity approved by the Decision N30/2 on August 14, 2014 of the Georgian National Energy and Water Supply Regulatory Commission:

a) Paragraphs 6.1. and 6.2. of Article 6 of the Contract shall be formed as follows:

6.1 The guaranteed capacity sales act materially or electronically signed between the Electricity Market Operator and the Enterprise reflects the guaranteed capacity, sold to the Enterprise;

6.2 The Electricity Market Operator shall materially or electronically submit for signature to the Enterprise four properly completed and certified copies of the acts of guaranteed capacity sale, in twelve calendar days, after the end of calculation period. The Enterprise is obliged to return materially or electronically two signed copies of the act to the Electricity Market Operator within the period of two calendar days.“

b) The paragraph 6.11. shall be added after the Paragraph 6.10. of the Contract:

„6.11. In cases specified in paragraphs 6.1 and 6.2 of this Agreement, the electronic version of the guaranteed capacity sales act shall be formulated and signed through the electronic system on the website of the Electricity Market Operator (www.esco.ge). An electronic and electronically signed guaranteed capacity sales act has the same legal force as material and materially signed guaranteed capacity sales act.”

3. The decision can be appealed in Tbilisi Civil Court (Address: #6 Aghmashenebeli Alley, 12th km) within one month after its official publication;

4. Oblige the Commission's PR Department ensuring prompt public disclosure of this decision at the publicly accessible place of Commission building, and the Commission website;

5. Assign control of performance to the Commission's Electricity Department.

Chairman

I. Milorava

Commission Member

G. Phangani

Commission Member

M. Melikidze

Commission Member

D. Narmania

Amendment N3
To the Standard Conditions of the Contract on Guaranteed Capacity Sale

Tbilisi

30 July, 2021

Since, The changes, implemented in “Market rules”, established by Decree N1-1/257 (Dated 21/03/2021) of Minister of Economics and Sustainable Development of Georgia, together with the other issues, concerns the list of qualified enterprises, participating in electricity wholesale trade. In particular, universal service supplier, free supplier, supplier of electricity with public service, supplier of last alternative and distribution licensee (in part of electricity purchasing for the purpose of covering the loss in distribution network) are added to this list.

Since, Resulting from the changes in list of qualified enterprises, based on paragraph 11 of Article 20 of Market rules, above mentioned qualified enterprises purchasing guaranteed capacity.

The following amendment to the Standard Conditions of the Direct Contract on Selling the Balancing Electricity, dated on September 1, 2014 (Dispatch Licensee Registration N5/003-00, dated 26.08.2014) have been prepared based on decision N35/23 adopted by Georgian National Energy and Water Regulatory Commission, dated on July 29, 2021:

1. The Sub-paragraph 4.1.1 and 4.1.2 of paragraph 4.1 of Article 4 are established as following:

4.1.1 Electricity Market Operator has registered it as a qualified enterprise: in particular, as a direct consumer, an exporter, an owner of power plant during the period of trial run and/or complex testing of the power plant for the commissioning purposes, universal service supplier, free supplier, supplier of electricity with public service or supplier of last alternative.

4.1.2 It has received the electricity at the delivery points in settlement period for supplying the electricity to the retail consumers, direct consumption, exporting or during the period of trial run and/or complex testing of the power plant for the commissioning purposes.”.

2. This amendment become effective the day of approval by the Georgian National Energy and Water Regulatory Commission and registration by Dispatch Licensee under the terms of the Electricity (Capacity) Market Rules and remain in force indefinitely. The Amendment applies to the relations arising from July 01, 2021.

JSC “Electricity System Commercial Operator”

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Identification Number: 205170036

Zaza Dvalishvili

General Director

GEORGIAN NATIONAL ENERGY AND WATER SUPPLY REGULATORY COMMISSION

Decision N 35/23

July 29, 2021

Tbilisi

About changes in Decision N30/2 (Dated 14/08/2014) issued by Georgian National Energy and Water Supply Regulation Commission – “About establishing the standard conditions of the contract on selling the guaranteed capacity”

Electricity Market Operator (hereafter “Esco”) presented the letter N01/519 to the Georgian National Energy and Water Supply Regulation Commission (hereafter “Commission”) on July 20, 2021.

The letter is about the necessity of making changes in Decision N30/2 (Dated 14/08/2014), issued by Georgian National Energy and Water Supply Regulation Commission – *“About establishing the standard conditions of the contract on selling the guaranteed capacity”*, resulting the changes, implemented in “Electricity (Capacity) Market Rules” established by Decree N77 (Dated 30/08/2006) issued by Minister of Energy of Georgia (Hereafter “Market Rules”).

The changes, implemented in “Market rules”, established by Decree N1-1/257 (Dated 21/03/2021) of Minister of Economics and Sustainable Development of Georgia, together with the other issues, concerns the list of qualified enterprises, participating in electricity wholesale trade. In particular, universal service supplier, free supplier, supplier of electricity with public service, supplier of last alternative and distribution licensee (in part of electricity purchasing for the purpose of covering the loss in distribution network) are added to this list.

Resulting from the changes in list of qualified enterprises, participating in electricity wholesale trade, paragraph 11 of Article 20 of Market rules is re-established, according to that, direct consumer, universal service supplier, free supplier, supplier of electricity with public service, supplier of last alternative, exporters and owner of power plant (during the period of trial run and/or complex testing of the power plant for the commissioning purposes) purchase the guaranteed capacity from Electricity Market Operator.

As far as, the renewed redaction of Market rules stipulates the change of parties that purchase the guaranteed capacity, it is essential the appropriate changes to be implemented in “Standard conditions of the contract on selling the guaranteed capacity”, established by Decision N30/2 (Dated 14/08/2014) issued by Georgian National Energy and Water Supply Regulation Commission.

According to the marked above, on base of Article 23 and Article 168 of law of Georgia “About energy and water supply”, Article 20 of market rules and Article 63 of General Administration Code of Georgia, the Commission

Decided:

1. The Sub-paragraph 4.1.1 and 4.1.2 of paragraph 4.1 of Article 4 of Standard Conditions of the contract on selling the guaranteed capacity, that is established by paragraph 1 of Decision N30/2 (Dated 14/08/2014), issued by Georgian National Energy and Water Supply Regulation Commission, are established as following:
 - 4.1.1 Electricity Market Operator has registered it as a qualified enterprise: in particular, as a direct consumer, an exporter, an owner of power plant during the period of trial run and/or complex testing of the power plant for the commissioning purposes, universal service supplier, free supplier, supplier of electricity with public service or supplier of last alternative.
 - 4.1.2 It has received the electricity at the delivery points in settlement period for supplying the electricity to the retail consumers, direct consumption, exporting or during the period of trial run and/or complex testing of the power plant for the commissioning purposes.
2. The department of public relations of Georgian National Energy and Water Supply Regulation Commission office shall immediately ensure public publication of this decision on website of Commission (www.gnerc.org)
3. The decision is valid from the day of its declaration at the public session of commission and includes the relationships arising from 1st July 2021.
4. The decision can be appealed in Tbilisi City Court (Adress: Tbilisi, David Agmashenebeli Alley N64) during 1(one) month after its public publication.

David Narmania
The Chairmen of Commission

Gocha Shonia
The Member of Commission

Giorgi Fangani
The Member of Commission

Giorgi Fruidze
The Member of Commission