

Participation Agreement

between

Coordinated Auction Office in South East Europe d.o.o. Podgorica,

with its registered office at Svetlane Kane Radević 1, 4th floor, 81000 Podgorica, Montenegro, registered with the Montenegro Central Register of Commercial Entities (*Centralni registar privrednih subjekata*) under number 50635601

hereinafter referred to as the “**SEE CAO**” or “**Allocation Platform**”

and

[insert name of the Registered Participant]

with its registered office at *[insert address]*
registered with *[insert authority]* under number *[insert number]*

hereinafter referred to as the “**Registered Participant**”

each referred to individually as a “**Party**” or together as the “**Parties**”

The Parties hereby agree as follows:

For the purpose of interpretation of this Participation Agreement:

- a) term “**SEE CAO Set of Rules**” implies:
 - Harmonized allocation rules for long-term transmission rights in accordance with Article 51 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation;
 - Allocation Rules for Forward Capacity Allocation on Italy–Montenegro Border;
 - Rules for Daily Capacity Allocation on Italy–Montenegro Border;
 - Specific Annex for the Bidding Zone borders serviced by SEE CAO to the Harmonized Allocation Rules for long-term transmission rights;
 - Rules for explicit Daily Capacity Allocation on Bidding Zone borders serviced by SEE CAO;
 - Shadow Allocation Rules;
 - Financial Terms;
 - Nomination Rules;
 - Information System Rules;
- b) Term “**Additional Rules**” has the meaning envisaged in Article 4 of this Participation Agreement;
- c) Term “**Additional Financial Terms**” has the meaning envisaged in Article 5 of this Participation Agreement;
- d) Working Hours means the hours between 07:00 am and 04:00 pm CET, Monday - Sunday.

Article 1

Declarations of the applicant

1. By signing and delivery of this Participation Agreement, the Registered Participant declares fulfillment of all participation requirements and commits to abide to the SEE CAO Set of Rules which are published on the website of the Allocation Platform from time to time and any agreed additional rules in accordance with Articles 4 and 5 of this Participation Agreement.
2. The Registered Participant unconditionally accepts SEE CAO Set of Rules and any agreed Additional Rules or Additional Financial Terms including future amendments.
3. Registered Participant warrants to the Allocation Platform that at the time of entering into this Participation Agreement and on a continuing basis:
 - (a) It has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor’s rights;
 - (b) No insolvency, bankruptcy or other similar legal proceeding affecting creditors’ rights have been commenced in relation to the applicant;
 - (c) No winding-up or liquidation proceedings have been commenced with regard to the applicant;

- (d) It has no overdue payment obligations towards any current, previous or future Allocation Platform;
 - (e) the information set out in Attachments 1 and 3 to this Participation Agreement is true, accurate and complete in all material respects;
 - (f) in the case of a Registered Participant that is not a natural person, it is duly incorporated and validly existing under the laws of its country of incorporation;
 - (g) it has full power and authority to enter into and perform this Participation Agreement and all necessary action has been taken by it to entry into and performance of this Participation Agreement; and
 - (h) this Participation Agreement and rights acquired under the Allocation Rules and, if applicable, the Additional Rules constitutes its legal, valid and binding obligation, enforceable against it in accordance with their respective terms.
4. If any of the above warranties ceases to be true with regard to the Registered Participant at any time prior to termination of this Participation Agreement, the Allocation Platform can terminate this Participation Agreement forthwith on written notice to the Registered Participant.

Article 2

Entry into force and term

1. This Participation Agreement enters into force on the date of signature by both Parties. The Participation Agreement has to be delivered to the Allocation Platform at least nine (9) days prior to the Registered Participant's first participation in the Auction Process in two (2) hard copies (by courier or personal delivery in case of handwritten signature(s)), duly completed and signed. Alternatively, the Participation Agreement can be signed with electronic qualified signature(s) (QES).
2. Each Party undertakes with the other Party to comply with and to perform its obligations in accordance with and subject to the SEE CAO Set of Rules and any agreed Additional Rules or Additional Financial Terms.
3. This Participation Agreement is valid for an indefinite period of time and can be suspended or terminated according to Article 1(4) of this Participation Agreement, as provided in the SEE CAO Set of Rules and/or according to any agreed Additional Rules or Additional Financial Terms.

Article 3

Framework contract

1. The Participation Agreement creates a framework contract between the Allocation Platform and the Registered Participant for the allocation and use of the Long Term and Daily Transmission Rights and any other process for which these Parties may apply in line with Article 4 below, all in accordance with SEE CAO Set of Rules.
2. In the SEE CAO Set of Rules, there are:
 - (a) provisions where the Allocation Platform acts as a principal; and

- (b) provisions, notably in relation to the execution of use of capacity, where the Allocation Platform acts as an agent of one or more TSOs.

Article 4

Agreement on Additional Rules

1. The Parties may agree on Additional Rules regarding their rights and obligations which are not regulated by SEE CAO Set of Rules including but not limited to the participation in day-ahead explicit allocation.
2. Such agreement shall become effective upon submission of a declaration of the Registered Participant (in the form set out in Attachment 1 to this Participation Agreement) to the Allocation Platform, whereupon the Registered Participant accepts the Additional Rules for such additional process, as a whole including future amendments.
3. These Additional Rules shall be published on the Allocation Platform's website and attached to the Participation Agreement.

Article 5

Additional Financial Terms

1. The Registered Participant hereby acknowledges the application of the additional Financial terms of the Allocation Platform as such are published on the website of the Allocation Platform from time to time.
2. The collaterals to be provided by the Registered Participant in accordance with the SEE CAO Set of Rules and any Additional Financial Terms are in relation to all processes organized by the Allocation Platform in accordance with this Participation Agreement, including but not limited to the participation in day-ahead explicit allocation.
3. Each collateral accepted by the Allocation Platform before the entry into force of the Additional Financial Terms shall remain valid until the date of its expiry.

Article 6

General

1. Capitalized terms defined in SEE CAO Set of Rules, relevant Additional Rules and/or Additional Financial Terms shall have the meaning ascribed to them in the SEE CAO Set of Rules, relevant Additional Rules and/or Additional Financial Terms unless otherwise defined herein.
2. The Allocation Platform undertakes to notify the Registered Participant of any changes to the details set out in Attachment 2 of this Participation Agreement, no later than one (1) Working Day before such changes take effect.
3. This Participation Agreement shall be governed by and construed in accordance with the laws of Belgium.
4. In the case of a dispute under this Participation Agreement, relevant provisions of SEE CAO Set of Rules shall apply.
5. If any provision of this Participation Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of any competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Participation Agreement which shall continue in full force and effect.

The Allocation Platform:

Name and position of the authorized representative:

Filip Marković, Executive Director

Signature: _____

Date: _____

The Registered Participant:

Name and position of the authorized representative:

Signature: _____

Date: _____

Attachments:

- Attachment 1: Submission of information
- Attachment 2: Allocation Platform contact details
- Attachment 3: TSOs Designation

ATTACHMENT 1
Submission of information

General information

Company name: _____

Address: _____

Business register
number: _____

VAT number: _____

TAX number: _____

Authorized
representative(s): _____

Telephone
number: _____

EIC code: _____

ACER code¹
(optional): _____

General correspondence

Contact:	
Address:	
Telephone number:	
E-mail:	

Financial contact person

Contact:	
Telephone number:	
E-mail:	

Operational contact person

Contact:	
Telephone number:	
Mobile phone number:	
E-mail:	

¹ Precondition for participation in allocation process on borders specified in Appendix 2 of Specific Annex.

Commercial contact person

Contact:	
Telephone number:	
Mobile phone number:	
E-mail:	

Bank account information

All payments made by the Allocation Platform to the Registered Participant will be made to the following bank account:

Bank: _____
Account Holder: _____
SWIFT Code: _____
IBAN Code: _____

Dedicated Business Account model

Dedicated Business Account will be used for the purpose of (select one option):

- settlement between Allocation Platform and Registered Participant; or
- depositing cash collateral only, settlement to be performed by non-automated payment of invoices.

Additional documents required to be attached by the Registered Participant:

Registration extract of the Registered Participant from relevant registry of companies or other competent authority (in cases where the Registered Participant is a legal entity).

ATTACHMENT 2
Allocation Platform Contact Details

Mail, courier and personal messages must be delivered to the Allocation Platform at the following address:

Coordinated Auction Office in South East Europe – SEE CAO
Svetlane Kane Radević 1, 4th floor
81000 Podgorica
MONTENEGRO

For attention of Nikolina Kažić, Legal Officer, additionally available at the following telephone number:

+382 20 444 992

Allocation Platform accepts the submitted documents only on Working Days during the Working Hours. For other operational communication, the following contacts shall be used:

Auction Office Operators:

	Landline Phone No.	Mobile Phone No.	E-mail
Available every day from: 07:00 – 16:00	+382 20 444 999 +382 20 444 998 +382 20 444 997 +382 20 240 000 +382 20 240 001	+382 69 240 001	auctionoffice@seecao.com

ATTACHMENT 3 **TSOs Designation**

For participation in long term and day-ahead explicit allocation and in return and transfer of Long Term Transmission Rights the Registered Participant declares that it has signed at least one of the following documents:

- A valid and effective Balance Responsibility Agreement signed with HOPS and/or valid Electricity Market Participation Agreement signed with Croatian Energy Market Operator (HROTE) (Auction Participant has to be recognized as Croatian Market participant in Croatia);
- A license for international trade issued by SERC and registration with NOSBiH as a Market Participant who belongs to some Balance Group or is registered as an independent Balance Responsible Party (BRP). BRP must have a valid Agreement on Balance Responsibility signed with NOSBiH, including the contracts for access to the network and for transmission;
- Balance responsibility agreement between COTEE, CGES and Balance Responsible Party;
- All relevant contracts with the OST, including the contracts for access to the network and for transmission;
- A Day Ahead Energy Transactions Contract with LAGIE (The Operator of Electricity Market S.A.) and a Transmission System Transactions Contract with ADMIE;
- All relevant contracts with the EPIAS (Market Operator) and TEIAS, including the contracts for access to the network and for transmission;
- A Contract related to conditions and methods for participation in Electricity Market with MEPSO;
- The Dispatching Contract with TERNA in accordance with Congestion Management Rules on Italian Interconnections;
- A license for electricity trading activity (import / export and transit) issued by the ERO or recognized by ERO according to the principle of reciprocity and the Accession Agreement to the Market Rules signed with KOSTT.