

ELECTRICITY MARKET OPERATOR LICENSE

The Electricity Market Operator License under number XXXX is granted pursuant to Article 26(1) of the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021).

The Cyprus Energy Regulatory Authority (CERA), exercising its powers under the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021), as well as any other powers it has under any other Laws, Regulations and Decisions for this purpose, grants this License whereby

XXXXX

(ID CARD NO / REG. NO HEXXXXX)

is licensed in accordance with the provisions of the Law to be exclusively responsible for the operation of the electricity market.

Standard Conditions of the Electricity Market Operator License

This Electricity Market Operator License is granted subject to the following conditions:

1. Definitions

The words, terms and expressions given a specific meaning under the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021) and the Regulations Regulating the Electricity Market (Issuance of Licenses) of 2004 [Regulatory Administrative Act (KDP) 538/2004] shall have the same meaning in this License.

Other words, terms and expressions used in this License which are not interpreted by the above Law or the aforementioned Regulations, shall have the meaning given to them in this License.

2. Compliance with the Law Regulating the Electricity Market of 2021 and Regulations, Regulatory Decisions and Decisions deriving therefrom

The Licensee shall ensure that all activities covered by this License comply at all times with the Law Regulating the Electricity Market of 2021 and all Regulations and Regulatory Decisions deriving therefrom, as well as with subsequent revisions and amendments thereof.

Non-compliance by the Licensee with any provision of the Law or the Regulations, Regulatory Decisions and Decisions deriving therefrom or the special terms and conditions set out in this License, gives CERA the right to impose an administrative fine on the Licensee and/or suspend or revoke this License.

The Licensee shall comply with any provision of other Laws relating to the provisions of the Law Regulating the Electricity Market of 2021, whether or not they refer to it.

3. Compliance with the Rules arising from the Law Regulating the Electricity Market of 2021

The Licensee shall ensure that he/she/it complies with all the Rules deriving from the Law Regulating the Electricity Market of 2021 and in particular with:

- (1) the applicable Transmission Rules and Distribution Rules; and
- (2) the applicable Electricity Market Rules

4. Compliance with other Laws, Regulations, Decrees and Decisions

The Licensee has the obligation and responsibility to comply with the applicable Laws, Regulations, Decrees and Rules of the Republic of Cyprus and to ensure that the Station and the activities covered by this License are consistent with them.

This License does not exempt the licensee from the obligation to obtain any other approvals or licenses required by any other Law.

5. Fees

The Licensee has the obligation to pay to CERA all the fees as defined in the License Fees Regulations in force.

6. Powers to obtain information

The licensee has the obligation to provide CERA with any documents, information or other material that CERA may require for the exercise of its duties, responsibilities and powers.

7. Right to enter and inspect

The Licensee has the obligation to allow CERA or its authorized operators to enter his/her/its premises or means of transport, to provide them with any document or other material requested and to keep books, documents and registers as requested.

8. Keeping separate accounts

The Licensee has the obligation to keep separate accounts for each of the activities for which it is required to possess a License.

9. Prohibited activities

The holder of a Market Operator License shall not own, operate or hold any interest in any entity that generates electricity, own transmission or distribution facilities or supply electricity to consumers.

10. Prohibition of cross-subsidization

The Licensee is prohibited from cross-subsidizing between transmission, distribution and supply activities or other electricity or non-electricity activities.

11. Data management

The Licensee must, when managing customers' data, comply with the rules established by CERA and the requirements of the Law concerning Data Management.

12. Non-discrimination

The Licensee shall conduct the activities covered by this License in a manner consistent with equal treatment and non-discrimination among users of the services provided.

13. Obligation of confidentiality

The Licensee is prohibited from announcing or providing to third parties, in any way, confidential data or information of which he/she/it has become aware or notified in the exercise of his/her/its responsibilities and has the obligation to prevent information relating to his/her/its activities from being disclosed in a discriminatory manner.

Information that is necessary for effective competition and the efficient operation of the electricity market shall be made public.

14. Provision of information and cooperation with the Transmission System Operator - Cyprus and the Distribution System Operator

(1) The Licensee is required to provide the Transmission System Operator - Cyprus and the Distribution System Operator, with all the information that it possesses as a Market Operator, and which is necessary for the performance of their obligations deriving from the Law, the Rules and their licenses, in order to ensure safe and efficient management, coordinated development and interoperability of the Transmission System and the Distribution System, as well as proper functioning of the electricity market.

(2) In order to comply with his/her/its obligations in accordance with this condition, the Licensee may enter into Cooperation Protocols with the Distribution System Operator as provided for in the legal framework that governs the organization and operation of the energy market and the Distribution system operation.

(3) The protocols concluded on the basis of this condition shall be submitted to CERA for approval prior to their conclusion and are subject to amendment at the joint request by the parties to CERA or at the request of CERA.

15. Implementation of Electricity Market Rules

(1) The Licensee is responsible for the preparation, development and functioning of the electricity trading arrangements and shall comply with the relevant Electricity Market Rules which are observed by all final customers who participate directly or as aggregators in the electricity market, the Licensees or persons which have been granted exemptions, to the extent required by their licenses or exemptions, in accordance with the provisions of the Law.

(2) The licensee is responsible for recommending to the Transmission System Operator - Cyprus any amendments to the Electricity Market Rules, that he/she/it deems necessary for the proper functioning of the electricity market.

16. Responsibility for monitoring the Electricity Market

(1) The holder of an Electricity Market Operator License must immediately inform CERA when it suspects that a participant in the Electricity Market violates the provisions of the Law, the conditions of the License or the Electricity Market Rules or behaves in a way that is contrary to the rules of fair competition or attempts to take advantage of its dominant influence in the Electricity Market or abuse any dominant position in the Electricity Market in any way.

(2) The holder of an Electricity Market Operator License must maintain mechanisms and procedures for detecting possible violations by the persons handling the transactions. The Licensee shall ensure that its staff be responsible and capable of managing the risk of electricity market manipulation and that they have access to sufficient training to identify potentially suspicious transactions.

(3) The Licensee must immediately inform CERA when it suspects that a transaction may violate the prohibitions on use of confidential information and/or its manipulation.

17. Regulating and recovering management costs of the Licensee

The fees and charges collected by the Licensee for all the services offered in accordance with the conditions of this License, shall be determined in accordance with the requirements of the Law, the Regulations in force and the Regulatory Decisions of CERA on electricity billing procedures.

18. Public Service Obligations

The Licensee has the obligation to fulfill all Public Service Obligations in accordance with the Legislation and Decrees which are in force or will be in force during the period of validity of the License that he/she/it holds and to comply with any Decisions of the Minister which are made in accordance with Articles 111 and 112 of the Law Regulating the Electricity Market of 2021.

19. Amendment to the License

This License may be amended in accordance with the provisions referred to in the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

Where the Licensee wishes to amend particulars or conditions of the License he/she/it has the obligation to submit for approval to CERA, in a timely manner, a request for the amendment of the License.

20. Period of validity of the License

This License is valid for years from the date on which it is granted.

21. Extension of the validity of the License

The validity of this License may be extended in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

Where the Licensee intends to request an extension of the period of validity of the License he/she/it holds, the licensee has the obligation to submit for approval to CERA, in a timely manner, a request for an extension of the period of validity of the License before its expiry.

22. Suspension and revocation of the License

This License may be suspended or revoked in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

Nicosia, XXXXXX (date)

President

Vice president

Member