INSTRUCTION

FOR THE IMPLEMENTATION OF THE TEMPORARY MODEL FOR ''VIRTUAL POWER PLANTS'' ACCESS TO BiH ELECTRICITY MARKET

1) Balance Responsible Party (hereinafter BRP) shall submit to NOSBiH the request for assignment of the EIC Z and W codes to "Virtual Power Plant" which is a part of Balance Group (hereinafter BG). With its request, the BRP shall submit the list power plants which compose its "Virtual Power Plant" including the following data separately for each power plant:

   1. Installed capacity of the power plant
   2. Type of the power plant
   3. Certificate issued by the entitled DSO stating that power plants satisfy technical conditions for collecting necessary data in accordance with NOSBiH instructions and the Grid Code provisions as well as other valid regulations.

If power plants within the "Virtual Power Plants" of the BRP are connected to different DSOs, it is necessary that the BRP submits confirmations by all DSOs to whose systems they are connected.

2) After receiving the codes from point 1) of this Instruction, the BRP shall be obligated to launch negotiations for updating the existing Balance Responsibility Agreement and to ensure that BRP submits to NOSBiH all necessary data and updated data on electricity injection/withdrawal points.

3) Changes in the composition of "Virtual Power Plants" shall be done on a monthly basis. If there have been changes in the composition of "Virtual Power Plants", the BRP shall submit to NOSBiH the updated list of power plants which constitute the part of its "Virtual Power Plant" by the 25th day in month M-1 for month M. With its updated list, the BRP shall submit all necessary data and documents as requested by NOSBiH.

4) For the BRP whose generation composition involves "Virtual Power Plant" with the installed capacity exceeding 30% of the total installed capacity of BRP's portfolio i the transmission system, the amount of financial security instrument for imbalance of the Balance Group (a bank guarantee or a security deposit) shall be determined by the following principles:

   1. Financial values of planned average three-day electricity consumption of the BRP in the transmission system which shall be calculated by the average imbalance cost for shortage of electricity in a year preceding the year for which the financial security instruments is issued.

2. Financial values of planned average three-day electricity generation of the BRP in the transmission system which shall be calculated by the average imbalance cost forshortage of electricity in a year preceding the year for which the financial security instruments is issued.

3. Financial values of the BRP's average monthly electricity generation (equivalent to aggregate installed capacity of "Virtual Power Plant") which shall be calculated by the average imbalance cost for shortage of electricity in a year preceding the year for which the financial security instruments is issued.

The amount of the financial security instrument shall not be limited.

If NOSBiH activates the financial security instrument, the BRP shall be obligated to submit i.e to pay a new bank guarantee or a security deposit within seven (7) days of the activation if the security deposit i.e. the bank guarantee has been used in full.

If the financial security instrument has only been partially used, the Bank shall refund the original guarantee with the indication of the protest amount i.e. the BRP shall be obligated to pay used deposit within seven (7) days of the activation.

4. Prior to signing the Balance Responsibility Agreement (BRP) is, at the request of NOSBiH, obliged to submit all data and documents necessary to determine the technical / market and financial risk and creditworthiness of the BRP, in accordance with the profession rules. After analyzing the submitted documents, based on the recommendation of professional services, NOSBiH will make a decision on possible additional instruments to secure the contractual relationship (actual, personal, etc.), all in accordance with the identified financial risk and analyzed creditworthiness of BRP.

5) In its daily schedule the BRP shall report generation of the "Virutal Power Plant" as aggregate value of all power plants connected to the distribution grid which belong to its BG in accordance with the Instructions for daily schedules delivery published on NOSBiH website.

6) Imbalance calculation of the BRP shall be done in accordance with valid procedures while the entitled DSO shall submit to the BRP aggregate amount of realized prodaction of the "Virtual Power Plant" in 15-minute resolution. If the DSO does not deliver the necessary data to NOSBiH for imbalance calculation of the BRP for previous month until the 6th day in a current month, NOSBiH shall calculate the BRP's imbalance in accordance with available data.