



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULLATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



ELECTRICITY WHOLESALE SUPPLY (TRADE) LICENSE

GRANTED TO:

MCM COMMODITIES LLC.

Registration number: ERO/Li_87/23

Pristina, 18 August 2022



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULLATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



TABLE OF CONTENTS

| | | |
|------------|--|-------------------------------------|
| Article 1 | Purpose..... | 3 |
| Article 2 | Definitions | 3 |
| Article 3 | Rights and Obligations..... | Error! Bookmark not defined. |
| Article 4 | Prohibition of Subsidies and Cross-Subsidies..... | 4 |
| Article 5 | Compliance with Grid Code, Distribution Code, Metering Code and Rule on General Conditions of Energy Supply..... | 4 |
| Article 6 | Market Rules..... | 5 |
| Article 7 | Health and Safety | 5 |
| Article 8 | Labour..... | 5 |
| Article 9 | Changes in Control of the Licensee | 5 |
| Article 10 | Provision of Information to ERO | 5 |
| Article 11 | Renewal, Modification , Suspension, Transfer and Termination of the License .. | 6 |
| Article 12 | Taxes..... | 6 |
| Article 13 | Administrative Measures and Fines | 6 |
| Article 14 | Dispute Resolution | 7 |
| Article 15 | Entry into force..... | 7 |



Article 1 Purpose

Energy Regulatory Office – ERO (hereinafter “the Regulator”) in line with the authority granted under Article 28, paragraph 2, sub-paragraph 2.11 and Article 34 of the Law on Energy Regulator (Law No. 05/L-084), Article 18, paragraph 2 of the Law on Energy (Law No. 05/L-081), Article 32 of the Law on Electricity (Law No. 05/L-085), and Rule on Licensing of Energy Activities in Kosovo (Rule ZRRE/No. 07/2017), through this, in the session held on **18 August 2023**, issued the electricity wholesale supply (trade) license to the company **MCM COMMODITIES LLC** (unique identification number in KBRA **UID 810821498**), address: **St. Nënë Tereza**, 10000, Pristina, Republic of Kosovo (hereinafter “the licensee”)

Article 2 Definitions

1. Terms used in this license shall have the following meaning:
 - a) **“Member”**- direct or indirect relationship with the licensee, any shareholder company or subsidiary of the licensee, or any subsidiary of a shareholder Company of the Licensee, established under applicable legislation.
 - b) **“Electricity Export”**- transmission of electricity from Kosovo to another country, in the sense that at the same time the electricity will be accepted from that country.
 - c) **“Electricity Import”**- acceptance of electricity in Kosovo from another country, in the sense that at the same time the electricity will be accepted.
 - d) **“Wholesale customer (trader)”**- any legal or physical person purchasing electricity with the purpose of reselling it, within or out of the system where it is established.
 - e) **“Financial Year”** period from 1 January to 31 December of the same calendar year.
 - f) **“Joint Stock Company”** – a company defined as such in accordance with applicable law in Kosovo.
 - g) **“Legislation”**- Law on Energy (Law no. 05/L-081), Law on Energy Regulator (Law no. 05/L-084), Law on Electricity (Law no. 05/L-085), Law on Competition (Law no. 2004/36) and other primary or secondary legislation regulating the energy sector.



- h) **“Market Rules”**- rules adopted by the Regulator, determining the functioning of electricity market and the relationship between the Market Operator and market participants, as well as interactions between these parties and the Transmission System Operator.
- i) **“Codes”** -the technical rules developed by Transmission System Operator and Distribution System Operator under the Law on Electricity and approved by the Regulator, in accordance with Law on Energy.
- j) **“Power Purchase Agreement”**- An agreement for purchase of electricity with the generator of energy in accordance with Article 18 of Law on Electricity.
- k) **“Subsidiary”**- any enterprise owned or controlled by another enterprise, as defined by the applicable law in Kosovo.
- l) **“Transit”**- electricity transport through Kosovo Transmission System, where neither generation nor corresponding acceptance of electricity is not realized in Kosovo.

2. Other terms used in this license shall have the same meaning prescribed to them as the terms used in applicable legislation.

Article 3 **Rights and obligations**

1. The license is issued for sale and purchase of electricity.
2. The licensee may:
 - 2.1. purchase capacities and electricity from producers at unregulated prices;
 - 2.2. purchase and sell capacities and electricity from other suppliers at unregulated prices;
 - 2.4. sell capacities and electricity to other suppliers at unregulated prices; and
 - 2.5. transit, import and export capacities and electricity
3. The territory covered by this license is the entire territory of the Republic of Kosovo.

Article 4 **Prohibition of Subsidies and Cross- subsidies**

The Licensee shall prevent or avoid that the activity for electricity supply, export or import, award or obtain any subsidy or cross-subsidy (direct or indirect) from any other activity of the Licensee and or any Subsidiary (partner) or any member and/or from any other person.



Article 5

Compliance with the Distribution Code, the Grid Code, the Metering Code and the Rule on General Conditions of Energy Supply

1. The Licensee shall comply with the provisions of the Distribution Code, the Grid Code, the Metering Code and the Rule on General Conditions of Energy Supply.
2. The licensee shall seek derogation (postponement) in the application of the provisions which are not possible to be applied, according to paragraph 1 of this Article. Following the review of the request by the licensee, ERO may allow or refuse derogation (postponement) of the implementation term.

Article 6

Market Rules

1. The Licensee shall act in conformity with the applicable Market Rules.
2. The licensee shall seek derogation (postponement) in the implementation of some provisions of Market Rules. Following the review of the request from the licensee, ERO may allow or refuse the derogation (postponement) of the implementation term.

Article 7

Health and Safety

The Licensee shall take any action necessary to protect persons from injuries that may be caused by the Licensee while performing the licensed activity, in accordance with applicable legislation.

Article 8

Labour

Regarding the employment relationships and safety at work, the Licensee shall act in conformity with applicable legislation in Kosovo.

Article 9

Change in Control of the Licensee

1. The Licensee shall notify the Regulator of any changes expected in control at least sixty (60) days in advance. Change in control shall not take effect until it is approved by the Regulator.



2. The Licensee shall notify the Regulator of any change in the organizational structure of the Licensee. Such notice shall be given to ERO not later than three (3) working days from the date of any such change.

Article 10 **Provision of information to the Regulator**

1. The Licensee shall submit to the Regulator information and reports related to energy contracts with other enterprises licensed by ERO, in the manner and on time-frames that the Regulator will require.
2. If the Licensee, in compliance with the Rule on Confidential Information requires certain information to be considered as confidential, it is obliged to mark such information as confidential and to justify its request to the Regulator. The Regulator will review such request pursuant to Rule on Confidential Information.
3. Energy Regulatory Office is entitled to ask from the Licensee any confidential information, necessary for performance of its functions and duties in accordance with Article 12 of Law on Energy Regulator.
4. The Licensee shall appoint a person through whom it will communicate with Transmission System Operator and Market Operator. The address, phone number, fax number or electronic mail address of this person shall be submitted to the Transmission System Operator and Market Operator.
5. The Licensee shall hand over to ERO details of any changes in information submitted in the course of application for this license.

In this Article:

"Information" – material in any form and shall include, without limitation, any contract, book, document, record, accounting, calculation (statutory or other), assessment, return or report of any description or any explanation (verbal or written) with respect to these information that may be requested from the Regulator.

Article 11 **Renewal, Modification, Suspension, Transfer and Termination of the License**

1. The Regulator may renew, modify, suspend, and terminate this license in accordance with the Law on Energy Regulator and the Rule on Licensing of Energy Activities in Kosovo.
2. The Regulator may transfer this license in accordance with Law on Energy Regulator and Rule on Licensing of Energy Activities in Kosovo, ensuring that the license obligations may be performed by another Licensee and if the customers will not be be harmed due



to such a transfer.

Article 12

Taxes

The Licensee shall pay to the Regulator any initial and annual tax, determined pursuant to Rule on Taxes, issued by the Regulator.

Article 11

Administrative Measures and Fines

1. In case of violation of provisions of applicable legislation including the rules issued by the Regulator, Articles and criteria of this License or instructions given by the Regulator to the licensee, the Regulator has the power to impose administrative measures and fines to the Licensee, in accordance with Article 52 of Law on Energy Regulator and Rule on Administrative Measures and Fines.
2. Administrative measures and fines may be imposed to the enterprise as a legal entity as well as to responsible people within the enterprise.
3. The amount of fine shall be evaluated in accordance with Law on Energy Regulator and Rule on Administrative Measures and Fines.

Article 14

Dispute Resolution

1. Any dispute that may arise or is related to licensed activities shall be resolved in accordance with Rule on Resolution of Complaints and Disputes in Energy Sector, issued by the Regulator.
2. Decisions of the Regulator related to renewal, modification, suspension, termination and transfer of the license as well as decisions on fines as a consequence of violations of license conditions or violations of applicable legislation, may be disputed by the Licensee at the competent Court, in conformity with applicable laws.

Article 15

Entry into force

1. In line with articles 9,28,32 and 34 of the Law on Energy Regulator no. 05/L-084, this license with number **ZRRE/Li_87/23** is issued to the company **MCM COMMODITIES LLC** for the electricity wholesale supply (trade) activity and enters into force on **18.08.2023**.



2. The license shall continue to be valid for a five (5) year period, **until 17.08.2028**, with the possibility of extension if the licensee applies for license extension **no later than six (6) months** prior to the expiry of the license term and fulfils the criteria for license extension, in line with Article 32, paragraphs 2 and 3 of the Law on Energy Regulator and the Rule on Licensing of Energy Activities in Kosovo (Rule ERO/No. 07/2017 amended on 29.07.2022, Rule no. 02/2022).

3. The enterprise is obliged to submit to the Regulator any document issued to different institutions to **MCM COMMODITIES LLC** which can have an impact in the validity and validity period of the issued license, as well as any document which may differ from the ones submitted during the application for obtaining the license.

Stamped with the common stamp of Energy Regulatory Office on: _____.

Signed by Ymer Fejzullahu, Chairman of the Board: _____.

Signed on _____.