

General principles for distribution of unbalance in the balancing group KKBG

1. The general principles for distribution of unbalanced energy within the composite balancing group with a coordinator **COMPANY FOR THE POWER WORKER AND DEVELOPMENT" OOD** (the coordinator) are developed on the basis of the electricity trading rules (made on the basis Art. 91, para. 2 of the Energy Act., adopted by the State Energy and Water Regulatory Commission, by a decision under protocol No. 110 from 18.07.2013, promulgated in the State Gazette, issue 66 / 07.26.2013, effective from 26.07.2013, amended and suppl., State Gazette, issue 39 of 05.09.2014, hereinafter referred to as the "RTE")
2. The coordinator of the balancing group assumes responsibility for balancing before the independent transmission operator for all producers, participating in its balancing group.
3. Tight for participation in the composite balancing group of **COMPANY FOR THE POWER WORKER AND DEVELOPMENT" OOD** has any market participant, which produces electricity from renewable energy sources and/or high efficiency cogeneration of heat and power, as defined in the electricity trading rules, the Energy Law and the Renewable Energy Act.
4. With regard to the participation of producers in Article 70 of the electricity trading rules the balancing group coordinator will govern the relationships that arise with public supplier in accordance with Art. 73 of the electricity trading rules.
5. In relation to the participation of producers in Article 70 of the electricity trading rules in the balancing group, the coordinator will govern the relationships that arise with the independent transmission operator under Art. 72 of the electricity trading rules.
6. In Article 56 (15) with the the coordinator of the combined balancing group in signed a contract for participation in the composite balancing group under the terms of item 9 of Article 11 from the electricity trading rules.
7. The total production of electrical energy in the balancing group of the coordinator is equal to the sum of the total production of all the sites from all producers of electricity, from which the coordinator has taken the responsibility for balancing.

- 8.** The net measured position of the coordinator of the composite balancing group is determined according to Article 163 (1) from the electricity trading rules.
- 9.** The independent transmission operator performs final physical and financial settlement on a monthly basis, for the coordinator of the composite balancing group
- 10.** Measured quantity of electrical energy is called as measured by the commercial measurement and validated amount of electricity.
- 11.** The unbalanced energy of a participant in the composited balancing group is the absolute value of the difference between the approved amount of electricity on schedule and measure the actual amount of electricity for each settlement period.
- 12.** This energy can be either surplus or deficit.
- 13.** In cases where a participant in composite balancing group of the coordinator is a producer of electrical energy under article 70 of the electricity trading rules, for each settlement period in which the measured quantity of electricity is greater than the approved schedules, imbalances is an energy surplus.
- 14.** In cases where a participant in composite balancing group of the coordinator is a producer of electrical energy under article 70 of the electricity trading rules, for each settlement period in which the measured quantity of electricity is less than the approved schedules, imbalances is an energy deficit.
- 15.** The total amount of unbalanced energy of the coordinator of the composite balancing group is calculated after aggregating all individual unbalances of participants in the composite balancing group under item 14,15,16 и 17, for each period of settlement.
- 16.** The provision and promotion of the schedules for the production of electricity is carried out under the terms and provisions of Chapter Six of electricity trading rules.

17. The coordinator of the composite balancing group prepares settlement statements for all the participants in the balancing group, calculates and distributes the unbalanced energy and its respective cost between the group members.

18. The invoicing of cost for unbalanced energy from the coordinator to the participants in the composite balancing group is performed after receiving all the necessary data to perform the activities under item 20 and subject to the requirements of the law on value added tax.

**Principles for the distribution of the unbalanced energy in the composite balancing group of COMPANY FOR THE POWER WORKER AND DEVELOPMENT"
OOD**

19. Group effect is the effect of the reduction in unbalanced energy of total group with respect to that of the individual unbalanced energy of the participants of the composite balancing group, as a result of the participation of each of them in the composite balancing group of the coordinator through the process of aggregation of unbalances between all group members.

20. The result achieved by the group effect in item 19 shall be distributed among the participants in the composite balance group, subject to the following principles:

- The total unbalanced energy of the Group and the cost of it is determined by the settlement of the coordinator of the composite balancing group and settlement between the coordinator and the independent transmission operator under Article 72 of electricity trading rules;
- For each settlement period coefficients of aggregation are determined for energy surplus and deficit.
- For each settlement period for each member of the composite balancing group, the individual energy surpluses/deficits are reduced with the corresponding coefficients of aggregation for energy surplus/deficit;
- Equality between members of the balancing group;
- Distribution of the group effect to all participants in the composite balance group, taking into account the individual contribution of each participant;
- Transparency and accountability from the coordinator to the members of the composite group balancing;
- The calculated unbalanced energy may not exceed its individual value.

21. With regard to the distribution of the unbalanced energy and the group effect, the coordinator of the composite balancing group prepares and sends to each member of the group settlement statements, such as:

- Calculate individual hourly unbalanced energy (surplus and deficit) of the corresponding member of the composite balancing group.
 - Calculate and distributed to the corresponding member the cost for the unbalanced energy, taking into account the individual contribution, the participation in the composite balancing group and the distribution of the positive group effect under item 20.

 - Presents to the corresponding member of the composite balancing group the exact calculation of the positive effects of participation in the balancing group.
- 22.** For the producers of electrical energy under Art. 70 of the electricity trading rules, who have chosen to transfer responsibility for balancing to the composite balancing group coordinator, the coordinator performs the allocation of costs and revenues under item 4 of the settlement of relations under Article 73 of the electricity trading rules with the public supplier, subject to the following principles :
- The distribution is made to all producers under item 21, without prejudice to the other participants in the balancing group;
 - The distribution is performed solely on the basis of the individual contribution of each producer of electricity under item 21;

In the distribution of costs and revenues, the coordinator does not bring added value allocated expenditure/income to the producers of electricity under item 22 are fully consistent with the cost/revenue relationship occurred between the coordinator of the composite balancing group and the public service under item 4.