Based on Article 79 paragraph (2) of the Energy Law (“Official Gazette of the Republic of Macedonia” No. 96/18 and “Official Gazette of the Republic of North Macedonia” No. 96/19, and in accordance with Article 19 paragraph (1) item 18) from the Statute of the Transmission System Operator of the Republic of North Macedonia, Joint Stock Company for Transmission of Electricity and Management of the State-Owned Power System, Skopje (Official Gazette of the Republic of North Macedonia No. 215/19), upon prior approval from the Energy and Water Services Regulatory Commission of the Republic of North Macedonia with Decision no. 12-2624 / 4 dated 20.11.2019, the Company’s Board of Directors at the session held on 21.11.2019 with Decision no. 02-6692 / 17 adopted:

**THE RULES FOR AMMENDING AND COMPLEMENTING THE ELECTRICITY BALANCING MARKET RULES**

Article 1

In the Electricity Balancing Market Rules ("Official Gazette of the Republic of North Macedonia" No. 179/19) in Article 18 paragraph (4) is ammended and reads:

“(4) A standard product for AFRR balance capacity is a hourly product with the same or different values in both directions.

After paragraph (4), a new paragraph (5) shall be added which reads:

"(5) As an exception to paragraph (4), TSO may decide to introduce additional products for aFRR balance capacity depending on the operation and needs of the power system."

Paragraph (5) becomes paragraph (6).

Article 2

In Article 21, paragraph (2) is erased.

Article 3

Article 23 adds paragraphs (2), (3) and (4) which read:

(2) BSP at the auction for procurement of aFRR balance capacity shall submit bids for the price of aFRR balance energy.

(3) BSP for the submitted bids for providing aFRR balance energy in day D-1 for day D, has the following opportunities:

1) to confirm the already submitted bids for balancing units, quantities and prices of balancing energy, if they are within the minimum and maximum price values of aFRR balance energy defined in paragraph (4) of this Article, or

2) to change the submitted bids for the same balance units in relation to the quantities of the balance capacity and the price of the balance energy.

(4) The submitted bids for aFRR balancing energy in day D-1 for day D should have the following values:

1) for up regulation the price of aFRR balance energy delivered in D-1 for day D may be less than or equal to the value HUPX + 50% for the corresponding hour achieved in DAM (Day Ahead Market), but the same must not be higher from the already offered price at the aFRR balance capacity auction.

2) for down regulation the price of aFRR balance energy delivered in D-1 for day D, may be greater than or equal to the value HUPX - 50% for the corresponding hour achieved in DAM (Day Ahead Market), but it must not be lower from the already offered value at the aFRR balance capacity auction.

Article 4

In Article 24, paragraph (4) is erased.

Article 5

Article 25 paragraph (1) is amended and it reads:

(1) The bids for AFRR balancing energy shall be sorted in the following order:

1) for up regulation - first the bids with the lowest price, until the required amount of balance energy is provided in the amount of the leased aFRR balance capacity,

2) for down regulation - first the bids with the highest price, until the required amount of balance energy is provided in the amount of the leased aFRR balance capacity.

Paragraph (2) is erased.

Paragraph (3) becomes paragraph (2).

Article 6

Article 33 paragraph (1) is amended and it reads:

"(1) A standard product for mFRR balance capacity is an hourly product with the same or different values in both directions for each period."

After paragraph (1), a new paragraph (2) shall be added which reads:

"(2) As an exception to paragraph (1), the OEPS may decide to introduce additional products for mFRR balance capacity depending on the operation and needs of the power system."

Paragraph (2) becomes paragraph (3).

Article 7

Article 39 adds three paragraphs (2) (3) and (4) which read:

(2) BSP at the auction for procurement of mFRR balance capacity submits bids for the price of mFRR balance energy.

(3) BSP for the submitted bids for procurement of mFRR balance energy in day D-1 for day D, has the following opportunities:

1) to confirm the already submitted bids for balance units, quantities and balance energy prices if they are within the minimum and maximum values for the price of mFRR balance energy defined in paragraph 4 of this Article or

2) to change the submitted bids for the same balance units in relation to the balance energy price or

3) to submit new bids for balancing units for procurement of balance energy, which were not previously included in the lease of balance capacity;

(4) The submitted bids for mFRR balancing energy in day D-1 for day D should have the following values:

1) For up regulation, the price of mFRR balance energy delivered in D-1 for day D may be less than or equal to the value of HUPX + 30% for the corresponding hour achieved in DAM (Day Ahead Market), but it must not be higher from the already offered price at the auction for mFRR balance capacity,

2) For down regulation the price of mFRR balance energy supplied in D-1 for day D may be greater than or equal to the value of HUPX - 30% for the corresponding hour achieved in DAM (Day Ahead Market), but it must not be lower from the already offered auction for mFRR balance capacity.

Article 8

Article 41 paragraph (1) is amended and it reads:

(1) The bids for mFRR balancing energy in the merit order list shall be sorted in the following order:

1) For up regulation - first the offers with the lowest price, until the required amount of balance energy is provided. For down regulation - first the offers with the highest price, until the required amount of balance energy is provided.

Article 9

In Article 51 paragraph (1) after the "%" sign the word "value" is erased and the words "highest monthly value" are added in its place.

Article 9

In Article 71 in paragraph (4) the number "69" is replaced with the number "70"

Article 10

In Article 104, after paragraph (5), a new paragraph (6) is added which reads:

"(6) Article 30 paragraph (2) and Article 47 paragraph (2) of these Rules, will start to apply from 2021 for the electricity producer with the largest installed capacity.

Paragraph (6) becomes paragraph (7).

Article 11

These Rules shall enter into force on the day of their publication in the Official Gazette of the Republic of North Macedonia, and shall apply from 1 January 2020.