

The Law Regulating the Electricity Market of 2003 is issued upon its publication in the Official Gazette of the Republic of Cyprus in accordance with Article 52 of the Constitution.

No. 122(I) of 2003

LAW REGULATING THE ELECTRICITY MARKET OF 2003 TO 2017

For the purpose of harmonization with the act of the European Union entitled:

“Directive 96/92/EEC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity”.

Articles 2, 9, 10, 11, 12, 14, 15 of “Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC”.

And for the purpose of implementing “Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency”.

PART I – INTRODUCTORY PROVISIONS

The House of Representatives enacts as follows:

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| Short title.
239(I) of 2004
143(I) of 2005
173(I) of 2006
92(I) of 2008
211(I) of 2012
206(I) of 2015
18(I) of 2017. | 1. | This Law shall be cited as the Law Regulating the Electricity Market of 2003 to 2017. |
| Interpretation.

2(a) of 211(I) of 2012.
Official Gazette of the EU: L.193 of 18.7.1983, p.1.
L.395 of 30.12.1989, p.36.
L.317 of 16.11.1990, p.57.
L.317 of 16.11.1990, | 2. | In this Law, except where the text otherwise requires:

“affiliated undertaking” means the affiliated undertakings by virtue of Article 41 of the Seventh Directive 83/349/EEC of the Council of 13 June 1983, based on Article 44, paragraph 2, item (g) of the Treaty on consolidated accounts and/or associated undertakings pursuant to Article 33, paragraph 1 of the same Directive and/or undertakings belonging to the same shareholders; |

p.60.
L.283 of
27.10.2001,
p.28.
L.178 of
17.7.2003, p.16.
L.157 of
9.6.2006, p.87.
L.224 of
16.8.2006, p.1.
L.363 of
20.12.2006,
p.137.
L.164 of
26.6.2009, p.42.

L.206(l) of
23.12.2015

2(a) of 211(l) of
2012.
Official Gazette
of the EU: L.221
of 14.8.2009,
p. 1.
2(f) of 239(l) of
2004.

2(a) of 239(l) of
2004.

2(q) of 211(l) of
2012.

2(b) of 92(l) of
2008.
2(i) of 211(l) of
2012.

1 of 1990
71 of 1991
211 of 1991
27(l) of 1994
83(l) of 1995
60(l) of 1996
109(l) of 1996

“Aggregator” means a demand service provider that combines multiple short-duration consumer loads for sale or auction in organised energy markets.

“Agency” means the Agency for the Cooperation of Energy Regulators (ACER) established with Regulation (EC) no. 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.

“ancillary service” means a service other than the generation of electricity, which is necessary for operating a stable and reliable electric system and which includes inactive operational standby power supply, voltage regulation and cold start;

“applicant” means a person who submits an application for the granting of an authorization pursuant to the provisions of Article 37;

“authorization” means an authorization granted pursuant to Article 34;

“authorization holder” means any person granted an authorization pursuant to Article 34;

“authorized officer” means a member of the staff of the CERA Office appointed by CERA by virtue of Article 7 and authorized by CERA to perform the duties in accordance with Article 98;

“balance between supply and demand” means meeting the forecasted demand for electricity with the available generation without the need to take measures to reduce consumption;

“CERA” means the Cyprus Energy Regulatory Authority;

“CERA Office” means the legal entity established by virtue of Article 7;

“civil post”, “civil service” and “civil servant” have the meanings given to them by the Civil Service Laws of 1990 to 2001;

156(I) of 2000 69(I) of 2001 4(I) of 2001.	
2(b) of 173(I) of 2006.	“cogeneration” has the meaning given to this term by the Promotion of Heat and Power Cogeneration Law;
2(b) of 173(I) of 2006. 174(I) of 2006.	“cogeneration unit” has the meaning given to this term by the Promotion of Heat and Power Cogeneration Law;
	“commercially sensitive information” means any information the disclosure of which would materially prejudice the economic interests of any person;
	“Commission” means the Commission of the European Communities;
	“Consumer” Deleted by 2(aa) of 211(I) of 2012.
2(a) of 211(I) of 2012.	“control” means the rights, agreements or other means which, either alone or combined with others, and taking into account the relevant actual or legal conditions, enable the exercise of decisive influence on an undertaking, and especially through:
	(a) ownership or usage rights on all or part of the undertaking’s assets;
	(b) rights or agreements which enable the exercise of decisive influence on the composition, voting or decisions of the bodies of an undertakings;
2(a) of 211(I) of 2012.	“customer or consumer” means the wholesale customer or the final customer of electricity;
	“Cyprus Energy Regulatory Authority” means the Authority established by virtue of Article 4;
2(g) of 239(I) of 2004.	“Cyprus Transmission System Operator Account” means the account opened by the Transmission System Operator Director in respect of which only the Transmission System Operator Director and persons authorized by the Transmission System Operator Director are signatories;
L.206(I) of 23.12.2015	“CTSO” means the Cyprus Transmission System Operator;
2(n) of 211(I) of 2012.	“Cyprus Transmission System Operator Director” means the natural person appointed as Director of the Cyprus Transmission System Operator in accordance with the provisions of clause (2) of Article 58;
	“decision” means a decision of CERA as set out in Article 26;
2(b) of 92(I) of 2008.	“Directive 2005/89/EC” means the Directive of the European Parliament and of the Council of 18 January 2006 concerning measures to safeguard the electricity supply and infrastructure investment, as amended or replaced at the time;
2(b) of 239(I) of 2004.	“direct line” means an electric line connecting –

- 2(h) of 211(I) of 2012. (a) an isolated production site with an isolated customer; or (b) an electricity generator and an electricity supply undertaking, which directly supplies its own premises, subsidiaries and eligible customers;
- 2(s) of 211(I) of 2012. “direct line construction authorization” means an authorization by virtue of Article 87;
- “Direct pipeline”. Deleted by 2(al) of 211(I) of 2012.
- 2(a) of 211(I) of 2012. “dispersed generation” means the generating units connected to the distribution system;
- “distribution” in relation to electricity, means the distribution of electricity by means of a high and low voltage system consisting of electric lines, electric plants, electric equipment, transformers and feeding mechanisms and switchgear and which is used for the distribution of electricity to consumers as well as between substations, excluding the supply;
- 2(k) of 211(I) of 2012. “distribution system” means a system not consisting of any part of the transmission system, which consists, mainly or wholly, of:
- (a) electric lines of the medium and low voltage networks between automatic circuit breakers or medium voltage breakers at the transmission substations owned by the Distribution System Operator and used for the distribution of electricity from generating units or other entry points to the point of delivery to consumers or other users, and
- (b) any other electric equipment, which is owned or operated by the Distribution System Operator in connection with the distribution of electricity;
- 2(a) of 211(I) of 2012. “Distribution System Operator” is appointed by EAC and is responsible for the operation, maintenance and, if necessary, the development of the distribution system in a given area and, as the case may be, of its interconnections with other systems, and for the long-term capacity of the system to respond to the fair demand of electricity distribution;
- 2(a) of 211(I) of 2012. “Distribution System Operator Director” means an EAC officer to whom EAC assigns the direction of the distribution system operation;
- 2(w) of 211(I) of 2012. “Distribution System Owner” means EAC in its capacity as owner of the distribution system;
- 207 of 1989
111(I) of 1999
87(I) of 2000
155(I) of 2000. “dominant position” and “abuse of dominant position” have the meaning given to them by the Protection of Competition Laws of 1989 to (No.2) of 2000”;
- “Draft Regulatory Decision” means a draft regulatory decision of CERA referred to in Article 26;

2(d) of 211(l) of
2012.
Cap.171
10 of 1960
16 of 1960
24 of 1963
45 of 1969
53 of 1977
31 of 1979
116 of 1990
250 of 1990
40(l) of 1995
15(l) of 1996
75(l) of 1998
143(l) of 1999
158(l) of 2000.

“EAC” means the Electricity Authority of Cyprus and has the meaning given to this term in the Electricity Development Law, as amended or replaced from time to time;

2(a) of 211(l) of
2012.

“economic precedence” means ranking the electricity supply sources based on economic criteria;

“electric equipment” means any installation, apparatus or appliance used for, or for purposes connected with, the generation, transmission, distribution or supply of electricity, and it does not include:

- (a) an electric line,
- (b) a meter used for recording the quantity of electricity supplied to any installation, or
- (c) an electrical appliance, which is under the control of a consumer;

2(a) of 211(l) of
2012.

“electricity supply agreement” means the agreement for the supply of electricity;

“Electricity Trading Rules” means the Rules governing the purchase and sale of electricity between authorization holders, which are prepared and published by the Cyprus Transmission System Operator in accordance with Article 80;

2(y) of 211(l) of
2012.

2(az) of 211(l) of
2012.

“Electricity Trading Rules Advisory Committee” means the Committee set up in accordance with Article 82;

2(u) of 211(l) of
2012.

“electricity undertaking” means the natural or legal person who carries on at least one of the following activities: generation, transmission, distribution or supply of electricity, including any authorization holder under this Law, or any person who has been granted an Order or permit under Articles 4 and 9, respectively, of the Electricity Law, and is responsible for the commercial and technical duties and/or the maintenance duties relating to such activities and this definition does not include final customers;

“electric line” means any line which is used solely or *inter alia* for carrying electricity for any purpose and includes:

- (a) any support for any such line, including any structure, pole, or any

other object in, on, by or from which any such line may be supported, carried on suspended;

(b) any apparatus connected to any such line for the purpose of carrying electricity or providing other services, and

(c) any wire, cable, tube, pipe or similar object, including its casing or coating, which surrounds or supports or is surrounded or supported by any such line, or is installed in close proximity to or is supported, carried or suspended in association with any such line;

2(u) of 211(l) of 2012.

“eligible customer” means the customer who is free to purchase electricity from a supplier of his choice by virtue of Article 43;

2(p) of 211(l) of 2012.

“energy efficiency” / “demand-side management” means the global or integrated approach aimed at influencing the quantity and timing of electricity consumption in order to reduce primary energy consumption and peak loads by giving precedence to investments in energy efficiency measures, or other measures, such as interruptible supply contracts, over investments to increase generation capacity, if the former are the most effective and economical option, taking into account the positive environmental impact of reduced energy consumption and the security of supply and distribution cost aspects related to it;

“exemption” means an exemption from the requirement to hold an authorization granted pursuant to Article 35;

2(a) of 211(l) of 2012.

“final customer” means the customer who purchases electricity for his own use;

2(o) of 211(l) of 2012.

“forecast report” means the report the contents of which are set out in Article 88;

2(ae) of 211(l) of 2012.

“generate” in relation to electricity, means to produce electricity;

“generating station” means a station for the generation of electricity;

2(af) of 211(l) of 2012.

“generator” means a natural or legal person generating electricity in accordance with the provisions of this Law;

2(a) of 173(l) of 2006.

“heat and power cogeneration”. Deleted.

2(b) of 173(l) of 2012.

“high efficiency cogeneration” has the meaning given to this term by the Promotion of Heat and Power Cogeneration Law;

“high voltage” means the nominal voltage of which the root mean square (RMS) value exceeds 36kV;

2(a) of 211(l) of 2012.

“horizontally integrated undertaking” means an undertaking carrying on at least one of the generation activities with the aim to sell or transmit, distribute or supply electricity, and one activity outside the electricity sector;

2(a) of 211(l) of

“household customer” means the customer who purchases electricity for his

2012.	own household consumption, excluding commercial or professional activities;
2(a) of 211(l) of 2012.	“integrated electricity undertaking” means an undertaking which is vertically or horizontally integrated;
2(l) of 211(l) of 2012.	“interconnector” means equipment used to link electricity systems.
2(a) of 211(l) of 2012.	“interconnection system” means the system consisting of a number of transmission and distribution systems, which are connected between them with one or more interconnectors;
2(a) of 211(l) of 2012	“Invitation to Tender procedure” means the procedure with which all planned additional needs and capacity replacement needs are met with supplies from new or existing production sites;
2(a) of 211(l) of 2012.	“isolated microsystem” means every system with a consumption less than 500 GWh in 1996, which is not connected to other systems;
2(a) of 211(l) of 2012.	“long-term planning” means the planning of the investment needs in respect of the generation, transmission and distribution capacity on a long-term basis, in order to meet the electricity demand in the system and ensure customers’ supply;
	“low voltage” means the nominal voltage of which the root mean square (RMS) value does not exceed 1kV;
	“medium voltage” means the nominal voltage of which the root mean square (RMS) value exceeds 1kW but does not exceed 36kV;
	“Member of CERA” means a person appointed by the Council of Ministers in accordance with Article 4 including the President and the Vice-President of CERA;
2(a) of 92(l) of 2008.	“Member State” means a state which is a member of the European Union and/or a contracting party to the Agreement on the European Economic Area signed in Oporto on 2 May 1992 and adjusted by a Protocol, which was signed in Brussels on 17 May 1993 and as this Agreement is further amended at the time;
L.206(l) of 23.12.2015	“Minister” means the Minister of Energy, Commerce, Industry and Tourism;
L.206(l) of 23.12.2015	“Ministry” means the Ministry of Energy, Commerce, Industry and Tourism;
	“natural gas” means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane and contains liquid natural gas;
	“natural gas pipeline systems”. Deleted by 2(al) of 211(l) of 2012.
2(ad) of 211(l) of 2012.	“non-eligible customer” means any customer not designated as an eligible customer under a Ministerial Order issued pursuant to Article 44 and who is supplied with electricity by EAC;

- 2(a) of 211(l) of 2012. “non-household customer” means a natural or legal person purchasing electricity not destined for own household use, including producers and wholesale customers;
- 2(b) of 92(l) of 2008. “operational network safety” means the ongoing operation of the transmission system and, where applicable, of the distribution system under foreseeable conditions;
- 2(j) of 211(l) of 2012. “performance indicators” means the indicators set out in Regulations issued by CERA by virtue of Article 95;
- “person” means a natural or legal person and includes a company, partnership, municipality, club, foundation or any other union or association of persons with or without legal personality;
- 2(am) of 211(l) of 2012. “Public Service Obligation” means any obligation imposed upon electricity undertakings by virtue of Article 89 and takes into account general, social, economic and environmental factors;
- “published” means any document made available to the public either in printed or electronic form;
- “record” means any book, document or any other written or printed material in any form including any information stored, maintained or preserved by means of any mechanical or electronic device, whether or not stored, maintained or preserved in a legible form;
- “Register” means the register kept by CERA in accordance with the provisions of Article 20;
- 2(a) of 211(l) of 2012. “Regulation (EC) no. 714/2009” means Regulation (EC) no. 714/2009 of the European Parliament and of the Council, of 13 July 2009, on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) no. 1228/2003”;
- Official Gazette of the European Union: L211, 14.8.2009, p.15 to 35. L.206(l) of 23.12.2015
- “Regulation (EU) No 1227/2011” means Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.
- “Regulations” means any Regulations issued under this Law;
- “regulatory decision” means a decision of CERA relating to any matter concerning the electricity market as set out in Article 26;
- 2(a) of 211(l) of 2012. “renewable energy sources” means the renewable non-fossil energy sources which are wind, solar, geothermal, wave, tidal, hydroelectric, biomass, from gases eluting in landfills, gases produced in waste treatment plants and from biogases;
- “Renewable form of energy”. Deleted by 2(g) of 211(l) of 2012;
- “Republic” means the Republic of Cyprus;
- 2(h) of 239(l) of “security” means both security of supply and provision of electricity, and

2004.	technical safety;
2(b) of 92(I) of 2008.	<p>“security of supply with electricity” means the ability of an electricity system to supply final customers with electricity as provided for in this Law;</p> <p>“self production” means the production of electricity for own use;</p>
L.206(I) of 23.12.2015	<p>“smart metering system” or “intelligent metering system” means an electronic system that can measure energy consumption, providing more information than a conventional meter, and can transmit and receive data using a form of electronic communication”</p>
2(a) of 211(I) of 2012.	<p>“small isolated system” means every system with a consumption less than 3000GWh in 1996, in which a percentage under 5% of the annual consumption derives from an interconnection with other systems;</p> <p>“supplier” means a person who is the holder of an authorization under paragraphs (b) or (c) of clause (1) of Article 34;</p>
2(a) of 211(I) of 2012.	<p>“supplier of last resort” means the authorization holder who in accordance with this Law is appointed to provide universal electricity supply service;</p>
2(ah) of 211(I) of 2012.	<p>“supply” means the sale including the resale of electricity to customers;</p>
2(a) of 211(I) of 2012.	<p>“system user” means the natural or legal person that supplies a transmission or distribution system or is supplied by such a system;</p> <p>“transmission” in relation to electricity, means the transmission of electricity through a transmission system, i.e. a system which consists, wholly or mainly, of high voltage lines and electric installations and which is used for the transmission of electricity from a generating station to a substation, or from one generating station to another, or from one substation to another, or to or from any interconnector, or to final customers or to distributors not including the supply and it shall not also include any such lines which the EAC may, from time to time, with the approval of CERA, specify as being part of the distribution system, but it shall include any interconnector owned by the EAC;</p>
2(ab)(ac) of 211(I) of 2012.	
2(z) of 211(I) of 2012.	<p>“Transmission and Distribution Rules” means the Rules in respect of all technical aspects relating to the connection and operation of the transmission system and the distribution system prepared by the Cyprus Transmission System Operator and the Distribution System Operator and published in accordance with Article 73;</p>
2(ak) of 211(I) of 2012.	<p>“Transmission and Distribution Rules Advisory Committee” means the Committee set up in accordance with Article 77;</p> <p>“transmission system” means the system consisting, wholly or mainly, of high voltage electric lines owned by EAC and used for the transmission of electricity from one power station to a sub-station or to another power station or between sub-stations and includes any equipment, apparatus and meters owned by EAC in connection with the transmission of electricity;</p>
2(e) of 239(I) of 2004.	<p>“Transmission System Director”. Repealed.</p>

2(m) of 211(I) of 2012	<p>“Transmission System Operator” means the Transmission System Operation Unit set up in accordance with Article 58 and is responsible for the Transmission System as provided for in Articles 62 and 63;</p> <p>“Transmission System Owner” means the EAC in its capacity as owner of the transmission system;</p> <p>“Transmission System Protocol” means a Protocol concluded between the Transmission System Owner and the Cyprus Transmission System Operator in accordance with the provisions of Article 67, the content of which is set out in Article 69;</p> <p>“Universal electricity service provider”. Deleted by 2(ag) of 211(I) of 2012.</p>
2(ai) of 211(I) of 2012.	<p>“universal electricity supply service” means meeting the reasonable requirements for the supply of electricity of a specific quality at reasonable, easily and directly comparable and transparent prices with no discriminations to all household customers and, where the Minister deems fit to issue a relevant Order, to small-sized enterprises, irrespective of their geographical location, in the light of the conditions prevailing in the Republic, in accordance with the provisions of Article 25(1)(ak);</p>
2(x) of 211(I) of 2012.	<p>“vertically integrated undertaking” means an electricity undertaking or an electricity undertaking group, whereby the same person or persons may, directly or indirectly, exercise control, and where the said undertaking or group exercises at least one of the transmission or distribution activities, and at least one of the electricity generation or supply activities;</p>
2(a) of 211(I) of 2012.	<p>“wholesale customer” means the natural or legal person purchasing electricity with the aim of reselling it within or outside the system where it is installed;</p>
Purpose 3(a) of 211(I) of 2012.	<p>3. (1) This Law enacts common rules concerning the generation, transmission, distribution and supply of electricity as well as the protection of consumers aimed at improving and integrating competitive electricity markets in the Community. It sets out the rules for the organization and operation of the electricity sector, the open access to the market, the criteria and the procedures in force for the invitations to tender and the granting for the invitation to tender and the granting of authorizations as well for the exploitation of networks. It also enacts universal service requirements and the rights of consumers of electricity and clarifies competition requirements.</p>
3(b) of 211(I) of 2012.	<p>(2) This Law provides for the regulation of the electricity market in the Republic and, <i>inter alia</i> –</p> <ul style="list-style-type: none"> (a) establishes the Cyprus Energy Regulatory Authority; (b) provides for the creation of a new authorization regime in respect of generation, transmission, distribution and supply of electricity; (c) provides for the creation of the Transmission System Operator;

- (d) establishes the framework for the arrangements between the Transmission System Owner and the Transmission System Operator;
 - (e) regulates the access to the transmission system and the distribution system;
 - (f) allows for the introduction of Public Service Obligations;
 - (g) regulates matters concerning consumer protection; and
 - (h) regulates matters concerning the protection of the environment.
- 3(c) of 211(I) of 2012.
- 3(c) of 211(I) of 2012.
- (i) ensures that electricity undertakings operate in accordance with the principles of this Law with the aim of attaining a competitive, secure and environmentally viable electricity market and do not discriminate between the said undertakings in respect of their rights or obligations.

PART II – ESTABLISHMENT OF THE CYPRUS ENERGY REGULATORY AUTHORITY

- Establishment of the Cyprus Energy Regulatory Authority, appointment of its members and its operation.
- 4.
- (1) The Cyprus Energy Regulatory Authority, which shall hereinafter be referred to as “CERA” is hereby established.
 - (2) CERA shall consist of three members.
 - (3) The Council of Ministers shall appoint, following consultations with the Parliamentary Committee on European Affairs, persons as members of CERA. The Council of Ministers shall appoint one such member as the President of CERA and another one as the Vice President of CERA.
 - (4) Before taking up their duties, CERA members shall give assurance before the President of the Republic of Cyprus that they shall faithfully perform their duties.
- 4(a) of 211(I) of 2012.
- (5) CERA shall be legally distinct and operationally independent from any public or private entity.
- 4(a) of 211(I) of 2012.
- (6) CERA shall make autonomous decisions, irrespective of any political organization, and shall make separate annual fiscal forecasts, with autonomy as to the execution of the budget, and sufficient human and financial resources for the performance of its duties.
- 4(b) of 211(I) of 2012.
- (7) CERA's operation shall be regulated by Regulations issued in accordance with Article 102. These Regulations shall *inter alia* set out the manner in which CERA shall make its decisions.
- Terms of appointment, remuneration and pension.
- 5.
- (1) The persons appointed to the position of a CERA member must be of the highest moral and professional standard and must have experience and knowledge and must have demonstrated their capabilities over one or more of the following sectors:

- (a) Industry;
- (b) Engineering;
- (c) Commerce;
- (d) Economics;
- (e) Law.

(2) During their term, CERA members –

- (a) shall not have any financial or other interest, including shareholdings in any company carrying on any business in the energy sector;
- (b) shall not accept or hold any other employment, office or post in respect of which it is reasonably expected to receive remuneration of any form irrespective of whether it is actually paid or not; and
- (c) shall not be officers of a political party.

5(1) of 211(l) of 2012.

(3) The positions of CERA members shall not come under the civil service and shall be regulated in accordance with the provisions of clauses (5) and (6) of Article 4.

(4) The appointment of a person as a CERA member shall be:

- (a) for a period not exceeding six years in each case, and
- (b) limited to a maximum of two terms of office.

5(2) of 211(l) of 2012.

(c) The Council of Ministers, by its decision, shall set out an appropriate rotation system of CERA members.

(5) CERA members shall be paid such remuneration and such travelling or other allowances as may be determined by the Council of Ministers.

(6) The Council of Ministers may determine payment of:

5(3) of 211(l) of 2012.

(a) such allowances or gratuities or pension benefits to or in respect of a person who has served as a CERA member; or

5(4) of 211(l) of 2012.

(b) such sums aimed for the payment of allowances or gratuities or pension benefits to a person who has served as a CERA member.

Termination of appointment.

6.

(1) A person holding office as a CERA member may, prior to the termination of its term of office:

- (a) resign from that office by giving notice in writing to the Council of Ministers;
- (b) be removed from that office by a Council of Ministers' decision for any of the following reasons:

(i) he is suffering from a mental or physical incapacity, which renders him incapable of performing his duties and exercising his

powers and functions for the rest of his term;

(ii) he behaves improperly or acts negligently during the performance of his duties or the exercise of his powers or functions;

(iii) he behaves in a manner, which is inconsistent with his obligation to maintain the independence of his office as set out in clause (2);

(iv) has, prior to his appointment, failed to disclose a fact or an event which may have constituted an impediment to his appointment as a result of any grounds set out in this clause;

(v) has been sentenced by a decision of a competent court for a criminal offence by breach of this Law; or

(vi) has been sentenced by a decision of a competent court for a criminal offence concerning the lack of honesty or immorality.

(2) For the purposes of clause (1), a behavior, which is incompatible with the independence of the office of a CERA member shall include, but shall not be limited to:

(a) the acceptance of an office or employment of which the salary is subject to the control of the Republic or the acceptance or maintenance of any position or capacity in the civil service or municipality or at any legal person or organization of public law; or

(b) the employment or acceptance of employment at EAC, any company or organization controlled by EAC, or any person holding an authorization by virtue of Article 34 or an exemption issued by virtue of Article 35; or

(c) the acceptance of any office at a political party or the active involvement in political affairs; or

(d) the acceptance or maintenance of employment, office or position anywhere in the private sector for a salary of any form or under any circumstances in the light of which it is reasonably expected that a salary will be paid, irrespective of whether it is actually paid or not.

(3) In case the President of CERA is removed from office or resigns, until a replacement is appointed or in case of a temporary absence or incapacity of the President of CERA, the Vice President of CERA shall perform the functions, duties and powers of the President of CERA.

(4) The Council of Ministers shall communicate its decision for the resignation or removal of any CERA member to the House of Representatives.

(5) CERA members shall perform their functions, duties and powers of their office, notwithstanding the fact that an office of a CERA member is temporary vacant.

6(a) of 211(I) of 2012.

(6) (a) A CERA member who resigns, is removed or retires shall not hold any office or employment or act as a consultant for a period of two (2) years from the date of his resignation, removal or retirement, in accordance with the Control of Employment in the Private Sector of Former State Officers and certain Former Employees of the Public and Wider Public Sector Law of 2007 as amended or replaced at the time.

6(b) of 211(I) of 2012.

(b) A person violating the provisions of paragraph (a) shall be guilty of a criminal offence and in case of conviction he shall be subject to imprisonment not exceeding twelve months or to a fine not exceeding fifty thousand euro, or to both penalties.

PART III – ESTABLISHMENT AND OPERATION OF THE CERA OFFICE

Establishment of the CERA Office.

7. (1) A legal person shall be established, which shall be known as the CERA Office.

(2) The CERA Office shall have, in accordance with clause (1), its own separate legal personality.

(3) The CERA Office shall head, supervise and control the CERA Office.

(4) The CERA Office shall be staffed, operate and be managed in accordance with the provisions of this Law and the Regulations in force at the time issued under this Law.

(5) The staff of the CERA Office shall act in accordance with the orders and instructions of CERA.

(6) The CERA Office shall provide CERA with such facilities and services as CERA may at its absolute discretion deem necessary in order for CERA to perform its powers and functions pursuant to Article 25 and fulfill its duties pursuant to Article 24.

Staff of CERA Office.

8. (1) CERA may appoint such staff members of the CERA Office as are deemed necessary for CERA to carry out its duties and perform its powers and functions.

(2) The staff members of the CERA Office shall be appointed by CERA either on a permanent basis or on a contract basis in accordance with the provisions and procedures set out in Regulations issued by CERA pursuant to this Law.

(3)(a) The Regulations concerning the staff members of the CERA Office shall regulate and provide for the procedures governing the appointment, the terms of employment and the promotion of the staff members of the CERA Office together with the categories of positions, retirement benefits, the disciplinary code and the disciplinary power exercised by CERA.

(b) The retirement benefits of the staff members of the CERA Office who hold a permanent position and the benefits and pensions of the persons dependent upon these members and of their families shall be governed,

97(l) of 1997
3(l) of 1998
77(l) of 1999
14(l) of 2001.

mutatis mutandis, by the provisions of the Retirement Laws of 1997 to 2001 in force at the time.

(4) The duties, responsibilities and qualifications of the staff members of the CERA Office shall be set out in service schemes drafted by CERA and approved by the Council of Ministers.

(5) The organization chart of the CERA Office staff shall be included in CERA's annual budget.

(6) Notwithstanding the provisions of any other law and regulations in force at the time, CERA may –

(a) obtain itself direct services in matters related to the exercise of its duties, functions and powers pursuant to this Law and the performance of its duties or the training of Office's staff for this purpose, and

(b) recruit such experts or consultants as it may deem necessary in order to assist it in the exercise of its duties, functions and powers. Any remuneration due to an expert or consultant recruited pursuant to this Article shall form part of CERA's expenses.

(c) CERA may exercise its duties, functions and powers as deemed necessary through any staff member of the CERA Office and any duty, function and power assigned to CERA may be exercised by any member of the staff of the CERA Office authorized by CERA.

7 of 211(l) of
2012.
Independence of
the CERA
Office.

9. (1) The CERA Office shall not come under any Ministry or Government Department.

(2) The CERA Office, the CERA Office staff and all persons in charge of carrying on any business for the account of CERA:

(i) shall act irrespective of any market interest; and

(ii) shall neither request nor take direct orders from any government or other public or private entity in the exercise of regulatory duties; with this requirement, neither the close cooperation, if applicable, with other relevant national authorities nor the general political orientations issued by the government and which are not related to the duties and functions of CERA under Articles 24 and 25, shall be prejudiced.

Powers of the
CERA Office in
relation to the
acquisition,
disposal and
investment in
property.

10. For the purposes of fulfilling an order of CERA and in accordance with any terms and conditions that CERA may deem expedient to set out, the CERA Office may-

(a) acquire by purchase, exchange, donation or otherwise, movable or immovable property for the housing and operational needs of CERA and of the CERA Office;

(b) accept the provision of funding by the Government of the Republic, the European Union or an international organization;

(c) sell, exchange, lease, assign or otherwise dispose of any movable or immovable property of the Office and mortgage or charge the said property for the needs of the CERA Office or CERA;

(d) lease or obtain an authorization for the use of any movable or immovable property for the housing and operational needs of the CERA Office and CERA;

(e) by a CERA's decision, take out loans necessary for the materialization of all that is referred to in paragraphs (a), (c) and (d) hereinabove;

(f) enter into contracts and do all such other things required for the fulfillment of all that is included in paragraphs (a)-(e) hereinabove or which shall contribute to their fulfillment.

CERA Office
Fund.

11. The CERA Office shall have a separate Fund in which it shall be mandatory to deposit:

(a) all amounts payable and receivable by the CERA Office under this Law and/or any Regulations issued under this Law;

(b) every funding granted to CERA or the CERA Office under paragraph (d) of Article 10 and every other income received under this Law;

(c) all revenues deriving from assets of the CERA Office in accordance with the provisions of Article 10;

(d) all amounts of salaries, emoluments, benefits, pensions and wages paid by the Government of the Republic to the CERA Office in accordance with the provisions of Article 12, for the payment by the latter to the staff members of the CERA Office or to independent persons and families of such members or to persons with whom CERA has concluded agreements for the provision of services, under clause (6) of Article 8, as the case may be, and

(e) all amounts deriving from the imposition of administrative fines.

Funding of
CERA Office.

12. (1) Until CERA is able to perform all its duties, functions and powers with the revenues coming from authorizations and any other income by virtue of Law, the Government of the Republic shall provide annual grants to the CERA Office by making payments to the Fund.

(2) All amounts that the Government of the Republic shall pay to the CERA Office by virtue of clause (1) shall be repayable thereto and shall be paid without delay by the CERA Office:

Provided that the Government of the Republic shall not proceed to any collection by the CERA Office of any of the aforementioned amounts paid by it before the CERA Office has collected sufficient amounts of revenues and fees pursuant to this Law.

(3) Any surplus revenue of the CERA Office over its expenditure in any year shall be used by the CERA Office to meet future expenses incurred in performing CERA's duties, functions and powers.

Budget. 13. (1) CERA shall have an annual budget of income and expenditure for itself and for the CERA Office.

(2) The said budget shall be submitted by CERA to the Council of Ministers by July 1 of each year and shall be subject to the approval of the Council of Ministers and the House of Representatives.

(3) The budget, as it may be amended by the Council of Ministers, shall be submitted to the House of Representatives by September 30 of every year.

(4) The budget shall cover the financial plan of CERA and of the CERA Office for every financial year, which shall commence on January 1 and end on December 31:

Provided that the first financial plan of CERA and of the CERA Office shall commence on the date of operation of CERA and of the CERA Office and shall end on December 31 of the same year.

(5) The manner in which the budget shall be drawn and its breakdown shall appear in the income and expenditure table shall be similar to the manner in which the state budget is drawn.

(6) The CERA Office shall see to the drawing of the budget referred to in clause (2) and of the financial plan referred to in clause (4), coming under CERA in accordance with the provisions of clause (5) of Article 7 of this Law.

(7) In case of untimely passing of the budget, CERA and the CERA Office shall operate on the basis of the proportionate implementation of the twelfths' provisions of the Constitution regarding the State Budget, without, however, the two-month restriction.

Payments from the Fund of the CERA Office. 14. CERA shall use monies deposited to the Fund under Article 11 to make the following payments:

(a) all sums repayable to the Government of the Republic in accordance with Article 12;

(b) all current operating expenses of the CERA Office;

(c) all sums for salaries, wages, benefits and pensions payable to CERA and to the staff members of the CERA Office as well as all sums payable in accordance with the agreements for the provision of services, which have been concluded by CERA;

(d) the interest on any loans taken out by CERA;

(e) any sums payable under any agreement concluded by CERA pursuant to this Law or by virtue of Regulations or Orders issued in accordance to this

Law;

(f) any sums payable for legal fees or for payment in relation to the representation of CERA before the courts or any administrative or other authority or in relation to the provision of legal advice to the CERA Office or CERA; and

(g) any sum becoming legally payable as a result of the performance of any duty, function or power of CERA in accordance with the provisions of this Law or Regulations or Orders issued under this Law.

Consultations. 15. (1) Except where otherwise expressly required by this Law and Regulations in force at the time concerning the carrying out of consultations in relation to the making of decisions by CERA, CERA may carry out consultations in relation to any issues affecting the electricity and natural gas markets.

(2) The intention to carry out consultations and the issues relating to such consultations shall be published in two newspapers of wide circulation in the Republic and on the official website of CERA.

(3) With the aforementioned publication, CERA shall:

(a) invite any interested person to submit in writing information relating to consultation issues within a month from the date of publication of what is referred to in clause (2); and

(b) set out the procedure to be followed in view of securing commercially sensitive information, confidential information and, where necessary, the anonymity of persons participating in the consultation.

(4) Subject to the provisions of this Law and of the Regulations issued hereunder, CERA may as part of the consultation:

(a) publish a draft regulatory decision or draft decision, and/or

(b) specify that public hearings should be made as part of the consultation process.

(5) The procedure for the carrying out of public hearings shall be set out by internal regulations prepared by CERA and communicated thereby to the public in any manner it deems fit.

Authorization fees regulations. 16. For purposes of covering the expenses to be incurred by CERA and the CERA Office in the performance of their duties and powers under this Law, CERA may issue Regulations on authorization fees authorizing CERA to collect authorization fees from such categories of electricity undertakings every year amounting to such sums as set out from time to time in the said Regulations.

Official Seal. 17. CERA shall have an official seal for the authentication of the documents required for the purposes of the performance of its duties, functions and powers.

- Annual Reports. 18. (1) CERA shall be accountable for the performance of its duties, functions and powers as well as of those of the CERA Office to the President of the Republic and to this end, it shall, within six months from the end of each calendar year, submit a report to the President of the Republic on its activities during this year.
- 8 of 211(l) of 2012.
- (2) The aforementioned report shall:
- (a) include a survey of the developments in relation to issues falling within the scope of CERA's duties, functions and powers, including the developments in competition issues in the electricity sector;
- (b) include the regulatory decisions, decisions and any enforcement measures taken by CERA during the year;
- (c) include a general survey of the activities and a progress report for this year; and
- (d) include a report on such other issues as deemed necessary.
- (3) CERA shall submit a copy of such report made under clause (1) to the Council of Ministers and the House of Representatives and see that the public shall have easy access to the report.
- (4) CERA may also prepare reports in relation to any other issue falling within the scope of its duties, functions and powers and see that the public shall have easy access to such reports.
- Bookkeeping. 19. (1) CERA shall keep proper books and accounts for its activities and those of the CERA Office as set out at the time by the Auditor-General of the Republic.
- (2) As regards the financial management of every financial year, the CERA Office shall see to the preparation of an account in the manner set out by the Auditor-General at the time of the Republic.
- (3) The accounts of CERA and those of the CERA Office shall be audited by the Auditor-General of the Republic.
- (4) Within a month following the audit of the accounts, CERA shall submit to the Council of Ministers and the House of Representatives the account of financial management in order to keep them informed.
- (5) The CERA Office shall see to the keeping of the books and accounts and the drafting of the account, subject to CERA, under clauses (1), (2) and (4), in accordance with the provisions of clause (5) of Article 7.
- Keeping of Register. 20. (1) Subject to the provisions of Article 97, CERA shall keep a Register of all authorizations issued pursuant to Article 34 of this Law. The manner in which the Register shall be kept shall be prescribed by CERA.
- 9 of 211(l) of 2012.
- (2) The contents of the Register shall be available for inspection during working hours.

(3) Any person may, upon payment of a fee set out by Regulations, require CERA to furnish a copy of the Register's extract, duly certified by CERA as a true copy or extract.

Representation of the CERA's Office. 21. (1) The CERA Office shall have civil liability and may sue and be sued and be a party in any civil proceedings initiated in relation to the performance of the duties, functions and powers of CERA and those of the members of the CERA Office.

(2) In any proceedings before any court or administrative authority, the CERA Office shall be represented either by the practicing lawyer and/or by a member of the staff of the CERA Office.

Liability of CERA members and CERA Office staff. 22. Subject to the provisions of this Law and of Regulations and Orders issued thereunder, CERA members and the CERA Office staff members shall not personally have civil liability for anything occurred or omitted or said, or for any opinion they have expressed, or report or other document they have prepared in the *bona fide* performance of their corresponding duties, functions and powers under this Law and under the Regulations and Orders issued thereunder.

Recourse to the Supreme Court against CERA's actions. 10 of 211(I) of 2012. 23. Subject to the provisions of Article 146 of the Constitution and of the jurisprudence pertaining thereto, decisions, orders and administrative fines, which may issued or imposed by CERA, as the case may be, under the provisions of this Law or of the Regulations issued thereunder, including decisions on the granting, amendment or revocation of authorizations, shall be subject to annulment by the Supreme Court under the said Article following a recourse, which may made as referred to therein, against the decision or the order or the imposition of a fine, by any holder of an authorization or by a person to whom an exemption has been granted or by a consumer or any person in general whose relevant decision, order or imposition of fine directly adversely affects any existing legitimate interest within the meaning of Article 146.

11 of 211(I) of 2012.

PART IV – GENERAL OBJECTIVES, DUTIES AND POWERS OF CERA

12 of 211(I) of 2012. CERA's general objectives. 24. (1) In performing the duties conferred thereto under this Law, CERA shall act in such manner so as the following general objectives thereof are promoted in the field of the electricity market:

(a) It shall safeguard, in accordance with the provisions of this Law, the effective competition in the electricity market and avoid undue discrimination between both authorization holders and applicants for the granting of authorizations;

(b) it shall protect consumers' interests;

(c) it shall ensure that all reasonable requirements and needs relating to electricity are met;

(d) it shall ensure that authorization holders operating efficiently are capable

- of financing their business activities for which they obtained authorization;
- (e) it shall promote the development of an economically viable and efficient electricity market;
 - (f) it shall secure the safety, continuity, quality and reliability of the electricity supply;
 - (g) it shall ensure environmental protection;
 - (h) it shall encourage the efficient use and generation of electricity;
 - (i) it shall ensure the needs of consumers in rural areas, of disadvantaged consumers and of the elderly and especially of vulnerable consumers;
 - (j) it shall encourage research and development of the generation, transmission, distribution and use of electricity;
 - (k) it shall promote the use of renewable forms of energy;
 - (l) it shall encourage the design of cogeneration units, in order to respond to the economically justified demand for the generation of useful heat and the avoidance of generation of more heat than the useful one;
 - (m) it shall encourage the generation of electricity from high efficiency cogeneration units;
 - (n) it shall monitor the security of supply and set out relevant measures. The monitoring shall especially cover the supply/demand balance in the national market, the level of the expected future demand and the forecasted additional capacity, which is currently being planned or is under construction, the quality and the level of network maintenance as well as the measures to cover maximum demand and deal with any deficit of one or more suppliers;
 - (o) it shall promote in close cooperation with the Agency, the regulatory authorities of other Member States and the Commission, a competitive, safe and environmentally viable internal electricity market within the Community, and an efficient opening of the market for all customers and suppliers in the Community and to ensure the appropriate conditions for the effective and reliable operation of electricity networks taking into account long-term objectives.
 - (p) it shall promote the development of regional markets within the Community, which shall operate competitively and smoothly for the attainment of the objective of clause (m);
 - (q) it shall foster and facilitate the cooperation of transmission system operators at regional level regarding *inter alia* cross-border issues with the aim of creating a competitive internal market, and reinforce connectivity and ensure the compatibility of their legal, regulatory and technical frameworks and facilitate the incorporation of isolated systems forming electricity islands persisting in the Community. The geographical areas covered by this

cooperation include the geographical areas set out in accordance with Article 12, paragraph 3 of Regulation (EC) no. 714/2009. This cooperation may cover other geographical areas.

(r) it shall promote the abolition of restrictions in electricity trade between Member States including the development of an appropriate cross-border transmission capacity to cover demand and reinforce the integration of national markets, which may facilitate the electricity flows in the entire Community;

(s) it shall contribute to the attainment, in the most economically efficient manner, of the development of secure, reliable and effective consumer-oriented systems and promote system efficiency and, in accordance with the general objectives of the energy policy, the efficiency of energy performance as well as the incorporation of large- and small-scale electricity generation from renewable sources and the distributed electricity generation both in the transmission and distribution grids;

(t) it shall facilitate access to the new productive capacity network especially through the removal of obstacles, which could prevent the access of new carriers or electricity from renewable sources to the market;

(u) it shall secure the offering of appropriate incentives to the operators and users of the network, both in the short-term and in the long-term, in order to increase the efficiency of network performances and reinforce market integration;

(v) it shall ensure that customers benefit through the efficient functioning of national markets, promote effective competition and protect consumers;

(w) it shall contribute to the attainment of high standards of universal and civil services in the supply of electricity, contribute to the protection of vulnerable consumers and to the compatibility of the data exchange procedures, which are necessary for customer switching.

(x) it shall promote energy efficiency by recommending to electricity undertakings to maximize electricity use, e.g. with the provision of energy management services, the development of innovative tariff methods or the enactment of intelligent metering system or intelligent grids, where applicable;

(y) it shall take all measures in order to ensure that all administrative procedures do not make discriminations against suppliers of undertakings already registered in another Member States.

(2) For the attainment of the objectives referred to in clause (1) CERA shall, in the performance of its duties,:

(a) take such measures as are necessary for complying with the Public Service Obligations pursuant to Article 89;

(b) take measures for the security of supply pursuant to Articles 24(1)(m) and 25(7);

(c) take the appropriate measures for the protection of final customers and, more specifically, see that sufficient guaranties are in place for the protection of vulnerable consumers and ensure that the rights and obligations related to vulnerable consumers are fulfilled, including the measures for the protection of final customers in remote areas;

(d) take all appropriate measures for the attainment of the objectives provided for by this Law;

(3) In performing its duties, CERA shall publish information relating to its activities in order to inform the public without violating at the same time the need to protect the commercial interests of authorization holders or other persons and to safeguard national security;

(4) CERA shall annually publish no later than July 31, a report, which shall be forwarded to the Commission and the Agency and which shall include:

(i) its remarks from the monitoring of security of supply issues as well as any measures which have been taken or shall be taken to address them;

The said report shall cover the overall efficiency of the electricity system to meet present and future electricity demand, including the following:

(a) operational safety of networks;

(b) projected supply and demand balancing for the next five-year period; and

(c) prospects for the security of electricity supply for a period between five to fifteen years from the date of submission of the report;

(ii) all measures enacted for the fulfilment of the requirements of universal service and public service provision including the protection of customers and of the environment, and for their possible impact on national and international competition.

(5) CERA shall draw and implement a long-term planning taking into account the possibility of third parties requesting access to the network, as regards the security of supply, the energy efficiency/demand-side management and the attainment of environmental objectives and the objectives regarding energy from renewable sources. The long-term planning shall be drawn on a ten-year rolling basis and shall take into account any instructions that the Minister may publish from time to time and concern the government's policy. The long-term planning shall be published on CERA's website.

13(1) and 13(b)
of 211(l) of
2012.
Powers, duties
and functions of
CERA.

25. (1) CERA shall have *inter alia* the power, duty and function to:

(a) grant, monitor, enforce, modify or revoke authorizations, including where necessary the invitation for the submission of applications for authorizations issued under this Law;

(b) advise the Minister on all matters concerning the electricity;

- (c) ensure that the Transmission and Distribution Rules and the Electricity Trading Rules are prepared and approved in accordance with Articles 72 and 79, respectively;
- (d) ensure the efficiency in electricity in order to meet all reasonable electricity needs and requirements;
- 13(c) of 211(l) of 2012. (e) regulate tariffs, charges and other terms and conditions applied by authorization holders for any services provided pursuant to their terms of authorization including the setting out or approval of transmission or distributions tariffs or their methodology;
- (f) set out, publish and impose quality standards to be complied with by authorization holders;
- (g) set out rules or procedures according to which complaints concerning the services provided by authorization holders shall be examined, including where deemed appropriate, investigation and decision-making for such complaints;
- Cap.4. (h) under the provisions of the Arbitration Law, investigate and resolve disputes arising between authorization holders;
- (i) act in accordance with the instructions of the Council of Ministers in an event involving national security or defence of the Republic;
- (j) issue Regulations pursuant to this Law; and
- (k) make decisions and regulatory decisions as provided for in this Law and in the Regulations issued thereunder;
- 13(d) of 211(l) of 2012. (l) obtain the compliance of the Transmission System Operator and the Distribution System Operator and, as the case may be, of the Transmission and Distribution System Operator Owner, as well as of all electricity undertakings with their obligations pursuant to this Law and any other relevant Community legislation as regards *inter alia* cross-border issues;
- 13(d) of 211(l) of 2012. (m) cooperate on cross-border issues with the regulatory authority or the regulatory authorities of other Member States and with the Agency;
- 13(d) of 211(l) of 2012. (n) comply with the relevant legally binding decisions of the Agency and of the Commission and materialise them;
- 13(d) of 211(l) of 2012. (o) annually submit to the Agency and the Commission a report on its activity and the fulfilment of its duties. These reports concern all the measures taken and the results achieved for each one of the duties referred to in this Article;
- 13(d) of 211(l) of 2012. (p) ensure that there are no cross-subsidies between the transmission, distribution and supply activities;
- 13(d) of 211(l) of 2012. (q) have a right of access to the accounts of the electricity undertakings;

- 13(d) of 211(l) of 2012. (r) approve the investment plans of the Transmission System Operator, monitor their implementation and provide in its annual report an assessment of the investment plans as regards their consistency with the Community-wide network development plan referred to in Article 8, paragraph 3, item (b) of Regulation (EC) no. 714/2009; such assessment may include recommendations to amend these investment plans;
- 13(d) of 211(l) of 2012. (s) monitor compliance with and review of the past performance of the network's security and reliability rules as well as the enactment or approval of standards and requirements for the quality of service and supply or contribution thereto together with other competent authorities, where applicable;
- 13(d) of 211(l) of 2012. (t) monitor the level of transparency including of wholesale prices and ensure compliance of electricity undertakings with transparency obligations;
- 13(d) of 211(l) of 2012. (u) monitor the level and effectiveness of market opening and competition at wholesale and retail levels, including cross-border electricity exchanges, their prices for household customers, including prepayment systems, supplier switching rates, disconnection rates, charges for and the execution of maintenance services, and complaints by household customers, as well as any distortion or restriction of competition, including the provision of any relevant information, and bring any relevant cases before the Commission for the Protection of Competition;
- 13(d) of 211(l) of 2012. (v) monitor the occurrence of restrictive contractual practices, including exclusivity clauses, which may prevent large non-household customers from contracting simultaneously with more than one suppliers or restrict their choice to do so. Where applicable, CERA shall inform Commission for the Protection of Competition of such practices;
- 13(d) of 211(l) of 2012. (w) respect contractual freedom with regard to interruptible supply contracts and with regard to long-term contracts provided that they are compatible with Community and national laws and consistent with Community policies;
- 13(d) of 211(l) of 2012. (x) monitor the time taken by Transmission and Distribution System Operators to make connections and repairs;
- 13(d) of 211(l) of 2012. (y) help to ensure, together with other relevant authorities, that the consumer protection measures, including those set out in Article 93, are effective and enforced;
- 13(d) of 211(l) of 2012. (z) publish recommendations, at least annually, in relation to compliance of supply prices with Articles 89 and 90, and forward these to the Commission for the Protection of Competition, where appropriate;
- 13(d) of 211(l) of 2012. (aa) ensure access to customer consumption data, the provision, for optional use, of an easily understandable harmonised format at national level for consumption data, and prompt access for all customers to such data in accordance with Article 98;
- 13(d) of 211(l) of 2012. (ab) monitor the implementation of rules relating to the role and responsibilities of transmission system operators, of the Transmission

System Operator, the Distribution System Operator, suppliers and customers and other market parties pursuant to Regulation (EC) No. 714/2009;

- 13(d) of 211(l) of 2012. (ac) monitor investment in generation capacities in relation to security of supply and monitor the implementation of safeguards measures referred to in clause (5) of Article 24;
- 13(d) of 211(l) of 2012. (ad) monitor technical cooperation between Community and third-country transmission system operators;
- 13(d) of 211(l) of 2012. (ae) contribute to the compatibility of data exchange processes for the most important market processes at regional level;
- 13(d) of 211(l) of 2012. (af) monitor the implementation of safeguards measures of Article 71;
- 13(d) of 211(l) of 2012. (ag) issue binding decisions on electricity undertakings;
- 13(d) of 211(l) of 2012. (ah) investigate the functioning of the electricity markets, and decide upon and impose any appropriate, necessary and proportionate measures to promote effective competition and ensure the proper functioning of the market. Where required, CERA may also cooperate with the Commission for the Protection of Competition and the financial market regulators or the Commission in conducting an investigation relating to the competition law;
- 13(d) of 211(l) of 2012. (ai) require any information from electricity undertakings relevant to the fulfilment of their duties, including the justification for any refusal to grant third-party access, and any information on measures necessary to reinforce the network;
- 13(d) of 211(l) of 2012. (aj) impose effective, proportionate and dissuasive penalties on electricity undertakings not complying with their obligations under this Law or any relevant legally binding decisions of CERA or of the Agency and/or propose that a competent court imposes such penalties. This shall include the power to impose or propose the imposition of penalties of up to 10 % of the annual turnover of the Transmission System Operator on the Transmission System Operator or of up to 10 % of the annual turnover of the vertically integrated undertaking on the vertically integrated undertaking, as the case may be, for non-compliance with their respective obligations pursuant to this Law;
- 13(d) of 211(l) of 2012. (ak) carry out investigations and give instructions for dispute settlements under clause (4);
- 13(d) of 211(l) of 2012. (l) issue a Regulatory Decision or a Decision subject to the definition of the term “universal electricity supply service”, which shall set out the procedure, the terms, the criteria, every relevant detail and the cases included in the universal electricity supply service.
- 13(f) of 211(l) of 2012. 2(a) CERA shall set out and/or approve sufficiently in advance of their entry into force, at least the methodologies used to calculate or establish the terms and conditions for:

(i) connection and access to national networks, including transmission and distribution tariffs or their methodologies. The said tariffs or methodologies shall allow the necessary investments in the networks to be carried out in a manner allowing those investments to ensure the viability of the networks;

(ii) the provision of balancing services, which shall be performed in the most economic manner possible and provide appropriate incentives for network users to balance their input and off-takes. The balancing services shall be provided in a fair and non-discriminatory manner and be based on objective criteria set out by CERA; and

L.206(l) of
23.12.2015

(iii) Subject to technical constraints inherent in managing networks of transmission and distribution systems, it is required of the CTSO and the Distribution System Operator during the fulfilment of the demands for the balancing of the market and for the ancillary services, to treat response suppliers of energy demand, objectively and based on their technical capabilities;

L.206(l) of
23.12.2015

(iv) Subject to technical constraints inherent in managing networks of transmission and distribution systems, shall promote access to and participation of the response in balancing, reserve and other system services markets demand, requiring the CTSO and the Distribution System Operator to define technical modalities for participation in these markets on the basis of the technical requirements of these markets and the capabilities of demand response. Such specifications are defined in close cooperation with response suppliers and all other interested parties, including consumers or their representatives;

(v) access to cross-border infrastructures, including the procedures for the allocation of capacity and congestion management.

(b) The methodologies or the terms and conditions of clause (a) shall be published.

(c) In fixing or approving the tariffs or methodologies and the balancing services, CERA shall ensure that Transmission and Distribution System Operators are granted appropriate incentives, over both the short and long term, to increase efficiencies, foster market integration and security of supply and support the related research activities;

(d) CERA shall monitor the congestion management of the national electricity systems including interconnectors, and the implementation of congestion management rules, which form part of the Transmission and Distribution Rules and/or the Electricity Market Rules. To that end, the Transmission System Operator shall submit the congestion management rules, including capacity allocation, to CERA. CERA may request amendments to those rules;

(e) CERA shall approve the criteria for the load dispatching to generating installations and the use of interconnectors. The said criteria shall be objective, published and applied in a non-discriminatory manner, ensuring the proper functioning of the internal electricity market. The said criteria shall take into account the economic precedence of electricity from available generating installations or interconnector transfers and the technical

constraints on the system.

- L.206(l) of 23.12.2015
- (f) CERA ensures that the operators of high efficiency cogeneration can offer balancing services and other ancillary services at the level of CTSO or the Distribution System Operator, where it is both technically and economically feasible within the high efficiency cogeneration installation.
- 13(f) of 211(l) of 2012.
- (3) CERA shall have the authority to require Transmission and Distribution System Operators, if necessary, to modify the terms and conditions, including tariffs or methodologies referred to in this Article, to ensure that they are proportionate and applied in a non-discriminatory manner. In the event of delay in the fixing of transmission and distribution tariffs, CERA shall have the power to fix or approve provisional transmission and distribution tariffs or methodologies and to decide on the appropriate compensatory measures if the final tariffs or methodologies deviate from those provisional tariffs or methodologies.
- 13(f) of 211(l) of 2012.
- (4) CERA, acting as a dispute settlement authority, may deal with any complaint against a Transmission or Distribution System Operators and issue a decision within a period of two months upon receipt of the complaint. That period may be extended by two months where additional information is sought by CERA. That extended period may be further extended with the agreement of the complainant. CERA's decision shall have binding effect unless and until overruled on appeal.
- 13(f) of 211(l) of 2012.
- (5) CERA shall ensure that there are appropriate and efficient mechanisms for regulation, control and transparency so as to avoid any abuse of a dominant position, in particular to the detriment of consumers, and any predatory behaviour.
- 13(f) of 211(l) of 2012.
- (6) CERA shall ensure that technical safety criteria are defined and that technical rules establishing the minimum technical design and operational requirements for the connection to the system of generating installations, distribution systems, directly connected consumers' equipment, interconnector circuits and direct lines are developed and made public. These technical rules shall ensure the interoperability of systems and shall be objective and non-discriminatory. The Agency may make appropriate recommendations towards achieving compatibility of those rules, where appropriate. These rules shall be communicated to the Commission in accordance with Article 8 of Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on information society services.
- 13(g) of 211 (l) of 2012.
- (7)(1) Subject to the provisions of paragraphs (c) and (f) of clause (1) of Article 24 and paragraphs (d) and (f) of clause (1), CERA shall set out measures to obtain a high standard security of electricity supply in order to facilitate a stable investment climate. In the implementation of the measures, CERA shall take into account the following:
- (a) the importance of ensuring the ongoing supply of electricity;
 - (b) the importance of a transparent and stable regulatory framework;

(c) the external market and the possibilities for a cross-border cooperation in the field of security of electricity supply;

(d) the level of functionality of the networks;

33(I) of 2003
234A(I) of 2004
139(I) of 2005
162(I) of 2006
43(I) of 2007
73(I) of 2010
27(I) of 2012
174(I) of 2006
54(I) of 2012.

(e) the importance of ensuring the correct implementation of the Promotion and Encouragement of Renewable Energy Sources Use and Saving of Energy Law and the Promotion of the Electricity and Heat Cogeneration Law, insofar as their provisions are related to the security to provide electricity.

(f) the need to obtain sufficient reserve generation capacity for stable use; and

(g) the need to establish a flexible market;

(2) In implementing the measures referred to in clause (5), CERA shall specifically take into account the following:

(a) the degree of diversification in electricity generation;

(b) the importance of reducing long-term consequences from the increase in electricity demand;

(c) the importance of encouraging energy efficiency and the adoption of new technologies, in particular as regards the management of demand, the renewable energy sources and energy distribution; and

(d) the importance of abolishing administrative barriers for investments in infrastructures and generation capacity.

13(e) of 211(I) of
2012.

(8) CERA may, with an approval in writing by the Minister, take out loans with such terms and in such manner as required for the proper performance of its duties, functions and powers.

(9) Subject to the provisions of this Law and of the general policy, which may be set out by the Minister, CERA shall have the power to proceed to taking the necessary and required measures, which contribute to the better performance of its duties, functions and powers aimed at the effective and proper implementation of this Law.

(10) CERA may participate in meetings or other activities of international organizations and cooperate with foreign or international authorities to the extent that these are related to its duties, functions and powers.

L.206(I) of
23.12.2015

(11) CERA ensures that:

(a) an evaluation of the energy efficiency potential regarding the infrastructure for electricity, specifically in regards with transmission, distribution, the handling of cargo and the interoperability, as well as the connection with the energy production facilities, including the ability to access very small scale energy producing facilities, is conducted; and

(b) Certain precautions and investments are predefined in order to achieve economic efficiency improvements of energy efficiency in the infrastructure, under a timeframe for their application.

(c)

L.206(l) of
23.12.2015

(12) CERA encourages resources from the demand side, as in the response to the demand, to participate concurrently with the supply side in the wholesale and retail electricity markets.

L.206(l) of
23.12.2015

(13) CERA is defined as the competent Authority responsible for ensuring the implementation of "Regulation (EU) No 1227/2011.

14 of 211(l) of
2012.
Regulatory
regime for cross-
border issues.

25A.

(1) CERA shall consult and cooperate closely with other regulatory authorities, and shall provide each other and the Agency with any information necessary for the performance of their duties under this Law. In respect of the information exchanged, the receiving authority shall ensure the same level of confidentiality as that required of the originating authority.

(2) CERA shall cooperate at least at a regional level to:

(a) foster the creation of operational arrangements in order to enable an optimal management of the network, promote the allocation of cross-border capacity and to enable an adequate level of interconnection capacity, including through new interconnection, within the region and between regions, in order to allow for development of effective competition and the improvement of security of supply, without discriminating between supply undertakings in different Member States;

(b) coordinate the development of all network codes for the relevant transmission system operators and other market actors; and

(c) coordinate the development of the rules governing the management of congestion.

(3) CERA shall have the right to enter into cooperation arrangements with other regulatory authorities to foster regulatory cooperation.

(4) The actions referred to in clause (2) shall be carried out, as the case may be, in close consultation with other relevant national authorities and without prejudice to their specific competencies.

(5) The Commission may issue guidelines on the extent of the duties of regulatory authorities to cooperate with each other and with the Agency.

14 of 211(l) of
2012.
Compliance with
the guidelines.

25B.

(1) CERA and the Commission may request the opinion of the Agency on the compliance of a decision taken by CERA with the guidelines referred to in this Law or in Regulation (EC) No. 714/2009.

(2) The Agency shall submit its opinion to the regulatory authority, which has requested it or to the Commission, respectively, and to the regulatory authority, which has taken the decision in question within three months from the date of receipt of the relevant request.

(3) Where the regulatory authority, which has taken the decision does not

comply with the Agency's opinion within four months from the date of receipt of that opinion, the Agency shall inform the Commission accordingly.

(4) Every regulatory authority may inform the Commission where it considers that a decision relevant for cross-border trade taken by another regulatory authority does not comply with the guidelines referred to in this Law or in Regulation (EC) No. 714/2009 within two months from the date of the said decision.

(5) Where the Commission, within two months after having been informed by the Agency in accordance with clause (3), or by a regulatory authority in accordance with clause (4), or on its own initiative, within three months from the date of the decision, finds that the decision of a regulatory authority raises serious doubts as to its compliance with the guidelines referred to in this Law or in Regulation (EC) No. 714/2009, the Commission may decide to examine the case further. In such a case, it shall invite the regulatory authority and the parties to the proceedings before the regulatory authority to submit observations.

(6) Where the Commission takes a decision to examine the case further, it shall, within four months of the date of such decision, issue a final decision:

(a) not to raise objections against the decision of the regulatory authority; or

(b) to require the regulatory authority concerned to revoke its decision on the basis that that the guidelines have not been complied with.

(7) Where the Commission has not taken a decision to examine the case further or a final decision within the time-limits set in clauses (5) and (6) respectively, it shall be deemed not to have raised objections to the decision of the regulatory authority.

(8) The regulatory authority shall comply with the Commission's decision to revoke the authority's decision within a period of two months and shall inform the Commission accordingly.

(9) The Commission may adopt guidelines setting out the details of the procedure, which must be followed by the regulatory authorities, the Agency and the Commission concerning the compliance of the decisions of the regulatory authorities with the guidelines referred to in this Article.

Regulatory
Decisions and
Decisions.

26. (1) In performing its duties and exercising its functions and powers, CERA may:

(a) take regulatory decisions setting out the manner in which it shall regulate the electricity market and which authorization holders shall be bound by such regulatory decision; and

(b) take decisions in accordance with this Law and the Regulations issued there under;

(2) Prior to taking any regulatory decision, CERA shall:

(a) consult any authorization holder, applicant for an authorization or other

interested parties in relation to any of the issues to which the regulatory decision shall relate, and

(b) publish a draft regulatory decision inviting authorization holders, applicants for authorizations or other interested parties to submit their comments.

(3) Every draft regulatory decision, regulatory decision or decision taken by CERA shall be published in such manner as CERA shall deem fit in order to enable its communication to the interested parties.

15 of 211(l) of
2012.

(4) CERA's decisions shall be fully justified in order to be subject to court control and be available to the public, while protecting at the same time the confidentiality of commercially sensitive information.

Investigation of
infringements. 27.

Cap. 170
2 of 1976
26 of 1979
141 of 1990
42(l) of 2002.

(1) CERA shall, on its own initiative or after receiving a complaint, investigate whether an authorization holder or a holder of an Order or of a previous authorization issued pursuant to Articles 4 and 9 respectively, of the Electricity Law or a person to whom an exemption had been granted in accordance with the provisions of Article 35, either by itself or through an employee or other representative, infringes, intends to infringe or fails to comply with:

(a) any authorization or exemption term; or

(b) any regulatory decision or decision of CERA.

16(a) of 211(l) of
2012.

(2) After conducting an investigation in accordance with the provisions of Article 100, CERA shall issue a notice to the aforementioned persons in accordance with the provisions of Article 111 determining:

(a) the term of the authorization or exemption or the regulatory decision or decision, which in CERA's opinion may *prima facie* be infringed or is likely to be infringed by an authorization holder, a holder of an Order or of a previous authorization or the person to whom an exemption had been granted;

(b) the acts or omissions, which in CERA's opinion may or are likely to constitute an infringement of the relevant term, decision or regulatory decision of CERA;

(c) the deadline within which the authorization holder, the holder of an Order or of a previous authorization or the person to whom an exemption had been granted may submit objections in writing and such deadline shall not exceed a period of 30 days from the date of service of the notice.

(3) CERA shall examine any objections submitted in accordance with clause (2).

(4) In examining any objection, CERA may issue a decision by which it shall order the authorization holder, the person to whom an exemption had been granted or the holder of an Order or of a previous authorization to take such measures as may be deemed necessary in order to remedy the infringement or prevent future infringements.

(5) In case the authorization holder, the holder of an Order or of a previous authorization or the person to whom an exemption had been granted fails to remedy the infringement within one month from the service of CERA's decision in accordance with clause (4) or within a reasonable time period as CERA may determine by its decision, CERA may:

(a) impose an administrative fine on the authorization holder, the holder of an Order or of a previous authorization or the person to whom an exemption had been granted, depending on the nature, seriousness and duration of the infringement or omission, as may be determined by Regulations issued under this Law, and/or

(b) decide that an administrative fine shall be owed depending on the seriousness of the infringement for each day on which the infringement or omission shall continue to exist as hereinabove, and/or

16(a) of 211(l) of
2012.

(c) revoke the authorization, exemption, Order or previous authorization in accordance with the procedure set out by Regulations issued by CERA under Article 102.

(6) CERA's decision to impose an administrative fine or revoke an authorization, exemption, Order or previous authorization must be in writing and sufficiently justified.

Imposition of
administrative
fines.

28.

(1) CERA's justified decision for the imposition of an administrative fine as provided for in clause (6) of Article 27 shall be served to the person who has been considered responsible for the infringement or omission.

(2) This person may, after receiving the decision in accordance with the provisions of clause (1), make within thirty days of the date of service of the notification written representations to CERA.

(3) The administrative fine shall be collected by CERA in case the deadline of 75 days from the communication of CERA's decision for filing a recourse before the Supreme Court has passed without any action being taken, or in case a recourse has been filed following the issue of a court decision which does not annul the fine.

17 of 211(l) of
2012.

(4) In case of failure to pay the pecuniary sanctions in accordance with this Law and the Regulations imposed by CERA, CERA shall initiate court proceedings and collect the amount as a civil debt due to the Fund of the CERA Office.

(5) The amounts collected by CERA from the imposition of an administrative fine pursuant to this Law shall be deposited to the Fund of the CERA Office.

Taking of
measures to
protect
competition.
18 of 211(l) of
2012.

29.

(1) CERA may take the appropriate measures –

(a) to prevent the abusive exploitation of a dominant position by any authorization holder under Article 34; or

(b) to prohibit or declare invalid, as the case may be, the intentional conclusion of or attempt to conclude an agreement by any authorization holder, which aims at or results in limiting, obstructing or falsifying competition in the electricity market.

(2) For the purposes of performing its functions pursuant to clause (1), CERA:

(a) shall not prohibit or declare invalid any agreement:

(i) falling within the category of agreements, which has been exempted from those agreements, which are prohibited by virtue of the provisions of the Protection of Competition Laws of 1989 to (no.2) of 2000, by an order of the Council of Ministers or by publication of a relevant notice by the Commission for the Protection of Competition, under this Law,

207 of 1989
111(I) of 1999
87(I) of 2000
155(I) of 2000.

(ii) which has been exempted from the said prohibited agreements, by a decision of the above Commission under the said Law or in relation to which the Commission is examining an application for exemption;

(b) may not prohibit by an order issued in accordance with paragraph (3), acts of abusive exploitation of a dominant position, which are prohibited by the Protection of Competition Laws of 1989 to (no.2) of 2000, or agreements, which have been concluded or carried out for purposes of obstructing, limiting or falsifying competition within the meaning of the said Law;

207 of 1989
111(I) of 1999
87(I) of 2000
155(I) of 2000.

(c) may prohibit the intended carrying out of acts of abusive exploitation of a dominant position or the intended conclusion or carrying out of agreements whose object is or whose result shall be the obstruction, limitation or falsification of competition, provided that these have not been decided in any manner by the Commission for the Protection of Competition, and are not pending for the taking of a decision before it,

(d) may declare invalid, acts of abusive exploitation of a dominant position that have already been committed, or agreements which have already been concluded or carried out and whose object is or whose result is the obstruction, limitation or falsification of competition, provided that, on the one hand, the Commission for the Protection of Competition has not already decided in the context of either an *ex officio* examination or an examination following a complaint, that there is no abusive exploitation of dominant position or obstruction, limitation or falsification of competition, and on the other hand, that the relevant matter is not pending for examination by the said Commission;

(e) issue an order only following consultations and deliberations with the Commission for the Protection of Competition.

Functions of
CERA in respect
of the natural
gas market.

30. Repealed by 19 of 211(I) of 2012.

PART V – TARIFFS AND CHARGES

- Principles governing tariffs and charges.
31. (1) Subject to the provisions of this Law and of the Regulations, which may be issued thereunder, all tariffs and charges for services provided for by this Law shall reflect the costs for the provision of these services and shall not unduly discriminate between the purchasers of those services.
- (2) CERA may, on the basis of the guidelines set by the Ministry by means of a policy decision, require an authorization holder or a holder of an exemption under this Law to set prices, which deviate from the principles provided for in clause (1), provided that such person may recover all costs incurred in accordance with this Law and that charges concerning eligible and non-eligible customers shall not lead to an exploitation of the dominant position of EAC or of another authorization holder.
- 20 of 211(l) of 2012.
- L.206(l) of 23.12.2015
- (3) CERA ensures the abrogation of any motivation on the transmission and distribution invoices that burdens the overall efficiency, including generation, transmission, distribution and supply energy efficiency, or the efficiency of those who may prevent the participation of the demand response in the balancing markets and in the provision of ancillary services.
- L.206(l) of 23.12.2015
- (4) CERA ensures that both the CTSO and the Distribution System Operator are motivated in order to improve the efficiency of planning and operating the infrastructure.
- L.206(l) of 23.12.2015
- (5) CERA ensures that the invoices provide the suppliers the ability to improve the participation of consumers to the efficiency of the system, including the response to the demand.
- Regulation of tariffs and charges.
32. (1) Persons that have been granted an authorization or an exemption under this Law and to the extent required by the said authorizations or exemptions, shall ensure that the tariffs or charges collected for the services they provide in accordance with the terms of the above terms have been:
- (a) set out in accordance with Regulations and the relevant methodology provided for set out by CERA, which reflects the costs including reasonable profits;
- (b) approved by CERA; and
- (c) publicly communicated in accordance with CERA's requirements.
- (2) CERA shall ensure that the terms, conditions and the procedure for reviewing and approving tariffs and charges are set out in Regulations and in the prescribed methodology relevant thereto set out by CERA and that such procedure shall include:
- (a) a timetable for the examination by CERA of applications and approvals; and

(b) the possibility of customers and other persons to submit their comments on such applications.

(3) CERA shall ensure that the authorization holders or the holders of exemptions may recover all reasonable costs incurred in the operation of their business on an efficient basis, including, *inter alia*:

(a) the cost of fuel, wages and salaries and other operating and maintenance costs;

(b) the forecast for capital depreciation;

(c) the reasonable return of employed capital;

(d) the costs arising from the Public Service Obligations imposed upon the authorization holder in accordance with this Law or other Laws; and

(e) the costs arising from the provision of ancillary services.

(4) Where CERA shall decide on the appropriate level of tariffs or other charges, it shall also take into account, further to the provisions of clauses (1), (2) and (3) hereinabove, the following:

(a) the protection of consumers against monopolistic prices; and

(b) the encouragement of efficiency and quality of services provided to the holders of authorizations or exemptions.

Policy on
Stranded
Investments.

33.

(1) The Minister may, following a proposal made by CERA and after having obtained the necessary approvals by the Commission, issue an Order published in the Official Gazette of the Republic, providing for the payment of an annual amount for the generation stations for which EAC holds an authorization or an exemption and for which as a result of the application of this Law, EAC may not recover specific costs and collect revenues.

(2) This Order may provide for the recovery from final customers of the amounts to be paid by EAC for its stranded investments.

(3) The amount referred to in clause (1) shall be calculated for a specific time period pursuant to the Order in respect of the annual specified amounts for unrecovered costs or revenues that may occur in every single year.

(4) Without prejudice to the generality of clauses (1) and (2), the Council of Ministers may issue Regulations on stranded investments, which provide for:

(a) the levy imposed on final customers based on the consumption of electricity provided to such customers;

(b) the collection of payments using the procedure provided for in paragraph (a) hereinabove by authorization holders in accordance with this Law;

(c) the payment to EAC out of the payments collected by virtue of paragraph (b);

21 of 211(l) of
2012.

(d) the condition that any amount paid to EAC in accordance with the Ministerial Order referred to in clause (1) shall be used for the purposes set out in the Regulations for stranded investments and that CERA shall have the power to establish whether such condition has been complied with;

(e) conditions according to which the collected levy shall be paid to EAC;

(f) the recovery by EAC of the amount or part thereof paid thereto in accordance with the Ministerial Order referred to in clause (1), in case this amount has not been used in accordance with the Regulations on stranded investments; and

(g) the certification by CERA for each year within the specified time period that in that specific year the conditions set out by the Regulations on stranded investments have been fulfilled.

(5) The Regulations referred to in clause (4) may:

(a) require that EAC furnish any relevant records or other information or afford facilities for determining the level of stranded investments;

(b) provide for the time at which payments shall be made by way of levy or payments to EAC;

(c) provide that the amount for any overpayment or underpayment made by or to any person shall be set off in respect of any claim or debt to this person; and

(d) set out the date of termination of the arrangement.

(6) The Minister shall exercise all the powers vested in him by this Article in order to ensure that the sums collected by the levy are sufficient after deducting from electricity authorization holders the administrative expenses paid in accordance with Article 31 during the collection of the levy. The aforementioned sums shall be used for paying EAC the payments required to be made by the above Regulations.

(7) The Minister shall communicate to EAC a draft Order referred to in clause (1) one month prior to the issue of this Order.

PART VI – ISSUE OF AUTHORIZATIONS AND PROVISION OF EXEMPTIONS

Requirement to hold an authorization.

34. (1) Subject to the provisions of Article 35, no person shall carry out the following activities unless this person has been previously granted an authorization by CERA in accordance with the provisions of this Law:

(a) construct an electricity generating plant or generate electricity;

(b) supply electricity to eligible customers;

22(1) of 211(I) of 2012.

- 22(1) of 211(l) of 2012. (c) supply electricity to non-eligible customers;
- 22(2) of 211(l) of 2012. (d) perform any of the functions of the Transmission System Operator in accordance with Article 60;
- 22(4) of 211(l) of 2012. (e) perform any of the functions of the Distribution System Operator in accordance with Article 53;
- 22(3) of 211(l) of 2012. (f) perform any of the functions of the Transmission System Owner in accordance with Article 46; or
- 22(5) of 211(l) of 2012. (g) perform any of the functions of the Distribution System Owner in accordance with Article 51;
- (2) Deleted by 22(6) of 211(l) of 2012.
- (3) An authorization granted in accordance with the provisions of this Law shall not exempt the authorization holder from obtaining any other approvals required under any other Law;
- 4 of 239(l) of 2004. Provision of exemptions. 35. (1) CERA may grant an exemption from the requirement to hold an authorization for the activities referred to in paragraphs (a) and (b) of clause (1) of Article 34, subject to such terms and conditions as it may specify.
- (2) An exemption may be granted for:
- (a) the self-generation of electricity of a power not exceeding a capacity of 1mw by any person or persons of a particular category;
- (b) the generation of electricity from renewable sources of energy not exceeding a capacity of 5mw; or
- (c) the supply of electricity by a particular person, the total capacity of which does not exceed 0.5mw for each generating station.
- 23 of 211(l) of 2012. (3) Any person intending to exercise one or more of the activities referred to in paragraphs (a) to (c) of clause (2) shall submit an application to CERA in order to obtain an exemption in a form specified by CERA.
- (4) The exemptions granted by virtue of this Article shall be entered in the Register.
- (5) The provisions of Article 16 shall apply accordingly.
- (6) An exemption, which has not been previously revoked in accordance with any term contained therein, shall continue to apply for the period specified in the exemption.
- Authorization terms, conditions and restrictions. 24 of 211(l) of 2012. 36. (1) Subject to the provisions of clause (2) of Article (38) and of the Regulations, which may be issued pursuant to paragraph (d) of clause (2) of Article 102, an authorization granted in accordance with this Law may contain such terms, conditions and restrictions as CERA may deem, under the circumstances, necessary:

Provided that the aforementioned terms, conditions and restrictions may not create or allow for undue discrimination between authorization holders.

(2) Any authorization granted in accordance with this Article shall contain terms specifying that:

(a) the authorization shall be subject to amendment for the purposes of compliance with any amendment or review of the legislation;

(b) the authorization holder shall pay such fee as specified in relevant Regulations on authorization fees; and

(c) the authorization holder shall keep separate accounts for each one of the activities for which it is required to hold an authorization under clause (1) of Article 34.

Applications for the granting of authorizations. 5(a) of 239(l) of 2004.

37. (1) Any application for the granting of an authorization in accordance with this Law shall be submitted to CERA in the form set out by Regulations relevant to the issue of authorizations together with such information and fees as the Regulations may provide for.

5(b) of 239(l) of 2004.

(2) A person may submit an application in accordance with the provisions of clause (1) only if:

(a) he is a natural person, he is a citizen of a Member State and resides in a Member State;

(b) he is a legal person, it is established in a Member State, and in the case of a company, it has been established in accordance with the legislation of a Member State and has its statutory seat, central management or main place of establishment within the European Community.

Examination of applications and granting of authorizations. 4(a) of 173(l) of 2006.

38. (1) Where CERA issues a decision for the granting of an authorization, a procedure, which shall be set out by the Regulations relevant to the granting of authorizations shall be followed and take into account the criteria laid down herein below as well as any instructions, which the Minister may publish from time to time pertaining to the government policy:

(a) the safety of the electricity system, the electricity generating plants and electric lines;

(b) the protection of the environment including the limitation of emissions to the atmosphere, water or land;

(c) the siting of electricity generating stations and associated land use;

(d) the efficient use of energy;

(e) the nature of the primary source of energy to be used by a generating station;

25(a) of 211(l) of 2012.	(f) the qualifications of the applicant including the technical capabilities and financial resources of the applicant in order to be able to carry out the activity for which he submits an application; and
25(b) of 211(l) of 2012.	(g) Public Service Obligations in accordance with Article 89;
25(c) of 211(l) of 2012.	(h) the protection of public health and safety;
25(c) of 211(l) of 2012. L.206(l) of 23.12.2015	(i) the contribution of the generation capacity to the achievement of the Community's total target for a 20% share of energy from renewable sources by 2020 as referred to in Article 3, paragraph 1 of Directive 2009/28/EC of the European Parliament of 22 April 2009 on the promotion of the use of energy from renewable resources;
25(c) of 211(l) of 2012. L.206(l) of 23.12.2015	(j) the contribution of the generation capacity to the reduction of emissions; (ja) the results of the inclusive evaluations stated in Article 14C of the Promotion of Cogeneration of Electricity and Heat Law, as it is henceforth amended or replaced;
L.206(l) of 23.12.2015	(jb) the requirements to conduct a profit and loss analysis as well as the results of the analysis, as required by Article 14A of the Promotion of Cogeneration of Electricity and Heat Law, as it is henceforth amended or replaced;
<p>Provided that, regarding the application of the provisions of paragraphs (ja) and (jb), CERA may to allow relevant exceptions if imperative concurring legal, proprietary and economic reasons exist and it informs the Minister. CERA must submit to the Committee its justifiable decision, within three months from the date the decision was made.</p>	
<p>Provided further that, the above paragraphs (ja) and (jb) are applied to electricity generation facilities with the reservation of the provisions of the Industrial Emission (Complete Prevention and Control of Pollution) Law, as it is henceforth amended or replaced.</p>	
4(b) of 173(l) of 2006. 25(d) of 211(l) of 2012.	(2) During the procedure for the issue of an authorization, the criteria and the rules followed shall be objective, transparent and impartial and shall take into account the particularities of the various technologies, including the particularities of the cogeneration technologies.
25(e) of 211(l) of 2012.	(3) CERA shall publish the authorization granting procedures and the criteria referred to in clause (1).
25(e) of 211(l) of 2012.	(4)(a) CERA shall ensure that there are special authorization granting procedures for small-scale, decentralised and/or distributed generation, which take into account their limited size and their potential significance.
	(b) The Minister may set out guidelines for this special authorization granting procedure.
	(c) CERA shall examine these guidelines and may suggest amendments.

(d) Where the Minister has enacted special land use procedures, which apply to new infrastructure projects of major significance in the energy generation capacity, the Minister shall include, where appropriate, the construction of a new generation capacity in the framework of these procedures and shall apply them in a non-discriminatory manner and in the appropriate time frame.

- Rejection of an application for the granting of an authorization.
26 of 211(l) of 2012.
39. In case CERA rejects any application for the granting of an authorization:
- (a) it shall notify the applicant in writing of the reasons of the rejection, which must be objective, non-discriminatory, justified and documented; and
- (b) within 28 days from the rejection of the application it shall communicate in writing to the Commission the reasons for the rejection of the application.
- 27 of 211(l) of 2012.
Modification, revocation, transfer and extension of authorizations.
40. An authorization granted in accordance with the Law shall be subject to modification, revocation, transfer or extension in accordance with the procedures provided for in the Regulations relevant to the granting of authorizations issued by CERA.
- Orders and prior authorizations.
Cap. 170.
2 of 1976
26 of 1979
141 of 1990
42(l) of 2002
28 of 211(l) of 2012.
41. (1) Subject to the provisions of Article 35, any person who have been granted an Order or a prior authorization under Articles 4 and 9 respectively of the Electricity Law, on or before the date of entry into force of Articles 34 and 35, shall submit an application for the granting of an authorization or an exemption pursuant to the above Articles of this Part, within six months or such other period as may be decided by CERA as from the entry into force of this Article.
- (2) Any application submitted to the Minister or the Director of the Department of Electromechanical Services for the issue of an Order or for the issue of an authorization under Articles 4 and 9 respectively of the Electricity Law for which a decision has not been made by the Minister or the Director of the Department of Electromechanical Services before the entry into force of Articles 34 and 35 respectively, shall be deemed to be an application for the granting of an authorization or an exemption under Articles 34 and 35 respectively, and shall be examined accordingly by CERA.
- (3) An authorization issued by CERA in replacement of an Order granted pursuant to Article 4 of the Electricity Law, shall contain conditions, which place the authorization holder substantially in the same financial position as the one in which he was when he operated in accordance with the Order.
- (4) An exemption issued by CERA in replacement of a previous exemption granted pursuant to Article 9 of the Electricity Law, shall contain conditions, which place the holder of the exemption substantially in the same financial position as the one in which he was when he operated in accordance with the previous authorization.
- (5) Any Order or prior authorization granted in accordance with Articles 4 and 9 respectively of the Electricity Law, on or before the date of entry into

Cap. 170.
2 of 1976
26 of 1979
141 of 1990
42(l) of 2002.

force of Articles 34 and 35, shall expire either 12 months from the date of entry into force of the above Articles or from the date CERA grants an authorization or an exemption, which replaces the above Order or the above authorization, respectively, and in any case, whichever is the earlier. The 12-month deadline as hereinabove shall be extended where deemed necessary due to the extension of the 6-month deadline for the submission of an application as provided for in clause (1).

(6) As from the date of entry into force of Articles 34 and 35, the power to amend or revoke the Orders or previous authorizations issued under Articles 4 and 9 respectively, of the Electricity Law, shall be exercised only by CERA.

Cap. 170.
2 of 1976
26 of 1979
141 of 1990
42(l) of 2002.

Tendering
procedure for
the increase of
electricity
generating
capacity.
29 of 211(l) of
2012.

42. (1) CERA, taking into account the provisions of paragraph (f) of clause (1) of Article 24, shall inform the Minister whenever it establishes that the existing electricity generating capacity is not sufficient for ensuring a satisfactory supply of electricity in the Republic.

(2) The Minister, after being informed by CERA, in accordance with clause (1) and following consultations with CERA and the Transmission System Operator shall issue an Order, which shall be published in the Official Gazette of the Republic by which he shall set out the tendering procedure, the generation required, the manner and the terms of disposal of this generation and shall finally require CERA to see to the carrying out of the procedure in order to obtain the required new generation.

(3) CERA shall set out by a decision published in the Official Gazette of the Republic the soonest possible following the publication of the Order referred to hereinabove, the terms, conditions and the criteria that applicants of the tendering procedure must meet.

(4) CERA shall invite applications for increase in the generating capacity in the Republic in accordance with the procedures set out in the Order issued under clause (2).

Eligible
customer.
30 of 211(l) of
2012.

43. An eligible customer may enter into contracts for the purchase of electricity with any person holding an authorization for the supply of electricity.

Eligible
Customer Order.
31 of 211(l) of
2012.

44. (1) The Minister shall, following consultations with CERA, issue an Order concerning eligible customers, setting out the manner in and the criteria by which the consumption of electricity is to be calculated in order to establish whether a customer is an eligible customer or not.

(2) The Order issued under clause (1) shall:

(a) set out the manner in and the criteria by which the consumption of electricity is to be calculated; and

(b) set out the electricity consumption threshold in GWh measured over a 12-month period, based on which it shall be established whether a customer is an eligible customer or not.

(3) The Minister may amend the Order issued under clause (1) after publishing in the Official Gazette of the Republic a notice of his intention to make such amendment.

(4) Prior to any such amendment to the Order, the Minister shall carry out a public consultation.

PART VII – PROVISIONS CONCERNING THE TRANSMISSION SYSTEM OWNER AND THE DISTRIBUTION SYSTEM OWNER

- General duties of Transmission System Owner. 32 of 211(I) of 2012.
45. The Transmission System Owner shall be obliged to construct and maintain an efficient, coordinated, safe, secure, reliable and economical transmission system, in accordance with the Transmission System Operator's development plan and Transmission System Protocol having due regard to the protection of the environment.
- Functions of the Transmission System Owner.
46. The Transmission System Owner shall:
- (a) carry out maintenance and construction works in accordance with the development plan and the terms of the Transmission Control Protocol and such design and development works as assigned to the Transmission System Owner under the Transmission Control Protocol.
- (b) implement any other works required under the development plan and comply with any other requirement relating thereto in accordance with this Law having due regard to the protection of the environment.
- (c) inform the Transmission System Operator and CERA within such period as shall be set out by a CERA's decision, of the measures it intends to take to implement the development plan under the Transmission Control Protocol.
- Restriction on the disposal of the transmission system's assets.
47. The Transmission System Owner shall not dispose of or decommission any asset, which forms part of the transmission system nor shall it mortgage the transmission system without CERA's prior written approval.
- Obligation for non-discrimination by the Transmission System Owner.
48. In performing out its functions, the Transmission System Owner shall not act in a manner so as to unfavourably discriminate between persons, or categories of persons or between system users, or categories of system users, and in particular, it shall not act in a manner so as to unfavourably discriminate in favour of its subsidiaries, or undertakings associated therewith, or joint ventures in which it participates.
- Approval of use of the transmission system for non-energy related purposes. Cap. 170 2 of 1976
49. (1) Notwithstanding the provisions of Article 34 and subject to the provisions of clause (3) of Article 12 of the Electricity Development Law concerning the issue of an authorization, the Transmission System Owner may, upon obtaining CERA's approval in writing as well as any other permit, authorization or approval, which may be required under any other law in force in the Republic, use the transmission system for other non-energy

26 of 1979
141 of 1990
42(I) of 2002.

related purposes.

(2) CERA shall, following consultations with the Transmission System Operator, approve the use of the transmission system for other non-energy related activities proposed by the Transmission System Owner on condition that CERA is satisfied that the carrying out of the proposed non-energy related activity shall not be in conflict with or restrict:

33(a) of 211(I) of 2012.

(a) the fulfilment of the obligations of the Transmission System Owner in accordance with its authorization as Transmission System Owner; or

33(b) of 211(I) of 2012.

(b) the fulfilment of the obligations of the Transmission System Operator in accordance with its authorization as Transmission System Operator.

Transmission System Owner's revenues allowed.
34 of 211(I) of 2012.

50. The Transmission System Owner shall collect revenues to be used for the fulfilment of its obligations under its authorization. These revenues shall derive from tariffs and charges approved by CERA pursuant to paragraph (b) of clause (1) of Articles 32 and 86.

36 of 211(I) of 2012.
Functions of the Distribution System Owner.

51. (1) The Distribution System Owner shall not dispose of or decommission any asset, which forms part of the distribution system nor shall it mortgage the distribution system without CERA's prior written approval.

(2) Notwithstanding the provisions of Article 34 concerning the issue of an authorization, the Distribution System Owner may, upon obtaining the Minister's approval in writing under Article 12 of the Electricity Development Law and CERA's written approval, use the distribution system for other non-energy related purposes.

Cap. 171.
10 of 1960
16 of 1960
24 of 1963
45 of 1969
53 of 1977
31 of 1979
116 of 1990
40(I) of 1995
15(I) of 1996
75(I) of 1998
143(I) of 1999
158(I) of 2000
136(I) of 2002
11(I) of 2004
81(I) of 2004
164(I) of 2004
116(I) of 2006
150(I) of 2011.

(3) CERA shall, following consultations with the Distribution System Owner, approve the use of the distribution system for other non-energy related activities proposed by the Distribution System Owner on condition that CERA is satisfied that the carrying out of the proposed non-energy related activity shall not be in conflict with or restrict the fulfilment of the obligations of the Distribution System Owner arising from its authorization.

37 of 211(I) of 2012
PART VIIA – PROVISIONS CONCERNING THE DISTRIBUTION SYSTEM OPERATOR

- 35 and 38(a)(b) of 211(l) of 2012. General obligations of the Distribution System Operator.
52. (1) The Distribution System Owner shall develop and maintain an economic, efficient, coordinated, safe and reliable distribution system, ensuring that all reasonable needs in electricity are met, having due regard and care to the protection of the environment.
- 38(c) of 211(l) of 2012.
- (2) The Distribution System Operator shall ensure the long-term capacity of the system to meet all reasonable demand in electricity distribution, operating, maintaining and developing under economic conditions a safe, reliable and efficient distribution system having due regard and care to the protection of the environment and energy efficiency.
- 38(c) of 211(l) of 2012.
- (3) The Distribution System Operator shall avoid making any discrimination between users or categories of system users and in particular, discrimination in favour of undertakings associated therewith.
- 38(c) of 211(l) of 2012.
- (4) The Distribution System Operator shall provide network users the information required for the effective access to the system, including its use.
- 38(c) of 211(l) of 2012.
- (5) When allocating the loads to generating plants, the Distribution System Operator must give priority to generating plants using renewable energy sources or waste or generating combined heat and power.
- 38(c) of 211(l) of 2012.
- (6) In performing its duties, the Distribution System Operator shall supply the energy used to cover the energy losses and keep a backup capacity for its system with transparent, impartial and market-based procedures.
- 38(c) of 211(l) of 2012.
- (7) Where the Distribution System Operator is responsible for balancing the distribution system, the rules it shall make for this purpose, including the rules for charging their network users due to lack of energy balance, shall be objective, transparent and impartial. The terms and conditions, including the tariff rules for the provision of such services on behalf of the Distribution System Operator shall be set out in accordance with clause (7) of Article 25 in an impartial manner reflecting the cost, and shall be published.
- 38(c) of 211(l) of 2012.
- (8) When programming the development of the distribution system, the Distribution System Operator shall examine the possibility of taking measures of energy efficiency/demand-side management and/or the possibility of a decentralised generation, which could substitute the need to upgrade or replace the electricity capacity.
- 38(c) of 211(l) of 2012.
- (9) The Distribution System Operator, subject to its obligation to CERA for access to the accounts or its activity or of any other legal obligation for disclosing information, shall safeguard the confidential character of commercially sensitive information, which comes to its knowledge in carrying out its duties and prevent biased communication of information on its own activities and may give commercial advantages;
- L.206(l) of 23.12.2015
- (10) The Distribution System Operator implements measures in order to promote and facilitate the efficient use of electricity from small consumers

including households. Measures include ways and means from the participation of small consumers and the organisations that represent them in the prospective development of smart metering systems, by informing them of efficient changes that could be easily applied by them and are related to the use of electricity and/or providing them with information for the implementation of measures of energy efficiency.

- 39(1)(2)(3) of 211(l) of 2012.
Functions of the Distribution System Operator.
53. The Distribution System Operator shall:
- (a) establish protocols with the Transmission System Operator furthering the improvement of the operation of a coordinated transmission and distribution system;
- (b) charge for the use of and connection to the distribution system in accordance with the tariffs and charges approved by CERA pursuant to Article 32 and Article 86; and
- (c) provide terms and enter into connection agreements or protocols with electricity undertakings seeking to use or connect to the distribution system;
- (d) prepare a distribution development plan aimed at ensuring the provision of electricity.
- 39(4) of 211(l) of 2012.
- 39(5) of 211(l) of 2012.
- 43 of 211(l) of 2012.
Supervision by Distribution System Operator.
54. (1) The Distribution System Operator shall draw a compliance programme including therein the measures to be taken in order to exclude any biased behaviour and ensure the proper monitoring of the compliance with the programme. The compliance programme shall set out, *inter alia*, the specific obligations of the employees in meeting the objectives. The Distribution System Operator Director shall be responsible for monitoring the compliance programme. The compliance programme shall be submitted by the Distribution System Operator Director to CERA for approval. The Distribution System Operator Director shall regularly submit a report to CERA describing therein the measures taken and the degree of satisfaction as regards the programme.
- (2) The activities of the Distribution System Operator shall be monitored, controlled and supervised by CERA in order to prevent the exploitation of vertical integration, which may cause distortion of competition.
- Duty of non-discrimination by the Distribution System Owner.
44 of 211(l) of 2012.
55. In performing its functions, the Distribution System Owner shall not act in a manner so as to unfavourably discriminate between persons, or categories of persons or between system users, or categories of system users, and in particular, it shall not act in a manner so as to unfavourably discriminate in favour of its subsidiaries, or undertakings associated therewith, or joint ventures in which it participates.
- Distribution System Operator's revenues allowed.
56. The Distribution System Operator's revenues allowed for the fulfilment of its obligations under its authorization shall derive from tariffs and charges approved by CERA pursuant to paragraph (b) of clause (1) of Article 32.
- 45 of 211(l) of 2012.
57. (1) CERA may classify a system, which shall distribute electricity to a

Closed distribution systems.

geographically limited industrial or commercial area or common services area and which does not supply household consumers, as a closed distribution system, if:

(a) for specific technical or safety reasons, the activities or productive processes of the users of the said system shall be consolidated; or

(b) the said system shall distribute electricity mainly to the system's owner or operator or to related undertakings.

(2) CERA may exclude the operator of a closed distribution system from:

(a) the obligations of clause (6) of Article 52 with regard to the supply of the power it uses to cover power loss and the maintenance of a capacity in their system, with transparent, impartial and market-based procedures;

(b) the obligations of Articles 84, 85 and 86 according to which the tariffs or methodologies governing their calculation shall be approved prior to its operation in accordance with Article 25.

(3) Where an exemption is recognised under clause (2), the tariffs in force or the methodologies on which their calculation is based shall be examined and approved in accordance with Article 25, following an application by a closed distribution system user.

(4) The occasional use by a small number of households with labour or similar relations with the Distribution System Operator and which are situated in the area in which the closed distribution system operates, shall not exclude the recognition of the exemptions of clause (2).

PART VIII – ESTABLISHMENT OF A TRANSMISSION SYSTEM OPERATOR

Granting of authorization to the Transmission System Operator and appointment of Transmission System Operator Director.
46(1) of 211(I) of 2012.
46(2) of 211(I) of 2012.

58. (1) By a decision of the EAC's Board of Director, a division called "Transmission System Operator Unit" shall be established.

(2)(a) The Council of Ministers shall appoint a natural person to the office of the Director of the Transmission System Operator who shall be hereinafter referred to as the "TSO Director":

Provided that the Council of Ministers may deliberate beforehand with CERA.

6 of 239(I) of 2004.

(b) Repealed.

46(3)(4)(5) of 211(I) of 2012.
224 of 1990

(3) The TSO Director shall be of the highest moral and professional level, distinguished for his academic qualities, knowledge and experience in electricity transmission systems and a registered member of the Cyprus Scientific and Technical Chamber, in the field of electrical engineering in accordance with the Cyprus Scientific and Technical Chamber Law of 1990

106(I) of 1992
15(I) of 1993
53(I) of 1993
44(I) of 1996
34(I) of 1997
15(I) of 2002
24(I) of 2002
221(I) of 2002
19(I) of 2003.

to 2003.

(4) The appointment of the TSO Director shall be for six years.

(5) The holding of the office of TSO Director shall be incompatible with the maintenance or holding of any post within EAC or in any other service, company or organisation. A person appointed as TSO Director should not exceed the 63th year in the calendar year during which he is appointed for a second term in that post.

(6) The appointment to the office of TSO Director shall be limited to a maximum of two terms of office.

46(6) of 211(I) of
2012.

(7) The Transmission System Operation Unit shall become following the granting of an authorization by CERA in accordance with Article 34 the Cyprus Transmission System Operator and shall be a legal person of public law.

Termination of
the appointment
of the TSO
Director.
47 of 211(I) of
2012.

59. The TSO Director may:

(a) resign from this office by giving a notice in writing to the Council of Ministers;

(b) be removed from this office by the Council of Ministers, if in the opinion of the members of the Council of Ministers, he has become incapable, as a result of his health condition, of effectively performing his duties or for a behaviour that is incompatible or improper in relation to his duties. The reasons for such removal shall be communicated to the House of Representatives.

Staff and
performance of
the functions of
the
Transmission
System
Operator.
48(I) of 211(I) of
2012.

60. (1)(a) The staff of the Transmission System Operator shall come from the staff of EAC and shall be under the TSO Director as regards the performance of the functions of the Transmission System Operator. This staff shall, as regards appointment procedures, the terms of employment, promotions, benefits, retirements and disciplinary code, be subject to the procedures, Regulations and service schemes governing the EAC staff as amended in order to apply during the placement of the staff to the Transmission System Operator.

48(I)(b) of 211(I)
of 2012.

(b) The TSO Director shall annually prepare and submit to CERA his suggestions regarding the needs of the TSO in staff and other expenditure. Based on these suggestions, CERA shall deliberate with the TSO Director and EAC as regards the preparation of the budget of the Cyprus

Transmission System Operator as provided for in clause (1) of Article 61.

48(1)(c) of 211(I)
of 2012.

(c) Following the approval by the House of Representatives of the annual budget of the Cyprus Transmission System Operator, EAC, by a decision of EAC's Board of Directors, shall place the appropriate staff in the Cyprus Transmission System Operator, in order to meet its needs in human resource. The Cyprus Transmission System Operator shall participate in the procedures for the selection of its staff, which shall be included in amended staff Regulations of EAC, and applied to the Cyprus Transmission System Operator staff. The opinion of the Cyprus Transmission System Operator shall be seriously taken into consideration in the aforementioned procedures for the selection of staff. In case a delay of more than six (6) months is observed in the placement of the appropriate staff of the Cyprus Transmission System Operator, the latter, following consultation with CERA, may fill the positions by purchasing services until EAC's Board of Directors places the appropriate staff.

48(1)(d) of
211(I) of 2012.

(d) The selected staff shall be placed to the Cyprus Transmission System Operator on a trial basis for a six-month period. After this period, in case the Cyprus Transmission System Operator deems that the selected staff fails for any reason to fully perform its assigned duties, then, with a justified report to EAC, it may request its replacement by EAC and EAC must respond to this request within six months; otherwise, CERA, following a justified request in writing by the Cyprus Transmission System Operator, shall issue a regulatory decision for the replacement of the staff or for the purchase of services by the Cyprus Transmission System Operator in order to be able to respond to its duties and functions.

L.206(I) of
23.12.2015

(2)(a) The TSO Director shall be paid such remuneration and travelling or other allowance as may be determined by the Council of Ministers on the basis of a proposal by the Ministers of Energy, Commerce, Industry and Tourism, and Finance, which shall be prepared following consultations with EAC and CERA.

L.206(I) of
23.12.2015

(b) The Council of Ministers may also determine the payment of such allowances, bonuses to or in relation to a person who has served as TSO Director or such amounts used for paying allowances or bonuses to a person who has served as TSO Director on the basis of a proposal by the Ministers of Energy, Commerce, Industry and Tourism, and Finance, which shall be prepared following consultations with EAC and CERA.

48(2) of 211(I) of
2012.

(c) The remuneration, allowances and other benefits as per paragraphs (a) and (b) hereinabove shall be included in the annual budget of the Operator as provided for in clause (3) of Article 61 and approved by the House of Representatives.

(3) The TSO Director shall exercise the functions of the Transmission System Operator as deemed fit either in person or through any staff member and any function assigned to the Transmission System Operator may be performed by him in person or by any member of the Transmission System Operator staff authorized by the TSO Director for this purpose.

(4) The TSO Director may engage experts or consultants as deemed fit to

assist in the performance of his functions. Any remuneration due to an expert or consultant engaged by virtue of this clause shall form part of the expenditures of the Transmission System Operator.

(5) During his term of office, the TSO Director shall not:

(a) have any financial or other interest, including shareholding, in any company doing business in the energy sector;

(b) hold any other office or be employed or provide services in respect of which he receives remuneration;

(c) be a political party officer; and

48(3) of 211(I) of 2012.

(d) for a period of two years following his resignation, removal or termination of term of office, hold any post or be employed or act as a consultant, where he may use or disclose confidential information acquired while performing his duties and functions as TSO Director, in accordance with the Control of Employment in the Private Sector of Former State Officers and certain Former Employees of the Public and Wider Public Sector Law of 2007.

48(4) of 211(I) of 2012.

48(5) and (6) of 211(I) of 2012.

(6)(a) The Transmission System Operator shall have civil liability and may sue and be sued and be litigant to any civil proceedings initiated in relation to the performance of the duties, functions and powers of the TSO Director and those of the members of the staff of the Transmission System Operator.

(b) In any proceedings before the courts or an administrative authority, the Transmission System Operator shall be represented either by a practising lawyer and/or a member of the staff of the Transmission System Operator.

(7) Subject to the provisions of this Law and of the Regulations and Orders issued thereunder, the TSO Director and the staff of the Transmission System Operator shall not have personal civil liability for anything occurred or omitted or said or for any opinion they have expressed or a report or other document they have prepared during their *bona fide* performance of their corresponding duties, functions and powers under this Law and the Regulations and Orders issued thereunder.

Budget and financial arrangements. 49(a) of 211(I) of 2012. 61.

(1) Following consultations with CERA and the TSO Director, EAC shall agree for each year of operation of the Transmission System Operator the budget of the Transmission System Operator and shall submit the same for approval by the Council of Ministers and the House of Representatives as a bill separate from the EAC Budget.

(2) In case the consultations referred to in clause (1) do not lead to an agreement between EAC, the TSO Director and CERA regarding the budget of the Transmission System Operator, CERA shall prepare the budget and submit it for approval by the Council of Ministers and the House of Representatives.

(3) The budget referred to in the above clauses shall concern the payment of the expenses in relation to remuneration, allowances and any other

expenses concerning the Transmission System Operator staff as well as any other expenses of the Transmission System Operator.

49(b) of 211(I) of 2012.

The budget of the Transmission System Operator shall also include the expenses concerning the TSO Director and shall be prepared as provided for in paragraphs (a), (b) and (c) of clause (2) of Article 60.

Functions of the Transmission System Operator.
50(a) of 211(I) of 2012.

62. (1) The Transmission System Operator shall have the following exclusive functions:

(a) to operate an efficient, coordinated, safe, reliable and economically viable transmission system and to ensure the long-term ability of the transmission system to respond to reasonable demand for the transmission of electricity under economically acceptable conditions having due regard to the environment;

50(b) of 211(I) of 2012.

(b) to ensure the development and maintenance of a safe, reliable, economically viable transmission system and to ensure the long-term ability of the transmission system to respond to reasonable demand for the transmission of electricity under economically acceptable conditions having due regard to the environment;

7 of 239(I) of 2004.

(c) to explore and promote any possibility for interconnection of the transmission system with other systems following directions by the Minister;

50(c) of 211(I) of 2012
L.206(I) of 23.12.2015

(d) to ensure the availability of all ancillary services and other services of the system, which are necessary for the performance of its functions as set out in paragraph (a) and where this is technically and economically feasible within the operation of the high efficiency cogeneration facility, the Cyprus Transmission System Operator ensures that the operators of high efficiency cogeneration can offer balancing and ancillary services, provided that the requirements of sustaining the reliability and safety of the networks have been ensured and following a transparent, impartial and open to deep control procedure of submitting offers for the provision of such services;

(e) to enter into protocols with the Distribution System Operator furthering the operation of coordinated transmission and distribution;

50(d) of 211(I) of 2012.

(f) to operate a system for the dispatching of load and the use of the transmission system, with objective, impartial, economic and technical criteria giving priority during the dispatching of load to the generating plants using renewable energy sources and the high efficiency cogeneration plants and ensuring the supply of energy used to cover energy loss and ensuring the maintenance of a backup capacity in its system with transparent, impartial and market-based procedures, in accordance with:

(i) the terms contained in the authorization granted in accordance with Article 34;

50(e) of 211(I) of 2012.

(ii) the Transmission and Distribution Rules, which may be drawn from time to time in accordance with Article 73:

- 50(e) of 211(l) of 2012. (iii) the Electricity Trading Rules, which may be drawn from time to time in accordance with Article 80;
- (g) to operate and manage electricity trading in accordance with the aforementioned Electricity Trading Rules;
- (h) to develop and publish procedures, where deemed necessary, in relation to the use of interconnectors with other transmission and distribution systems;
- 50(f) of 211(l) of 2012. (i) to charge for the connection and use of the transmission system in accordance with Article 86;
- (j) to offer terms and enter into protocols or agreements for the connection to and use of the transmission system with all those using and seeking to use the transmission system;
- 50(g) of 211(l) of 2012. (k) to secure sufficient means for fulfilling service obligations;
- 50(g) of 211(l) of 2012. (l) to contribute to the security of supply through a sufficient transmission capacity and reliability of the system;
- 50(g) of 211(l) of 2012. (m) to manage electricity flows into the system by also taking into account the exchanges with other interconnected systems. To this end, the Transmission System Operator shall be responsible to ensure the safety, reliability and efficiency of the network and, in this context, to see that all necessary ancillary services, including those responding to demand, are available to the degree that this availability is independent from any other transmission network to which its system is interconnected;
- 50(g) of 211(l) of 2012. (n) to provide the operator of another system to which it is interconnected with sufficient information on safe and efficient operation as well as on the coordinated development and interoperability of the interconnected system;
- 50(g) of 211(l) of 2012. (o) to avoid to discriminate between users or categories of system users in particular in favour undertakings associated therewith;
- 50(g) of 211(l) of 2012. (p) to collect congestion rents and payments in the context of the balancing mechanism between Transmission System Operators, in accordance with Article 13 of Regulation (EC) no.714/2009, to grant and manage the access of third parties and to provide justified explanations in case of refusal of access; in performing their duties under the said Article, Transmission System Operators shall mainly facilitate market integration;
- (2) In performing his duties, the Transmission System Operator must aim at minimising the overall expenses of generation, transmission, distribution and supply of electricity to consumers.
- (3) The TSO Director shall prepare an annual report on his activities, which he shall promptly send to CERA. The annual report of the Transmission System Operator shall form part of CERA's annual report, which shall be prepared in accordance with the provisions of Article 18.

- Preparation of a transmission system development plan.
63. (1) The Transmission System Operator shall prepare a transmission system development plan aimed at securing the supply of electricity.
- (2) The transmission system development plan shall cover a period of ten calendar years.
- (3) The transmission system development plan shall be submitted by the Transmission System Operator to CERA for approval. This plan shall enter into force on the date of its approval by CERA.
- (4) The aforesaid ten-year transmission system shall be reviewed at least once a year by the Transmission System Operator who shall then submit it to CERA for approval.
- 8(a) of 239(l) of 2004.
- (5) The transmission system development plan shall take into account:
- (a) the existing and planned generation, transmission, distribution and supply of electricity on an overall and regional basis in the Republic;
- 51(1) of 211(l) of 2012.
- (b) the forecast report prepared in accordance with Article 88;
- 8(b) of 239(l) of 2004.
51(c) of 211(l) of 2012.
- (c) the interconnections or opportunities for interconnections with other transmission and distribution systems, which have been examined following the Minister's instructions in accordance with the provisions of Article 62(1)(c); and
- (d) the development objectives on an overall and regional basis in the Republic;
- (6) The development plan shall indicate the manner in which the Transmission System Operator shall perform its functions in accordance with clause (1).
- (7) The Transmission System Operator shall:
- 51(d) of 211(l) of 2012.
- (a) prior to submitting the transmission system development plan to CERA for approval, participate in a consultation process as well as in any other form of consultation required under a CERA's decision; and
- (b) together with the submission of the transmission system development plan to CERA for approval, submit to CERA a written report on the results of the consultations made under paragraph (a).
- Independence of the Transmission System Operator.
64. (1) The Transmission System Operator shall not engage in the generation, distribution or supply of electricity in the Republic.
- (2) The Transmission System Owner shall neither direct nor give any instructions to the Transmission System Operator in relation to any of the functions conferred upon the Transmission System Operator.
- (3) The Transmission System Owner shall, within such period as it shall be determined in a regulatory decision of CERA, be obliged to comply with any

requirements deemed necessary by the Transmission System Operator in the performance of its functions.

52(a) of 211(l) of
2012.

(4) Subject to the provisions of clauses (1) and (2) of Article 67, the Transmission System Protocol, which shall be drafted in accordance with Article 67, shall govern the relation between the Transmission System Operator and the Transmission System Owner.

(5) The Transmission System Owner shall exercise its property rights in such manner so as not to interfere with the obligations of the Transmission System Operator in performing its functions.

(6) The provisions of clause (3) shall be construed in such manner so as not to affect:

(a) any terms or conditions contained in the authorizations granted to the Transmission System Operator and the Transmission System Owner; and

(b) any protocols or agreements concerning the connection to and use of the transmission system.

52(b) of 211(l) of
2012.

(7)(1) In order to ensure the independence of the Transmission System Operator referred to in clauses (1) and (2), the following minimum criteria shall apply:

(a) The Transmission System Operator shall not participate in corporate structures of the integrated electricity undertakings, which shall be responsible, directly or indirectly, for the daily operation of the generation, distribution and supply of electricity.

(b) Appropriate measures must be taken in order to ensure that the professional interests of the persons of the Transmission System Operator shall be taken into account in such manner so as to ensure that they are in a position to act independently;

(c) The Transmission System Operator shall have effective decision-making powers, independently of the integrated electricity undertaking, as regards the resources, which are necessary for the operation, maintenance and development of the network;

(d) The Transmission System Operator shall draft a compliance programme, which shall state the measures taken and set out the obligations of its employees in order to ensure the impartial behaviour of its staff. The compliance programme shall be submitted to CERA for approval. The Cyprus Transmission System Operator shall regularly submit to CERA a report describing the measures taken and the programme's degree of satisfaction.

Allocation of
resources to the
Transmission
System
Operator.
53 of 211(l) of
2012.

65. (1) Subject to the provisions of Article 61 and of clause (2) of this Article, the Transmission System Owner shall make available to the Transmission System Operator such resources, including financing, staff and premises as are necessary for performing its functions.

(2) CERA may make a regulatory decision instructing the Transmission System Owner in respect of the allocation of resources for the purposes of clause (1).

Duty of non-discrimination by the Transmission System Operator.
54 of 211(l) of 2012.

66. In carrying out its functions, the Transmission System Operator shall not act in a manner so as to unfavourably discriminate between persons, or categories of persons or between system users, or categories of system users, and in particular, it shall not act in a manner so as to unfavourably discriminate in favour of its subsidiaries, or undertakings associated therewith, or joint ventures in which it participates.

Transmission System Protocol.
55 of 211(l) of 2012.

67. (1) The Transmission System Operator and the Transmission System Owner shall enter into a Transmission System Protocol in order to enable the Transmission System Operator to perform its functions and such Protocol shall be approved by CERA. The Transmission System Protocol shall be reviewed whenever the Cyprus Transmission System Operator, EAC or CERA deems necessary.

(2) Subject to the provisions of clause (1), CERA shall, by a regulatory decision thereof, require from the Transmission System Operator and the Transmission System Owner to include in the Transmission System Protocol such terms as CERA deems necessary.

(3) Where in the opinion of CERA, the Transmission System Protocol should be amended, CERA shall, by a regulatory decision thereof, require from the Transmission System Operator and the Transmission System Owner to agree on such amendments as identified by CERA.

(4) For the purposes of exercising its power to approve the Transmission System Protocol, CERA may consult with the Commission for the Protection of Competition.

(5) CERA shall more specifically ensure that the Transmission System Protocol includes terms and conditions, which:

(a) enable the Transmission System Operator to perform its functions fully and effectively;

(b) ensure that the Transmission System Owner facilitates the Transmission System Operator in performing its functions;

(c) ensure the performance by the Transmission System Owner of its duties and functions.

Allowed revenue.
56 of 211(l) of 2012.

(6) The Transmission System Operator's allowed revenue shall derive from the tariffs and charges approved by CERA in accordance with paragraph (b) of clause (1) of Article 32 and of Article 86 and shall be granted to the Transmission System Owner to cover any part of and/or all, if there are sufficient amounts, expenses incurred by the Transmission System Owner under clause (1) of Article 65.

57 of 211(I) of
2012.
Bookkeeping.

68A. (1) The Cyprus Transmission System Operator shall keep proper books and accounts for its activities as set out by the relevant legislations of the Republic of Cyprus.

(2) With regard to the financial management of every financial year, a report shall be drafted in such manner as set out by the relevant legislations of the Republic of Cyprus.

Transmission
System Protocol
form.
58 of 211(I) of
2012.

69. The Transmission System Protocol shall include the following in such type or form as to be approved by CERA:

(a) specifications according to which the assets of the Transmission System Owner shall form part of the transmission system, including the technical operating limits of such assets and the way in which the said specifications may be amended in the future;

(b) provisions for the maintenance and development of the transmission system;

(c) provisions concerning the construction, connection to and use of the transmission system by third parties;

(d) arrangements for the transfer of information between the Transmission System Owner and the Transmission System Operator regarding the development plan, its implementation and costs;

(e) provisions concerning the rights and responsibilities for de-energization and disconnection;

(f) provisions concerning the insurance cover of the Transmission System Owner and the Transmission System Operator;

(g) provisions concerning the duration, expiry and renewal of the Transmission System Protocol;

(h) provisions concerning the assessment of the implementation of the Transmission System Protocol by the Transmission System Operator and the Transmission System Owner.

Compliance with
the
Transmission
System
Protocol.
59 of 211(I) of
2012.

70. (1) CERA shall monitor the implementation of the Transmission System Protocol including the special measures provided for in Article 71.

(2) Where CERA is of the opinion that either the Transmission System Operator or the Transmission System Owner systematically fails to comply with the terms of the Transmission System Protocol or with any provision of Part VI of this Law, in a manner, which is likely to materially affect public interest, CERA may make a new decision following consultations with the Minister:

(a) requiring from the Transmission System Operator or the Transmission System Owner, as the case may be, to comply with the Transmission System Protocol or the provisions of Part VI of this Law; and

(b) setting out the manner in which the Transmission System Operator or the Transmission System Owner, as the case may be, must comply with the decision made.

(3) If the Transmission System Owner materially breaches its obligations under the Transmission System Protocol, the Transmission System Operator, upon CERA's approval, shall take immediate measures to arrange the undertaking of work by a contractor to be approved in accordance with the provisions of the Transmission System Protocol, and the cost for such undertaking shall be borne by the Transmission System Owner.

60 of 211(l) of
2012.
Declaration of a
sudden crisis in
the energy
market and
measures to
reduce the
impact of a
sudden crisis in
the energy
market.

70A. (1) When, in the opinion of the Minister or CERA, a sudden crisis in the energy market is presented, the Minister shall, following consultation with CERA, issue an Order to be published in the Official Gazette of the Republic under which the energy market is declared to be under sudden crisis determining the beginning of the energy crisis period.

(2) Where in the opinion of the Minister or CERA, the reasons for which the energy market was declared under sudden cease to exist, the Minister shall, following consultation with CERA, issue an Order to be published in the Official Gazette of the Republic declaring the end of the sudden crisis period in the energy market and setting out the ways in which normality can be restored.

(3) CERA shall issue a Regulatory Decision, which shall set out the following:

(a) a preventive action plan of the measures required to eliminate or mitigate risks; and

(b) an emergency plan of the measures that must be taken to eliminate or mitigate the impact of a possible sudden crisis in the energy market.

(4) The preventive action plan and the emergency plan may include the following:

(a) the results of a risk assessment study;

(b) supply-side measures;

(c) demand-side measures; and

(d) obligations imposed on electricity undertakings, other relevant organisations and bodies involved, including those for the safe operation of the system;

(e) The preventive action plan and the emergency plan shall be based primarily on market measures, and shall take into account the economic impact, effectiveness and efficiency of the measures, the effects on the functioning of the internal energy market and the impact on the environment and on consumers, and shall not put an undue burden on electricity undertakings;

(f) The preventive action plan and the emergency plan shall be updated every 2 years, unless circumstances warrant more frequent updates.

(7) The Minister shall communicate without delay the measures taken in accordance with clause (3) to the other Member States and the Commission.

Emergencies 71.
61(a) of 211(l) of 2012.

(1) Where, in the opinion of the Transmission System Operator, an emergency occurs and the safety of the transmission system, persons, apparatus or installations is threatened, the Transmission System Operator may take any protective or remedial measures it thinks fit to deal with the emergency and shall inform CERA and the Transmission System Owner forthwith of the nature of the emergency and the measures taken or proposed to be taken. It shall be at the discretion of the Transmission System Operator depending on the seriousness of the incident to inform the Minister.

61(b) of 211(l) of 2012.

(2) Where, in the opinion of the Transmission System Owner, an emergency occurs and the physical safety of persons is threatened, the Transmission System Owner shall, subject to such arrangements or conditions as may be provided for in the Transmission System Protocol, take any protective or remedial measures it thinks fit to deal with the emergency and shall inform CERA and the Transmission System Owner forthwith of the nature of the emergency and the measures taken.

61(3) of 211(l) of 2012.

(3) The Minister shall, in consultation with CERA, communicate these measures without delay to the Commission. These measures must cause the least possible disturbance in the functioning of the internal market and must not be wider in scope than is strictly necessary to remedy the sudden difficulties, which have arisen. The Commission may decide that the measures must be amended or repealed, if they distort competition or adversely affect transactions in a manner incompatible with the public interest.

61(4) and (5) of 211(l) of 2012.

61(6) of 211(l) of 2012.

(4) Where, in the opinion of CERA or by a decision of the Commission as provided for in clause (3), the emergency referred to in clauses (1) and (2) has been dealt with to CERA's satisfaction, CERA may make a regulatory decision requiring the Transmission System Operator and/or the Transmission System Owner, as the case may be, to terminate the protective or remedial measures it is taking and to make such arrangements as provided in the regulatory decision for any further maintenance, development or other work on the transmission system as may be deemed necessary.

Decision on 72.
disputes.
62 of 211(l) of 2012.

(1) CERA shall decide on any dispute arising between the Transmission System Operator and the Transmission System Owner and shall, following consultations with the Minister, issue a decision with its findings regarding the issue of the dispute.

(2) The Transmission System Operator and the Transmission System Owner must comply with CERA's decision referred to in clause (1).

PART IX – ACCESS TO THE TRANSMISSION AND DISTRIBUTION SYSTEMS

Transmission and Distribution Rules. 63 of 211 (I) of 2012.

73. (1) Subject to the provisions of clause (3), CERA shall make a regulatory decision instructing the Transmission System Operator to draft and issue technical rules, subject to the approval of CERA, relating to the operation of the transmission system, which shall form part of the Transmission and Distribution Rules issued at the time.
- (2) Subject to the provisions of clause (3) and following consultation, CERA shall make a regulatory decision instructing the Transmission System Operator to draft and issue technical rules, subject to the approval of CERA, relating to the distribution system, which shall form part of the Transmission and Distribution Rules issued at the time.
- (3) CERA may from time to time issue instructions to the Transmission System Operator and to the Distribution System Operator in respect of:
- (a) matters to be specified in the Transmission and Distribution Rules; and
 - (b) the review and revision from time to time of the Transmission and Distribution Rules by the Transmission System Operator and the Distribution System Operator;
- (4) The Transmission System Operator shall not publish the Transmission and Distribution Rules until:
- (a) CERA completes consultation in respect of the Transmission and Distribution Rules with the Transmission and Distribution Advisory Committee and any other person whom CERA wishes to involve in such consultation; and
 - (b) CERA approves the Transmission and Distribution Rules.

Scope of the Transmission and Distribution Rules. 63 of 211(I) of 2012.

74. (1) The Transmission and Distribution Rules shall:
- (a) govern the technical requirements and constraints that shall apply by authorization holders wherever they wish to connect to the transmission system and/or the distribution system, or use the transmission system or the distribution system to transmit electricity;
 - (b) ensure that the technical conditions applied to authorization holders wishing to connect to or use the transmission system or the distribution system do not create undue discrimination between authorization holders;
 - (c) foster efficiency, reliability and economy in the use and development of the transmission system and distribution system.
- (2) The provisions of the Transmission and Distribution Rules shall be observed by all authorization holders or by persons who have been granted exemptions, to the extent required by the authorizations or exemptions respectively.

- Review and amendment of the Transmission and Distribution Rules. 64(a)(b)(c) of 211(l) of 2012.
75. (1) Following the initial approval of the Transmission and Distribution Rules in accordance with Article 73, the Transmission System Operator shall, from time to time, review and where deem necessary amend the Transmission and Distribution Rules wherever:
- (a) CERA requests such review; or
 - (b) the Transmission System Operator deems that such a review is desirable on the basis of the views expressed by authorization holders or other interested parties.
 - (2) Any such review of the Transmission and Distribution Rules shall be carried out by the Transmission System Operator in consultation with all relevant authorization holders and all other interested parties. This consultation shall be carried out in accordance with the provisions contained in the Transmission and Distribution Rules and govern the procedures for the examination of the amendments thereto;
 - (3) Where following a review of the Transmission and Distribution Rules the Transmission System Operator deems that it is necessary to make amendments to the Transmission and Distribution Rules, it shall issue and submit to CERA the details of the proposed amendments for approval.
- Entry into force of amendments to the Transmission and Distribution Rules. 65 of 211(l) of 2012.
76. None of the amendments to the Transmission and Distribution Rules proposed by the Transmission System Operator shall enter into force until they are approved and published by CERA.
- Establishment of a Transmission and Distribution Rules Advisory Committee. 66(1) of 211(l) of 2012.
77. (1) A Transmission and Distribution Rules Advisory Committee is hereby established by virtue of this Article.
- 66(2) of 211(l) of 2012.
- (2) The Transmission and Distribution Rules Advisory Committee shall be chaired by the TSO Director who shall convene the Advisory Committee, which shall comprise of one representative of each one of the following:
- (a) the Transmission System Owner;
 - (b) the Distribution System Owner;
 - (c) the EAC generation;
 - (d) the EAC supply;
 - (e) generators and suppliers other than EAC, other than generators from renewable energy sources;

- (f) generators from renewable energy sources:
 - (i) from wind energy;
 - (ii) from solar energy;
 - (iii) from energy from biomass utilization;
- (g) all trade unions of workers in the electricity field;
- (h) eligible customers;
- (i) non-eligible customers;
- (j) CERA or the CERA Office;
- (k) the Ministry;
- (l) the Department of Electromechanical Services of the Ministry of Communications and Works;

66(3) of 211(l) of 2012.

(3) In case there is not an organised group or an official representative of the aforementioned groups (e), (f), (g), (h) and (i), the TSO Director in consultation with CERA shall request from the relevant organisation or company to appoint a representative to the Advisory Committee.

66(4) of 211(l) of 2012.

(4) The Transmission and Distribution Rules Advisory Committee shall regulate its operation with internal regulations.

66(4)(5) of 211(l) of 2012.

(5) Any proposed amendment to the Transmission and Distribution Rules by the Chairman or a member of the Transmission and Distribution Rules Advisory Committee in accordance with Article 75 shall be submitted by the Chairman of this Advisory Committee to CERA together with the comments of the other members of the Transmission and Distribution Rules Advisory Committee.

66(6) of 211(l) of 2012.

(6) The TSO Director may invite to the Advisory Committee's meetings persons in the capacity of an observer or technocrat, who may, at his discretion, materially contribute to the discussion of the matters dealt with by the Advisory Committee.

Payment of representation expenses, damages, travelling expenses and other allowances to the Chairman and members of the Transmission and Distribution Rules Advisory Committee. 67 of 211(l) of

78. The Chairman and members of the Transmission and Distribution Rules Advisory Committee shall be paid by the Transmission System Operator such representation expenses, damage for each meeting of the Transmission and Distribution Rules Advisory Committee, travelling expenses and any other allowances as may be decided from time to time by the Council of Ministers for the Chairmen and members of semi-governmental organisations.

2012.

Functions and powers of the Transmission and Distribution Rules Advisory Committee. 67 of 211(l) of 2012.

79. The Transmission and Distribution Rules Advisory Committee shall have the function and power to:

(a) assist in the periodic reviews of the Transmission and Distribution Rules carried out following the instructions of CERA or of the Distribution System Operator;

(b) bring any provision of the Transmission and Distribution Rules that needs to be amended to the attention of the Transmission System Operator;

(c) monitor and inform the Transmission System Operator of any changes in international best practice concerning the technical rules applied to the transmission and distribution systems of other countries.

Electricity Trading Rules. 67 of 211(l) of 2012 18(l) of 2017

80. (1) Subject to the provisions of clause (2), CERA may instruct the Transmission System Operator to draft and publish the Electricity Trading Rules.

(2) The Transmission System Operator may not publish the Electricity Trading Rules until:

(a) CERA completes consultation regarding the Electricity Trading Rules with the Electricity Trading Rules Advisory Committee;

(b) it receives an approval in writing of the Electricity Trading Rules from CERA and the Minister.

(3) CERA may from time to time following the first publication of the Electricity Trading Rules and following consultations with authorization holders and other persons that CERA deems necessary to involve in such consultations, instruct the Transmission System Operator with regard to:

(a) the review and amendment of the Electricity Trading Rules by the Transmission System Operator;

(b) issues that may be set out in the Electricity Trading Rules:

Provided that CERA, is entitled to publish a Regulatory Decision for the transitional regulation of the electricity market, with the approval of the Minister, until the publication of the revision and the amendment of the Electricity Market Regulations under the provisions of subparagraph (a) of paragraph (3), in the Government's Official Gazette;

Provided further that this transitional regulation shall cease to be valid from the date of entry into force of the Electricity Market Regulations provided under paragraph (6) of Article 81 and which are enacted under the provisions of this paragraph.

Scope of the Electricity

81. (1) The Electricity Trading Rules:

Trading Rules.
68(a) of 211(l) of
2012
18(l) of 2017.

(a) shall govern the mechanisms, prices and other terms and conditions to be applied wherever authorization holders purchase or sell electricity based on arrangements carried out by the Transmission System Operator;

(b) ensure that authorization holders who are required to participate in the purchase and sale of electricity, based on such arrangements, are not subject to undue discrimination;

(c) foster efficiency and economy and facilitate competition in the purchase and sale of electricity based on such arrangements.

(2) The Electricity Trading Rules shall be observed by all authorization holders or persons who have been granted exemptions under Article 35 to the extent that these authorizations or exemptions require so.

68(b) of 211(l) of
2012.

(3) Following the first approval of the Electricity Trading Rules in accordance with Article 80, the Transmission System Operator shall from time to time review and, if it deems necessary, recommend amendments to the Electricity Trading Rules wherever:

(a) the Minister or CERA requests such review; or

(b) the Transmission System Operator deems that such a review is desirable based on the views expressed by authorization holders or other interested parties.

(4) Any such review of the Electricity Trading Rules shall be carried out by the Transmission System Operator in consultation with all relevant authorization holders and all other interested parties. This consultation shall be carried out in full compliance with the provisions contained in the Electricity Trading Rules in force at the time and govern the procedures for the examination of the amendments thereto;

(5) Where following a review of the Electricity Trading Rules the Transmission System Operator deems that it is necessary to make amendments to the Electricity Trading Rules, it shall issue and submit to CERA the details of the proposed amendments for approval.

(6) Subject to the provisions of paragraph (1) of Article 80, the amendments proposed by the Transmission System Operator shall enter into force from the date of their publication in the Governments' Official Gazette.

Establishment of
an Electricity
Trading Rules
Advisory
Committee.
69(a) of 211(l) of
2012.

82. (1) An Electricity Trading Rules Advisory Committee is hereby established by virtue of this Article.

(2) The Electricity Trading Rules Advisory Committee shall have the function and power to:

(a) assist in the periodic reviews of the Electricity Trading Rules carried out following the instructions of CERA, the Minister or the Distribution System Operator;

(b) bring any provision of the Electricity Trading Rules that needs to be amended to the attention of the Transmission System Operator;

(c) monitor and inform the Transmission System Operator of any changes in international best practice concerning the technical rules applied to the transmission and distribution systems of other countries.

69(b) of 211(l) of 2012.

(3) The Electricity Trading Rules Advisory Committee shall be chaired by the TSO Director who shall convene the Committee, which shall comprise of one representative of each one of the following:

(a) the Transmission System Owner;

(b) the Distribution System Owner;

(c) the EAC generation;

(d) the EAC supply;

(e) generators and suppliers other than EAC, other than generators from renewable energy sources;

(f) generators from renewable energy sources:

(i) from wind energy;

(ii) from solar energy;

(iii) from energy from biomass utilization;

(g) all trade unions of workers in the electricity field;

(h) eligible customers;

(i) non-eligible customers;

(j) CERA or the CERA Office;

(k) the Ministry;

(l) the Department of Electromechanical Services of the Ministry of Communications and Works;

69(2) of 211(l) of 2012.

(4) In case there is not an organised group or an official representative of the aforementioned groups (e), (f), (g), (h) and (i), the TSO Director in consultation with CERA shall request from the relevant organisation or company to appoint a representative to the Advisory Committee.

69(3) of 211(l) of 2012.

(5) The Electricity Trading Rules Advisory Committee shall regulate its operation with internal regulations.

69(3)(4) of 211(l) of 2012.

(6) Any proposed amendment to the Electricity Trading Rules by the Chairman or a member of the Electricity Trading Rules Advisory Committee

in accordance with clause (3) of Article 81 shall be submitted by the Chairman of this Advisory Committee to CERA together with the comments of the other members of the Electricity Trading Rules Advisory Committee.

69(5) of 211(l) of 2012.

(7) The TSO Director may invite to the Advisory Committee's meetings persons in the capacity of an observer or technocrat, who may, at his discretion, materially contribute to the discussion of the matters dealt with by the Advisory Committee.

Payment of representation expenses, damages, travelling expenses and other allowances to the Chairman and members of the Electricity Trading Rules Advisory Committee.
70 of 211(l) of 2012.

83. The Chairman and members of the Electricity Trading Rules Advisory Committee shall be paid by the Transmission System Operator such representation expenses, damage for each meeting of the Electricity Trading Rules Advisory Committee, travelling expenses and any other allowances as may be decided from time to time by the Council of Ministers for the Chairmen and members of semi-governmental organisations.

Agreements for the connection to and use of the transmission system and distribution system.
71(a)(b) of 211(l) of 2012.

84. (1) Subject to the provisions of clause (4), where an application is submitted to the Transmission System Operator by any system user, the Transmission System Operator shall propose to enter into an agreement with the undertaking making such application, governing the connection to or the use of its system.

(2) Subject to the provisions of clause (4), where an application is submitted to the Distribution System Owner by any person, the Distribution System Owner shall propose to enter into an agreement or protocol with such applicant for the connection to or the use of the distribution system.

(3) Without prejudice to the generality of clauses (1) and (2), regulatory decisions made by CERA under this Article may provide for:

(a) the matters to be specified in an agreement or protocol for connection to or use of the transmission system;

(b) the matters to be specified in an agreement or protocol for connection to or use of the distribution system;

(c) the terms and conditions upon which an offer is made for connection to the transmission or distribution system;

(d) the methods for determining the proportion of the costs to be borne by the person submitting the application for connection to the transmission or distribution system and the costs to be borne by the Transmission System Owner or the Distribution System Owner, being costs directly or indirectly incurred in carrying out the works under an agreement or a protocol for connection to or amendment of an existing connection;

(e) the terms and conditions upon which applications shall be submitted for entry into an agreement or protocol governing the connection to and use of the transmission or distribution system and the time period within which the Transmission System Owner or the Distribution System Operator should make an offer to the applicant or refuse such application; and

71(c) of 211(l) of
2012.

(f) any other matters that CERA deems necessary for the purpose of making an offer for connection to or use of the transmission or distribution system.

(4) The Transmission System Operator and the Distribution System Owner shall not enter into an agreement or protocol pursuant to clauses (1) and (2) respectively wherever:

(a) this would likely involve the Transmission System Operator or the Distribution System Owner being:

(i) in breach of this Law;

(ii) in breach of Regulations, which may be issued under this Law;

(iii) in breach of the Transmission and Distribution Rules in force at the time;
or

(iv) in breach of any condition of the authorizations granted to the Transmission System Operator or the Distribution System Owner; or

(b) the person submitting the application does not undertake to be bound by the conditions of the Transmission and Distribution Rules in force at the time to the extent that these conditions are applicable to this person.

(5) Where the Transmission System Operator or the Distribution System Owner refuses to propose the entry into an agreement or protocol in accordance with this Article, the Transmission System Operator or the Distribution System Owner shall give its decision thereof stating the reasons of such refusal. This refusal must be duly justified and based on objective, technical and financially justified criteria.

71(d) of 211(l) of
2012.

(6) Any dispute, which may arise between the Transmission System Operator or the Distribution System Owner and any person that is or claims to be the person to whom the Transmission System Operator or the Distribution System Owner is obliged to make a proposal for connection to or use of the transmission or distribution system either such a dispute concerns the submission of the proposal, the proposed terms, the proposed charges or otherwise:

(a) where the proposal is made by the Transmission System Operator or the Distribution System Owner; or

(b) where the Transmission System Operator or the Distribution System Owner refuses to submit a proposal;

may, upon application by such person, be resolved with a Decision made by CERA within 30 days.

Non-discrimination.
72 of 211(l) of
2012.

85. The Transmission System Operator or the Distribution System Owner shall not unfairly discriminate between persons or categories or persons where it provides for the use of the transmission or distribution system or in case it proposes terms for the carrying out of works for the purpose of connection to the transmission or distribution system.

Charges for
connection to
and use of the
transmission
system and
distribution
system.
73(a) of 211(l) of
2012.

86. (1) Subject to the provisions of clause (3), within such time as CERA may determine, the Transmission System Operator shall, following consultation with the Distribution System Operator, prepare a report for approval by CERA setting out the basis upon which charges shall be imposed with regard to:

(a) the use of the transmission system; and

(b) the connection to the transmission system.

(2) Subject to the provisions of clause (3), within such time as CERA may determine, the Distribution System Operator shall prepare a report for approval by CERA setting out the basis upon which charges shall be imposed with regard to:

(a) the use of the distribution system; and

(b) the connection to the distribution system.

73(b) of 211(l) of
2012.

(3) CERA may make regulatory decisions by instructing from time to time the Transmission System Operator and the Distribution System Operator with regard to the basis upon which charges shall be imposed with regard to the use of or connection to the transmission or distribution system, as the case may be.

(4) Without prejudice to the generality of clause (3), the regulatory decisions made by CERA in accordance with this Article may provide for:

(a) the charging methods to be included in the reports to be prepared by the Transmission System Operator or the Distribution System Operator;

(b) the form and the extent of the information to be provided by the Transmission System Operator or the Distribution System Operator to applicants;

(c) the form of the charges and information on those charges included in the report to be prepared by the Transmission System Operator and the Distribution System Operator; and

(d) the procedure to be adopted for the submission to CERA by the Transmission System Operator or the Distribution System Operator of a report on the charges and for the approval by CERA of such report.

(5) The charge for the connection to or the use of the transmission or distribution system, in accordance with decisions issued by CERA under this Article in order to enable the Transmission System Operator or the

Distribution System Operator to recover:

(a) the appropriate proportion of the costs directly or indirectly incurred in carrying out the necessary works; and

(b) a reasonable rate of return on the capital represented by such costs.

(6) CERA shall have the sole responsibility for determining what constitutes an appropriate proportion in accordance with paragraph (a) of clause 5 and a reasonable rate of return in accordance with paragraph (b) of clause 5.

(7) The Transmission System Operator and the Distribution System Operator shall send their reports to be prepared under clauses (1) and (2), respectively, to CERA for approval and the report and any charge referred to therein, shall not apply until approved by CERA.

(8) CERA shall consult with the Transmission System Operator and the Distribution System Operator and shall take into account any suggestion made by the Transmission System Operator and the Distribution System Operator before deciding to approve any report submitted under clauses (1) and (2).

(9) A report submitted under clauses (1) and (2) and, in particular, the charges referred to therein, shall not apply until approved by CERA subject to such amendments, which CERA may deem fit.

(10) Any charges imposed by the Transmission System Operator or the Distribution System Operator on or prior to the entry into force of this Article shall, subject to the approval by CERA, continue to be in force until the reports are approved by CERA under this Article and thereafter all charges must be in accordance with the report approved by CERA.

Direct lines.
74(a)(b) of
211(l) of 2012.

87. (1) Where access to the transmission system or the distribution system by authorization holders or holders of approvals or eligible customers is refused by the Transmission System Operator or the Distribution System Operator respectively due to lack of capacity, CERA may authorize the electricity undertaking to which such refusal is made, to construct a direct line or an eligible customer to connect to an existing direct line.

(2) A person to whom an authorization is granted under this Article must comply with the technical and other conditions set out in the authorization issued by CERA.

11 of 239(l) of
2004.

(3)(a) Where there is an intention for connection of a direct line to the transmission or distribution system, CERA shall instruct the owner of the direct line constructed under clause (1), following an examination first of the technical specifications and their approval by the Transmission System Operator or the Distribution System Operator, respectively, to transfer the ownership of the direct line to the Transmission System Owner or the Distribution System Owner on such terms, including terms as to compensation, as may be agreed between the Transmission System Operator and the owner of the direct line.

(b) In default of an agreement between the Transmission System Operator and the System Owner, CERA shall decide thereupon.

(4) In case the Transmission System Operator or the Distribution System Operator and the Owner of the direct line do not reach an agreement as to compensation, such compensation shall be calculated in accordance with the Expropriation of Property Laws of 1962 to 1999.

15 of 1962
25 of 1983
148 of 1985
84 of 1988
92(I) of 1992
63(I) of 1996
74(I) of 1996
30(I) of 1998
135(I) of 1999.

Preparation of a
forecast
statement.
75 of 211(I) of
2012.

88. (1) At such intervals as CERA may impose by a decision, the Transmission System Operator shall prepare a forecast statement hereinafter called "a forecast statement" based on information available thereto and in a form approved by CERA.

(2) The forecast statement shall include forecasts in respect of capacity, forecast flows and loading on each part of the transmission system and the fault levels for each electricity transmission node together with:

(a) such further information as shall be reasonably necessary to enable any person seeking use of the transmission or distribution system to identify and evaluate the opportunities available when connecting to and making use of the transmission or distribution system;

(b) a statement identifying those parts of the transmission system most suited to new connections and to the transmission of further quantities of electricity;

(c) the generating capacity which is likely to be connected to the transmission system;

(d) the demand for electricity at national and regional levels within the Republic in the period to which the statement relates; and

(e) a statement on the demand for electricity generated from renewable sources of energy and a statement on arrangements for the supply of electricity to customers who have chosen to purchase electricity from such sources.

(3) The Transmission System Operator may from time to time review the information set out in the forecast statement and with CERA's approval, amend the form of each forecast statement and shall, at least once a year, review such statements.

(4) The Transmission System Operator shall give a copy of a forecast statement and of each review of the forecast statement under clause (3) to CERA.

(5) Subject to the provisions of clause (6), the Transmission System Operator shall give a copy of the forecast statement or, as the case may be, of the latest review of the forecast statement, to any person who requests a copy of such statement or statements within fourteen days of the date that the request was received.

(6) The Transmission System Operator may, with the prior consent of CERA, omit from a forecast statement given under clause (4) any confidential details as to the capacity, loading or other information, where disclosure of that information would, in the opinion of CERA, prejudice the commercial interests of the Transmission System Operator or any other person.

(7) The Transmission System Operator may make a charge for each forecast statement given under clause (4) of an amount which shall not exceed the maximum amount specified by CERA for the purpose of this Article.

(8) The period to which the forecast statement relates shall be ten calendar years after the date on which the statement is prepared by the Transmission System Operator.

PART X – PUBLIC SERVICE OBLIGATIONS AND CONSUMER PROTECTION

- 12 of 239(l) of 2004.
Public Service Obligations.
7(a)(b)(c)(d) of 211(l) of 2012.
89. (1) The Minister may, by a decision published in the Official Gazette of the Republic and following consultation with CERA, instruct CERA to impose, by issuing a regulatory decision or once it is deemed necessary by issuing Regulations to any authorization holder, Public Service Obligations, which may include obligations regarding:
- (a) the security of electricity supply;
 - (b) regularity, quality and price of electricity supply;
 - (c) environmental protection;
 - (d) energy efficiency;
 - (e) climate protection; and
 - (f) energy from renewable sources.
- 76(e) of 211(l) of 2012.
- 76(f) of 211(l) of 2012.
- 76(g) of 211(l) of 2012.
- 76(h) of 211(l) of 2012.
- 76(h) of 211(l) of 2012.
- (2) Such obligations shall be clearly defined, transparent, non-discriminatory, verifiable and shall guarantee equality of access for electricity undertakings of the Community to national consumers.
- (3) The Minister shall inform the Commission of all the measures enacted for fulfilling the obligations of universal electricity supply service and provision of public service obligations, including protection of the consumer and the environment, and their possible impact on national and international competition. The Minister shall inform the Commission every two years of

any amendments to the said measures.

76(h) of 211(l) of
2012.

(4) The Minister may, following consultation with CERA, strengthen the position of household, small- and medium-sized consumers by promoting the possibilities of voluntary aggregation of representation for that class of consumers.

Obligations for
renewable forms
of energy.
77(a)(b) of
211(l) of 2012.

90. (1) The regulatory decision or the Regulations issued in accordance with Article 89 may impose upon any authorization holders the obligation to make such arrangements as are necessary in order to ensure that in any calendar year there shall be available to such authorization holders a specific quantity of electricity from generating stations, which have been selected following a tender procedure and which use as their primary fuel sources such renewable forms of energy or operate as cogeneration plants.

5 of 173(l) of
2006.

(2) Subject to the provisions of clause (1), the regulatory decision or the Regulations issued in accordance with Article 89 shall provide *inter alia* for:

77(c) of 211(l) of
2012.

(a) the recovery by way of levy on consumers in respect of the electricity provided to them, of additional costs including a reasonable rate of return on the capital represented by these costs incurred by the authorization holder as a result of its compliance with the regulatory decision or the Regulations issued in accordance with Article 89, including the costs that such holder may have incurred following an amendment to or revocation of the regulatory decision or the Regulations issued in accordance with Article 89;

(b) the collection of payments for this purpose by the authorization holder; and

(c) the payment to authorization holders out of the payments collected in accordance with paragraph (a) as appropriate;

77(d) of 211(l) of
2012.

(3) The regulatory decision or the Regulations issued in accordance with Article 89 may provide that the recovery of any additional costs shall be in respect of a specified period of years and the amount to be paid for each year of such period to authorization holders shall be the amount of the additional costs incurred by the authorization holder in accordance with the Public Service Obligations as certified by CERA.

(4) The Minister shall ensure that the amounts collected as levies or otherwise are sufficient for the recovery of the amounts paid provided for in clause (2), after paying the administrative expenses of the authorization holders for the collection of the levy.

77(e) of 211(l) of
2012.

(5) The Minister may amend or revoke the decision issued in accordance with Article 89:

Provided that where such a decision is amended or revoked, such amendment or revocation shall contain a provision for the continuation of the imposition of the levies referred to in clause (4) until all costs incurred by the authorization holder are fully recovered in accordance with the amended or

revoked decision issued by the Minister in accordance with Article 89:

Provided further that CERA shall certify that any amounts referred to in the aforementioned proviso have been reasonably spent in relation to each year or part thereof within the set period of years unexpired, irrespective of the amendment or revocation.

78 of 211(l) of
2012.
Consumer
rights.

91. (1) Consumers shall have the following rights:

(a) The right to enjoy universal service subject to the definition of the term “universal electricity supply service”, that is, of the right to be supplied with electricity of a specified quality within their territory at reasonable, easily and clearly comparable, transparent and non-discriminatory prices. The Distribution System Operator shall be obliged to connect customers to the network on the terms, conditions and tariffs specified pursuant to the methodology imposed by CERA;

(b) the right to have their electricity provided by a supplier, subject to the supplier’s agreement, regardless of the Member State in which the supplier is registered, as long as the supplier follows the applicable trading and balancing rules;

(c) where a customer, while respecting contractual conditions, wishes to change suppliers, the change shall be effected by the supplier concerned within three weeks and customers shall be entitled to receive all relevant consumption data. The said rights shall be granted to all customers in a non-discriminatory manner as regards cost, effort or time.

(d) the right to be supplied with information or clarifications by the suppliers including the bills or promotional material attached hereto made available to customers regarding:

(i) the contribution of each energy source to the overall fuel mix of the supplier over the preceding year in a comprehensible and, at national level, clearly comparable manner;

(ii) at least the reference to existing reference sources, such as web pages, where information on the environmental impact, in terms of at least CO₂ emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year is publicly available;

(iii) information concerning customer rights as regards the means of dispute settlement available to them in case of a dispute;

(iv) ways to optimise the use of electricity in order to promote energy efficiency.

(e) the right for objective treatment of any complaints and out-of-court settlement of customer disputes for authorization holders by CERA, in accordance with the powers provided for in this Law;

(f) the final consumers of electricity must receive all their bills and

L.206(l) of
23.12.2015

information regarding their consumption of electricity without any charge, and the access to such information must be free of charge.

(2) With regard to vulnerable customers, whose meaning shall be set out by reference *inter alia* to energy poverty by the Minister, following consultation with CERA, the supplier shall be obliged not to disconnect electricity to such customers in critical times.

(3) Large non-household customers shall be entitled to contract simultaneously with more than one supplier.

(4) The Commission shall, after consultation with relevant stakeholders including Member States, national regulatory authorities, consumer organisations and electricity undertakings and – in maximizing the progress achieved so far - social partners, establish clear summary Energy Consumer Questionnaire providing electricity consumers with practical information about their rights. Electricity suppliers and the Distribution System Operator should ensure direct and easy access to the Energy Consumer Questionnaire upon CERA's recommendations.

78 of 211(l) of 2012.
Consumer protection levels.

92. (1) The Commission shall ensure high levels of consumer protection, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms.

(2) CERA shall take the necessary steps to ensure that the information provided by suppliers to their customers pursuant to Article 91(1)(c) is reliable and is provided, at national level, in a clearly comparable manner.

(3) CERA shall ensure that the eligible customer is in fact able to switch easily to a new supplier.

(4) CERA shall ensure that the rights and obligations linked to vulnerable customers are applied, in order to have sufficient guarantee for the protection of vulnerable consumers and in particular, it shall take measures to protect final customers in remote areas.

L.206(l) of 23.12.2015

(5) CERA shall ensure to provide consumers with all necessary information concerning their rights, current legislation and the means of dispute settlement available to them in the event of a dispute. The entire content of the necessary information shall be prepared by CERA and shall be available at least in electronic form at Citizen Service Centres and at the Regional Offices of the Ministry of Energy, Commerce, Industry and Tourism. The CERA Office, the Citizen Service Centres and the Ministry of Energy, Commerce, Industry and Tourism shall form the single points of contact to provide consumers with information.

78 of 211(l) of 2012.
Consumer Protection Measures.

93. (1) CERA shall take the appropriate measures aimed at protecting consumers, which may include the following:

(a) customers have a right to a contract with their electricity service provider that specifies:

- (i) the identity and address of the supplier;
 - (ii) the services provided, the service quality levels offered as well as the time for the initial connection;
 - (iii) the types of maintenance service offered;
 - (iv) the means by which up-to-date information on all applicable tariffs and maintenance charges may be obtained;
 - (v) the duration of the contract, the conditions for renewal and termination of services and of the contract and whether withdrawal from the contract without charge is permitted;
 - (vi) any compensation and the refund arrangements, which apply if contracted service quality levels are not met, including inaccurate and delayed billing;
 - (vii) the method of initiating procedures for settlement of disputes in accordance with point (f);
 - (viii) information relating to consumer rights, including on complaint handling and all of the information referred to in this point, clearly communicated through billing or the electricity undertaking's web site;
- (b) customers have a right to know in advance the conditions of the contract with the electricity service provider, which must be fair. In any case, this information should be provided prior to the conclusion or confirmation of the contract. Where contracts are concluded through intermediaries, the information relating to the matters set out in Article 91(1)(c) shall also be provided prior to the conclusion of the contract;
- (c) customers have a right be given adequate notice of any intention to modify contractual conditions and be informed about their right of withdrawal when the notice is given. Service providers shall notify their subscribers directly of any increase in charges, at an appropriate time no later than one normal billing period after the increase comes into effect in a transparent and comprehensible manner. CERA shall ensure that customers are free to withdraw from corresponding contracts if they do not accept the new conditions notified to them by their electricity service provider;
- (d) customers have a right to receive transparent information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of electricity services;
- (e) customers are offered a wide choice of payment methods, which do not unduly discriminate between customers. Prepayment systems shall be fair and adequately reflect likely consumption. Any difference in terms and conditions shall reflect the costs to the supplier of the different payment systems. General terms and conditions shall be fair and transparent. They shall be given in clear and comprehensible language and shall not include non-contractual barriers to the exercise of customers' rights, for example excessive contractual documentation. Customers shall be protected against unfair or misleading selling methods;

(f) customers are not charged for changing supplier;

(g) customers have at their disposal transparent, simple and inexpensive procedures for dealing with their complaints. In particular, all customers shall have the right to a good standard of service and complaint handling by their electricity service provider. Such out-of-court dispute settlements procedures shall enable disputes to be settled fairly and promptly, preferably within three months, with provision, where warranted, for a system of reimbursement and/or compensation. They should, wherever possible, be in line with the principles set out in Commission Recommendation 98/257/EC of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes;

(h) customers are informed about their rights regarding universal service;

(i) Customers have at their disposal their consumption data, and shall be able to, by explicit agreement and free of charge, give any registered supply undertaking access to its metering data. The party responsible for data management shall be obliged to give those data to the undertaking. CERA shall define a format for the data and a procedure for suppliers and consumers to have access to the data. No additional costs shall be charged to the consumer for that service;

L.206(l) of
23.12.2015

(j) provided that it is technically feasible, economically reasonable and directly proportional to the possible conservation of electricity, individual meters that reflect precisely the actual consumption of electricity by the final consumer and provide information regarding real time of use, are provided at a competitive price to the final consumers of electricity;

(ja) individual meters as mentioned above shall be supplied at a competitive price when:

(i) replacing existing meters, except when the CTSO or the Distribution System Operator, according to and after deliberation of each case, determines that it is technically impossible or is not cost effective in conjunction with the estimated possibilities concerning long term conservation of electricity;

(ii) connecting new buildings, or in a building being renovated at a large scale in accordance to the provisions of the Energy Efficiency Regulating for Buildings Law, as it is henceforth amended or replaced.

(jb) Customers are properly informed of actual electricity consumption and costs frequently enough to enable them to regulate their own electricity consumption. That information shall be given by using a sufficient time frame, which takes account of the capability of customer's metering equipment and the electricity product in question. Due account shall be taken of the cost-efficiency of such measures. No additional costs shall be charged to the consumer for that service;

(ic) customers receive a final closure account following any change of electricity supplier no later than six (6) weeks after the change of supplier

has taken place.

L.206(l) of
23.12.2015

(2)(a) CERA shall ensure the implementation of intelligent metering systems, where feasible and economically possible, that shall assist the active participation of consumers in the electricity market. The implementation of those metering systems may be subject to an economic assessment of all long-term costs and benefits to the market and the individual consumers in relation to the form of intelligent metering, which is economically reasonable and cost-effective and the timeframe, which is feasible for their distribution. Such assessment shall take place by 3 September 2012. Subject to that assessment, CERA shall prepare a timetable with a target of up to 10 years for the implementation of intelligent metering systems. Where roll-out of smart meters is assessed positively, at least 80 % of consumers shall be equipped with intelligent metering systems by 2020.

L.206(l) of
23.12.2015

(b) In case where intelligent metering system is implemented in accordance to paragraph (a), the meters shall provide the possibility of accurate pricing, based on real time consumption. CERA shall ensure that final consumers shall have the possibility of easy access to supplementary information, which will allow them to verify in detail their consumption history.. Supplementary information regarding the history of consumption will include;

(i) Cumulative information, for at least 3 years in advance or for the duration starting from the date of the Power Supply Agreement if the later is shorter. The information shall correspond to time periods for which there is frequent pricing information; and

(ii) Detailed information regarding the time of use for any day, week, month and year. This information shall be disclosed to the final consumer either through the internet or using the interface of the meter, for the last 24 months at minimum or for the duration starting from the date of the Power Supply Agreement, the later is shorter.

(3) Regardless of the extent to which the intelligent metering systems are used, in cases where intelligent metering systems are used, the CTSO or the Distribution System Operator, accordingly, shall ensure that:

(i) Final consumers are provided with information in real time electricity consumption. The energy efficiency targets and the profits for the final consumers should be taken into consideration in determining the minimum functions of the meters and of the obligations that are enforced on the participants in the market;

(ii) The safety of the intelligent metering systems, as well as the privacy and exchange of confidential information regarding final consumers, is ensured in accordance with the provisions of the Protection Of Individuals With Regard To The Processing Of Personal Data (Protection of the Person) Law, as it henceforth amended or replaced;

(iii) final consumers may demand from the CTSO or the Distribution System Operator, accordingly, to ensure that the intelligent metering system or systems take into account the electricity channelled to the network from

facilities of final consumer;

(iv) if the final consumers submit a relevant request to the CTSO or the Distribution System Operator, accordingly, the data from their generation or consumption measuring shall be provided to them or to third parties acting on their behalf, in a clear and understandable form so that final consumers can compare similar offers from licensed suppliers;

(v) final consumers are provided with appropriate advice and information during the installation period of the intelligent metering systems, mainly pertaining to their capabilities in regards the use of indications of the metering system and the monitoring of the energy consumption.

(4) CERA shall ensure the interoperability of the metering systems to be implemented and shall have due regard to the use of appropriate standards and best practice and the importance of the development of the internal market in electricity.

(5) The Minister shall, after consultation with CERA, take appropriate measures, such as formulating National Energy Action Plans, providing benefits in social security systems to ensure the necessary electricity supply to vulnerable customers or providing for support for energy efficiency improvements, to address energy poverty where identified, including in the broader context of poverty. Such measures shall not impede the effective opening or functioning of the market and shall be notified to the Commission, where relevant. Such notification may also include measures taken within the general social security system.

(6) The Minister shall, after consultation with CERA, issue an Order setting out energy poverty, which may pertain to the condition of consumers, who may be at unfavourable position, due to their low income, as derived from their tax return form combined with their occupational status, their family status and special medical conditions, and are therefore unable to cover the costs of their reasonable needs in electricity supply, since these costs represent a significant part of their disposable income.

(7) The Minister shall, after consultation with CERA, implement measures to achieve the objectives of social and economic cohesion and environmental protection, which shall include energy efficiency/demand-side management measures and means to combat climate change, and security of supply, where appropriate. Such measures may include, in particular, the provision of adequate economic incentives, using, where appropriate, all existing national and Community tools, for the maintenance and construction of the necessary network infrastructure, including interconnection capacity.

78 of 211(l) of 2012.
Protection of vulnerable consumers.

94. (1) For the purposes of this Law and of the electricity supply, vulnerable consumers may be included in the following categories of customers:

(a) economically weak household customers suffering from energy poverty;

(b) customers who, either themselves or their spouses or persons who are pursuant to the law under their guardianship and share a dwelling with them, are to a great extent dependent upon the continuous and uninterrupted

energy supply. This category includes customers who require mechanical support and, in particular, persons in need of continuous electricity supply for the operation of life support or monitoring devices, indicatively, devices for the mechanical support of respiratory or cardiac function, dialyzers and any device of a similar nature;

(c) the elderly who have completed their 70th year of age provided they do not share a dwelling with another person who has not reached the above age limit;

(d) customers with serious health problems, especially persons with serious physical or mental disability, intellectual disability, serious sight and hearing or mobility problems, or with multiple disabilities or with chronic illness and who for this reason are unable to manage and negotiate their contractual relation with the supplier;

(e) customers in remote areas entitled to receive the same services in terms of price and quality, security of supply and transparency of contractual terms and conditions as other customers;

(2) Depending on the difficulties faced by each categories, additional measures may be taken to protect such customers, especially the provision of reduced tariffs or a discount on the published tariffs of each supplier, the installation of prepayment meters, more favourable payment terms of bills, alternative access methods to customer and bill payment services and the prohibition of disconnection of such consumers in critical times.

(3) The criteria, conditions and the procedure applied for inclusion of a customer in a Vulnerable Consumer category shall be determined by a Minister's Order, after consultation with CERA and the Minister of Labour and Social Insurance. CERA shall control and monitor the fulfilment of the obligations provided for Vulnerable Consumers and may impose sanctions in case of breach of such obligations.

Performance Indicators. 79(a)(b) of 211(l) of 2012.

95. (1) The Regulations issued pursuant to Article 103 shall govern the establishment and setting out of performance indicators and the procedures by which suppliers and the Distribution System Operator shall comply with such performance indicators.

79(c)(d) of 211(l) of 2012.

(2) The suppliers and the Distribution System Operator shall propose to CERA such performance indicators, which shall be included in the Regulations issued in accordance with Article 103. Such indicators, once approved by CERA, shall be included in the Consumers Charter, which shall be issued by the suppliers and the Distribution System Operator and shall set out the performance indicators in view of informing consumers.

(3) The performance indicators prepared by the suppliers and the Distribution System Operator and approved by CERA shall be non-discriminatory but may differ for different categories of consumers.

79(e) of 211(l) of 2012.

(d) The Regulations issued in accordance with Article 103 may impose obligations upon authorization holders relating but not limited to:

- (a) procedures for the submission or re-submission of performance indicators;
- (b) the timeframe for the implementation of performance indicators;
- (c) procedures for periodic review of performance indicators;
- (d) some basic performance indicators, which must compulsorily be complied with by the suppliers and the Distribution System Operator;
- (e) keeping and publication of a performance register;
- (f) administrative fines for failure to comply with the performance indicators relating to the preparation or implementation or review of performance indicators;
- (g) compensation or other remedies to consumers for failure to comply with the performance indicators set out in the performance indicators' Regulations;
- (h) provision of information to CERA by authorization holders concerning actual performance in relation to approved performance indicators;
- (i) notification to consumers of the performance indicators and on any remedies available to them;
- (j) review and approval or rejection of performance indicators submitted by suppliers and the Distribution System Operator, including timeframe; and
- (k) provisions governing compliance with performance indicators.

79(f) of 211(l) of 2012.

(5) CERA shall consult with suppliers and the Distribution System Operator before introducing any obligatory performance indicators.

79(g) of 211(l) of 2012.

(6) CERA shall require from suppliers and the Distribution System Operator to review their performance indicators and re-submit them at intervals of not less than five years.

Regulations for the protection of electricity consumers. 80 of 211(l) of 2012. 96.

(1) CERA shall issue Regulations for the protection of electricity consumers, which shall set out that suppliers and the Distribution System Operator shall, within a set time period, propose and implement procedures for the submission of complaints by consumers allowing consumers to submit complaints and set out the way in which the suppliers and the Distribution System Operator shall respond to the complaints submitted by consumers.

(2) The Regulations issued under clause (1) may impose requirements on suppliers and the Distribution System Operator relating but not limited to:

- (a) procedures for the submission and, where appropriate, the re-submission of the proposed complaints procedures for approval;
- (b) the timeframe for the implementation of the complaints procedures;

(c) sanctions for failure to comply with the consumer complaints Regulations pertaining to the preparation or implementation or review of the complaints procedures;

(d) the obligation that the suppliers and the Distribution System Operator review the complaints procedures at intervals of not more than five years; and

(e) the establishment of procedures for handling complaints by consumers not settled through the complaints procedures to the satisfaction of consumers.

PART XI – POWER TO OBTAIN INFORMATION AND OTHER POWERS OF CERA

Power to obtain
information.
81 of 211(l) of
2012.

97. (1) CERA may require that an authorization holder or any other person provides any information, document or other material that may be reasonably required for the performance by CERA of its duties, functions and powers.

(2) Any request for the provision of information must be made in a notice in writing determining the information or the document and specifying:

(a) the deadline for complying with such request; and

(b) the form in which the information or document must be given.

(3) Save as otherwise provided in this Law or in Regulations or Rules issued in accordance with this Law, CERA shall not disclose any confidential information in relation to any specific person or undertaking without the approval of such person or undertaking.

(4) The restrictions contained in clause (3) shall not apply to any disclosure of information made:

(a) for the purpose of facilitating CERA in performing any of its duties or powers, provided that CERA shall only disclose such information as is necessary for the performance of its duties and exercise of its powers and, where appropriate, be bound to safeguard the confidential information from the persons to whom it is disclosed; or

(b) in connection with the investigation of a criminal offence or for the purposes of any criminal offence; or

(c) for the purposes of any civil proceedings to which such information is relevant.

Rights of entry
and Orders.
82(a)(b) of
211(l) of 2012.

98. (1) For the purposes of performance by CERA of its duties, functions and powers, an authorized officer may:

(a) enter at any reasonable time any premises, other than the residence, owned or occupied by an authorization holder to whom this Article applies in view of exercising any powers conferred upon CERA by Article 97;

(b) require an authorization holder to whom this Article applies or any member, staff officer or employee of an authorization holder to whom this Article applies, to furnish the authorized officer with any documents or other material which are in his power or under his control and in case the information is in a non-legible form, to reproduce it in a legible form;

(c) inspect and take extracts or copies of books, documents and registers, including in the case of an information in a non-legible form, a copy or extract of such information in a legible form; and

(d) require an authorization holder to whom this Article applies to keep such books, documents and registers for such time period or periods, from time to time, as the authorized officer may direct.

(2) Where an authorized officer is, in the exercise of his powers provided for in this Article, prevented from entering any premises, this entry may be authorized on the basis of a relevant court Order to be issued following a relevant application by CERA.

Power to publish information or documents. 83(a)(b) of 211(l) of 2012. 99. (1) Subject to the provisions of clauses (3) and (4) of Article 97, CERA may proceed with the publication of an information or document in view of promoting awareness and understanding by the public on electricity issues.

Power to issue Orders. 84(a)(b) of 211(l) of 2012. 100. (1) For the purposes of this Law, CERA shall have power to issue Orders, which are necessary for ensuring compliance with the provisions of this Law.

(2) Prior to issuing an Order under clause (1), CERA shall notify any person who is affected or who in its opinion may be affected by the Order to be issued and shall give the opportunity to such person to be heard within thirty days from the issue of the Order:

Provided that CERA shall not be obliged to give notice prior to the issue of an Order, in an emergency case at its absolute discretion, but in such a case CERA shall request from the affected person to express his views within thirty days from the issue of the Order on whether the Order should be revoked or amended.

(3) Following a hearing pursuant to the provisions of clause (2), CERA shall issue and communicate the soonest possible its final decision to each interested party.

(4) A person who, without reasonable cause, fails to comply with the terms of the Order issued by CERA under this Law shall be guilty of a criminal offence and shall be, in case of conviction, subject to imprisonment not exceeding six months or a fine not exceeding five thousand Euros (€5000.00) or to both penalties.

84(c) of 211(l) of 2012.

Conducting of investigations. 85 of 211(l) of 2012. 101. (1) Subject to the provisions of Article 27, CERA may, *ex officio* or on its own initiative or following the filing of complaints, conduct investigations into the activities and actions of any electricity undertaking.

(2) For the purposes of conducting an investigation under clause (1), CERA may:

(a) summon and compel witnesses and interested parties to be present according to the manner specified in regulations and produce or present documents, books, plans or registers; or

(b) examine personally or through an advocate, witnesses and interested persons.

(3) Every interested party may:

(a) be represented before CERA by an advocate; and

(b) call any witnesses in accordance with the provisions of the Civil Procedure Law, the Courts of Justice Law and the Civil Procedures Rules, which shall be complied with in the closest possible manner, as the case may be.

Cap. 6.
11 of 1965
161 of 1989
228 of 1989
51(I) of 1999
134(I) of 1999
14 of 1960
50 of 1962
14 of 1963
8 of 1969
40 of 1970
58 of 1972
1 of 1980
35 of 1982
29 of 1983
91 of 1983
16 of 1984
51 of 1984
83 of 1984
93 of 1984
18 of 1985
71 of 1985
89 of 1985
96 of 1986
317 of 1987
49 of 1988
64 of 1990
136 of 1991
149 of 1991
237 of 1991
42(I) of 1992
43(I) of 1992
102(I) of 1992
26(I) of 1993
82(I) of 1995
102(I) of 1996
4(I) of 1997
53(I) of 1997
90(I) of 1997
27(I) of 1998
53(I) of 1998
110(I) of 1998
34(I) of 1999
146(I) of 1999

41(l) of 2000
82(l) of 2001
40(l) of 2002
80(l) of 2002
140(l) of 2002.

(4) CERA shall direct any procedure before it and shall have power to suspend or suppress an abuse of such procedure before it.

87 of 211(l) of 2012
PART XI – RETAIL MARKETS

87 of 211(l) of
2012.
Retail Markets.

102. (1) In order to facilitate the emergence of well functioning and transparent retail markets in the Community, CERA shall ensure that the roles and responsibilities of the Transmission System Operator, the Distribution System Operator, supply undertakings and customers and, if necessary, other market participants, are defined with respect to contractual arrangements, commitment to customers, data exchange and settlement rules, data ownership and metering responsibility.

(2) The rules referred to in clause (1) shall be made public, be designed with the aim of facilitating customers' and suppliers' access to networks, and shall be subject to review and approval by CERA.

86 of 211(l) of 2012
PART XIII – MISCELLANEOUS

Powers to issue
Regulations.
88(a) of 211(l) of
2012.

103. (1) For the better implementation of the provisions of this Law, CERA shall issue Regulations with the approval of the Council of Ministers.

(2) Without prejudice to the generality of clause (1), the Regulations referred to in such clause (1) may regulate the following:

(a) the appointment of and administrative procedures governing the staff of CERA Office under clause (2) of Article 8;

(b) the procedures for the registration of authorization holders under Article 20;

(c) the methods of calculation and prescription and the enforcement procedures in respect of administrative fines imposed by CERA in accordance with Article 28;

(d) the procedure for the granting of authorizations pursuant to Article 34 and the revocation and amendment of authorizations pursuant to Article 40;

88(b) of 211(l) of
2012.

(e) the principles and procedures for the setting out of the tariffs imposed pursuant to Article 31 and of charges imposed for the connection to and use of the transmission and distribution systems imposed pursuant to Article 86;

88(c) of 211(l) of
2012.

(f) the issues and procedures for the examination and submission of consumer complaints in respect of consumer protection as provided for in Article 96;

- (g) the procedure for the approval, setting out and collection of authorization fees pursuant to paragraph (b) of clause (2) of Article 36;
- 88(d) of 211(l) of 2012. (h) the procedure to be followed by CERA and authorization holders pursuant to Article 101 during an investigation by CERA concerning complaints submitted in respect of an action or operation of any authorization holder;
- 88(e) of 211(l) of 2012. (i) the performance indicators in respect of authorization holders or classes of authorization holders pursuant to Article 95;
- 88(f) of 211(l) of 2012. (j) Public Service Obligations pursuant to Article 89;
- 2(c) of 143(l) of 2005. (k) the creation of offences for breach of their provisions and the provision for penalties depending on the nature of the breach, which may not exceed, in case of imprisonment, five years and in case of a fine, twenty thousand Euro;
- 88(g) of 211(l) of 2012. (l) any other issue that should or needs to be regulated or in relation to which this Law provides for the issue of Regulations.
- 2(b) of 143(l) of 2005.

(3) Regulations issued by authorization of this Law shall be submitted to the House of Representatives. If, following a sixty-day period from their submission, the House of Representatives does not amend or annul them, in whole or in part, then immediately after the expiration of the above deadline, they shall be published in the Official Gazette of the Republic and shall enter into force on the date of entry into force specified in such Regulations or in case the entry into force is not specified, on the date of their publication in the Official Gazette of the Republic. In case of amendment thereof, in whole or in part, by the House of Representatives, they shall be published in the Official Gazette of the Republic as to be amended thereby and shall enter into force on the date of entry into force specified in the Regulations or in case the entry into force is not specified, on the date of their publication in the Official Gazette of the Republic.

Powers of the Minister and CERA to issue Orders. 89 of 211(l) of 2012. 104. (1) Any Order by the Minister or CERA issued pursuant to this Law shall be published in the Official Gazette of the Republic and shall enter into force on the date specified in the Order or on the date of publication of the Order in the Official Gazette of the Republic.

(2) The Minister may, after consultation with CERA, and after notifying the House of Representatives, by Order define the threshold required for the opening of the electricity market in the context of this market in the Republic.

Obligation of confidentiality. 90(a)(b) of 211(l) of 2012. 105. (1)(a) CERA and the CERA Office, the Distribution System Owner, the Distribution System Operator, the Transmission System Owner and the Transmission System Operator or any other person performing any function pursuant to this Law or Regulations, which may be issued, shall be prohibited from disclosing to or furnishing in any manner third parties with any confidential data or information, of which it became aware or which has

been communicated thereto in the course of carrying out the said function and shall prevent information about its own activities which may be commercially advantageous from being disclosed in a discriminatory manner and protect any copyrights related to the said data or information.

(b) The Transmission System Owner and the Transmission System Operator shall not disclose any commercially sensitive information to the other parties of the undertaking, unless this is necessary for carrying out a business transaction.

(c) The Transmission System Operator shall not, in the context of sales or purchases of electricity by related undertakings, misuse commercially sensitive information obtained from third parties in the context of providing or negotiating access to the system.

(d) Information necessary for the effective competition and the efficient functioning of the market shall be made public. That obligation shall be without prejudice to preserving the confidentiality of commercially sensitive information.

(2) Any person referred to in clause (1) who discloses any confidential data or information shall be guilty of an offence and in case of conviction shall be subject to imprisonment not exceeding two years or to a fine not exceeding fifty thousand Euros or to both penalties.

90(c) of 211(l) of
2012.
91 of 211(l) of
2012.
Designation of
supplier of last
resort.

106. EAC shall be designated as the supplier of last resort.

Funding of the
universal
electricity
service.
92 of 211(l) of
2012.

107. The cost for the provision of a universal electricity service shall be recovered by the provider in the same manner as the cost for the provision of Public Service Obligations.

93(a) of 211(l) of
2012.
Unbundling of
accounts of
electricity
undertakings.
Cap. 113
9 of 1968
76 of 1977
17 of 1979
105 of 1985
198 of 1986
19 of 1990
46(l) of 1992
96(l) of 1992
41(l) of 1994
15(l) of 1995
21(l) of 1997
82(l) of 1999
149(l) of 1999.

108. (1) Electricity undertakings, whatever their system of ownership or legal form, shall draw up, submit to audit and publish their annual accounts in accordance with the provisions of the Companies Law:

Provided that the audit referred to hereinabove pertains in particular to the observance of the obligation to avoid discrimination and cross-subsidies.

(2) Electricity undertakings, which are not legally obliged to publish their annual accounts shall keep a copy of these at the disposal of the public for inspection at their registered office in the Republic.

(3) Integrated electricity undertakings shall, in their internal audit system, keep separate accounts for the generation, transmission and distribution activities, and where appropriate, consolidated accounts for other non-electricity related activities, as obliged to do so if the said activities were carried out by separate companies and for the purpose of avoiding discrimination, cross-subsidisation and distortion of competition.

(4) EAC:

(a) in its internal audit system shall keep separate accounts for each undertaking authorized pursuant to Article 34; and

(b) shall keep a copy of the above accounts for inspection by the public at its registered office in the Republic.

(5) In preparing the accounts referred to in clause (3), integrated electricity undertakings shall include a balance sheet and a profit and loss account for each activity referred to in clause (3), in notes to their accounts.

(6) Integrated electricity undertakings shall specify in the notes to their annual accounts the rules for the allocation of assets and liabilities, expenditure and income, which they shall implement for the drawing of the separate accounts, referred to in clauses (2), (3) and (4).

(7) The rules referred to in clause (6) may be amended only with the approval by CERA and such approvals shall be stated in the notes and be duly justified.

(8) The annual accounts of electricity undertakings shall indicate in the notes to their annual accounts any transaction made and the size thereof, which in the opinion of CERA may have a commercial impact:

(a) with subsidiary companies within the meaning of the Companies Law; or

Cap. 113
9 of 1968
76 of 1977
17 of 1979
105 of 1985
198 of 1986
19 of 1990
46(l) of 1992
96(l) of 1992
41(l) of 1994
15(l) of 1995
21(l) of 1997
82(l) of 1999
149(l) of 1999
2(l) of 2000
135(l) of 2000
151(l) of 2000

7(l) of 2001.

Cap. 113
9 of 1968
76 of 1977
17 of 1979
105 of 1985
198 of 1986
19 of 1990
46(l) of 1992
96(l) of 1992
41(l) of 1994
15(l) of 1995
21(l) of 1997
82(l) of 1999
149(l) of 1999
2(l) of 2000
135(l) of 2000
151(l) of 2000
76(l) of 2001.

(b) with associated undertakings within the meaning of the Companies Law, or

(c) with undertakings belonging to the same shareholders or are controlled by the same entity.

(9) For the purposes of this Law, CERA may in performing its duties and functions, require the preparation of accounts in any form and access to the accounts of any authorization holder.

94 of 211(l) of
2012.
Record keeping.

109. (1) Supply undertakings shall be obliged to keep at the disposal of CERA, of the Commission for the Protection of Competition and of the Commission, for the fulfilment of their duties, for at least five years, the relevant data relating to all transactions in electricity supply contracts with wholesale customers and transmission system operators.

(2) The data shall include details on the characteristics of the relevant transactions such as duration, delivery and settlement rules, the quantity, the dates and times of execution and the transaction prices and means of identifying the wholesale customer concerned, as well as specified details of all unsettled electricity supply contracts.

(3) CERA may decide to make such information available to market participants provided that commercially sensitive information on individual market players or individual transactions is not released.

(4) In order to ensure uniform application of this Article, the Commission may adopt guidelines, which define the methods and mechanisms for record keeping as well as the form and content of the data that shall be kept.

Offences for
violating Article
34.
95(a) of 211(l) of
2012.

110. (1) A person who, in violation of Article 34:

(a) constructs a generating station or generates electricity;

95(b) of 211(l) of
2012.

(b) supplies electricity to eligible customers;

95(c) of 211(l) of
2012.

(c) supplies electricity to non-eligible customers;

		(d) performs the functions of the Transmission System Operator;
95(d) of 211(l) of 2012.		(e) performs the functions of the Transmission System Owner;
95(e) of 211(l) of 2012.		(f) performs the functions of the Distribution System Owner; or
95(f) of 211(l) of 2012.		(g) performs the functions of the Distribution System Operator;
		shall be guilty of an offence and in case of conviction shall be subject to imprisonment not exceeding three years or to a fine not exceeding ninety thousand Euros or to both penalties.
95(g) of 211(l) of 2012. Offences.	111.	A person who either in person or through an employee or representative of him shall:
96(a) of 211(l) of 2012.		(a) violate or fail to comply with any condition of an authorization, exemption, Order or prior authorization;
		(b) disclose commercially sensitive information obtained in performing his functions, except where the disclosure of such information is required by this Law;
		(c) violate or fail to comply with a Regulatory Decision or a Decision by CERA made under this Law;
		(d) unfairly discriminate between persons or categories of persons or between users of the distribution or transmission system;
		(e) without reasonable cause fail to furnish CERA with any information, document or other material required by CERA for the purpose of exercising its powers under this Law;
96(b) of 211(l) of 2012.		(f) obstruct or impede an authorized officer acting pursuant to the provisions of Article 98 from performing his duties;
96(c) of 211(l) of 2012.		(g) fail to comply with any requirement imposed to him by any authorized officer in accordance with the provisions of Article 98;
		(h) intentionally or negligently make an untrue or deceiving statement to an authorized officer;
96(d) of 211(l) of 2012.		(i) fail to comply or violate the provisions of Article 98 on the keeping of accounts;
96(e) of 211(l) of 2012.		(j) without reasonable cause fail to appear before CERA or furnish or present any document in violation of the provisions of Article 101;
96(f) of 211(l) of 2012.		(k) refuse without reasonable cause to reply to any reasonable question submitted by CERA pursuant to the provisions of Article 101:

Provided that, as to paragraph (k), no person shall be obliged to reply to any question, if the reply may incriminate him in relation to a criminal offence;

96(g) of 211(l) of
2012.

(l) intentionally obstruct or interrupt any investigation carried out by CERA pursuant to the provisions of Article 101;

(m) violate or fail to comply with the prohibitive or obligatory provisions of any Regulations or Orders, which may be issued under this Law;

shall be guilty of an offence and in case of conviction shall be subject to imprisonment not exceeding three years or to a fine not exceeding ninety thousand Euros or to both penalties.

96(h) of 211(l) of
2012.

Notices.

97 of 211(l) of
2012.

112. (1) Where a notice is required to be served to any person under this Law, the provisions of the Civil Procedure Rules shall apply accordingly.

(2) A company incorporated in accordance with the Companies Law shall be deemed to have its usual residence at its registered office, and every other legal or non-legal person shall be deemed to have its usual residence at its head offices or at its place of business.

Cap. 113

9 of 1968

76 of 1977

17 of 1979

105 of 1985

198 of 1986

19 of 1990

46(l) of 1992

96(l) of 1992

41(l) of 1994

15(l) of 1995

21(l) of 1997

82(l) of 1999

149(l) of 1999

2(l) of 2000

135(l) of 2000

151(l) of 2000

76(l) of 2001.

Criminal liability
of legal persons
and their
officers.

97 of 211(l) of
2012.

113. (1) When a criminal offence is committed under this Law by a legal person and it is established that such offence has been committed with the consent or collusion or is due to neglect by a person being a managing director, manager, secretary or other officer of such legal person, or person appearing to act in such capacity, or an employee of such legal person, the said person, as well as the legal person, are guilty of an offence and are subject to criminal prosecution in respect thereof.

(2) Where the affairs of a legal person are managed by its members, clause (1) shall apply in relation to acts or defaults of a member in respect of the manager's functions as if he were a managing director or manager of the legal person.

98 of 211(l) of
2012.

Level playing
fields.

114. (1) The measures that CERA could take in accordance with this Law in order to ensure a level playing field must comply with the EU Treaty and in particular with Article 30, and the Community law.

(2) The measures referred to in clause (1) shall be proportional, transparent and non-discriminatory. They can be applied only upon their communication to the Commission and their approval by the Commission.

98 of 211(l) of
2012.
Review
procedure.

115. (1) In the event that the Commission reaches the conclusion that given the effective manner in which network access has been carried out in a Member State — which gives rise to fully effective, non-discriminatory and unhindered network access — certain obligations imposed by this Law on undertakings (including those with respect to legal unbundling for distribution system operators) are not proportionate to the objective pursued, the Member State in question may submit a request to the Commission for exemption from the requirement in question.

(2) Such request shall be notified, without delay, by the Member State to the Commission, together with all relevant information necessary to demonstrate that the conclusion reached in the report on effective network access being ensured shall be maintained.

(3) Within three months of the receipt of a notification, the Commission shall adopt an opinion with respect to the request by the Member State concerned, and where appropriate, submit proposals to the European Parliament and to the Council to amend the relevant provisions of this Directive. The Commission may propose, in the proposals to amend this Directive, to exempt the Member State concerned from specific requirements, subject to that Member State implementing equally effective measures as appropriate.

Entry into force.
99(a) of 211(l) of
2012.

116. (1) Subject to the provisions of clause (2), this Law shall enter into force by a decision of the Council of Ministers, which shall be published in the Official Gazette of the Republic.

Provided that the Council of Ministers may set out different dates for the entry into force of the various provisions of the Law.

99(b) of 211(l) of
2012.

(2) The provisions of Articles 1 to 14, 17 to 19, 21 to 23, paragraphs (b), (j) and (k) of clause (1) and clauses (3) and (4) of Article 25 and the provisions of clauses (1) and (3) and paragraph (a) of clause (2) of Article 103 shall enter into force upon the publication of this Law in the Official Gazette of the Republic.

