

ENERGY STORAGE SYSTEM INSTALLATION LICENSE

The Energy Storage System Installation License under number XXXX is granted pursuant to Article 26(1) of the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021).

The Cyprus Energy Regulatory Authority (CERA), exercising its powers under the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021), as well as any other powers it has under any other Laws, Regulations and Decisions for this purpose, grants this License whereby

XXXXX

(ID CARD NO /REG. NO HEXXXXX)

is licensed in accordance with the provisions of the Law to install an energy storage system, in property (sheet/plan) XXXX, plot no XXXX, in XXXX (Municipality/Community) of District XXXXXX.

The storage system shall consist of XXXXX (technology), with a maximum output capacity of XX MW and a storage capacity of XX MWh.

Standard Conditions of the Energy Storage System Installation License

This Energy Storage System Installation License is granted subject the following conditions:

1. Definitions

The words, terms and expressions given a specific meaning under the Law Regulating the Electricity Market of 2021 (Law 130(I)/2021) and the Regulations Regulating the Electricity Market (Issuance of Licenses) of 2004 [Regulatory Administrative Act (KDP) 538/2004] shall have the same meaning in this License.

Other words, terms and expressions used in this License which are not interpreted by the above Law or the aforementioned Regulations, shall have the meaning given to them in this License.

2. Compliance with the Law Regulating the Electricity Market of 2021 and Regulations, Regulatory Decisions and Decisions deriving therefrom

The Licensee shall ensure that all activities covered by this License comply at all times with the Law Regulating the Electricity Market of 2021 and all Regulations and Regulatory Decisions deriving therefrom, as well as with subsequent revisions and amendments thereof.

Non-compliance by the Licensee with any provision of the Law or the Regulations, Regulatory Decisions and Decisions deriving therefrom or the special terms and conditions set out in this License, gives CERA the right to impose an administrative fine on the Licensee and/or suspend or revoke this License.

The Licensee shall comply with any provision of other Laws relating to the provisions of the Law Regulating the Electricity Market of 2021, whether or not they refer to it.

3. Compliance with the Rules arising from the Law Regulating the Electricity Market of 2021

The Licensee shall ensure that he/she/it complies with all the Rules deriving from the Law Regulating the Electricity Market of 2021 and in particular with:

- (1) the applicable Transmission Rules and Distribution Rules; and
- (2) the applicable Electricity Market Rules

4. Compliance with other Laws, Regulations, Decrees and Decisions

The Licensee has the obligation and responsibility to comply with the applicable Laws, Regulations, Decrees and Rules of the Republic of Cyprus and to ensure that the Station and the activities covered by this License are consistent with them.

This License does not exempt the licensee from the obligation to obtain any other approvals or licenses required by any other Law.

5. Fees

The Licensee has the obligation to pay to CERA all the fees as defined in the License Fees Regulations in force.

6. Powers to obtain information

The licensee has the obligation to provide CERA with any documents, information or other material that CERA may require for the exercise of its duties, responsibilities and powers.

7. Right to enter and inspect

The Licensee has the obligation to allow CERA or its authorized operators to enter his/her/its premises or means of transport, to provide them with any document or other material requested and to keep books, documents and registers as requested.

8. Keeping separate accounts

The Licensee has the obligation to keep separate accounts for each of the activities for which it is required to possess a License.

9. Prohibition of cross-subsidization

The Licensee is prohibited from cross-subsidizing between transmission, distribution and supply activities or other electricity or non-electricity activities.

10. Data management

The Licensee must, when managing customers' data, comply with the rules established by CERA and the requirements of the Law concerning Data Management.

11. Obligation of confidentiality

The Licensee is prohibited from announcing or providing to third parties, in any way, confidential data or information of which he/she/it has become aware or notified in the exercise of his/her/its responsibilities and has the obligation to prevent information relating to his/her/its activities from being disclosed in a discriminatory manner.

Information that is necessary for effective competition and the efficient operation of the electricity market shall be made public.

12. Change in the ownership status of the legal person

Any change in the ownership status of the legal person (Licensee) shall be made in accordance with the provisions referred to in the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as the subsequent revisions and amendments thereof.

Where the Licensee is a legal person and intends to make a change in its ownership status, it is required to obtain the prior written approval of CERA.

Where the Licensee changes the ownership status following a relevant approval by CERA, it must inform CERA within one month from the date of the change.

13. Amendment to the License

This License may be amended in accordance with the provisions referred to in the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

Where the Licensee wishes to amend particulars or conditions of the License he/she/it has the obligation to submit for approval to CERA, in a timely manner, a request for the amendment of the License.

14. Transfer of the License

This License may be transferred in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments

thereof.

Where the Licensee intends to transfer the License, he/she/it has the obligation to submit for approval to CERA, in a timely manner, a request for the transfer of the License.

15. Station implementation schedule

(1) The Licensee has the obligation, within 30 days from the date of issuance of the License, to submit to CERA for approval a final construction schedule for the storage system, which cannot be substantially different from the schedule submitted with the application.

(2) The Licensee has the obligation to submit to CERA every three months, until the completion of the construction works and the start of commercial operation of the station, a progress report on the implementation of the project proposed with the License, in which the percentage of progress of each activity should be reflected as recorded in the final construction schedule.

(3) The Licensee must adhere to the final construction schedule. Any unjustified deviation from the final construction schedule constitutes a violation of the conditions of this License.

16. Public Service Obligations

The Licensee has the obligation to fulfill all Public Service Obligations in accordance with the Legislation and Decrees which are in force or will be in force during the period of validity of the License that he/she/it holds and to comply with any Decisions of the Minister which are made in accordance with Articles 111 and 112 of the Law Regulating the Electricity Market of 2021.

17. Operation License

The Licensee has the obligation to submit, in a timely manner and before the expiry date of the Energy Storage System Installation License, an application for the granting of an Energy Storage System Operation License, in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as the subsequent revisions and amendments thereof.

Upon the date on which the Energy Storage System Operation License takes effect, this Energy Storage System Installation License shall automatically cease to be valid.

18. Period of validity of the License

This License is valid for years from the date on which it is granted.

19. Extension of the validity of the License

The validity of this License may be extended in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

Where the Licensee intends to request an extension of the period of validity of the License he/she/it holds, the licensee has the obligation to submit for approval to CERA, in a timely manner, a request for an extension of the period of validity of the License before its expiry.

20. Suspension and revocation of the License

This License may be suspended or revoked in accordance with the provisions of the Law Regulating the Electricity Market of 2021 and the Regulations, Regulatory Decisions and Decisions deriving therefrom as well as subsequent revisions and amendments thereof.

21. Termination of the License

Where the Licensee intends to terminate the activities for which this License has been granted, he/she/it is required to submit to CERA a written notice of termination of the license and obtain CERA's prior written approval. CERA shall not withhold such an approval unreasonably.

Nicosia, XXXXXX (date)

President

Vice president

Member