

AGREEMENT

on ensuring parallel operation of power systems of the Member states of the Commonwealth of Independent States

The States Parties to this Agreement represented by their governments, hereinafter referred to as the Parties,

taking into account the great importance of the power industry for the development of economies, improving the welfare and level of social security of the population of their states,

in order to increase the reliability and efficiency of supplying the national economy and the population with electric energy based on the use of economic, technical and technological advantages of power systems parallel operation,

taking into account mutual desire to cooperate in the field of electric power industry on the base of equality, mutual benefit, observance of sovereign rights to energy facilities and resources,

in order to increase the energy security of the CIS member states,

guided by the provisions of the Energy Charter of December 17, 1991 and the Energy Charter Treaty of December 17, 1994,

based on the intergovernmental Agreement on the coordination of interstate relations in the field of electric power industry of the Commonwealth of Independent States of February 14, 1992,

agreed on the following:

Article 1

For the purposes of this Agreement, the terms used in it mean:

Parallel operation of electric power systems of the states - parties to this Agreement – joint operation of power systems with common frequency in the interconnected power system of the States - Parties to this Agreement;

Power system of a state – the ensemble of electric power facilities, means of operation and control associated with an unified process of production, transmission and distribution of electricity;

Electric energy (power/capacity) flow - the transport of electricity (capacity) through one or more power transmission lines in a control section;

Disturbance, emergency situation - a regime of electric power systems that occurs when individual elements are damaged and parallel operation of one or more power systems of the Parties becomes impossible.

Article 2

The parallel operation of the Parties' electric power systems is an important factor of the reliable operation of the Parties' electric power systems, creating a base for mutually beneficial cooperation between the Parties in the electric power industry.

Article 3

The main principles of parallel operation of electric power systems of the States Parties to this Agreement are:

Meeting the demand for electricity and capacity in each of the power systems of states at any time due to their own power plants or the supply of electric energy from other states power systems on a contractual basis;

Maintaining the standard frequency in agreed ranges in each power system of the states due to own energy sources and/or power flows from power systems of other states;

Assistance in power exchange on a mutually beneficial basis;

Maintaining normative capacity reserves in each power system of the states and providing the missing part of the reserve on a contractual basis by power systems of other states;

Reduction of needed emergency capacity reserves on the basis of separate bilateral and multilateral agreements;

Meeting agreed reliability requirements;

Functioning of power systems without prejudice to the power systems of other states parties to this Agreement;

Full responsibility of each power system of the states for the power supply to their consumers and fulfillment of taken obligations.

Article 4

To ensure the parallel operation of power systems of the states, the Parties shall develop and comply with the necessary mutually agreed regime, technical and technological conditions, regulations, provisions and rules for the parallel operation of their power systems, timely informing each other about the implementation and use of new regulatory documentation.

The coordination of the preparation and approval of regulatory and methodic documents relating to interstate relations in the electric power industry is entrusted to the Electric Power Council of the Commonwealth of Independent States.

Article 5

The Parties shall ensure the maintenance and development of their electric power systems in volumes sufficient for stable parallel operation as component of the interconnected power system of the States Parties to this Agreement.

Article 6

The parties taking into account their own plans for the development of the electric power industry and their long term interests jointly develop the strategy of the development of the electric power industry of the States Parties to this Agreement and ensure its implementation in the part related to their electric power systems.

Article 7

The parties develop settlement mechanisms in the electric power industry of the States Parties to this Agreement; ensure their implementation and timely payment of mutual supplies of electricity.

Article 8

The Parties do not impose customs duties on the energy and capacity flows coming from the energy systems of the States Parties to this Agreement, and in case of emergency on the interstate transmission lines and/or systemic objects that affect the parallel operation of the electric power systems of the Parties, the supply of energy resources and other types of products and services necessary to eliminate it.

Article 9

The parties undertake to ensure free transit of electricity through their grid within their transport capacity, on the base of agreements and mutually agreed terms of transit payment.

The process of the transit of electricity and capacity will be determined by a separate agreement of the Parties.

Article 10

The Parties take measures to create and maintain reserves of resources in adjusted volumes for sustainable parallel operation of the power systems of the States Parties to this Agreement.

The procedure for creating reserves and their use will be determined by separate agreement of the Parties.

Article 11

The Parties provide each other with operational assistance in event of accidents, natural disasters and other emergencies.

The procedure for providing this assistance and subsequent financial settlements for the services rendered will be determined by separate agreement of the Parties.

Article 12

Interested Parties can create appropriate commissions if necessary to investigate and objectively analyze accidents at facilities providing interstate power flows (lines, substations, etc.), develop and implement joint measures to prevent them.

The preparation and approval of the draft typical regulation on such commissions is entrusted to the Electric Power Council of the Commonwealth of Independent States.

Article 13

The parties will take measures to form and develop an open and competitive interstate electricity and capacity market on the basis of power systems of the States Parties to this Agreement.

Article 14

Coordination of the implementation of this Agreement by intergovernmental bodies of industry collaboration of the Commonwealth of Independent States is assigned to the Electric Power Council of the Commonwealth of Independent States.

Article 15

In order to implement the provisions of this Agreement, the states participating in it may conclude bilateral and multilateral agreements between them.

Article 16

This Agreement does not affect the provisions of other international agreements with the participation of the Parties.

Article 17

This Agreement is valid for 5 years from the date of its entry into force. After this period, the Agreement is automatically renewed each time for a new 5-year period, unless the states participating in it decide otherwise.

Article 18

Controversial issues related to the application or interpretation of this Agreement shall be resolved through consultations and negotiations between the Parties concerned. If it is impossible to resolve disputes through negotiations, the Parties apply to arbitration bodies or other international judicial instances.

Article 19

Each Party may withdraw from this Agreement by sending a written notice to the depositary no later than six months prior to withdrawal, having fulfilled its obligations arising during the term of the Agreement.

Article 20

This Agreement is open for accession by other states sharing its goals and principles, with the consent of all Parties by transmitting an instrument of accession to the depositary. An accession shall be deemed to have entered into force on the day of receipt by the depositary of the last communication of consent to such accession.

Article 21

With the consent of the Parties amendments and additions to this Agreement may be made, drawn up by separate protocols, which shall enter into force in the manner specified in the Article 22 of this Agreement.

Article 22

This Agreement shall enter into force on the day of its signing, and for states whose legislation requires the implementation of domestic procedures necessary for its entry into force, from the date of transfer of the relevant documents to the depositary.

The Parties shall notify the depositary of the need for such procedures within three months from the date of signing of this Agreement.

Done in the city of Moscow on November 25, 1998 in one original copy in the Russian language. The original copy is kept in the Executive Secretariat of the Commonwealth of Independent States, which will send each state that has signed this Agreement a certified copy of it.

For the Government
of the Republic of Azerbaijan

For the Government
of the Republic of Moldova

For the Government
of the Republic of Armenia

For the Government
of the Russian Federation

For the Government
of Georgia

For the Government
of the Republic of Tajikistan

For the Government
of the Republic of Belarus

For the Government
of Turkmenistan

For the Government
of the Republic of Kazakhstan

For the Government
of the Republic of Uzbekistan

For the Government
of the Kyrgyz Republic

For the Government
of Ukraine

Note:

The Government of the Russian Federation adopted Decree No. 1114 of October 4, 1999 on the accession of the Russian Federation to the Agreement on parallel operation of power systems of the Member States of the Commonwealth of Independent States,

signed in Moscow on November 25, 1998.

Ukraine Reservations

on agenda item III-4 of the meeting of the Council of the Heads of Government of the CIS Member States

"On the agreement on ensuring parallel operation of power systems of Member States of the Commonwealth of Independent States "

November 25, 1998

"With the exception of Article 13."

Head of the delegation of Ukraine
Prime Minister of Ukraine

V.P. Pustovoitenko