

**Joint-Stock Company
Kazakhstan Electricity and Power Market Operator
(JSC KOREM)**

Approved by order
No.23 as of June «14», 2019

**PROCEDURE OF
PRESENCE OF OBSERVERS IN THE TRADING ROOM
DURING THE AUCTION**

General provisions

1. This Procedure of presence of observers in the trading room during the auction (hereinafter – the Procedure) is designed to determine functions, tasks and rights of observers attended during the auction.

2. The main tasks solved by this Procedure:

- purpose and rights of observers;
- procedure of observers composition formation;
- observers' obligations.

3. This Procedure may be amended in case of making appropriate amendments to the normative legal acts and internal normative documents of the organizer (hereinafter – the Organizer) regulating the auction.

4. The concepts used in this Procedure are applied according to normative legal acts and internal normative documents of the Organizer regulating organizing and holding auctions.

Purpose of observers presence and their rights

5. The purpose of observers presence in the trading room during the auction is to ensure the transparency of the auction.

6. Observers may:

1) be present in the Organizer's trading room when auction holding during preparation for the trading session, during the trading session and summarizing the auction results;

2) get acquainted with the list of auction participant admitted to the auction;

3) be present during opening of envelope transferred by the financial settlement center to the Organizer before opening of trading session;

4) verify the integrity of envelope opening with the list of applicants with financial guarantee of the applications for participation in the auction, accurateness of execution and provision of information on financial guarantee of applications for participation in the auction;

5) be present when entering data on financial guarantee of applications and make sure that they are filled in correctly in the trading system by the auction operator of the Organizer;

6) monitor over the progress of trading session and compliance with procedure provided for in the internal documents of the Organizer regulating the auction;

7) monitor over the actions of auction operator of the Organizer holding the auction;

8) listen to the telephone conversations of the auction operator of the Organizer and auction participants;

9) be present when determining the auction winners and generation of register of auction winners;

10) be present at repeated auction in the cases provided by the normative legal acts regulating the auction.

Procedure of observers composition formation;

7. The authorized body for implementation of state policy in the field of support of the renewable energy sources (hereinafter – the Authorized body) is responsible for the formation of observers composition.

8. During the auction, presence of observers in the trading room of the Organizer in the amount of up to 8 (eight) people is required.

9. Authorized representatives of the organizations may be included in the observers composition as follows:

10. Authorized body;

11. The authorized body exercising management in the fields of natural monopolies;

12. Atameken NCE;

13. international organizations;

14. KAZENERGY, Kazakhstan Association of organizations of oil and gas and energy complex ALE;

15. Association of development of the commodity markets competition ALE in the form of Association;

16. specialized associations;

17. other state bodies and legal entities agreed by the Authorized body.

18. The observers composition may not include legal entities admitted to participate in the auction, as well as persons interested in the auction results.

19. The authorized body shall generate and send to the Organizer a list of observers for 1 (one) day prior to the auction. The list of observers shall include the name, place of work and title of observer.

Observers' obligations

20. When holding auctions observers admitted to the trading room shall:

- leave all technical means of communication, including cellular subscriber device at the responsible employee of the Organizer against signature;
- enter the trading room for 30 (thirty) minutes before the auction and stay there for the entire trading session;
- not to leave the trading room before the register of auction winners is generated;
- be present during envelope opening with the list of applicants with financial guarantee;
- sign the Minutes of envelope opening with the list of applicants with financial guarantee of the application for participation in auction according to Annex 1 to this Procedure;
- sign the Obligation of non-disclosure of commercial secrets and confidential information of the auction in accordance with Annex 2 to this Procedure and

not to disclose information about the prices and volumes specified in the applications of participants after the closing and summarizing the auction results or in cases of postponement of the auction, provided for by the normative legal acts regulating the auction;

- sign the Minutes of auction holding in accordance with Annexes 3 and 4 to this Procedure.

Final provisions

21. The organizer does not admit observers to enter the trading room who are late for the auction, as well as observers who refuse to leave all technical means of communication, including a cellular subscriber device.

22. The Organizer allows observers to the trading room on the basis of the list provided by the Authorized body. In case of changes in the observers composition, the Authorized body shall notify the Organizer in a timely manner.

23. In case of detection of comments or violations in the auction process, the observer should state the situation in a letter and send it to the Authorized body no later than 2 (two) working days after the auction results.

**Annex 1
to the Procedure of presence of observers in
the trading room during
the auction**

**Minutes No.
of envelope opening with list of applicants with financial guarantee of applications for
participation in the auction**

Time of envelope opening	Place of envelope opening	Date of envelope opening
« » (by Nur-Sultan time)		. .201 .

The envelope was opened by the auction operator of the Organizer in the presence of observer(s). The envelope contains a list of applicants with financial guarantee of applications for participation in the auction, issued on paper and electronic media, signed by an authorized person of the financial settlement center or a person substituting him

(Full name)

Envelope opening was attended by:

Auction operator – _____
(Full name, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Observer – _____
(Full name, title, signature)

Auction operator _____
(Full name)

L.S.

**Annex 2
to the Procedure of presence of observers in
the trading room during
the auction**

**Obligation
of non-disclosure of commercial secrets and confidential information of the auction**

Nur-Sultan city No.201 .

We, the undersigned, hereby undertake not to disclose any data classified as business secrets or confidential information that will be entrusted to me or become known during the auction.

Observer

Operator

(Full name)

(Full name)

Annex 3
to the Procedure of presence of observers in
the trading room during
the auction

Minutes
of auction holding

Nur-Sultan city

No.

.201 .

Attended: per list (attached)

« » 20 auction was held with the following initial parameters:

- UPS zone – ;
- RES type – ;
- projects size – ;
- value of ceiling auction price – KZT/kWh;
- auctioned installed capacity MW.

The auction results

№ п/п	Дата торгов	Номер сделки	Тип ВИЭ	Наименование победителя	Земельный участок	Точка подключения	Аукционная цена, тг/кВт*ч (без НДС)	Установленная мощность, МВт
1								
2								
ИТОГО:								

Note: no violations found during auction.

Read and Understood:

Observer –

(Full name, title, signature)

Observer –

(Full name, title, signature)

Observer –

(Full name, title, signature)

Auction operator

(Full name)

L.S.

Annex 4
to the Procedure of presence of observers in
the trading room during the auction

Minutes
of auction holding

Nur-Sultan city

No.

.201

Attended: per list (attached)

« »

201

auction was held with the following initial parameters:

– UPS zone –

;

– RES type –

;

– projects size –

;

– value of ceiling auction price –

KZT/kWh;

– auctioned installed capacity

MW.

The auction results

№ п/п	Дата торгов	Номер сделки	Тип ВИЭ	Наименование победителя	Земельный участок	Точка подключения	Аукционная цена, тг/кВт*ч (без НДС)	Установленная мощность, МВт
1								
2								
ИТОГО:								

- The auction did not take place due to the fact that the total volume of the installed capacity of applications for participation in auctions for sale was not more than 130% of the volume of the purchased installed capacity.
- The auction did not take place due to the fact that the number of participants who submitted applications to the trading system for sale was less than two.
- The auction did not take place due to the absence of participants on this auction day.

Note: no violations found during auction.

Read and Understood:

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Observer –

_____ (Full name, title, signature)

Auction operator _____

(Full name)

L.S.