



Trading Appendix 1

# Definitions

Nord Pool Spot Market

Issued by Nord Pool Spot AS

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## DEFINITIONS

This document sets out the definitions of capitalized terms in the Trading Rules and the Clearing Rules (as defined below):

<b>Account Holder</b>	means a Member holding one or more Clearing Accounts for recording of Clearing Transactions.
<b>Advisory Board</b>	the Advisory Board is NPS' high level advisory board for all activities related to the operations of NPS. Made up of power traders and industry representatives, it reports to NPS' board of directors.
<b>All-or-Nothing Order</b>	means an Order that shall only be matched for the whole order volume (until cancelled or otherwise withdrawn).
<b>Applicable Law</b>	means the laws and regulations applicable under any applicable jurisdiction, including any order or judgment or other decisions of any competent court or Regulatory Body in accordance with such laws or regulations at the relevant place and time.
<b>Auction</b>	means the mechanism used in the Auction Market for the submission of Orders and calculating the volume and price for electricity delivery and off take within a specified Delivery Period.
<b>Balance responsible Party</b>	means a Participant that has entered into an agreement with a Transmission System Operator and that balances its electricity balance through the national regulation power market or open electricity delivery of balance power from the Transmission System Operator, or in the Elbas Market.
<b>Bank Guarantee</b>	means an on-demand guarantee provided to and accepted by NPS in respect of an Account Holder's obligations to NPS.
<b>Banking Day</b>	means a day in which banks in Norway perform banking activities.
<b>Base Collateral</b>	means the Collateral to be posted by or on behalf of a Participant or Clearing Customer in order to cover the overnight risks of NPS.
<b>Base Collateral Call</b>	means NPS call for Collateral from a Participant or Clearing Customer in accordance with Section 8.2 of the General Terms of the Clearing Rules.
<b>Bid</b>	means an Order to buy.
<b>Bidding Area</b>	means a sub area of the Electricity Exchange Area defined by the TSOs. The Electricity Exchange area is divided into bidding areas in order to handle transmission constraints. Participants must make Orders according to where their production or consumption is physically connected in the grid thus specifying the bidding area for each Order.
<b>Block Order</b>	means in the Elspot Market an "All Or Nothing Order" that, subject to the Block Order Volume Limit, covers a minimum of three (3) consecutive hours defined by the Participant. In the

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	Elbas Market an "All Or Nothing Order" covering one (1) or more consecutive hour(s). The start and stop time of a block is defined by the Participant.
<b>Block Order Volume Limit</b>	means the volume limit placed on each Block Order, as specified from time to time in the Product Specifications.
<b>Buyer</b>	means the party agreeing to purchase electrical energy under any Transaction.
<b>Cash Account</b>	means Pledged Cash Account or Non-Pledged Cash Account.
<b>Cash Collateral</b>	means Collateral in the form of cash deposits to a Pledged Cash Account.
<b>Cash Settlement</b>	means Cash Settlement to be carried out between NPS and Members.
<b>Cash Settlement Amount</b>	means the net cash amount calculated in accordance with Section 10.1.2 of the General Terms of the Clearing Rules.
<b>Clearing</b>	means a clearing-by-novation process where NPS enters into a Transaction as central counterparty and thus becomes Counterparty to the Members.
<b>Clearing Account</b>	means a Member's account(s) with the NPS for registration of the transaction.
<b>Clearing Day</b>	means the marking day on which monetary settlement is carried out.
<b>Clearing Rules</b>	means NPS' rules for Settlement of Transactions regulated in Appendix 4 to the Trading Rules.
<b>Client</b>	means an entity that has entered into a valid and effective Client Agreement as well as an agreement with a Client Representative in accordance with which the Client Representative shall perform Trading for the Client's account and represent the Client towards NPS.
<b>Client Representative</b>	means a Participant that has the right to trade for its own account and obligated to trade on behalf of its Clients.
<b>Collateral</b>	means cash deposits to a Pledged Cash Account and On-Demand Guarantees.
<b>Collateral Call</b>	means NPS's call for Collateral from a Participant or Clearing Customer in accordance with the Clearing Rules.
<b>Combination Order</b>	means an order relating to several individual Series.
<b>Consumption Unit</b>	is a resource which receives electrical energy for its own use; here Transmission System Operators or distribution system operators are not considered to be Consumption Units

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<b>Contact Person</b>	means a natural person appointed as a contact person in accordance with the Trading Rules in respect of Trading.
<b>Contract Time</b>	means the point in time where the Seller and the Buyer enter into a legally binding Transaction. (Elbas)
<b>Counterparty</b>	means the Participant and Clearing Customer entering into a Transaction, and NPS acting as central counterparty in all Transactions.
<b>Decoupling or Market Decoupling</b>	a situation in which the process of Price Coupling is suspended and/or cancelled.
<b>Definitions</b>	means this document forming a joint appendix to the Trading Rules.
<b>Delivery</b>	means the electricity amount to be delivered upon settlement of Transactions as further provided for in Appendix 4.
<b>Delivery Day</b>	means a continuous series of Delivery Hours which starts at 00:00 CET hours on a calendar day and ends at 24:00 CET hours on the same calendar day, so that the beginning of a Delivery Day coincides with the time at the end of the previous Delivery Day.
<b>Delivery Hour</b>	one clock hour within a Delivery Day
<b>Delivery Period</b>	a period consisting of one or more Delivery Hours
<b>Deviation Margin</b>	means the price margins to be subtracted from or added to the relevant Spread when dealing with Trading Errors, as further set out in the Trading Rules.
<b>Elbas Area</b>	means those areas into which the Elbas Market is divided in order to remedy capacity constraints, if any, in the grid.
<b>Elbas Market</b>	has the meaning ascribed to it in Section 1.1.2 (b) of the General Terms of the Trading Rules.
<b>Elbas Market Regulations</b>	means Trading Appendix 2b to the Trading Rules.
<b>Elspot Area</b>	means the same as Bidding Area but term is used when referred to the Elspot Market.
<b>Elspot Price</b>	means the price determined in respect of each Delivery Period as the result of the Elspot Price Calculation
<b>Elspot Area Price</b>	means the settlement price for the power traded in a specific Bidding Area through the Elspot Market.
<b>Elspot System Price</b>	the Elspot System Price is the price in those Elspot Areas that at the relevant time are included in the System Price calculation. Orders in other Bidding Areas can only influence the System Price up to the capacity limit towards Areas included in the System Price. The system price calculation is carried out by aggregating all biddings in one purchase-and one sales curve without considering potential capacity constraints between the relevant areas. The point of intersection between the two curves

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	establishes the Elspot System Price.
<b>Elspot Market</b>	has the meaning ascribed to it in Section 1.1.2 (a) of the General Terms of the Trading Rules.
<b>Elspot Market Regulations</b>	means Trading Appendix 2a to the Trading Rules.
<b>Elspot Price Calculation</b>	means the methodology for determining the Elspot Price and appropriate Energy Volume as specified in Section 4 of the Elspot Market Regulations.
<b>Electricity Exchange Area</b>	means the geographical Elspot or Elbas Areas in which NPS are entitled to organise Physical Markets and through agreements with TSOs has been allocated transmission capacity in the planning phase in order to be entitled to transfer electricity between those Areas.
<b>Energy Volume</b>	means the number of energy units to be Delivered during the relevant Delivery Period(s), and shall unless otherwise specified be deemed expressed in MW. For Products spanning several Delivery Periods, the Energy Volume represents an equal and constant number during each applicable Delivery Period.
<b>Energy Volume Limit</b>	means the maximum Energy Volume applicable to an Order where such designation is applicable.
<b>ETS</b>	means a Market Operator's system(s) for electronic Trading from time to time.
<b>EU</b>	means the European Union as it exists from time to time.
<b>Euro or EUR</b>	means the lawful currency of those Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.
<b>Fall-Back Algorithm</b>	Alternative algorithm to be used for the Elspot Price Calculation in the event of failure of the algorithm used for NWE Price Coupling.
<b>Fee Schedule</b>	means as applicable the Trading Appendix specified as such in the Table of Contents of the General Terms of the Trading Rules.
<b>Fill Order</b>	means an Order in Elbas that may be matched for the full volume or part of the volume.
<b>Flexible Hourly Offer</b>	means an Offer in the Elspot Market specifying which volume of electricity a Participant would be willing to sell at a specified price in any Delivery Hour within the relevant Delivery Day.
<b>Force Majeure Event</b>	means the occurrence of an event which (i) is outside the reasonable control of the affected party and (ii) which prevents such party from performing one or more of its obligations under the Trading Rules or the Clearing Rules and (iii) such event or the impact of such event on the party's performance of relevant obligation(s) could not reasonably have been overcome or have been prevented by such party within the time allowed for performance of the relevant obligation(s). For the purposes of this definition, acts of God or the public enemy, acts of a civil or military authority, terrorist or other criminal action, civil unrest, embargoes, fire, flood, labour dispute, unavailability or

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restriction of computer or data processing facilities, or unavailability or restriction of settlement systems or of bank transfer systems, shall normally be deemed to be outside the reasonable control of a party, provided that the party has otherwise acted with such prudence and care as could reasonably be expected of that party.

**Gate Closure** means the time before which Orders in the Elspot Market must be received by NPS in order to be valid, as specified in the Trading Schedule, currently 12:00 CET

**Generation Unit** is a single electricity generation set, either on its own or together with other generation sets, comprising part of a Production Unit

**GW (and GWh)** means one billion (1,000,000,000) Watts, and "GWh" means the energy generated or consumed at a constant rate of one (1) GW for the duration of one (1) hour.

**Hourly Order** means an Order in the Elspot Market where a Participant states volumes to buy or sell at different price levels in a set of Price Steps defined for a specific Delivery Hour. Each pair of price and volume is handled as a point on an Order Curve with linear interpolation between each pair.

**Intraday Trading Limit** means a trading limit that may be set by NPS for a Participant, based on the Account balance and the Collateral Posted.

**KW (and KWh)** means one thousand (1,000) Watts, and "KWh" means the energy generated or consumed at a constant rate of one (1) KW for the duration of one (1) hour.

**Linked Block Order** means any Block Order which is designated as "linked" in the Trading System, the activation of which is subject to Section 4.2.4 of the Elspot Market Regulations. Sales and purchase blocks cannot be linked together.

**Maintenance Period** means a time period within Trading Hours during which the ETS is closed for maintenance purposes, as may be specified in the Trading Schedule or by prior written notice from the Market Operator.

**Market Conduct Rules** means the appendix specified as such in the table of contents of the applicable Trading Rules.

**Market Maker** means a Participant that has undertaken to quote bids and offers in certain Products in accordance with a Market Maker Agreement.

**Market Maker Agreement** means an agreement entered into between NPS and a Participant appointing the Participant as Market Maker.

**Market Maker Hours** means the period during a Trading Day during which a Market Maker is required to quote Orders in accordance with its Market Maker Agreement.

**Market Maker Spread** means the maximum quotable net difference between bids and offers for a Market Maker in accordance with the applicable

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	Market Maker Agreement.
<b>Market Maker Volume</b>	means the minimum volume to be quoted by a Market Maker in accordance with the applicable Market Maker Agreement.
<b>Market Operator</b>	means NPS in relation to the Physical Market.
<b>Market Surveillance</b>	means the organisational unit responsible for monitoring compliance with the Market Conduct Rules on behalf of a Market Operator.
<b>Material Non-Compliance Event</b>	has the meaning ascribed to it in Section 11.1.2 of the Trading Rules - General Terms
<b>Maximum Price Limit</b>	Technical upper price limit in the Price Range.
<b>Member</b>	means an entity that has entered into a valid an effective Participant agreement or Client Agreement for trading in NPS Physical Markets. The notion includes Participants, Client representatives and Clients.
<b>Minimum Price Limit</b>	Technical lower price limit in the Price Range.
<b>MTS</b>	means a Market Operator’s telephone and voice based system for registration of Orders.
<b>MW (and MWh)</b>	means one million (1,000,000) Watts, and “MWh” means the energy generated or consumed at a constant rate of one (1) MW for the duration of one (1) hour.
<b>Non-Compliance Event</b>	has the meaning ascribed to it in Section 11.1.1 of the Trading Rules - General Terms
<b>Non Pledged Account</b>	means an account established by a Participant at a Deposit Bank approved by NPS, which shall be applied in connection with Cash Settlements towards NPS.
<b>Nord Pool Spot or NPS</b>	means Nord Pool Spot AS, a Norwegian company with reg. no 984 058 098 in the Norwegian Company Register.
<b>NWE Price Coupling</b>	Price Coupling by and between certain power exchanges (including Nord Pool Spot) and transmission system operators of, respectively, the CWE region, the Nordic/Baltic Region and the UK pursuant to the terms of the NWE Day Ahead Operations Agreement.
<b>Offer</b>	means an Order to sell.
<b>On Demand Guarantee</b>	means a guarantee in favour of NPS for a predetermined amount securing obligations of a Participant towards NPS.
<b>Open Supplier</b>	means an entity that has entered into an agreement with a Participant or a Client to cover the difference between the materialized consumption/sales and production/acquisition of the Participant or the Client in the balance settlement
<b>Open Balance</b>	means the net position in each Product Series registered in a Clearing Account, which can either be positive or negative. A positive value identifies a purchase position in that Product while a negative value identifies a sales position.

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<b>Order</b>	means a Bid or Offer for a Product or several Products that a Participant validly registers in ETS.
<b>Order Price</b>	means the price which the Buyer is willing to pay or the Seller is willing to sell in relation to an Order, as applicable.
<b>Order Price Limit</b>	means the maximum or minimum limit for the Order Price
<b>Order Type</b>	means the method by which an Order shall be executed, e.g. Fill or All or Nothing as applicable in relation to each Market.
<b>Parent Undertaking</b>	shall have the meaning assigned to it in Article 2(12) of REMIT
<b>Participant</b>	means a person or legal entity who has signed the Participant Agreement. Clients are not comprised by the notion. Client Representatives are comprised.
<b>Participant Agreement</b>	means an agreement made between a Participant and NPS, substantially in the form set out in Trading Agreement A to the Trading Rules, granting the Participant access to Trading on the Physical Market.
<b>Parties</b>	means NPS or a Member.
<b>Physical Market(s)</b>	means the market(s) operated by NPS for Trading of electricity contracts with physical Delivery. The Physical Market consists of the Elspot Market and the Elbas Market, and the term "Physical Markets" shall be construed as a reference to more than one of the said Markets.
<b>Pledged Cash Account</b>	means a pledged account established by a Participant in a Deposit Bank approved by NPS and which shall be applied in connection with the Settlement and cash collateral deposits towards NPS.
<b>Peak Load Reserves</b>	power reserves that are offered by TSO's to the Elspot market under certain circumstances as set out by NPS
<b>Price Area</b>	means any two or more Bidding Areas that have the same Elspot Area Price in a specific hour.
<b>Price Coupling</b>	means the mechanism whereby, with the goal of maximising Social Welfare, the market clearing prices and net positions for different day-ahead electricity markets are determined in a single step by reference to physical hourly ATC and/or flow based capacities.
<b>Price Range</b>	means a price range for an Auction set by NPS in accordance with Section 2.3 of the Elspot Market Regulations.
<b>Price Report</b>	means a statement from NPS to Participants in accordance with Section 6.1 of the Elspot Market Regulations.
<b>Price Step</b>	means a pair of Order Price and Energy Volume values on an Order curve in the Elspot Market between (and including) the upper and lower Order Price Limits of the Order.
<b>Product</b>	means any Product listed on the Physical Market, and references to a single Product shall mean all Product Series which are classified as being of the same type pursuant to the Product

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	Specifications.
<b>Product Specifications</b>	means the Trading Appendix 3.
<b>Production Unit</b>	means a facility for generation of electricity comprised of more than one Generation Unit
<b>Regulatory Body</b>	means any competent department, agency, state or other political subdivision having jurisdiction over the relevant entity in respect of the relevant matter.
<b>Related Undertaking</b>	shall have the meaning assigned to it in Article 2(13) of REMIT
<b>REMIT</b>	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
<b>Reopening</b>	When, due to specific circumstances, Elspot is reopened for submission of Orders after 12:00.
<b>Required Authorisations</b>	means all governmental and other licences, authorisations, permits, consents, contracts and other approvals (if any) that are required to enable a party to fulfil any of its obligations under the Trading Rules and/or the Clearing Rules in accordance with Applicable Law.
<b>Roll Back Solution</b>	The solution pursuant to which, in the event of any failure of NWE Price Coupling, the systems and operational processes in place before the launch of NWE Price Coupling are re-activated in accordance with agreed procedures.
<b>Seller</b>	means a party agreeing to sell electrical energy under any individual Transaction
<b>SESAM Web</b>	the internet based ETS which is offered and supported for Trading on the Elspot Market by NPS.
<b>Settlement</b>	means the process which by trades in the Markets are handled through cash transactions.
<b>Settlement Bank</b>	means a bank which is authorised by NPS to execute Cash Settlement and hold Pledged Cash Accounts or Not Pledged Accounts on behalf of a Participant or Clearing Customer. A list of Settlement Banks is available from NPS.
<b>Settlement Day(s)</b>	means the Day(s) specified in the Product Specification when the relevant Cash Settlement shall take place for a Product Series.
<b>Social Welfare</b>	means a quantification to assess the potential implications of alternative policy options, including a consideration of the additional economic benefit or cost, defined as the sum of the additional individual benefits and costs which are expected to be accrued due to the implementation of the respective policy options compared to the status quo.
<b>Spread</b>	means the price range as defined by the best Bid price and Offer price in a Product Series registered in ETS at any point in time.
<b>SWIFT</b>	means the Society for Worldwide Interbank Financial Telecommunication (or any successor provider of such telecommunication services). References to any type of message transmitted through SWIFT shall include such type of message as

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the Clearinghouse deems appropriate and instructs, pursuant to the arrangements for the time being in force between Account Holders and the Clearinghouse or its bankers for the transmission and receipt of SWIFT messages, and references shall include such SWIFT message type as modified, replaced and/or renumbered by SWIFT from time to time.

<b>Table of Contents</b>	means the part of the Trading Rules which is specified as such and lists the general contents of the applicable rulebook.
<b>Tick Size</b>	means the tick size specified in the Product Specification. The price of an Order placed in the Trading System must be divisible by the Tick Size, for different Trading Currencies different Tick sizes can apply.
<b>Trade Lot</b>	means the minimum volume of each Product, as specified for the relevant Product Series. The volume of each Order placed in the Trading Systems must be divisible into whole Trade Lots.
<b>Trader</b>	means a natural person authorised to conduct Trading on behalf of a Participant in accordance with the applicable Trading Rules.
<b>Trading</b>	means the process of entering into a Transaction on a Physical Market by submitting Orders.
<b>Trading Responsible</b>	means a person appointed by the Participant to be responsible for the Participants Trading and to act as a contact person for NPS with regard to trading in NPS Physical Markets.
<b>Trading Currency</b>	means one or several currencies approved by NPS in which a Participant or a Clearing Customer wishes to carry out Orders and Trading.
<b>Trading Day(s)</b>	means the calendar day(s) when a Market is open for Trading.
<b>Trading Desk</b>	means the personnel operating the ETS in the Elspot Market and Elbas Market
<b>Trading Error</b>	means any action or non-action resulting in an erroneous Transaction.
<b>Trading fee</b>	means the annual fee and the volume dependent fee charged for Trading in the Markets.
<b>Trading Hours</b>	means the period of time during a Trading Day when the relevant Product Series is open for Trading, as further determined by the Market Operator as specified in the relevant Trading Schedule.
<b>Trading Party</b>	means the holder of a Settlement Account in the name of whom the Transaction is entered into.
<b>Trading Portfolio</b>	means a set of Transactions entered into by a Participant, and which is assigned to its associated Settlement Account. Trading Portfolios are operated and maintained by the NPS
<b>Trading Price</b>	means the delivery price that is agreed to in a Transaction.
<b>Trading Rules</b>	means the rules issued by NPS at any time to govern Trading on the Physical Markets, including the Trading Appendixes and the

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Trading Agreements.

<b>Trading System</b>	means the ETS as operated by a Market Operator from time to time.
<b>Transaction</b>	means an agreement between two parties to conclude one or several Contracts in one or several Products, irrespective of the form or format used to facilitate such agreement.
<b>Transaction Confirmation</b>	means the confirmation of a Transaction from NPS through the Trading System.
<b>Transaction Information</b>	means the aggregated[, anonymised] information on Orders and Transactions registered with or called in or reported in the Trading System, in whatever format, including all copyrights, trade secrets, database rights and other proprietary rights pertaining to such information. Notwithstanding the generality of the foregoing, the term Transaction Information shall be deemed to include Daily Closing Prices and other index, volumes, the net balances of open positions and historical values deriving from Orders and Transactions.
<b>Transaction Time</b>	means the point in time where the Seller and the Buyer enter into a legally binding Transaction
<b>Transaction Volume</b>	means the volume of a single Transaction, expressed in the applicable volume unit of the Product (e.g. in MW).
<b>Transmission System Operator or TSO</b>	means an entity responsible for operating, ensuring the maintenance of and developing the transmission system.
<b>TW (and TWh)</b>	means one trillion (1,000,000,000,000) Watts, and "TWh" means the energy generated or consumed at a constant rate of one (1) TW for the duration of one (1) hour.
<b>Urgent Market Message or UMM</b>	Means an urgent market message published by a Member using the UMM service provided by the Market Operator at <a href="http://umm.nordpoolspot.com">http://umm.nordpoolspot.com</a>
<b>Value Added Tax or VAT</b>	means any value added tax or tax analogous thereto imposed in any relevant jurisdiction, or any replacement or other tax levied by reference to value added to a Transaction, but excluding any statutory late payment interest or penalties.
<b>Violation Charge</b>	means the fee that NPS may impose in the event of a breach of the Market Conduct Rules.
<b>W or Watt</b>	means watt(s), a unit of energy equal to one (1) joule (J) of energy per second under the SI (International System of Units) system of measurement units.
<b>Wh</b>	means watt-hour(s), and one (1) "Wh" shall be construed as a unit of energy equal to the energy generated or consumed at a constant rate of one (1) Watt for the duration of one (1) hour, or 3,600 joules of energy.

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