



Trading Appendix 2a

Elspot Market Regulations

Nord Pool Spot Physical Market

Issued by Nord Pool Spot AS

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ELSPOT MARKET REGULATIONS

1. INTRODUCTION

- 1.1.1 These Elspot Market Regulations contain detailed provisions on Orders and Elspot Price calculation in the Elspot Market and are part of the Trading Rules.
- 1.1.2 The Elspot Market provides the possibility of Trading by means of day ahead Trading based on all Orders received by Participants prior to Gate Closure.
- 1.1.3 Following Gate Closure, all volume and Orders received are stacked and market equilibrium is calculated. Based on the price and volume market equilibrium, each Participant's rights and obligations regarding the sale and purchase of electricity for the relevant Delivery Hours are determined as further set out herein.
- 1.1.4 Transactions resulting from Orders being matched in the ETS are automatically and mandatory registered for Clearing
- 1.1.5 NPS will calculate and publish an Elspot System Price in addition to the Elspot Area Prices. The Elspot System Price may be published separately and at a later time than the Elspot Area Price publication.

2. REGISTRATION OF ORDERS

2.1 Order Form

- 2.1.1 Orders in the Elspot Market shall be submitted using NPS' standard Order form and shall be transmitted to NPS per electronic communications as specified by NPS.
- 2.1.2 The Participants normally using other electronic communication than SESAM Web in accordance with Section 2.1.1 above, is obliged to use SESAM Web as a backup in case their ordinary means of communications are not working.
- 2.1.3 NPS may in situations where specified communication according to Section 2.1.1 and 2.1.2 is not working, decide that an alternative order form as specified by NPS, e.g as a file in e-mail or copy of Order form, previous day, may be used. NPS may in such situations restrict the number of Price Steps in the Hourly Orders and the number of Block Orders.
- 2.1.4 The Order form must provide complete information in order to be valid. In case of rejection, the Price Report received by the Participant from NPS will declare that no Transaction is concluded.
- 2.1.5 The Participants are responsible to check that the Orders submitted are correct and valid. This includes also situations where manual handling of the Orders by NPS has been found necessary.

2.2 Quoting

- 2.2.1 Subject only to Clause 2.5 all Orders are binding and are available for acceptance in accordance with these Elspot Market Regulations.
- 2.2.2 Orders shall be quoted using the Order Types as further specified in Section 3 below. Each Order must specify whether it is a Bid or an Offer, where Bids are denoted by positive Energy Volume numbers and Offers as negative Energy Volume numbers.
- 2.2.3 Energy Volume Limits and Order Price Limits must be within the Price Range at all times specified by NPS.
- 2.2.4 The Participant can only quote Orders in Bidding Areas where the Participant or Client undertakes production, consumption or is party to contracts relating to physical delivery or purchase.
- 2.2.5 Each Order to each Auction represents an individual and independent Order for the Delivery Period(s) to which it relates. Except as specifically mandated by the Order Type used and subject to Section 2.5 and the Linked Block Orders described in Section 3.3.2, each Order shall represent an individual offer to buy or sell independent of any other Orders submitted by, or on behalf of, each Participant to the same Auction during that Delivery Period(s).
- 2.2.6 Each Auction always relates to the following day starting from 00:00 CET. Orders can be

registered from the time they are made available for Trading and until Gate Closure.

- 2.2.7 NPS may in its sole discretion, but shall have no obligation to, contact Participants by telephone or e-mail and offer that the Participant may transmit and/or correct an Order should NPS have reason to believe that an Order transmitted by the Participant is erroneous, or that the Participant erroneously has failed to transmit an Order.
- 2.2.8 Orders from Client Representatives shall be specified for each Client and for the Client Representative.
- 2.2.9 The Participants shall use Trading in the Elspot Market to achieve balance between energy inflow and energy demand in each Bidding Area. In order to control that this is done, NPS may require documentation for the Participant's basis for the Orders.

2.3 Price Range

- 2.3.1 NPS shall for each Auction set a Price Range within which all Order Prices in the Elspot Market must be for that Auction. Participants shall be informed of the Price Range prior to the opening for Orders for each Auction.
- 2.3.2 NPS may change the Price Range set by giving at least 4 (four) days' notice. In case of a change of the Price Range for any Auction following the opening of Orders for that Auction, all Orders submitted prior to such change will automatically be deleted.
- 2.3.3 Prices for Orders are to be quoted in a currency approved by NPS. The maximum number of decimals that can be quoted in each currency is determined by NPS.

2.4 Gate Closure

- 2.4.1 By no later than Gate Closure each day the Participant shall submit its Orders relating to the next day starting from 00:00 CET.
- 2.4.2 Orders received following Gate Closure will be considered null and void regardless of cause. For the avoidance of doubt, this also applies to Orders received after Gate Closure by reason of Force Majeure or communication failure and irrespective of whether or not the Participant is in any default.
- 2.4.3 Participants experiencing technical difficulties when submitting Orders to NPS must inform NPS about this immediately.

2.5 Order Amendments

- 2.5.1 Hourly Orders which have been submitted are cancelled if the Participant submits a new Hourly Order covering the same Delivery Hour. In case of several Hourly Orders submitted by the same Participant for the same Delivery Hour, the Hourly Order last received by NPS will consequently always be the only Hourly Order which is deemed valid.
- 2.5.2 All Block Orders and Flexible Hourly Orders received will be valid unless a later Block Order or Flexible Hourly Offer (respectively) specifically holds that it represents a change to an identified Block Order or Flexible Hourly Offer (as the case may be) previously submitted, in accordance with the change procedure for the relevant Product as set by NPS.
- 2.5.3 The Participants are responsible to check that the Orders (and any amendments thereto) submitted and received by NPS are correct and valid.

3. ORDER TYPES

3.1 Hourly Orders

- 3.1.1 Hourly Orders are the Participant's statement of its willingness to purchase or sell a specified Energy Volume in a specific Bidding Area at a specified price in a given Delivery Hour of the applicable Delivery Day.
- 3.1.2 In each Hourly Order, the Participant shall submit a set of Order Price and Energy Volume specifications for the applicable Delivery Hour and Bidding Area, starting with the Energy Volume at the lower Order Price Limit and ending with the Energy Volume Limit at the upper Order Price Limit. Additional Price Steps may be specified as set out in the Product Specifications.
- 3.1.3 The Energy Volume given in an Hourly Order for sale (Offer) must be constant or increasing

with increasing Order Prices. The Energy Volume given in an Hourly Order for purchase (Bid) must be constant or decreasing with increasing Order Prices.

- 3.1.4 To create an Order curve, NPS will upon reception of an Hourly Order interpolate the values between each Price Step in the Hourly Order by means of linear interpolation, and the Hourly Order will be deemed to apply to each interpolated value on the resulting Order curve.

3.2 Flexible Hourly Offers

- 3.2.1 A Participant may submit Flexible Hourly Offers. Flexible Hourly Offers are the Participant's specification of possible additional sales (but not purchases) in any Delivery Hour.
- 3.2.2 The Flexible Hourly Offer shall specify which Energy Volume the Participant would be willing to sell at a specified Order Price Limit in any non-specific Delivery Hour of the applicable Delivery Day.

3.3 Block Orders

- 3.3.1 Block Orders are the Participant's statement of its willingness to purchase or sell a specified Energy Volume at a specified Order Price during a minimum of three (3) consecutive Delivery Hours. In the Block Order, the Participant shall submit an Order Price, the hourly Energy Volume per block and the start and stop time of the block.
- 3.3.2 When submitting a Linked Block Order, the Participant must specify the order of priority between the linked blocks. NPS sets the maximum number of priority levels allowed and the number of Block Orders allowed on each priority level, and this can be changed by NPS at any time on one (1) day's written notice.

3.4 Convertible Block Orders

- 3.4.1 Participants who have notified NPS in advance are entitled to register Block Offers which if needed shall be converted to Hourly Offers. The Participant shall for each Block Offer indicate whether the Block Offer is to be converted, and state the Hourly Price in the event of conversion. Conversion shall take place if the Block Offer is not activated and the price calculation pursuant to Section 4 gives a Maximum Price for one or more Delivery Hours included in the Block Order.
- 3.4.2 Conversion will involve all Block Offers accepted for conversion and comprising one or several hour(s) in which such a maximum price is reached. Conversion implies that the Block Offer is changed into independent Hourly Offers with a minimum Tick Size as specified in Product Specifications. NPS then carries out a new price calculation in accordance with Section 4 including the new Hourly Offers and excluding the converted Block Offers.
- 3.4.3 A list of Participants entitled to convert Block Offers is published on NPS's web page. After block conversion has taken place, NPS will publish information regarding the block conversion.
- 3.4.4 No Convertible Block Order shall be a Linked Block Order.

4. MATCHING

4.1 Matching of Hourly Orders and Calculation of Elspot Price and Auction Volume

- 4.1.1 All Orders submitted for each Delivery Hour will be regarded as a point on an Order curve for Offers and Bids respectively, where each Order curve is created by interpolating straight lines between the Orders on the curve. The point of intersection between the aggregated Offer and Bid curves establishes the Elspot Price and Energy Volume per Bidding Area for that Delivery Hour.
- 4.1.2 Any imbalance between total Offers and total Bids caused by the rounding off of volumes for each Participant when calculating the Elspot Area Price will be shared between Participants whose Orders are accepted in respect of the relevant Delivery Hour.
- 4.1.3 All Transactions in the Elspot Market relating to one Delivery Hour will be carried out at the Elspot Area Price applicable for that Delivery Hour.
- 4.1.4 All Prices are calculated in EUR.

4.2 Matching of Flexible Hourly Offers and Block Orders

- 4.2.1 A Flexible Hourly Offer may be matched if the Order Price and volume criteria of the Flexible Hourly Offer are met in relation to the relevant Auction Price and Energy Volume. The priority between the different Flexible Hourly Offers shall be based on the Order Price of the Flexible Hourly Offer, with the lowest Order Price ranking first.
- 4.2.2 If activated, the Flexible Hourly Offer will be activated in the Delivery Hour which it provides the highest overall Social Welfare.
- 4.2.3 Block Orders are activated if they meet the criteria below:
- a. A Block Order for sale is activated when and if the average Elspot Price for the Delivery Hours comprised by the Block Order is equal to or higher than the Order Price set forth in the Block Order. A Block Order for purchase is activated if the average Auction Price for the Delivery Hours comprised by the Block Order is equal to or lower than the Order Price set forth in the Block Order. In addition, the submitted volume of the Block Order must be matched in full.
 - b. In case of competing Block Orders where not all Block Orders can be activated under 4.2.2(a) above, the selection of activated Block Orders shall be based on (i) the difference between the Elspot Area Price and the Order Price of the Block Order for the relevant Delivery Hours, with the Block Order(s) with larger difference ranking higher in priority; and (ii) energy, which means volume multiplied with the number of hours in the block. If for competing Block Orders the difference between the Order Price and the Elspot Area Price is equal, then the Block Order or the combination of the Block Orders that gives the largest volume will be given priority.
 - c. In case of two or more identical and competing Block Orders where not all Block Orders can be activated under 4.2.3(a) or (b) above, the selection between the Block Orders is random.
- 4.2.4 In respect of Linked Block Orders, the normal rules for activation of Block Orders in Section 4.2.3 apply, but any Block Order which does not have the highest priority within its linked block will only be activated if all the Block Orders with higher priority within the relevant linked block are activated. For the avoidance of doubt, a Block Order that is not otherwise activated according to Section 4.2.3 may still be activated as part of a linked Block Order if the activation of such Block Order, together with such other block Orders at lower priority levels of the Linked Block Order, does not result in an overall loss for the Participant submitting such Linked Block Order.

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4.3 Procedure in Case of Non-Matching

- 4.3.1 If situations occur where a point of intersection between the Order curve for Offers and Bids is not achieved ("non-matching"), NPS will, using best endeavors, effectuate one or more of the following measures in accordance with applicable procedures:
- a. Convert Block Orders that are available for conversion in the relevant Bidding Area.
 - b. In the event of Decoupling on the border between Denmark and Germany, activate separate purchase or sales offer from Energinet.dk.
 - c. Activate Peak Load Reserves in applicable Bidding Area.
 - d. Ask the relevant TSOs about the possibility to adjust the trading capacity.
 - e. Block Orders that increase the need for curtailment in the market and that include the Delivery Hour where curtailments occur are excluded from the Elspot Price calculation, and such Block Orders are rejected in their entirety.
 - f. Deduct Orders on a pro rata basis until a point of intersection is achieved.
- 4.3.2 Any imbalance between total purchase and total sale caused by the curtailment of Orders when accurately calculating the Elspot Area Price pursuant to Section 4.3.1 will be shared between all Participants within each Bidding Area.

5. REOPENING IN CASE OF UNFORESEEN DECOUPLING

- 5.1.1 In the event of unforeseen Decoupling between the Electricity Exchange Area and any neighboring market places, except for market coupling across SwePol link to Poland, NPS

will announce Reopening.

- 5.1.2 During the Reopening any Participant or Client Representative on own behalf or on behalf of a Client, may enter or re-enter Orders for Elspot
- 5.1.3 The Reopening will resume for a period announced by NPS and in accordance with the NWE Price Coupling procedures.

6. REPORTS

6.1 Price Report

- 6.1.1 When the Auction has been completed a preliminary publication will be made of Elspot Area Prices, Elspot System Price and corresponding Energy Volumes within and between Bidding Areas. The Auction results are then subject to final confirmation in accordance with the applicable NWE Price Coupling procedures.
- 6.1.2 As soon as the Elspot Area Prices and Energy Volumes have been confirmed by all, NPS shall inform each Participant of its confirmed purchase/sale position in a Price Report.
- 6.1.3 The Price Report specifies the Elspot Area Price and Energy Volume for each Delivery Hour for each Elspot Area in which Order(s) have been matched.
- 6.1.4 Price Reports prepared for Client Representatives shall specify the Area Prices and Energy Volumes for each Client in addition to those in respect of the Client Representative's own Trading.
- 6.1.5 The Price Reports will normally be made available to Participants on SESAM web immediately following Final confirmation of the Auction results. If the Price Report is delayed, NPS shall give the Participants notice of such delay as soon as possible Price reports will in addition be sent to each Participant by communication specified by NPS.

7. HANDLING OF ERRORS

- 7.1.1 If the Participant becomes aware of errors in order(s), the Participant shall notify NPS immediately of such errors.
- 7.1.2 Following receipt of a notice pursuant to Section 7.1.1, NPS shall consider in its sole discretion whether any measures can be taken to avoid or mitigate any potential losses of the Participant without conflicting with the Auction Price and the interests of the market, other Participants, or any obligations of NPS.

8. AUCTION DELAY OR FAILURE

- 8.1.1 If NPS is delayed in performing an Auction, NPS shall inform Participants by publishing an Operational Message on NPS website with regular intervals starting no later than 13:00 CET, until such time as the Auction is successfully completed.
- 8.1.2 If NPS is not able to determine the Elspot Prices before 20:00 on the day prior to the Delivery Day, the Price Report from the previous day will be deemed valid hour by hour in respect of both Auction Prices and Energy Volumes for the Delivery-Day in question. In this context, the "previous day" means the previous working day if the auction failure has effect on a working day, and the previous weekend day or public holiday, as appropriate, if the auction failure has effect on a Saturday, Sunday or public holiday. Working day means days from Monday to Friday, not including legal public holidays which are identified as public holiday in countries in the Electricity Exchange Area together having at least 67% of the consumption the previous year. Christmas Eve (24/12) and New Year's Eve (31/12) are considered public holidays.
- 8.1.3 In the event that NPS is not able to determine the Elspot System Price before 20:00 on the day prior to the Delivery Day, but the calculation of the Elspot Area Prices is successfully completed, NPS will calculate a volume weighted price based on the Elspot Area Price and the area sales volumes as specified in Trading Appendix 3 – Product Specification.

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9. ROLL-BACK OR FALL-BACK FROM NWE PRICE COUPLING

- 9.1.1 In the event that the Roll Back Solution is adopted by the parties to NWE Price Coupling, the then current versions of the Trading Rules may be replaced (in whole or part) on one days' notice to adapt to the Roll-Back situation.
- 9.1.2 NPS may in its sole discretion cancel all or some of the submitted Flexible Hourly Offers in the event of a Roll-Back or Fall-Back situation where an alternative algorithm has to be used for the Elspot Price Calculation.

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