



Trading Appendix 1

Definitions

Nord Pool Spot Market

Issued by Nord Pool Spot AS

Obsolete

DEFINITIONS

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

Account Holder	means a Member holding one or more Clearing Accounts for recording of Clearing Transactions.
Advisory Board	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.
All-or-Nothing Order	means an Order that shall only be matched for the whole order volume (until cancelled or otherwise withdrawn).
Applicable Law	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.
Auction	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.
Balance responsible Party	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.
Bank Guarantee	means an on-demand guarantee provided to and accepted by NPS in respect of an Account Holder's obligations to NPS.
Banking Day	means a day in which banks in Norway perform banking activities.
Base Collateral	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.
Base Collateral Call	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.
Bid	means an Order to buy.
Bidding Area	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.
Block Order	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 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.

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Block Order Volume Limit	means the volume limit placed on each Block Order, as specified from time to time in the Product Specifications.
Buyer	means the party agreeing to purchase electrical energy under any Transaction.
Cash Account	means Pledged Cash Account or Non-Pledged Cash Account.
Cash Collateral	means Collateral in the form of cash deposits to a Pledged Cash Account.
Cash Settlement	means Cash Settlement to be carried out between NPS and Members.
Cash Settlement Amount	means the net cash amount calculated in accordance with Section 10.1.2 of the General Terms of the Clearing Rules.
Clearing	means a clearing-by-novation process where NPS enters into a Transaction as central counterparty and thus becomes Counterparty to the Members.
Clearing Account	means a Member's account(s) with the NPS for registration of Transactions.
Clearing Day	means the Banking Days on which a monetary settlement is carried out.
Clearing Rules	means NPS' rules for Settlement of Transactions regulated in Appendix 4 to the Trading Rules.
Client	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.
Client Representative	means a Participant that has the right to trade for its own account and obligated to trade on behalf of its Clients.
Clip	Each part of an Iceberg Order.
Clip Price Change	Optional Order attribute. The price difference between the clips as they become visible in the market. The price change may be positive (i.e. subsequent clips are entered at a higher price) or negative (i.e. subsequent clips are entered at a lower price). The system will not prevent illogical Clip Price Change, i.e. it will not prevent entering a Bid Order with a positive Clip Price Change and vice versa for Ask Orders.
Clip Size	means the size of a Clip to be traded.
Collateral	means cash deposits to a Pledged Cash Account and On-Demand Guarantees.
Collateral Call	means NPS's call for Collateral from a Participant or Clearing Customer in accordance with the Clearing Rules.
Combination Order	means an order relating to several individual Series.

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Consumption Unit	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
Contact Person	means a natural person appointed as a contact person in accordance with the Trading Rules in respect of Trading.
Contract Time	means the point in time where the Seller and the Buyer enter into a legally binding Transaction. (Elbas)
Counterparty	means the Participant and Clearing Customer entering into a Transaction, and NPS acting as central counterparty in all Transactions.
Decoupling or Market Decoupling	a situation in which the process of Price Coupling is suspended and/or cancelled.
Definitions	means this document forming a joint appendix to the Trading Rules.
Delivery	means the electricity amount to be delivered upon settlement of Transactions as further provided for in Appendix 4.
Delivery Day	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.
Delivery Hour	one clock hour within a Delivery Day.
Delivery Period	a period consisting of one or more Delivery Hours
Deviation Margin	means the price margin to be subtracted from or added to the relevant Spread when dealing with Trading Floors, as further set out in the Trading Rules.
Elbas Area	means those areas into which the Elbas Market is divided in order to remedy capacity constraints, if any, in the grid.
Elbas Market	has the meaning ascribed to it in Section 1.1.2 (b) of the General Terms of the Trading Rules.
Elbas Market Regulations	means Trading Appendix 2b to the Trading Rules.
Elspot Area	means the same as Bidding Area but term is used when referred to the Elspot Market.
Elspot Price	means the price determined in respect of each Delivery Period as the result of the Elspot Price Calculation
Elspot Area Price	means the settlement price for the power traded in a specific Bidding Area through the Elspot Market.

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Elspot System Price	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 establishes the Elspot System Price.
Elspot Market	has the meaning ascribed to it in Section 1.1.2 (a) of the General Terms of the Trading Rules.
Elspot Market Regulations	means Trading Appendix 2a to the Trading Rules.
Elspot Price Calculation	means the methodology for determining the Elspot Price and appropriate Energy Volume as specified in Section 4 of the Elspot Market Regulations.
Electricity Exchange Area	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.
Energy Volume	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.
Energy Volume Limit	means the maximum Energy volume applicable to an Order where such designation is applicable.
ETS	means a Market Operator's system(s) for electronic Trading from time to time.
EU	means the European Union as it exists from time to time.
Euro or EUR	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.
Fall-Back Algorithm	Alternative algorithm to be used for the Elspot Price Calculation in the event of failure of the algorithm used for NWE Price Coupling.
Fee Schedule	means as applicable the Trading Appendix specified as such in the Table of Contents of the General Terms of the Trading Rules.
Fill Order	means an Order in Elbas that may be matched for the full volume or part of the volume.
Fill-or-Kill Order	means an Order that shall be immediately matched for the whole order volume or cancelled.
Flexible Hourly Offer	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.

Obsolete

Force Majeure Event

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 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

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means an Order in the Elspot Market where a Participant states volume 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.

Iceberg Order

means an Order in the Elbas Market that has a partly hidden overall volume. Each part of the Iceberg Order is called a Clip. When the Order has been submitted, other Participants will only see the first Clip as a part of the total volume when the Order is submitted. When the first Clip is matched, the next Clip receives a new order number and time stamp.

Immediate-or-Cancel

means an Order that shall be immediately matched for as much of the order volume as possible and then cancelled.

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 Market Maker Agreement.
Market Maker Volume	means the minimum volume to be quoted by a Market Maker in accordance with the applicable Market Maker Agreement.
Market Operator	means NPS in relation to the Physical Market.
Market Surveillance	means the organisational unit responsible for monitoring compliance with the Market Conduct Rules on behalf of a Market Operator.
Material Non-Compliance Event	has the meaning ascribed to it in Section 10.1.2 of the Trading Rules - General Terms
Maximum Price Limit	Technical upper price limit in the Price Range.
Member	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.
Minimum Price Limit	Technical lower price limit in the Price Range.
MTS	means a Market Operator's telephone and voice based system for registration of Orders.
MW (and MWh)	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.
Non-Compliance Event	has the meaning ascribed to it in Section 10.1.1 of the Trading Rules - General Terms
Non Pledged Account	means an account established by a Participant in a Deposit Bank approved by NPS, which shall be applied in connection with Cash Settlements towards NPS.
Nord Pool Spot or NPS	means Nord Pool Spot AS, a Norwegian company with reg. no 984 058 098 in the Norwegian Company Register.
NWE Price Coupling	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.

Obsolete

Offer	means an Order to sell.
On Demand Guarantee	means a guarantee in favour of NPS for a predetermined amount securing obligations of a Participant towards NPS.
Open Supplier	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
Open Balance	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.
Order	means a Bid or Offer for a Product or several Products that a Participant validly registers in ETS.
Order Price	means the price which the Buyer is willing to pay or the Seller is willing to sell in relation to an Order, as applicable.
Order Price Limit	means the maximum or minimum limit for the Order Price
Order Type	means the method by which an Order shall be executed, e.g. Fill or All or Nothing as applicable in relation to each Market.
Parent Undertaking	shall have the meaning assigned to it in Article 2(12) of REMIT
Participant	means a person or legal entity who has signed the Participant Agreement. Clients are not comprised by the notion. Client Representatives are comprised.
Participant Agreement	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.
Parties	means NPS or a Member.
Physical Market(s)	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.
Pledged Cash Account	means a pledged account established by a Participant in a Deposit Bank approved by NPS and which shall be applied in connection with cash Settlements and cash collateral deposits towards NPS.
Peak Load Reserves	power reserves that are offered by TSO's to the Elspot market under certain circumstances as set out by NPS
Price Area	means any two or more Bidding Areas that have the same Elspot Area Price in a specific hour.
Price Coupling	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.

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Price Range	means a price range for an Auction set by NPS in accordance with Section 2.3 of the Elspot Market Regulations.
Price Report	means a statement from NPS to Participants in accordance with Section 6.1 of the Elspot Market Regulations.
Price Step	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.
Product	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 Specifications.
Product Specifications	means the Trading Appendix 3.
Production Unit	means a facility for generation of electricity comprised of more than one Generation Unit
Regulatory Body	means any competent department, agency, state or other political subdivision having jurisdiction over the relevant entity in respect of the relevant matter.
Related Undertaking	shall have the meaning assigned to it in Article 2(13) of REMIT
REMIT	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
Reopening	When due to specific circumstances, Elspot is reopened for submission of orders after 12:00
Required Authorisations	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.
Roll Back Solution	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.
Seller	means the party agreeing to sell electrical energy under any individual Transaction.
SESAM Web	the internet based ETS which is offered and supported for Trading on the Elspot Market by NPS.
Settlement	means the process which by trades in the Markets are handled through cash transactions.
Settlement Bank	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.
Settlement Day(s)	means the Day(s) specified in the Product Specification when the relevant Cash Settlement shall take place for a Product Series.

Obsolete

Social Welfare	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.
Spread	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.
SWIFT	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 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.
Table of Contents	means the part of the Trading Rules which is specified as such and lists the general contents of the applicable rulebook.
Tick Size	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.
Trade Lot	means the minimum volume of each Product specified for the relevant Product Series. The volume of each Order placed in the Trading System must be divisible into whole Trade Lots.
Trader	means a natural person authorised to conduct Trading on behalf of a Participant in accordance with the applicable Trading Rules.
Trading	means the process of entering into a Transaction on a Physical Market by submitting Orders.
Trading Responsible	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.
Trading Currency	means one or several currencies approved by NPS in which a Participant or a Clearing Customer wishes to carry out Orders and Trading.
Trading Day(s)	means the calendar day(s) when a Market is open for Trading.
Trading Desk	means the personnel operating the ETS in the Elspot Market and Elbas Market
Trading Error	means any action or non-action resulting in an erroneous Transaction.
Trading fee	means the annual fee and the volume dependent fee charged for Trading in the Markets.
Trading Hours	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.

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Trading Party	means the holder of a Settlement Account in the name of whom the Transaction is entered into.
Trading Portfolio	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
Trading Price	means the delivery price that is agreed to in a Transaction.
Trading Rules	means the rules issued by NPS at any time to govern Trading on the Physical Markets, including the Trading Appendixes and the Trading Agreements.
Trading System	means the ETS as operated by a Market Operator from time to time.
Transaction	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.
Transaction Confirmation	means the confirmation of a Transaction from NPS through the Trading System.
Transaction Information	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.
Transaction Time	means the point in time where the Seller and the Buyer enter into a legally binding Transaction
Transaction Volume	means the volume of a single Transaction, expressed in the applicable volume unit of the Product (e.g. in MW).
Transmission System Operator or TSO	means an entity responsible for operating, ensuring the maintenance of and developing the transmission system.
TW (and TWh)	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.
Value Added Tax or VAT	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.
Violation Charge	means the fee that NPS may impose in the event of a breach of the Market Conduct Rules.
W or Watt	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.

Obsolete

Wh

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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