

# **APPENDIX TO THE AGREEMENT ON TRANSMISSION SERVICE ON FINGRID'S CROSS-BORDER CONNECTIONS BETWEEN RUSSIA AND FINLAND, NO. XXX/2012**

## **OPERATIONAL REGULATIONS FOR THE TRANSMISSION OF ELECTRICITY BETWEEN RUSSIA AND FINLAND**

The operational requirements relating to the trade of electricity from Russia to Finland have been presented in this appendix (Appendix)

### **1 GENERAL**

- 1.1 The trade takes place on the 400 kV alternating current connections between the Vyborg substation (Russia) and the Ylikkälä/Kymi substation (Finland). FGC is responsible for the transmission of electricity in Russia to the border between Russia and Finland and Fingrid is responsible for the transmission of electricity to the Finnish national grid from the border between Russia and Finland.
- 1.2 SO is represented by "SO UPS" Branch, United Dispatching Office of North-West (IDO North-West, further IDO) is the organisation implementing the deliveries of electricity for the seller of electricity operating in Russia.
- 1.3 The times are given in Central European time (CET).
- 1.4 The NPS commercial day is a period between hours 00:00 CET and 24:00 CET.

### **2 TRADE PLANNING, CONFIRMATIONS AND REPORTS FOR BILATERAL TRADE**

- 2.1 The Customer shall report the preliminary trade schedule for the following operating week to Fingrid no later than 08:30 on every Thursday. As a rule, Fingrid delivers the Customer's individual weekly trade schedule and the total weekly trade schedule to FGC no later than at 09:00 on every Thursday. In case the Customer intends to revise a daily trade schedule from what was stated in the weekly trade schedule, the Customer shall send their preliminary bilateral trade schedule for the following NPS commercial day to Fingrid latest at 06:30 CET of the previous day. Fingrid confirms the Customer's trade schedule for the following NPS commercial day to FGC latest at 07:00 CET.
- 2.2 If Fingrid has to limit the trade schedule for bilateral trade, Fingrid will as soon as practicable inform NPS, the Customer, FGC and SO of the limitation of trade schedule and about the reason for the limitation and its estimated duration. In case the commercial capacity is limited due to a reason other than a fault or service outage, Fingrid shall inform about the limitation to FGC two days before the NPS commercial day in question latest at 14:00 CET.

- 2.3 Fingrid shall send to the Customer the confirmed trade schedule for the following NPS commercial day latest at 10:30 CET. After this confirmation by Fingrid, the bilateral trade schedules are deemed to have been approved taking into account what has been stated under item 6 of this Appendix. Fingrid shall send to NPS the total trade schedule and Fingrid and NPS has right to publish unused commercial capacity.
- 2.4 The Customer has during the NPS commercial day an opportunity to correct the bilateral trade schedule of the NPS commercial day and the first three hours of the following NPS commercial day after having agreed on the corrections with the Seller of electricity and FGC and after having obtained permission for the corrections from Fingrid. The intended correction shall finally be agreed upon at least sixty (60) minutes before the beginning of the operating hour in question. Correction orders received after the specified time limit shall not be honoured. It is the responsibility of the Customer to receive confirmation from Fingrid that the correction order has been lodged in due time. Any trade schedule related notifications shall be sent without delay.

### **3 DAILY OPERATIONS, CONFIRMATIONS AND REPORTS FOR DIRECT TRADE**

- 3.1 By 09:30 CET Fingrid submits commercial transmission capacity for direct trade of each Customer to NPS and to the Customer for the following NPS commercial day.
- 3.2 By 10:30 CET NPS and Fingrid verify and publish the total commercial transmission capacity, transmission capacity for direct trade and the total confirmed bilateral trade schedule for the following NPS commercial day.
- 3.3 By 12:00 CET the Customer shall submit their bids to Nord Pool Spot Elspot market as a separate bid for direct trade. The Customers bid for direct trade shall not exceed the commercial transmission capacity of the Customer stated under item 5.1 of this Appendix.
- 3.4 By 14:00 CET NPS submits per the Customer hourly volumes to Fingrid and to the Customer for the following NPS commercial day. Fingrid and NPS has right to publish unused commercial capacity.
- 3.5 By 17:30 CET the Customer submits to Fingrid their volumes accepted on the Russian day ahead market.

### **4 INTRADAY TRADE AND REPORTS FOR DIRECT TRADE**

- 4.1 The Customer is entitled to adjust their positions in the NPS Elbas market.
- 4.2 NPS informs the Customer and Fingrid about the results of trade on Elbas market in the format of hourly volumes on 400 kV Russia - Finland transmission.

## **5 HANDLING OF HOURLY TRADE DIFFERENCE FOR DIRECT TRADE**

5.1 The confirmed direct trade of the Customer is the trades that NPS informs to the Customer and Fingrid about the results of trade on the Elspot and Elbas market in the format of hourly volumes on 400 kV Russia - Finland transmission stated under item 3.4 and 4.2 of this Appendix. The actual power flow caused by the Customer across the Power Transmission are the trade volumes accepted on the Russian day ahead market stated under item 3.5 and the Customer's accepted trades on the Russian Balancing market (BM) informed by SO to Fingrid in the format of hourly volumes on 400 kV Russia - Finland transmission. In case the confirmed direct trade of the Customer differs from the actual power flow caused by the Customer across the Power Transmission, the difference resulting thereof is written down to Fingrid's balance, but the ultimate and the sole responsibility of the difference remains with the Customer. Depend on the direction of the flow, the Customer or Fingrid shall compensate for the difference as follows:

- If the hourly difference is positive, i.e. there is an unconfirmed surplus power flow from Russia to Finland. This means that the Customer sells energy to Fingrid and Fingrid shall compensate the Customer for the surplus to confirmed energy times the Finnish down-regulating price multiplied by a factor of 0,5 for the specific hour. However, if the Finnish down-regulating price is negative for a specific hour, the Customer has to compensate Fingrid for the surplus to the confirmed energy of the specific hour with the hourly surplus to the confirmed energy times the absolute value of Finnish down-regulating price for the specific hour.
- If the hourly difference is negative, i.e. there is an unconfirmed deficit in power flow from Russia to Finland. This means that the Customer buys energy from Fingrid and the Customer shall compensate Fingrid for the deficit of the confirmed energy of the specific hour with the hourly deficit of the confirmed energy times the Finnish up-regulating price multiplied by a factor of 1,5 for the specific hour.

5.2 The compensation for the above difference will be invoiced from the Customer as stated in the agreement on transmission service under item 6, if it has been physically possible to transmit the difference for the specific hour across the border. The evaluation whether the transmission of the difference is possible is determined by Fingrid just after the closure of Elbas market for the specific hour. In this case the difference is written to Fingrid's balance and invoiced from the Customer. Further, the compensation procedure stated under item 5.1 of this Appendix has no influence on the balance settlement procedure.

## **6 LIMITATIONS IN COMMERCIAL TRANSMISSION CAPACITY OR TRADE SCHEDULES**

6.1 The trade across the Power transmission can be affected by faults in the power system, maintenance outages as well as transmission and generation situations in both Finland and Russia.

6.2 FGC and Fingrid shall agree on maintenance outages on the Power transmission with due regard on the needs of the Customers. The objective is to agree on the annual maintenance outages to be carried out during the following year two months before the change of the year. The Customer shall be informed sufficiently in advance and as soon as possible after the timing of outages has been established or other potential outages having an impact on the trades of electricity.

6.3 In the event of disturbance situations in the power system or other situations suddenly limiting the trades, Fingrid shall inform the Customer about limitations in the transmission service as well as of the end of such limitations.

6.4 Fingrid shall report the beginning of a unplanned limitation as soon as possible however within 60 minutes. Fingrid shall report the end of the limitation within 60 minutes. During an operating hour subject to a limitation, the hourly confirmed

bilateral trade schedules are limited pro rata. If the limitation of the bilateral trade is not sufficient to cover the full limitation, the trade schedules for direct trade will be limited.

- 6.5 Fingrid shall report the beginning and end of a limitation and its reason to the Nord Pool Spot, the Customer, FGC and SO. Trade schedules concerning the hours subject to the limitation shall be preliminary re-confirmed to the Customer. Fingrid cannot accept trade schedule corrections referred to in item 2.4 which add to the trades during the operating hour subject to the limitation.
- 6.6 As far as the operating hours subject to a limitation are concerned, the Customer shall himself take care of the action required by the deficiency in the trades from Russia in balance management.
- 6.7 If the commercial transmission capacity is to be limited and the limitation continues beyond the NPS commercial day and a confirmed trade schedule period, the commercial transmission capacities of bilateral trade are limited pro rata among the traders of the bilateral trade in order to cover the full limitation. If the limitation of the commercial transmission capacity for bilateral trade is not sufficient to cover the full limitation the commercial transmission capacity for direct trade will be limited.

## **7 MEASUREMENTS AND VERIFICATION OF TRADED VOLUMES**

- 7.1 In Finland, Fingrid takes care of the power balance between Finland and Russia concerning trades taking place through its cross-border connection. Fingrid is responsible for regulation power and balance power procedures during specific operating hours.
- 7.2 The deliveries of energy shall be divided to the Customers' balance in proportion to the hourly values of customer-specific trade schedules (pro rata mechanism). However, the trades are recorded afterwards in the Customer's power balance as volume stated in a trade schedule, if the separate contract between Fingrid and the Russian seller for automatic frequency control and for supporting the operation of Finnish power system is valid and the frequency control is not switched off taking into account what has been stated under items 3, 4 and 5 of this Appendix. Fingrid shall inform the Customer about these hours.
- 7.3 Fingrid confirms each Customer's hourly energy delivery to FGC, Finnish National Balance Settlement and to the Customer.
- 7.4 The preliminary results shall be submitted to the Customer within 2 working days after the delivery day.
- 7.5 The final results shall be submitted to the Customer and to FGC monthly within 5 working days after the delivery month however not later than on 7-th day.

## **8 FIRMNESS OF TRANSMISSION CAPACITY**

- 8.1 In case of faults, damage or other outages on the cross-border connection or on a national grid section directly connected to it (Ylikkälä/Kymi substation and grid lines starting from it with substations at the opposite ends of the lines), Fingrid does not ensure the Customer's trade opportunity.
- 8.2 In case of faults or damage occurring elsewhere in the national grid, also having an indirect impact on the trade opportunity from Russia, Fingrid is not committed to ensuring the Customer's transmission service.

## **9 VALIDITY AND AMENDMENTS**

- 9.1 This Appendix is an inseparable part of the agreement on transmission service and this Appendix is valid during the validity of the agreement on transmission service. Any amendments to this Appendix shall be made in writing through the mutual consent of each party, save the stipulations per Clause 11 of the agreement on transmission service.