

Appendix 2 to Balance Agreement

Valid from 01/02/2020

FEE COMPONENTS AND DETERMINATION OF FEES

The fee components described in this appendix are used in the national Imbalance Settlement and balance management.

Fingrid has assigned the operations related to the national Imbalance Settlement (including invoicing) to eSett Oy (hereinafter Imbalance Settlement Unit).

The following definitions are used in this document:

Consumption Balance refers to a balance consisting of the Balance Responsible Party's total Production Plan, fixed deliveries, measured deliveries (actual consumption) and Consumption imbalance adjustments.

Regulation Energy Transaction refers to an Imbalance adjustment between Fingrid and Reserve Provider which has been created by a regulation offer activated in the regulation-power market.

Imbalance Price refers to the price of imbalance in each direction during each Imbalance Settlement Period; the price can be positive, zero or negative. In this document, **Imbalance Energy Price**.

Sales Price of Imbalance Energy refers to the price of an imbalance sold by Fingrid to the Balance Responsible Party.

Purchase Price of Imbalance Energy refers to the price of an imbalance bought by Fingrid from the Balance Responsible Party.

Balance Responsible Party refers to a party in the electricity market with a valid Balance Agreement with Fingrid. In other words, the party's open supplier is Fingrid.

Energy Transactions refer to the Energy Transactions during the hour made by Fingrid for the purposes of balance management and, where appropriate, taking care of other system responsibilities.

Production Plan refers to the planned production before the delivery hour announced by the Balance Responsible Party for the delivery hour.

Production Balance refers to a balance consisting of the Balance Responsible Party's total Production Plan, realised production and Production imbalance adjustments.

1 FIXED FEE COMPONENTS

The Balance Responsible Party shall pay the valid fees described in this item on the basis of the Imbalance Settlement carried out by the Imbalance Settlement Unit.

Fee	Unit	Amount
Weekly fee	EUR/week	30 €/week
Consumption fee	EUR/MWh	0.22 €/MWh
Production fee	EUR/MWh	0.14 €/MWh
Consumption imbalance fee	EUR/MWh	0.5 €/MWh

2 PRICING PRINCIPLES

2.1 Weekly fee

The weekly fee is partly based on the need to cover the operational costs of Imbalance Settlement.

2.2 Pricing of imbalances

The pricing of imbalance volumes is based on the day-ahead FIN price and on an hourly price of regulation energy established on the basis of Regulation Energy Transactions.

If both up-regulation and down-regulation has been carried out during the hour, the hour shall be defined as an up-regulation hour or down-regulation hour depending on into which direction more energy has been regulated. If there has been no regulation or if there has been an equal amount of regulation in both directions, both the Sale and Purchase Price of Imbalance Energy shall be day-ahead FIN (value of avoided activation).

Fingrid shall pay Balance Responsible Party an energy fee for the imbalance received. This energy fee is calculated by multiplying the volume of energy during each delivery hour by the Purchase Price of Imbalance Energy in the balance valid at that time (EUR/MWh).

A Balance Responsible Party shall pay Fingrid an energy fee for the imbalance delivered by it. This energy fee is calculated by multiplying the volume of energy during each delivery hour by the Sales Price of Imbalance Energy in the balance valid at that time (EUR/MWh).

2.3 Fee for other Energy Transactions during the delivery hour

If there have been Energy Transactions specified in Appendix 1 between the Balance Responsible Party and Fingrid during a delivery hour, a compensation in accordance with Appendix 1 shall be paid for these volumes of energy agreed upon through a separate transaction.

2.4 Fee components and fees in Production Balance

A two-price system is applied to the imbalance in the Production Balance, i.e. separate prices are calculated for deficit and surplus. Imbalance in the Production Balance is not subject to a volume fee.

2.4.1 Sales Price of Imbalance Energy

The price of imbalance in the Production Balance sold by Fingrid to a Balance Responsible Party shall be the up-regulation price of the hour. If no up-regulation has been carried out or if the hour has been defined as a down-regulation hour, Elspot FIN shall be used as the sales price of imbalance in the Production Balance.

2.4.2 Purchase Price of Imbalance Energy

The price of imbalance in the Production Balance purchased by Fingrid from a Balance Responsible Party shall be the down-regulation price of the hour. If no down-regulation has been carried out or if the hour has been defined as an up-regulation hour, Elspot FIN shall be used as the purchase price of imbalance in the Production Balance.

2.4.3 Production fee

A production fee is calculated for a Balance Responsible Party's all realised production during the delivery hour in question.

2.5 Fee components and fees in Consumption Balance

2.5.1 Purchase and Sales Price of Imbalance Energy

A one-price system is applied to the imbalance in the Consumption Balance, i.e. the purchase and sales prices of imbalance are identical. The price of imbalance sold by Fingrid to a Balance Responsible Party and purchased by Fingrid from a Balance Responsible Party is the up-regulation price during an up-regulation hour and the down-regulation price during a down-regulation hour.

2.5.2 Consumption fee

A consumption fee is calculated for a Balance Responsible Party's all realised consumption during the delivery hour in question.

The fee component for realised consumption in the Consumption Balance is applied to cross-border transmission connections as follows:

- No separate fee is applied to the internal connections within the EU and EEA.
- A fee for realised production is calculated for imports which have taken place on the Russian cross-border connections, and a fee for realised consumption is calculated for exports which have taken place on these connections. For the Russian cross-border connections, Fingrid charges transmission service fees, including the fees for the realised production and consumption.
- Realised imports or exports do not influence a Balance Responsible Party's consumption fee.

2.5.3 Volume fee

A Balance Responsible Party shall pay Fingrid a volume fee for imbalance for each megawatt hour of imbalance sold by Fingrid to the Balance Responsible Party or bought by Fingrid from the Balance Responsible Party.

3 **VALUE-ADDED TAX AND OTHER TAXES AND CHARGES**

In addition to the fees specified in the Agreement, the parties to the Agreement shall pay value-added tax valid at any given time as well as other taxes and charges ordered by authorities, concerning the Agreement.

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