



Appendix 3 to the Hourly Market Agreement for Frequency Controlled Normal Operation Reserve and Frequency Controlled Disturbance Reserve

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Unofficial translation

Rules and fees for the hourly market of frequency controlled reserves

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1**GENERAL**

This appendix presents the bidding rules, compensation principles and terms of payment related to the hourly market of frequency controlled reserves. This is an appendix to the Hourly Market Agreement for Frequency Controlled Normal Operation Reserve and Frequency Controlled Disturbance Reserve, signed between Fingrid Oyj (Fingrid) and Reserve Holder.

2**RULES OF HOURLY MARKET**

Fingrid uses the hourly market whenever necessary for supplementary purchases once a day. There is a separate hourly market for the frequency controlled normal operation reserve and frequency controlled disturbance reserve.

If Reserve Holder has signed a yearly agreement on the supply of reserves, Reserve Holder can participate in the hourly market concerning the next day only if the volume specified in the yearly agreement has been supplied in full for the hour in question.

Fingrid has the right to introduce an hourly market conducted before the Elspot market by notifying of this at least two weeks in advance.

2.1**Bidding rules**

The maximum capacity of one bid for the frequency controlled normal operation reserve is 5 MW and for the frequency controlled disturbance reserve 10 MW.

The minimum capacity of one bid for the frequency controlled normal operation reserve is 0.1 MW and for the frequency controlled disturbance reserve 1 MW.

Reserve Holder can submit several bids. The bids shall be submitted at an accuracy of 0.1 MW. The bids cannot be linked to each other, and each bid is processed separately.

A bid must contain the following information:

- product (frequency controlled normal operation reserve or disturbance reserve)
 - frequency controlled normal operation reserve: regulation object (except for the shares of a shared power plant, general RO identifiers are used; these only contain balance provider information and balance information)
 - frequency controlled disturbance reserve: item information (production, consumption, consumption linear or other)
- capacity (MW)
- price on availability (€/MW,h)
- hour.

Moreover, the bids for aggregated frequency controlled normal operation reserves shall include an aggregation combination number (1-10) with which the aggregated partial bids are combined to each other.

Bids can be submitted for the hours in the next calendar day until 18.30 o'clock.

The hourly bids shall be submitted for the hours of a day in the CET time zone (Elspot day). The hourly bids shall be submitted to Fingrid electronically in accordance with Fingrid's guideline.

2.2

Processing of bids

For each hour, Fingrid places the bids in the price order, with the principle of giving priority to the cheapest bid. A necessary number of the bids are used in the price order, separately for the normal operation reserve and disturbance reserve. Bids with the same price are used in the order of receiving the bids. If necessary, a part of a bid can also be used. At least 1 MW is always used of a bid for the frequency controlled disturbance reserve. Fingrid confirms the transactions for the next calendar day by 22.00 o'clock.

2.3

Pricing of capacity

The compensation to be paid to Reserve Holder is determined separately for each hour on the basis of the most expensive bid ordered so that there are separate prices for the frequency controlled normal operation reserve and disturbance reserve.

3

FEES

3.1

Capacity fee

The capacity fee is determined in accordance with item 2.3 separately for the frequency controlled normal operation reserve and disturbance reserve.

3.1.1

Participation in the hourly market alone

Fingrid shall pay Reserve Holder compensation on the basis of the volumes verified by means of measurements; however, at the most for trading agreed within the hourly market.

If the reserve capacity verified by means of measurements is below trading carried out in the hourly market, Fingrid shall pay Reserve Holder compensation on the basis of the capacity verified by means of measurements. Reserve Holder shall pay Fingrid 100 per cent of the price in the hour in question in compensation for capacity not supplied.

3.1.2

Participation in both the yearly and hourly market

Fingrid shall pay Reserve Holder compensation on the basis of the volumes verified by means of measurements; however, at the most for the total volume agreed in the yearly agreement and within the hourly market.

Fingrid only pays compensation for participation in the hourly market if the volume specified in the yearly agreement has been supplied in full for the hour in question.

If the reserve capacity verified by means of measurements is below the reserve plan and the total volume of hourly trading, Fingrid shall pay Reserve Holder compensation on the basis of the verified capacity. Reserve Holder shall pay Fingrid 100 per cent of the price in the hour in question in compensation for capacity not supplied.

3.2**Energy fee**

Fingrid shall pay an energy fee to Reserve Holder's balance provider for the reserve electricity purchased by Fingrid. This energy fee is calculated in accordance with the Application Instruction by multiplying the calculatory energy in the production balance or consumption balance caused by the frequency controlled normal operation reserve during each hour by the up-regulating price for each hour.

Fingrid charges an energy fee from Reserve Holder's balance provider for the reserve electricity sold by Fingrid. This energy fee is calculated in accordance with the Application Instruction by multiplying the calculatory energy in the production balance or consumption balance caused by the frequency controlled normal operation reserve during each hour by the down-regulating price for each hour.

4**TERMS OF PAYMENT****4.1****Capacity fee**

Reserve Holder shall send Fingrid an invoice concerning the maintenance of reserves in the previous month on the 10th day of each month or on the following first weekday. The due date of an invoice shall be 14 days from the date of the invoice. The date of the invoice is the sending date of the invoice, which shall be indicated on the invoice.

4.2**Energy fee**

The energy fee is taken into account monthly in the balance settlement of Reserve Holder's balance provider, in conjunction with balancing power invoicing. Fingrid shall inform Reserve Holder of the amount of the energy fee.

4.3**Complaints**

When necessary, a contracting party shall make complaints regarding the invoice in writing. The other party shall inspect the invoice and send the necessary correction invoice without delay. The complaint does not exempt a party from the payment obligation by the due date unless otherwise agreed upon in each case.

4.4**Interest on arrears**

If a payment to be made by a contracting party is delayed, the party in question shall pay the annual penalty interest stated on the invoice from the due date to the date of receipt of the payment. The annual penalty interest is in accordance with the valid Interest Act.

4.5**Value-added tax**

In addition to the fees specified in this appendix, Fingrid shall pay Reserve Holder the value-added tax valid at any given time.

4.6**Reserve Holder's reimbursement obligation**

If verification in accordance with item 5 of the Hourly Market Agreement, other test in accordance with the Hourly Market Agreement, or follow-up by Fingrid indicates that the reserve maintained by Reserve Holder has been smaller than what has been agreed or if the regulation capability of the reserve capacity differs from the terms

and conditions of the Hourly Market Agreement or from the values stated in Appendix 1, Reserve Holder shall reimburse the fees paid by Fingrid in so far as they have been based on a reserve volume which is higher than in reality.

If Reserve Holder neglects to provide the account requested by Fingrid in accordance with item 5 of the Hourly Market Agreement by the deadline, Reserve Holder shall reimburse the fees based on the Hourly Market Agreement for the period of the account in terms of both the frequency controlled normal operation reserve and the frequency controlled disturbance reserve.