

RULES FOR THE MAINTENANCE OF OPERATIONAL READINESS AND OPERATION OF UNITS BELONGING TO THE PEAK LOAD RESERVE SYSTEM

UNOFFICIAL TRANSLATION

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1 Introduction

Fingrid or its subsidiary Finextra (hereinafter referred to as Fingrid) sets the following rules for the maintenance of operational readiness and operation of power plant units, storage facilities and demand-side response facilities (hereinafter referred to as Peak Load Reserve Units) belonging to the peak load reserve system.

These rules apply to power plant units and to holders of power plants and to shares in jointly owned power plants and the holders of such shares and to electricity storage facilities and facilities with demand-side management capabilities and their holders (hereinafter referred to as the Unit Holder).

Start-up refers to a situation in which Fingrid anticipates that the balance management resources will be exhausted in 12 hours and Fingrid asks the Unit Holder to place the Peak Load Reserve Unit in the state of readiness demanded by its operating requirements so that the unit is ready for dispatching.

Dispatching refers to a situation in which the balancing resources are exhausted and Fingrid submits a request for the Peak Load Reserve Unit to be dispatched to the power specified by Fingrid.

2 Maintenance of the operational readiness of a peak load reserve facility

2.1 General rules

The Peak Load Reserve Unit must fulfil the requirements of section 8 of the Finnish Peak Load Capacity Act, which was enacted to ensure a state of balance between electricity production and consumption.

The Peak Load Reserve Unit must be ready for start-up no more than 12 hours after the order is issued between 1 December and 28 February and within one month at all other times.

A Peak Load Reserve Unit may consist of either a single facility or several smaller facilities that are aggregated to form a single, larger entity. Aggregated facilities may be geographically dispersed, but they must be on the balance sheet of the same balance responsible party.

The Unit Holder shall ensure that valid electricity transmission agreements are in place for the Peak Load Reserve Unit.

2.2 Operating personnel

The Unit Holder shall ensure that it has an adequate number of sufficiently competent personnel at its disposal to discharge the obligations imposed by these rules.

2.3 Operating time

The Peak Load Reserve Unit shall have the capability to operate for at least 200 hours at the full power stated in the peak load capacity agreement between 1 December and 28 February. The Peak Load Reserve Unit must have the capability to operate for an uninterrupted period of six hours, and the downtime between two consecutive activations may be no more than three hours.

2.4 Emission permit and rights

Peak Load Reserve Unit within the scope of emission trading must have a valid emission permit.

The Unit Holder shall be liable for ensuring that the Peak Load Reserve Unit has the emission permits required by law to cover the power plant's realised uptime in accordance with the schedule for reporting annual emissions and surrendering emission rights.

2.5 Environmental permits

The environmental permits and requirements applying to the Peak Load Reserve Unit must not prevent the unit from starting up in accordance with the peak load reserve system during the term of the peak load capacity agreement.

2.6 Trial operation of the Peak Load Reserve Unit before the winter period

The Peak Load Reserve Unit must undergo a successful annual trial operation at a time expressly agreed with Fingrid no more than one month before the transition to the period of 12-hour operational readiness. The purpose of the trial operation is to ensure the technical functionality of the Peak Load Reserve Unit and the competence of the operating personnel.

The trial operation shall not affect the remuneration for maintaining operational readiness described in section 5.

During the trial operation of the Peak Load Reserve Unit, the unit must produce over 80% of the electrical power that the unit offers to the peak load capacity system for at least

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one hour. The length of the trial operation must not exceed 12 hours unless prior justification has been provided.

The Unit Holder shall be liable for the execution and costs of trial operation, as well as for notifications to the market.

2.7 Possibility of trial operation of the Peak Load Reserve Unit during the winter period

In order to ensure the 12-hour operational readiness of a Peak Load Reserve Unit, Fingrid shall have the option of conducting a trial operation of the Peak Load Reserve Unit once during the winter period. Fingrid shall notify the Unit Holder at least 12 hours before the trial operation.

During the trial operation, the Peak Load Reserve Unit must be operated at its minimum power, or a power output of at least one megawatt if this is greater, for at least one hour. The length of the trial operation must not exceed 12 hours unless prior justification has been provided.

If the trial operation fails or if it is established during trial operation that the Peak Load Reserve Unit does not have the 12-hour operational readiness required by the agreement, the Unit Holder must make arrangements to ensure the 12-hour operational readiness of the Peak Load Reserve Unit as required by the agreement without delay. Fingrid shall withhold the remuneration for maintenance referred to in section 5 for the period during which the Peak Load Reserve Unit is not available for use by the peak load reserve system in accordance with section 2 of the rules of use.

The Unit Holder shall be liable for the execution and costs of trial operation, as well as for notifications to the market. The proceeds from electricity sales received by the Unit Holder during the trial operation shall not affect the remuneration for maintaining operational readiness as described in section 5.

Trial operation carried out during the winter period shall be taken into consideration when calculating the 200 hours of availability referred to in section 2.3 of the rules of use.

3 Use of the Peak Load Reserve Unit for the needs of the power system

3.1 General rules

The Unit Holder shall be obliged to start up a Peak Load Reserve Unit within the scope of the agreement whenever Fingrid so requests for the needs of the peak load reserve system. Fingrid shall start up peak load reserves when it is likely that Fingrid will exhaust

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its balancing resources in order to balance supply and demand. Fingrid will initially request the start-up of the Peak Load Reserve Unit at minimum power if the Peak Load Reserve Unit's operating requirements demand it. If the state of the power system requires it and the balancing resources are exhausted during the operating hour, Fingrid will dispatch the peak load reserve.

Fingrid shall issue market notifications concerning the dispatch and start-up of a peak load reserve.

3.2 Starting and stopping a Peak Load Reserve Unit

The Unit Holder shall be obliged to start up a Peak Load Reserve Unit within the scope of the agreement whenever Fingrid so requests it within the start-up period in accordance with a bid submitted by the bidder to the Energy Authority.

In the winter period from 1 December to 28 February, the start-up time of a Peak Load Reserve Unit shall be no more than twelve (12) hours, calculated from the moment the start-up order is given until the moment when the unit is ready to respond to changes in its power output in accordance with Fingrid's instructions. During other periods, the start-up time shall be no more than one (1) month. In such cases, the Peak Load Reserve Unit must transit to a state of 12-hour start-up readiness within one month at Fingrid's request.

The Unit Holder shall be obliged to submit details of all the Peak Load Reserve Unit's available power during the winter period from 1 December to 28 February to Fingrid's digital reserve trading system with the Peak Load Reserve Unit's variable costs. The details must be submitted at least 12 hours before the hour of operation. At other times of the year, the Unit Holder shall be obliged to submit details for periods specifically requested by Fingrid 12 hours before the hour of operation.

Fingrid shall be entitled to monitor the details submitted by the Unit Holder and report them to the Energy Authority retrospectively if requested.

When Fingrid starts up the Peak Load Reserve Unit, the Unit Holder shall set the Peak Load Reserve Unit to its minimum power if the Peak Load Reserve Unit's operating requirements demand it, and a power transaction shall be made for this between Fingrid and the Unit Holder. When a Peak Load Reserve Unit has been started up, the Unit Holder shall be obliged to set the available Peak Load Reserve Unit to the power output specified by Fingrid upon Fingrid's request, taking into consideration the power adjustment rate in accordance with the bid submitted to the Energy Authority by the Unit Holder. The power adjustment rate must be at least 1 MW per minute. Fingrid shall make dispatch requests based on the prevailing state of the power system. Peak Load Reserve Units shall be dispatched when there are no more bids in the balancing power market.

If a Peak Load Reserve Unit fails after starting up, the Unit Holder must notify Fingrid of the failure immediately. In such a situation, the power transaction between the Unit Holder and Fingrid will be cancelled as of the beginning of the hour of operation after the following hour of operation.

If a Peak Load Reserve Unit fails during start-up, the Unit Holder must notify Fingrid immediately. In such a situation, the power transaction between the Unit Holder and Fingrid will be cancelled after the first hour of operation planned for the activation.

When the Peak Load Reserve Unit is no longer needed for the power system's purposes, Fingrid shall notify the Unit Holder at least one hour in advance of the end of the activation.

3.2.1 Variable costs

The Unit Holder shall notify Fingrid of the cost (hourly cost, EUR per MWh) of each Peak Load Reserve Unit by submitting the details to Fingrid's digital reserve trading system. When calculating the variable costs, factors such as the fuel costs and the value of the emission allowances required by production (EUR per MWh) shall be taken into consideration in accordance with the bid submitted by the Unit Holder to the Energy Authority.

Furthermore, the Unit Holder shall provide Fingrid with details of the costs of maintaining raised activation readiness at each Peak Load Reserve Unit (hourly cost expressed as EUR per hour) at least once per month. The cost of maintaining raised activation readiness must not exceed the variable costs. Fingrid shall remunerate the Unit Holder for the raised activation readiness in accordance with the variable costs at the most.

Fingrid shall decide whether to approve the statistics used as the basis for the fuel costs used in the Unit Holders' proposals and the means of determining the value of emission rights annually.

3.2.2 Fixed costs

The fixed start-up cost of a Peak Load Reserve Unit (EUR per start-up) shall be determined according to the bid submitted to the Energy Authority by the Unit Holder.

Furthermore, the Unit Holder shall provide Fingrid with details of the fixed costs of raising the start-up readiness of each Peak Load Reserve Unit (expressed as EUR per raising of start-up readiness). The fixed cost of the raised start-up readiness of a Peak Load Reserve Unit must not exceed the fixed start-up cost. Fingrid shall remunerate the Unit Holder for the raised start-up readiness in accordance with the fixed start-up cost at the most.

3.2.3 Pricing of power transactions

If a Peak Load Reserve Unit is started up, a power transaction is executed in Fingrid's digital reserve trading system at the variable costs submitted by the Unit Holder in accordance with section 3.2.1. The fixed start-up costs referred to in section 3.2.2 shall also be added to the price of the power transaction.

The Unit Holder shall prepare an invoice for the power transaction for Fingrid on the fourth day of the following month or on the first weekday thereafter. Fingrid shall pay the invoice within two months.

3.2.4 Using the peak load capacity reserve outside the winter period

If Fingrid decides to start up a Peak Load Reserve Unit outside the winter period, sections 3.2.1–3.2.4 shall apply. In such cases, Fingrid shall first collect a peak load reserve fee corresponding to the realised costs for the electricity consumption for the activation month in question and pay the Unit Holder in arrears two months after the activation month.

The operation of the peak load capacity outside the winter period shall not affect the remuneration for maintaining operational readiness referred to in section 5.

3.2.5 Raising the activation readiness of a peak load reserve

During the winter period, Fingrid may ask the Unit Holder to raise the start-up readiness of the Peak Load Reserve Unit. Fingrid and the Unit Holder shall make an agreement on the duration and details of the raised start-up readiness, taking into account the technical parameters of the Peak Load Reserve Unit.

The purpose of raising the start-up readiness is to ensure that the Peak Load Reserve Unit is available for managing the balance of the power system.

The start-up readiness shall be raised at least 12 hours before the anticipated need for start-up. The fixed cost that Fingrid shall pay the Unit Holder for raising the start-up readiness shall be determined in accordance with section 3.2.2, and the cost of maintaining start-up readiness shall be determined in accordance with section 3.2.1.

If Fingrid decides to start up a Peak Load Reserve Unit once its start-up readiness has been raised, the procedure described in section 3.2 shall apply. In such cases, Fingrid shall deduct the fixed cost of raising the start-up readiness from the fixed activation cost.

4 Imbalance settlement

The Unit Holder and the Peak Load Reserve Unit's own open supplier shall be responsible for imbalances caused by the difference between the power transaction by Fingrid and the Unit Holder and the realised change in the Peak Load Reserve Unit's power output. Fingrid shall report the energy volumes in power transactions to national imbalance settlement. The imbalance price between Fingrid and the balance responsible parties is determined in accordance with the terms and conditions of Fingrid's Balance Agreement.

5 Remuneration for maintaining operational readiness

The remuneration payable for maintaining the operational readiness of peak load reserves is determined in accordance with the Energy Authority's decisions to procure peak load reserves.

Remuneration for maintaining operational readiness shall only be paid for the winter period (from 1 December to 28 February).

The remuneration for maintaining operational readiness shall be paid to the Unit Holder monthly in arrears. The Unit Holder shall send an invoice for the maintenance of operational readiness to Fingrid on the fourth day of the following month or on the first weekday thereafter. Fingrid shall pay the remuneration for maintenance within two months of the date when the invoice was sent.

No remuneration shall be paid for maintaining operational readiness under the circumstances stated in section 12a of the Peak Load Capacity Act.

6 Lack of availability of the peak load reserve facility

6.1 Notifications

The Unit Holder shall be obliged to notify Fingrid and the Energy Authority without delay if an operation disturbance in a Peak Load Reserve Unit may limit the operation of the Peak Load Reserve Unit or prevent it entirely (such a situation is hereinafter referred to as Lack of Availability). In addition, the Unit Holder shall be obliged to notify the market as required by legislation.

6.2 Fees

Fingrid shall temporarily withhold the remuneration for maintenance referred to in section 5 for the period during which the Peak Load Reserve Unit is not available for use by the peak load reserve system in accordance with section 2 of the rules of use. During the winter period, a period of Lack of Availability lasting at least one hour within a 24-hour period shall cause the remuneration for maintenance to be withheld for the entire 24-hour period. The daily rate of remuneration for maintenance shall be calculated by dividing the remuneration for maintenance for the entire contractual period by the number of days in the contractual period.

Fingrid shall notify the Energy Authority of all withheld payments and the grounds for withholding payments on the basis of section 16 of the Peak Load Capacity Act for the Energy Authority's assessment. In accordance with the final judgement of the Energy Authority, Fingrid shall either refund the withheld payments (in whole or in part) or take them into account when recovering remuneration in accordance with the Energy Authority's judgement.

7 Information exchange and reporting

The Unit Holder shall arrange real-time metering from the Peak Load Reserve Unit to Fingrid in such a way that the power output of the Peak Load Reserve Unit and the change in the power output can be verified in real time.

The Unit Holder shall report the following to Fingrid and the Energy Authority:

- the planned timing of trial operation and the trial operation report, including the matters stated in section 2.6
- all events preventing operational readiness must be announced immediately, and reports on disturbances must be sent within 2 working days following a Lack of Availability lasting over one hour
- monthly reports detailing all the disturbances that occurred during the month concerned and the measures taken to address them
- separate monthly reports for all the periods during which the Peak Load Reserve Unit was activated
- monthly reports on the remuneration payable for maintaining operational readiness

Fingrid shall be entitled to publish the realised change in the power output of a Peak Load Reserve Unit, as well as the realised trading volumes.

8 Amendments and revisions of the rules of use

If these rules and terms must be changed due to legislative amendments or other measures by the authorities, the Energy Authority shall approve the changes before they take effect.

9 Dissolution of the peak load capacity agreement and refund and recovery of remuneration for maintenance

The dissolution of the peak load capacity agreement and the refund and recovery of remuneration for maintenance shall take place as stipulated in sections 16 and 17 of the Peak Load Capacity Act.

If the Unit Holder intentionally violates its obligations under the peak load reserve system, the Energy Authority may order the peak load capacity agreement to be dissolved and may require the Unit Holder to refund the remuneration that Fingrid has paid to the Unit Holder by virtue of the agreement if the peak load capacity agreement has been dissolved as stipulated in section 16 of the Peak Load Capacity Act or if the Unit Holder has otherwise breached the peak load capacity agreement.