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RULES FOR THE MAINTAINING OF READINESS FOR USE OF FACILITIES CAPABLE OF DEMAND RESPONSE OF ELECTRICITY COVERED BY THE PEAK LOAD CAPACITY SYSTEM, FOR THE USE OF SUCH FACILITIES, AND FOR MAKING THE ELECTRICITY CONSUMPTION AVAILABLE TO THE MARKET

Fingrid or its subsidiary Finextra (hereinafter Fingrid) sets the following rules for maintaining the availability of facilities included in the peak load capacity system and capable of demand-side flexibility (hereinafter Consumption included in Peak Load Capacity), for the use of such facilities, and for making Consumption included in Peak Load Capacity available to the market.

These rules apply to the Consumption included in Peak Load Capacity and to the party in possession of it (hereinafter Load Holder).

1 MAINTAINING OF READINESS FOR USE OF CONSUMPTION FOR PEAK LOAD CAPACITY

1.1 General rules

Consumption included in Peak Load Capacity must fulfil the requirements of Section 9 of the Finnish Peak Load Capacity Act (117/2011).

The Load Holder shall maintain the technical functioning of the Consumption included in Peak Load Capacity in the winter period of 1 December to 28 February and agrees to make a bid on the Consumption included in Peak Load Capacity on the balancing power market in accordance with section 2 at least 12 hours before the operating hour so that the Consumption included in Peak Load Capacity can be activated on the balancing power market during the operating hour.

The Load Holder shall arrange its operations so that it is entitled to participate in the balancing power market in accordance with the valid rules of the balancing power market.

The Consumption included in Peak Load Capacity must be connected to the Finnish power system, and its volume must be at least 10 MW, consisting of either a single consumption facility or several smaller consumption facilities aggregated into a single larger facility. The aggregated consumption facilities can be geographically dispersed. The Consumption included in Peak Load Capacity must be capable of activate within 10 minutes of receiving an order to activate.

1.2 Operating personnel

The Load Holder shall ensure that it has sufficient personnel in terms of quantity and expertise to carry out the obligations laid down in these rules.

1.3 Operating time

The Consumption included in Peak Load Capacity must be capable of an activation of at least 200 hours in the winter period of 1 December to 28 February. The Consumption

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included in Peak Load Capacity must be capable of uninterrupted activation of at least two hours, after which it must be possible to re-activate the Consumption included in Peak Load Capacity after an idle period of a maximum of six hours (hereinafter Idle Period).

1.4 Trial operation

The Consumption included in Peak Load Capacity must undergo a successful trial operation annually at a period of time agreed upon separately with Fingrid no more than 1 month before the beginning of the winter period of 1 December to 28 February. The trial operation is intended to ensure the technical functioning and verifiability of the Consumption included in Peak Load Capacity, as well as the expertise of the operating personnel. The minimum length of the trial operation is one hour.

The Load Holder shall be responsible for the execution and costs of the trial operation.

2 **USE OF CONSUMPTION INCLUDED IN PEAK LOAD CAPACITY FOR THE NEEDS OF THE POWER SYSTEM IN THE BALANCING POWER MARKET**

2.1 General rules

The Load Holder must comply with the valid rules of the balancing power market.

The Load Holder is responsible for offering the Consumption included in Peak Load Capacity on the balancing power market. The Consumption included in Peak Load Capacity is activated on the balancing power market always at Fingrid's request.

Fingrid has the right to monitor the Load Holder's bids on the balancing power market and to report these afterwards to the Energy Authority upon request.

2.2 Peak load capacity on the balancing power market

The Load Holder shall submit an up-regulating bid on the entire Consumption included in Peak Load Capacity on the balancing power market in the winter period of 1 December to 28 February. The bids shall be submitted on the balancing power market for each hour at the price of €3,000/MWh or, if the price (€/MWh) reported for the Energy Authority's competitive bidding (hereinafter Load Price) exceeds €3,000/MWh, at the Load Price.

The Load Holder places peak load capacity bids on the balancing power market under the name of a separate balancing power market party and designates the balancing power bids as peak load capacity bids.

The Load Holder is obligated to activate the Consumption included in Peak Load Capacity covered by the agreement whenever Fingrid requests this either for the needs of the peak load capacity system or for other needs relating to the management of system responsibility.

Fingrid activates the necessary volume of balancing power bids designated as peak load capacity bids in the order selected by Fingrid, taking into account the price and volume of the bids. The activation of peak load capacity bids on the balancing power market takes

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place after all voluntary balancing power bids have been activated. After activation, the Load Holder is obligated to update the balancing power bids, taking into account the Idle Period.

All balancing power bids, including the peak load capacity bids, are taken into account when setting the price of balancing power.

Fingrid pays the Load Holder the Load Price on activated bids.

3 HANDLING OF CONSUMPTION INCLUDED IN PEAK LOAD CAPACITY IN IMBALANCE SETTLEMENT

The Load Holder is responsible for the imbalance settlement of the Consumption included in Peak Load Capacity.

4 MAINTENANCE COMPENSATION FOR READINESS FOR USE

Compensation for maintaining the availability of peak load capacity is determined on the basis of the peak load capacity agreement signed between the Load Holder and Fingrid, and on the basis of a procurement decision on peak load capacity made by the Energy Authority.

Compensation for maintaining availability is paid to the Load Holder monthly in arrears. The Producer shall send an invoice concerning the maintenance of availability on the 4th day of the subsequent month or on the first weekday after the 4th day of the month. Fingrid shall pay the compensation for maintaining availability within two months of the date when the invoice was sent.

5 UNAVAILABILITY OF CONSUMPTION INCLUDED IN PEAK LOAD CAPACITY

5.1 Reports

The Load Holder shall immediately inform Fingrid of malfunctions in the Consumption included in Peak Load Capacity, where the malfunctions may limit the use of the Consumption included in Peak Load Capacity or prevent it completely (hereinafter Unavailability). The Load Holder's obligation specified in section 2.2 to make a balancing power bid is not valid during a period of Unavailability in the Consumption included in Peak Load Capacity.

5.2 Fees

Fingrid shall withhold for the time being the maintenance compensation referred to in section 4 for the period of time when the Consumption included in Peak Load Capacity is not available to the peak load capacity system as specified in section 1 of the Rules of Use. During the winter period, maintenance compensation will be withheld for unavailability lasting a minimum of one hour in a day for the entire day in question. The amount of daily maintenance compensation shall be calculated by dividing the maintenance compensation for the entire agreement period by the number of days in the agreement period.

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Fingrid will report all the payments that are withheld as well as the reasons for withholding them to the Energy Authority for assessment on the basis of section 16 of the Peak Load Capacity Act. In accordance with the final judgement of the Energy Authority, Fingrid shall either refund the withheld payments (in part or in full) or take them into account in the recovery of compensation per the Energy Authority's judgement.

6 INFORMATION EXCHANGE AND REPORTING

The Consumption included in Peak Load Capacity covered by the agreement shall be subject to real-time measurement by Fingrid, or a change in the power rating must otherwise be verifiable in real time.

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

- The planned timing of trial operation and a report on the trial operation, covering the matters stated in section 1.4.
- Events preventing availability shall be reported immediately.
- Disturbances that have occurred shall be reported within 2 working days of the disturbance.
- Separate monthly reports shall be submitted for all periods when the Consumption included in Peak Load Capacity has been activated in the balancing power market.
- The amount of compensation to be paid for maintaining availability.

Fingrid has the right to publish the realised power rating changes in the Consumption included in Peak Load Capacity covered by the agreement, as well as the actual sales volumes activated on the balancing power markets.

7 AMENDMENTS AND REVISIONS TO 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 enter into effect.

8 DISSOLUTION OF PEAK LOAD CAPACITY AGREEMENT, AND REFUNDING AND RECOVERY OF MAINTENANCE COMPENSATION

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

If the Load Holder intentionally violates the public service obligation, the Energy Authority may order the peak load capacity agreement to be dissolved and may require the Load Holder to refund the compensation that Fingrid has paid to the Load Holder by virtue of the agreement, if the peak load capacity agreement has been dissolved as stipulated in

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Section 16, Subsection 1 of the Peak Load Capacity Act or if the Load Holder has otherwise violated the peak load capacity agreement.