

ELBAS REGULATIONS

1. GENERAL MATTERS

1.1 Introduction

1.1.1 These Elbas Regulations is a part of the Rulebook, containing detailed provisions on Listing and Trading in Elbas.

1.2 The Product Group

1.2.1 A Product Group may be elected among Traders and representatives of NPF and NPS to handle issues relating to the development of Elbas and advise NPF and NPS in the issues being handled, and to develop the Rulebook.

1.2.2 NPF shall prepare the matters to be handled by the Product Group and convene meetings as well as be responsible for informing the Participants of important matters handled by the Product Group.

1.3 Trading Hours

1.3.1 Trading Hours are specified by NPF with respect to each Trading System.

1.4 Availability

1.4.1 A Trader having submitted a Bid shall be available at all times for the duration of the Bid.

1.4.2 If a Participant has concluded a Transaction, the Trader or an identified substitute shall be available on the same Trading Day for half (1/2) an hour after the Transaction is completed.

1.5 Market information

1.5.1 NPF shall continuously submit market information to the Participants.

1.5.2 The market information shall include information on prices and volumes of Bids and Transactions, the ranking of Bids, the time at which a Transaction was concluded and any cancellations or amendments of Transactions.

1.5.3 Market information is submitted through ETS, or by MTS upon request.

1.5.4 NPF shall not disclose the identity of the Party to a Bid or Transaction.

1.5.5 The Participant may not give any other persons or parties access to the market information without permission of NPF.

1.6 Traders and user codes

- 1.6.1 A Participant shall appoint at minimum one Trader to be responsible for the Trading and Clearing activities of that Participant.
- 1.6.2 The Trader(s) shall be approved by NPF following a procedure specified by NPF.
- 1.6.3 NPF will give each Trader access to the electronic trading system.
- 1.6.4 NPF shall as soon as possible withdraw the user rights when receiving written notification from the Participant that the Trader is to be replaced by another Trader. The Participant is responsible for the actions of the Trader until such notification is received.

2. GENERAL RULES ON BIDS

2.1 Bids may only be of the types "Fill" or "All or None".

- 2.1.1 With respect to a Fill Bid, matching may be effected either for the full volume or a part of the volume. Any remaining volume shall remain valid with the ranking of the original Bid.
- 2.1.2 With respect to an All or None Bid, matching may only be effected for the full volume.

2.2 A Combination Bid relates to several Instrument Series. The price of the Bid may be determined for each individual Bid or for the Combination Bid.

- 2.2.1 A Block Bid is a Combination Bid containing several consecutive individual hour series.
- 2.2.2 A Block Bid is of the type "All or None" where matching may only be effected for all individual hour Series of the Block Bid.

2.3 A Bid shall specify:

- 2.3.1 The Instrument Series (including combinations)
- 2.3.2 The Trading Price;
- 2.3.3 The Number of Instruments;
- 2.3.4 Other possible conditions attached to the Bid such as expiry.

- 2.4** A Bid is binding and effective once registered in ETS. A Bid placed with MTS is binding and effective once MPS has confirmed receipt thereof.
- 2.5** A Bid shall only be valid until it is cancelled or amended as specified in Chapter 4 or 5, or it is expired as specified in the Bid.
- 2.6** Bids are ranked as follows:
- 2.6.1 The Bid with the better price is first ranked.
- 2.6.2 Bids at the same price are ranked based on which Bid were first registered in any of the Trading Systems.
- 2.6.3 Block Bids that can not be matched may be bye-passed by lesser ranked bids that can be matched.

3. PRODUCT SPECIFICATIONS

3.1 Trade lot

- 3.1.1 The Instrument Series at Elbas concerns Transactions for the sale and purchase of electricity at the net Trading Price, where the trade lot is 1 MWh of electricity.
- 3.1.2 The Open Balance in the Instrument Series shall be delivered in the main grid in the Elbas Area where the Account Holder is registered, under the rules for Balance Settlements of the System Operator in the particular area.

3.2 Listing schedule

- 3.2.1 The Elbas Market provides continuous electricity trading 24 hours a day covering individual delivery hours up to one hour prior to delivery.
- 3.2.2 Series of delivery hours the following day are listed and opened for Trading the day after the Elspot System Price has been set, normally at 02 p.m. CET and for Germany at 08. a.m. The Instruments open for Trading will then be maximum the following 38 delivery hours in Series of 1 hour as further specified by NPF.
- 3.2.3 Series of delivery hours are listed as following:
Example: PH03 010513 where
- | | | |
|----|---|---|
| P | = | Elbas instrument; |
| H | = | Hour; |
| 03 | = | delivery hour 03 i.e. delivery 02-03 CET; |
| 01 | = | 2001; |
| 05 | = | May; |
| 13 | = | day. |

3.3 Final trading time

3.3.1 Trading in a Series is closed one hour before the beginning of the delivery hour or as further specified by NPF.

3.4 Quoting

3.4.1 The Trading Price is given as a quote describing the price per MWh. For example a quote of 22.60 means that the Trading Price is EUR 22.60 per MWh.

3.4.2 The order volume denotes the maximum volume to be bought or sold in MWh.

3.5 Tick size

3.5.1 The Tick Size is 0.10 (representing Euro)

4. THE ELECTRONIC TRADING SYSTEM (ETS)

4.1 Registration of Bids

4.1.1 Participants may register Bids in ETS, where Bids are ranked.

4.1.2 NPF may instruct Participants to remove Bids that NPF deems to be contrary to market prices or good market practice. If the Participant does not remove the Bid within five (5) minutes, NPF may remove the Bid. When assessing the market price, NPF shall take into account the price level of transactions concluded on other relevant markets, the size of the Transaction and the factors in Clause 4.3.3. NPF shall charge a fee of EUR 200 for each Bid removed.

4.2 Matching

4.2.1 Transactions are matched automatically when concurring Bids are registered.

4.2.2 Amendments and cancellations of a Bid become effective when registered in ETS provided the Bid has not been matched by then.

4.2.3 Matched Transactions are automatically registered in ETS.

4.3 Trading Errors

4.3.1 Participants must, in respect of Trading Errors, object to NPF as soon as possible and at latest five (5) minutes prior to the end of Trading Hours for the Instrument first coming into delivery.

4.3.2 NPF may cancel a Transaction if one or both of the Participants acted contrary to trading restrictions under applicable law, or there are severe technical problems considering relevant transmission capacity, or the Transaction price is outside the Market Spread as defined below and cancellation is provided for below in Clause 4.3.4 following.

- 4.3.3 The Market Spread shall be determined by NPF based on the Bid levels prevailing at and before the conclusion of a Transaction, volatility, the largest spread (difference between a purchase and a sales price) allowed for Market Makers as well as the price in Transactions concluded prior to the Transaction. NPF may also request the Market Makers or others for quotes. An average price shall be calculated from bid quotes complying with the spread obligations. The Market Spread is the average price $\pm 30\%$.
- 4.3.4 If a Transaction was concluded outside the Market Spread, the Transaction shall be cancelled, unless the other party to the Transaction is a Market Maker objecting thereto and he acted in compliance with his Market Maker Agreement for the relevant Series.
- 4.3.5 A Market Maker may not object to any Transaction concluded outside the Market Spread if not meeting his obligation under the Market Maker Agreement for the relevant Series.
- 4.3.6 Cancellation at the initiative of NPF shall take place within fifteen (15) minutes from the conclusion of the Transaction. Cancellation at the request of a Participant shall take place within Trading Hours for the Instrument in the Transaction first coming into delivery. Cancellation shall be notified to the Participants involved within these time limits.
- 4.3.7 NPF may charge cancellation fees. The fee for a Transaction cancelled at the initiative of a Party, which shall be collected from the Party requesting the cancellation, shall be EUR 200/Transaction. The fee for a Transaction cancelled at the initiative of NPF shall be EUR 100/Party to the Transaction.

5. THE TELEPHONE TRADING SYSTEM (MTS)

5.1 Placing of Bids

- 5.1.1 Participants may place telephone Bids with employees of NPF operating the MPS, where after MTS will seek to negotiating a Transaction on behalf of the Participant, as provided for below.
- 5.1.2 Amendments and cancellations of a Bid become effective when MTS has confirmed receipt thereof also provided the Bid has not been matched by then.
- 5.1.3 The right to negotiate is granted to the Bid with the highest rank in MTS. The right to negotiate shall be retained even if the Party loses his rank during the negotiations. No negotiations are carried out with regard to lots with total underlying energy less than 50 MWh.
- 5.1.4 MTS will present the Bid to the Participant with the highest ranked opposite Bid in ETS. If acceptance is not received, MTS may present the negotiation bid to any Participants for their acceptance.
- 5.1.5 MTS shall have no legal obligations with respect to following up Bids not accepted by the best ranked Participants but will follow up the Bid to the extent practical and possible. MTS will not follow up Combination Bids that are not immediately matched.

5.2 NPF may also restrict the Bid negotiations if so required by the market situation.

5.3 NPF may tape all telephone calls with MTS. The tapes are stored for at least one (1) week. A Participant shall have the right to listen to the tapes of his own calls.

5.4 Matching

5.4.1 Matching is effected by MTS immediately when a Bid so presented has been accepted by the other Party, without further approval from the Participant placing the Bid.

5.4.2 Following matching, MTS shall immediately confirm the Transaction by telephone to the Participants involved, and register the Transaction in ETS.

5.5 Trading Errors

5.5.1 NPF shall rectify all errors discovered before a Transaction is confirmed by telephone. Participants must object to MTS immediately after noticing an error concerning a confirmed Transaction, and at latest five (5) minutes prior to the end of Trading Hours for the Instrument first coming into delivery.

5.5.2 NPF may within ten (10) minutes of a telephone confirmation rectify errors made by MTS at NPF's own initiative. NPF, at the request of a Participant, may rectify errors within Trading Hours for the Instrument in the Transaction first coming into delivery.

5.5.3 If Bids were not matched but MTS erroneously confirmed a Transaction, the Participant invoking the error must object to NPF within ten (10) minutes from the confirmation.

6. SUSPENSION OF TRADING

6.1 NPF may suspend Trading in any or both Trading Systems if NPF deems this necessary, including if there are technical errors in ETS or disturbances in the electricity systems.

6.2 NPF shall to the extent possible inform Participants of suspensions.

6.3 All Bids in ETS and MTS will automatically be removed before the relevant Trading System is reopened.

6.4 Trading may, in the event that the trading in ETS is suspended, be transferred to MTS. Bids placed in ETS must be replaced in MTS as the Bids will not be automatically transferred to MTS. The provisions in Clause 5 shall apply to such Trading.

7. ELECTRICITY-SHORTAGE SITUATIONS

7.1 National disturbance situations in the electricity system

7.1.1 NPF may in a national electricity shortage situation as defined by the relevant TSO's, suspend Trading and/or cancel one or several Bids or Transactions.

7.1.2 NPF shall immediately after the receipt of information of the disturbance by the TSO notify the Participants and NPS of the estimated duration, by electronic notice in ETS or by telephone.

7.2 Disturbance situations involving a single party

7.2.1 Disturbance situations in the electricity system involving single parties shall not have an effect on fixed electricity delivery obligations or Transactions concluded on NPF. The Party shall, despite a disturbance situation, fulfil its obligations towards NPF and NPS. The consequences of a disturbance situation shall remain to be cleared between the Party and possibly the originator of the disturbance as well as the Open Supplier of the Party.

7.2.2 Trading on NPF shall be kept open even if there are disturbance factors in the electricity system affecting the transfer, consumption or production of electricity by a single party.