NODES MARKET RULEBOOK

SPECIFIC MARKET REGULATIONS

LongFlex Trading – Effekthandel Väst Pilot

1   INTRODUCTION

1.1   Sections 3.2.2 and 3.3.13 of Schedule 5 – Effekthandel Väst set out that the Rules for processing of LongFlex Orders, the formation of LongFlex Contracts and how Delivery affects the Reservation Price for LongFlex Contracts will be published on NODES website and communicated to Members. To that end, this document sets out the specific rules that apply to LongFlex contracts entered into Effekthandel Väst Pilot. Further provisions on LongFlex Trading are set out by Section 4 of the Trading and Settlement, Schedule 2.

2   LONGFLEX TRADING

2.1   LongFlex Trading

2.1.1   LongFlex Contracts are entered into through the relevant functionality on the Platform and according to the following process:

(a)   The Buyer initiates the LongFlex Contract allocation process by publishing a LongFlex Bid using the relevant Platform functionality. The LongFlex Bid shall specify the applicable LongFlex Order parameters listed in the Product Specifications, Schedule 3. The Buyer shall specify a maximum Reservation Price and a maximum Activation Price.

(b)   Sellers may respond to the LongFlex Bid by submitting a LongFlex Offer using the relevant Platform functionality. Sellers may choose to offer a lower Order Capacity than the Order Capacity specified by the Buyer in the Bid. Sellers may choose to specify a lower Reservation Price than the Reservation Price specified by the Buyer and/or a lower Activation Price than the Activation Price specified by the Buyer.

(c)   Where the Buyer has published more than one LongFlex Bid and the LongFlex Bids specify the same From date and To date, Sellers can respond only to one of those LongFlex Bids.

(d)   The Buyer will rank LongFlex Bids based on the total price over the contract ("**Total LongFlex Contract Price**"), where:

Total LongFlex Contract Price = (Reservation Price offered by the Seller * Number of hours covered by the Contract) + (Activation Price offered by the Seller * Number of activated hours for price comparison)

The Number of activated hours for price comparison is a number that is used to rank LongFlex Offers. LongFlex Contracts that are allocated to Sellers may be activated for a higher or lower number of hours.

(e)   The Buyer will select Offers starting with the lowest priced Offer until the Order Capacity specified in the LongFlex Bid has been filled. The Buyer may elect to fill its Order Capacity partially or to not select any Offer.

(f)   The Buyer will announce the start of the allocation process, the deadline for Sellers to submit LongFlex Offers and the Number of activated hours for price comparison by publishing a market message on the Platform.

(g)   The allocation process may be varied by NODES in consultation with the Buyer, in which case Sellers shall be notified.

2.1.2   Using either of the methodologies set out in section 4.3.1 (a) and (b) of the Trading and Settlement, Schedule 2, Sellers must ensure that ShortFlex Offers are available for all Delivery Periods that are covered by the LongFlex Contract.

2.2   Delivery

2.2.1   In respect of the Reservation Price:

(a)   NODES will, for LongFlex Contracts with a Contract Period that is equal to or shorter than 31 calendar days, calculate an average delivery percentage across the ShortFlex Orders and ShortFlex Contracts that arise out of each LongFlex Contract during the Contract Period ("Average Delivery Percentage").

(b)   NODES will, for LongFlex Contracts with a Contract Period that is longer than 31 days, calculate an Average Delivery Percentage across the ShortFlex Orders and ShortFlex Contracts that arise out of each LongFlex Contract for each calendar month.

(c)   The Average Delivery Percentage will be calculated as follows:

For each ShortFlex Contract that arises from the LongFlex Contract:

$$\text{Delivery \%}_A = \text{Delivery/Contract Load}$$

For each ShortFlex Order that arises from the LongFlex Contract and that remains unmatched at Gate Closure:

$$\text{Delivery \%}_B = 100\%$$

For any Delivery Periods covered by the LongFlex Contract where the Seller did not make a ShortFlex Order available:

$$\text{Delivery \%}_C = 0 \text{ (zero)}$$

Average Delivery Percentage = Sum of all Delivery $\%_A$, Delivery $\%_B$, Delivery $\%_C$, divided by the number of Delivery Periods covered by the LongFlex Contract during the relevant calendar month or Contract Period as applicable.

Where the Average Monthly Delivery % is 80% or more, the Seller will receive 100% of the Reservation Price. Where the Average Monthly Delivery % is less than 80%,

the Reservation Price will be reduced by 2.5% for every 1% that Average Monthly Delivery % falls below 80%.[1]

2.3 Payments

2.3.1   For LongFlex Contracts with a Contract Period that is equal to or shorter than 31 calendar days NODES will issue invoices to the Buyer for the Reservation Price within seventeen (17) Settlement Days from the end of the calendar month during which the Contract Period ended, subject to NODES receiving meter data.

2.3.2   For LongFlex Contracts with a Contract Period that is longer than 31 days NODES will issue invoices to the Buyer for the Reservation Price within seventeen (17) Settlement Days from the end of each calendar month covered by the Contract Period, subject to NODES receiving meter data.

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[1] For clarity, this means the Reservation Price reduces linearly down to 0 (zero) where the Average Monthly Delivery % is 40% or below.