

Day-ahead Market Regulations

Nord Pool AS

Nordic/Baltic Market and CE Market

DAY-AHEAD MARKET REGULATIONS – NORDIC/BALTIC MARKET AND CE MARKET

1. INTRODUCTION

- 1.1 These Day-ahead Market Regulations contain detailed provisions on Orders and the calculation of Prices in the SDAC Auction and are part of the Rulebook.
- 1.2 The SDAC Auction provides the possibility of Trading based on all Orders submitted to the relevant Auction by the Participants and received prior to the relevant Gate Closure.
- 1.3 Following Gate Closure, all volume and Orders received are stacked and a market equilibrium is calculated. Based on the price and volume market equilibrium, each Participant's rights and obligations regarding the sale and purchase of electricity for the relevant Delivery Periods are determined as further set out herein.
- 1.4 All Transactions resulting from Orders matched in the Trading Platform shall be automatically registered for Clearing.

2. HANDLING OF ORDERS

2.1 Order Form

- 2.1.1 Orders in the Day-ahead Market for Products to be delivered in the Nordic/Baltic Market and/or the CE Market shall be submitted using such standard order forms as Nord Pool may specify from time to time and be transmitted to Nord Pool through such communication methods as Nord Pool may specify from time to time.
- 2.1.2 Participants normally using other electronic communication than Nord Pool trading system User Interface (UI) –in accordance with Section 2.1.1 above, shall use Nord Pool trading system User Interface (UI) as a backup in case their ordinary means of communications are not working.
- 2.1.3 Nord Pool may, in situations where specified communications pursuant to Sections 2.1.1 and 2.1.2 are not working and in addition to what is stated in the Rulebook in respect of the Trading Desk, decide that an alternative order form as specified by Nord Pool e.g. as a file in e-mail or copy of Order from a previous day, may be used. When using e-mail, Nord Pool may restrict the number of Price Steps in ~~the Hourly~~Day-ahead Curve Orders and the number of Block Orders.
- 2.1.4 The order form must provide complete information to be valid. Invalid order forms will be rejected.

2.2 Quoting

- 2.2.1 Subject only to Section 2.5 all Orders are binding and are available to be matched in accordance with these Day-ahead Market Regulations.
- 2.2.2 Orders shall be quoted using the Order Types allowed by the Product Specifications, as further specified in Section 3 below. Each Order must specify whether it is a Bid or an Offer, where Bids are denoted by positive Energy Order Volume numbers and Offers as negative Energy Order Volume numbers.
- 2.2.3 Energy Order Volume Limits and Order Price Limits must be within the technical limits and applicable Price Range set out in the Product Specifications.
- 2.2.4 Each Participant and Client Representative (on behalf of a Client) may set portfolio and bidding zone specific trading volume limits through the Auction Trading Platform. Such trading volume limits specify the allowed maximum and minimum volume for Curve Orders that may be submitted to Auctions. In the event that a Curve Order exceeds the set trading

volume limit, it will be rejected and not included in the matching process. In case of such rejection, Nord Pool's Trading Platform will notify the Participant or Client Representative that the Order has been rejected.

- 2.2.5 Each Order represents an individual and independent Order for the Delivery Period(s) to which it relates. Except as specifically mandated by the Order Type used and subject to Section 3.4 and the Linked Block Orders described in Section 3.2.2. Each Order shall represent an individual offer to purchase or sell independent of any other Orders submitted by or on behalf of each Participant to the same Auction with respect to such Delivery Period(s).
- 2.2.6 Each Day-ahead Price Calculation relates to the following day starting from 00:00 CET.
- 2.2.7 Orders can be submitted from the time Nord Pool opens any given Delivery Day for submission of Orders and until Gate Closure.
- 2.2.8 Nord Pool may in its sole discretion, but shall have no obligation to, contact Participants by telephone or e-mail and offer that the Participant may submit an Order should Nord Pool have reason to believe that the Participant erroneously has failed to submit an Order.
- 2.2.9 Orders from Client Representatives shall be specified for each Client and for the Client Representative.

2.3 Price Range

- 2.3.1 Nord Pool shall for each SDAC Auction set a Price Range within which all Order Prices for that Auction must be submitted. Participants shall be informed of the Price Range prior to the opening for Orders for each Auction. In the absence of any explicit notice by Nord Pool of the Price Range, the Price Range as specified in the relevant Product Specifications shall be deemed to apply.
- 2.3.2 Nord Pool may change the Price Range set by giving at least 4 (four) days' notice. In case of a change of the Price Range for any SDAC Auction following the opening of Orders for that Auction, all Orders submitted prior to such change will automatically be deleted.
- 2.3.3 Prices for Orders are to be quoted in a currency approved by Nord Pool. The maximum number of decimals that can be quoted in each currency is determined by Nord Pool.

2.4 Gate Closure

- 2.4.1 Orders received after Gate Closure will be considered null and void regardless of cause unless otherwise decided by Nord Pool in its sole discretion. For the avoidance of doubt, this also applies to Orders received after Gate Closure by reason of Force Majeure Event or any communication failure (howsoever caused and irrespective of whether the Participant is in any default).
- 2.4.2 Participants experiencing technical difficulties when submitting Orders to Nord Pool must inform the Trading Desk about this immediately.

2.5 Errors in Orders

- 2.5.1 Each Participant is responsible for ensuring that the Orders it submits (and any amendments thereto) and which are received by Nord Pool are correct and valid, including in situations where manual handling of the Orders by Nord Pool has been found necessary or in case the system for setting trading volume limits is not functioning (c.f. clause 2.2.4).
- 2.5.2 If a Participant in an SDAC Auction becomes aware of any error in Order(s), it shall notify the Trading Desk immediately of such errors.
- 2.5.3 Following receipt of a notice pursuant to Section 2.5.2, Nord Pool shall consider in its sole discretion whether any measures can be taken to avoid or mitigate any potential losses to the Participant without conflicting with the Day-ahead Price and the interests of the

Nordic/Baltic Market and/or the CE Market, other Participants, or any obligations of Nord Pool.

- 2.5.4 Nord Pool may in its sole discretion, but shall have no obligation to, contact Participants by telephone or e-mail and offer that the Participant may correct an Order should Nord Pool have reason to believe that the Order submitted by it is erroneous.

3. ORDER TYPES

3.1 ~~Hourly Curve~~ Orders

- 3.1.1 ~~Hourly Curve~~ Orders are a Participant's Bid or Offer submitted in the SDAC Auction or in any Intraday Auction with respect to a specified ~~EnergyOrder~~ Volume and Order Price for a given Delivery Period of the applicable Delivery Day in either the Nordic/Baltic Market or the CE Market, or an individual bidding zone within such market, as appropriate.
- 3.1.2 In each ~~CurveHourly~~ Order, the Participant shall submit a set of Order Price and ~~EnergyOrder~~ Volume specifications for the applicable Delivery Period, starting with the ~~EnergyOrder~~ Volume at the Lower Technical Order Price Limit and ending with the ~~Order~~ Volume ~~Limit~~ at the Upper Technical Order Price Limit. Additional Price Steps on the Order curve may be specified as set out in the Product Specifications.
- 3.1.3 The ~~EnergyOrder~~ Volume given in an ~~Hourly Curve~~ Order for sale of electricity (Offer) must be constant or increasing with increasing Order Prices. The ~~EnergyOrder~~ Volume given in an ~~Hourly Curve~~ Order for purchase of electricity (Bid) must be constant or decreasing with increasing Order Prices.
- ~~3.1.4~~ To create an Order curve Nord Pool will, upon receipt of an ~~Hourly Curve~~ Order, interpolate the values between each Price Step comprised in such ~~CurveHourly~~ Order by means of linear interpolation, and the ~~CurveHourly~~ Order may be matched at any point on the Order curve resulting from such interpolation.

~~3.1.43.1.5~~ Curve Orders may have a granularity of either hourly, half-hourly or quarter-hourly (60 min, 30 min and 15 min) duration as more particularly described in the relevant Product Specifications for each Market Area.

3.2 NOT USED

3.3 Block Orders

- 3.3.1 Each Block Order must include details of such Block's Order Price Limit, the ~~hourly Energy Order~~ Volume, the start and stop time and the applicable Minimum Acceptance Ratio (if less than 100 per cent). If no Minimum Acceptance Ratio is specified, the Minimum Acceptance Ratio will be deemed to be 100 per cent. The ~~EnergyOrder~~ Volume may be different in each Delivery Period of the Block.
- 3.3.2 Each Linked Block Order must specify the order of priority between the Block Orders comprised in such linked Block. Nord Pool may, in its absolute discretion, specify the maximum number of permitted priority levels that may be notified with respect to any Linked Block Order and the maximum number of permitted Block Orders at each priority level. The maximum number of permissible priority levels and Block Orders may be changed by Nord Pool at any time prior to closure of the SDAC Auction on not less than one (1) day's written notice.
- 3.3.3 It is not possible to link a Block Order to a Flexible Order or to a Block Order which is part of an Exclusive Group.
- 3.3.4 Each Block Order comprised within an Exclusive Group must specify such Block's Minimum Acceptance Ratio (if less than 100 per cent). If no Minimum Acceptance Ratio is specified, the Minimum Acceptance Ratio for such Blocks within the Exclusive Group will be deemed to be 100 per cent.

3.4 Flexible Orders

- 3.4.1 A Flexible Order must specify an EnergyOrder Volume that the Participant would be willing to purchase or sell in one or a series of consecutive Delivery Periods, the applicable Order Price Limit and the nominated Delivery Range in respect of which the Flexible Order may be matched.

3.5 Order Amendments

- 3.5.1 In any case where a Participant submits more than one Order on the same Trading Portfolio and with respect to the same Delivery Period of the same SDAC Auction, the Order submitted latest in time and not rejected by Nord Pool will over-write and cancel all prior Orders submitted to such SDAC Auction with respect to such Delivery Period.
- 3.5.2 Any Block Order or Flexible Order which has been accepted by Nord Pool may subsequently be amended at any time prior to Gate Closure in accordance with the relevant Trading Platform change procedure for such Order as may be determined by Nord Pool in its absolute discretion from time to time.

4. MATCHING

4.1 Matching of Orders and Calculation of Day-ahead Prices and Volumes

- 4.1.1 All Orders submitted to an SDAC Auction will be regarded as a point on an Order curve for Offers and Bids respectively, where each Order curve is created by interpolating straight lines between the Orders on the curve.
- 4.1.2 Any imbalance between total Offers and total Bids caused by the rounding of volumes for each Participant when calculating the applicable Price will be shared between Participants whose Orders are matched in respect of the relevant Delivery Period.
- 4.1.3 All Transactions in the Day-ahead Market relating to one Delivery Period will be matched at the Day-ahead Price applicable for that Delivery Period.

4.2 Non-EUR Denominated Orders

All non-EUR Orders in the SDAC Auction will be converted into EUR before the Day-ahead Hourly Price Calculation is performed.

4.3 Matching of Flexible Orders and Block Orders

- 4.3.1 A Flexible Order may be matched if the Order Price and volume criteria of the Flexible Order are met in relation to the relevant Day-ahead Price and EnergyOrder Volume.
- 4.3.2 Block Orders are activated if they meet the criteria below:
- A Block Order for sale is matched only if the average Day-ahead Price for the Delivery Periods comprised in the Block Order is equal to or higher than Order Price specified in the Block Order. A Block Order for purchase is matched if the average Day-ahead Price for the Delivery Periods comprised by the Block Order is equal to or lower than the Order Price specified in the Block Order. In addition, the aggregate EnergyOrder Volume of the Block Order must be matched with at least the volume corresponding to the minimum acceptance ratio specified for the Block Order. If the EnergyOrder Volume in each hour Delivery Period of the Block Order differs, the volume weighted average price of the Block Order shall determine whether the Block Order is matched or not.
 - The sum of the acceptance of all Block Orders in an Exclusive Group will be at most 100 per cent. If all blocks in the Exclusive Group have a minimum acceptance ratio of 100, only one Block Order from the group will be matched.

- 4.3.3 In respect of Linked Block Orders, the normal rules for matching of Block Orders in Section 4.3.2. shall apply, provided that:
- a. Any Block Order which does not have the highest priority within its linked Block will only be matched if all the Block Orders with higher priority within the relevant linked Block have already been matched;
 - b. A Block Order that is not otherwise matched according to Section 4.3.2 may still be matched as part of a Linked Block Order if the matching of such Block Order, together with such other Block Orders at lower priority levels of the Linked Block Order, does not result in an overall loss for the Participant who submitted such Linked Block Order; and
 - c. The Block Order with lower priority within its linked block can be accepted at most to the same Acceptance Ratio as the effective Acceptance Ratio of the Block Order with higher priority.

4.4 Price determination

The algorithm used in the SDAC Auction will determine which of the submitted Orders are to be executed and which are to be rejected in order to achieve the following:

- a. The social welfare (consumer surplus + producer surplus + congestion rent across the regions) generated by the executed Orders is maximal.
- b. The power flows induced by the executed Orders, resulting in the net positions do not exceed the capacity of the relevant network elements.
- c. No blocks are paradoxically accepted.

4.5 Curtailment

In order to strike a price at equilibrium between demand and supply in an area with over supply, it may be necessary to curtail the sales bids so that the supply curve shifts to intersect with the demand curve at minimum price – currently EUR -500.

In order to strike a price at equilibrium between demand and supply in an area with under supply it may be necessary to curtail purchase bids so that the demand curve shifts to intersect with the supply curve at maximum price – currently EUR 4000.¹

Any imbalance between total purchases and total sales caused by the curtailment of Orders when accurately calculating the Day-ahead Price will be shared between all Members within such bidding zone.

5. REOPENING PROCEDURES

~~5.1 Reopening may take place in the following circumstances:~~

- ~~(i) If Price Thresholds are exceeded~~
- ~~(ii) There is a Market Decoupling during Multi-Regional Coupling.~~

~~5.2 Reopening when Price Thresholds are exceeded~~

¹ The minimum and maximum price mentioned in this clause have been determined in accordance with the Decision of the Agency for Cooperation of Energy Regulators No. 01/2023 of 10 January 2023.

~~5.2.1—In the event that the price determined in accordance with Section 4 leads to applicable Price Threshold being exceeded in the Baltic Market and/or the CE Market (excluding Poland), Nord Pool will, to the extent reasonably possible, inform all Participants of the Delivery Periods where such Price Threshold has been exceeded. Furthermore, if time allows and no market coupling issues have been encountered, Reopening will be announced for the affected Delivery Day in the Baltic Market, the CE Market (including Poland) and the Nordic Market. The Reopening under this Section will be for a period announced by Nord Pool, but for no shorter than 15 minutes.~~

~~5.2.2—If relevant Price Thresholds are still exceeded following the procedure in Section 5.2.1, then the Orders as submitted to the Trading Platform and the price calculated in the subsequent SDAC Auction will stand.~~

~~5.2.3—The Nordic Market and Poland have no Price Thresholds and the prices determined in accordance with Section 4 will stand, and Reopening is carried out only if triggered in accordance with Section 5.2.1.~~

5.35.1 Peak Load Reserves in Lithuania

~~5.3.15.1.1~~ In the event that the price determined in accordance with Section 4 leads to the maximum price described in Section 4.5, Nord Pool will, using best endeavors, activate Peak Load Reserves in Lithuania. The activation of Peak Load Reserves will take place at the same time as Reopening in accordance with Section 5.2.1, if relevant. Nord Pool will, after finalization of the SDAC Auction, inform the market about the area, hour-Delivery Period and volume of activated Peak Load Reserves.

5.45.2 Reopening in case of Market Decoupling arising during Multi-Regional Coupling

- a. In the event of any Market Decoupling, Nord Pool will, subject to the specific provisions of any local arrangements, announce a Reopening.
- b. During the Reopening any Participant or Client Representative on its own behalf or on behalf of a Client, may submit or re-submit Orders.
- c. The Reopening under this Section 5.5 will be for a period announced by Nord Pool in accordance with the relevant operational procedures.

6. REPORTS

6.1 SDAC Auction Price Report

- 6.1.1 When the SDAC Auction has been completed a preliminary publication will be made of SDAC Auction Prices ~~and, the~~ corresponding Energy Volumes and commercial electricity flows within and between bidding zones. The SDAC Auction results are then subject to final confirmation in accordance with the applicable SDAC procedures.
- 6.1.2 When the SDAC Auction Prices ~~and, corresponding~~ Energy Volumes and commercial electricity flows have been calculated, Nord Pool shall inform the Participants of their calculated ~~purchase/sale~~ Energy Volumes in a Price Report provided to each Participant on the day preceding the relevant Delivery Day (D-1).
- 6.1.3 The SDAC Auction Price Report will, with respect to each Participant, specify the Day-ahead Prices and Energy Volumes for each Delivery Period in which Order(s) have been matched.
- 6.1.4 SDAC Auction Price Reports prepared for Client Representatives shall specify the Day-ahead Prices and Energy Volumes for each Client in addition to those Energy Volumes in respect of the Client Representative's own Trading.
- 6.1.5 The SDAC Auction Price Reports will, in respect of the Nordic/Baltic Market, normally be made available to the relevant Participants immediately following final confirmation of the SDAC Auction results.

- 6.1.6 The SDAC Auction Price Report will, in respect of the CE Market, normally be made available to the relevant Participants after forty-five (45) minutes following closure of the SDAC Auction. The SDAC Auction Price Report is considered preliminary until the SDAC Auction results are confirmed.
- 6.1.7 If the SDAC Auction Price Report is delayed, Nord Pool shall give the Participants notice of such delay as soon as possible.

6.2 NOT USED

7. AUCTION DELAY OR FAILURE

- 7.1 If the SDAC Auction is delayed or cannot be performed, Nord Pool shall inform all Participants by publishing an operational message at regular intervals starting no later than 12:45 CET, until such time as the relevant SDAC Auction is successfully completed or there is a decision regarding Market Decoupling.

7.2 NOT USED

7.3 Nordic/Baltic Local Auction

In the event that Nordic-Baltic Local Auction cannot be performed (after a Market Decoupling and a Reopening) before 20:00 CET on the day prior to the Delivery Day, the Price Report from the reference day will be deemed valid ~~hour-by-hour~~ for every Delivery Period in respect of both Prices and Energy Volumes for the Delivery-Day in question. In this context, the "reference day" means the previous working day if the Nordic-Baltic Local Auction failure has effect on a working day, and the previous weekend day or public holiday, as appropriate, if the Nordic-Baltic Local Auction failure has effect on a Saturday, Sunday or public holiday. Working day means days from Monday to Friday, not including legal public holidays, which are identified as public holidays in countries in the Nordic/Baltic Market region together having at least 67% of the consumption the previous year. Christmas Eve (24/12) and New Year's Eve (31/12) are considered public holidays.

7.4 NOT USED

7.5 CE Local Auction

In the event that Nord Pool is not able to perform the respective CE Local Auctions (after a Market Decoupling and a Reopening), before 14.45 CET on the day prior to the Delivery Day, such CE Local Auction will be deemed to have failed and all Orders submitted to that CE Local Auction will be cancelled. Furthermore, Nord Pool shall have a right (but not an obligation) in its sole discretion, to cancel any CE Local Auction if Nord Pool deems it necessary in order to secure orderly exchange trading or if such cancellation is in the interest of a well-functioning market or is carried out in order to protect the legitimate interests of market participants.

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