

Fingrid Oyj and Helen Electricity Network Ltd

Terms and Conditions for Congestion Management Flexibility Capacity and Flexibility Energy Provider

12.3.2025

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1 Introduction

The common congestion management marketplace between the transmission system operator and the distribution system operator as specified in these terms and conditions, is applied to the management of loading and transmission issues in the electricity network.

Fingrid uses the offers of the Congestion Management Marketplace for congestion management in the transmission grid in such normal, fault and disturbance situations where the offers of the marketplaces and the means in accordance with bilateral agreements are the primary means of congestion management in accordance with Fingrid's Congestion Management Policy¹. Fingrid utilises the congestion management market in accordance with the terms and conditions to resolve congestion issues in the national 400 kV transmission grid. Fingrid uses the Congestion Management Marketplace in conjunction with other congestion management methods in the transmission grid.

Helen Electricity Network uses the offers of the congestion management market to resolve congestion issues within its own distribution system area as part of other congestion management methods available to distribution system operators.

Both system operators can use the flexibility capacity and flexibility energy offers that are within relevant congestion zones for the system operator. Flexibility service providers who have controllable units under their control at any location in Finland, with the exception of the Åland Islands, can participate in the flexibility capacity and flexibility energy market for congestion management.

The Electricity Market Act requires distribution and transmission system operators participating in flexibility services to procure the services in accordance with open and non-discriminatory procedures. The terms and conditions of this document apply to flexibility trading on the common Marketplace of the distribution and transmission system operators.

This document specifies the terms and conditions related to the procurement of flexibility services for the congestion management of the electricity system by the distribution and transmission system operators (hereinafter referred to as the System Operator) that apply these terms, and conditions for providers of flexibility capacity and flexibility energy (hereinafter referred to as the Flexibility Service Provider) when they offer flexibility capacity or flexibility energy to the System Operator through the companies' joint Marketplace.

The System Operator shall have the right to publish the total purchase volumes of the flexibility capacity and flexibility energy offered to the System Operator with time units without specifying the suppliers.

¹ [Link](#) to Fingrid's congestion management policy

If the legislation concerning the activities subject to the terms and conditions changes, these terms and market practices will be reviewed and, if necessary, updated within the transition periods set by the legislation.

2 Definitions

The following definitions are used in this document:

Activation Ramp Time refers to the time it takes for the Service Providing Group to reach the capacity specified in the accepted Energy Offer.

Downregulation refers to a decrease in electricity production or electrical power injected into the grid, or an increase in electricity consumption or electrical power drawn from the grid.

An open supplier refers to an electricity supplier that supplies its customer with all the electricity it needs, or an electricity supplier that balances the difference between the customer's electricity production and procurement and the difference between electricity use and supply by supplying the missing amount of electricity or receiving a surplus during each imbalance settlement period.

The Deactivation Ramp time refers to the change in power from full activated power back to the power level that the Service Providing Group would be at without the regulation event.

The Energy Fee refers to the energy-based compensation paid or charged for an accepted Energy Offer.

An Energy Offer refers to an offer submitted by a Flexibility Service Provider to the Marketplace for an Energy Product. By submitting a tender, the Flexibility Service Provider commits to supplying flexibility energy continuously for at least one market period applicable in the market.

In an Energy Product, the Flexibility Service Provider delivers the agreed amount of flexibility energy to the System Operator based on trading (up- or down-regulation). A price is formed for flexibility energy when a transaction is made at the Marketplace.

A Controllable Unit refers to a single resource with the ability to regulate; a production or consumption site or an energy storage.

The Congestion Zone refers to the geographical area defined by the System Operator on the Marketplace, based on which the System Operator allocates the Congestion Management flexibility capacity and flexibility energy it has acquired.

A Flexibility Service Agreement refers to an agreement between a System Operator and a Flexibility Service Provider or the Marketplace and a Flexibility Service Provider, on the basis of which a Flexibility Service Provider can participate in the Marketplace's Congestion Management capacity and energy market.

Flexibility Service Provider refers to a Trading Party approved for the Marketplace that has entered into an agreement with the System Operator or the Marketplace to

participate in the Marketplace's Congestion Management capacity and energy market. The Flexibility Service Provider can be the owner of a Controllable Unit, a representative authorised by the owner, an Open Supplier or a Balance Responsible Party.

A Service Providing Unit refers to an entity with regulating capacity consisting of one or more Controllable Units at a single distribution network metering point or transmission grid connection point.

A Service Providing Group refers to an entity consisting of one or more Service Providing Units that a Flexibility Service Provider offers to the Marketplace. A Service Providing Group can only contain Service Providing Units belonging to the balance portfolio of the same Balance Responsible Party and to the same Congestion Zone.

Capacity Compensation refers to the compensation paid by the System Operator to the Flexibility Service Provider for the maintenance of the flexibility capacity in accordance with the Capacity Offer on the Congestion Management Capacity Market.

Capacity Offer means an offer submitted by a Flexibility Service Provider to maintain the flexibility capacity described in section 6 during the validity period of the Capacity Product and the obligation to supply flexibility energy from this capacity. The flexibility energy in accordance with the Capacity Offer shall be offered as an Energy Offer to the Marketplace.

In the Capacity Product, the Flexibility Service Provider undertakes to maintain the capacity in accordance with the accepted Capacity Offer and to submit Energy Offers to the Energy Product in accordance with the accepted Capacity Offer.

A Trading Party means a System Operator or a Flexibility Service Provider.

Marketplace refers to the Marketplace acquired by the System Operators for the purpose of flexibility trading, to which the Flexibility Service Providers submit Capacity and Energy Offers. The Marketplace is publicly announced on the System Operator's website.

Market Period refers to the trading period of the market with the accuracy of which bids are submitted. The length of the Market Period is 60 minutes.

The pay-as-bid principle refers to the pricing principle in which the price of each accepted tender is determined according to the offer in question.

Congestion management refers to the measures taken by the transmission system operator or distribution system operator to ensure that the transmission of electricity in the electricity network remains within the limits of the transmission capacity of the network, taking into account the system security criteria.

The Congestion Management Energy Market refers to the trading of Energy Products on the Marketplace.

The Congestion Management Capacity Market refers to the trading of Capacity Products on the Marketplace.

Congestion Management Market Information Exchange Guidelines refer to more detailed practical instructions provided by System Operators to Flexibility Service Providers regarding, among other things, the reporting and notification obligations imposed on Flexibility Service Providers in these terms and conditions. The system operators publish the instructions in force at any given time on their websites.

A Balance Responsible Party refers to an electricity market participant that is responsible for an imbalance deviation and has a valid balance service agreement with Fingrid. In other words, Fingrid is the Open Supplier of the Balance Responsible Party.

Power change refers to a change in the active power produced or consumed by the Service Providing Group as a result of the activation of the Energy Offer.

A System Operator refers to the distribution and transmission system operators that apply these terms and conditions.

The Day-Ahead Market refers to the electricity marketplace where electricity for the next day is traded.

Upregulation refers to an increase in electricity production or electrical power injection into the grid, or a decrease in electricity consumption or electrical power draw from the grid.

3 Purchasing flexibility

The System Operator acquires Congestion Management Flexibility Capacity and Flexibility Energy through the Marketplace, where the Flexibility Service Provider submits its Capacity and Energy Offers in accordance with these terms and conditions. The Flexibility Service Provider must comply with the terms and conditions of the Marketplace. Participation in the Marketplace is possible on equal terms and conditions in accordance with these Flexibility Service Terms for all Flexibility Service Providers who meet the terms and conditions.

The System Operator acquires flexibility capacity and energy from the Marketplace to manage transmission situations and to guarantee the system security of the electricity network. In the procurement of flexibility energy, Helen Electricity Network utilises the trade before the Day-ahead Market, and Fingrid utilises the trade after the Day-ahead Market.

The procurement of flexibility energy for congestion management is aimed to be implemented in such a way that it does not have an impact on the power balance of the electricity system.

4 Requirements for a flexibility service provider

A party that has at least one Service Providing Unit that meets the requirements of section 5 can become a Flexibility Service Provider.

The Flexibility Service Provider must enter into a Flexibility Service Agreement with the System Operator or the Marketplace before participating in the Congestion Management Capacity and Energy Market.

In order to participate in the Congestion Management's capacity or energy market, the Flexibility Service Provider must be the owner of the Service Providing Unit or an authorised representative of the owner, or act as either an Open Supplier or a Balance Responsible for the Service Providing Unit. The Flexibility Service Provider shall, at the separate request of the System Operator, provide authentication with the consent of the owner of the Service Providing Unit.

In the case of a Service Providing Unit connected to the distribution network, the Flexibility Service Provider must have the consent of the user of the metering point to operate in accordance with the Flexibility Service Agreement. In the case of a Service Providing Unit that is directly connected to the transmission grid, the Flexibility Service Provider must have the consent of the party connected to the transmission grid. The Flexibility Service Provider shall, upon separate request of the System Operator, provide verification of the above-mentioned consent.

The Flexibility Service Provider or the owner of the Service Providing Unit must agree with the Balance Responsible Party and the Open Supplier of the Service Providing Unit on the use of the Service Providing Unit in the Congestion Management Capacity and Energy Market. The Flexibility Service Provider is obligated to notify the System Operator or the Marketplace in writing in accordance with the System Operator's *Congestion Management Market Information Exchange Instructions* that the participation of the Service Providing Unit in the Congestion Management Capacity and Energy Market has been agreed upon with the Balance Responsible Party and the Open Supplier of the Service Providing Unit.

In the event of a change in the Balance Responsible Party or the Open Supplier of the Service Providing Unit, the Flexibility Service Provider shall submit a written notification of the change no later than 14 days prior to the entry into force of the change in accordance with the System Operator's *Congestion Management Market Information Exchange Guidelines*, which includes the consent of the Flexibility Service Provider or the owner of the Service Providing Unit, the Balance Responsible Party, and the Open Supplier of the Service Providing Unit on the participation in the congestion management capacity and the energy market.

A Flexibility Service Provider offering flexibility capacity or flexibility energy must be able to receive information about accepted offers.

The Flexibility Service Provider is obligated to report the metering data of its Service Providing Groups to the Marketplace in accordance with the *Congestion Management Market Information Exchange Guidelines*.

The Flexibility Service Provider shall be available to the System Operator by telephone before the start of the Market Periods for which the Flexibility Service Provider has submitted binding offers and during the Market Periods in question. The Flexibility Service Provider is obligated to provide the Marketplace with the phone number used for communication in accordance with the *Information Exchange Guidelines for the Congestion Management Market*.

The Flexibility Service Provider shall notify the System Operator immediately if it is unable to maintain the readiness in accordance with the accepted Capacity Offer or to implement the supply of flexibility energy in accordance with the accepted Energy Offer. The notification is made in the manner specified in the *Information Exchange Instructions for the Congestion Management Market*. In the absence of the ability to deliver, Energy offers should not be submitted. In the event of reduced delivery ability, Energy Offers shall be submitted to the amount that can be delivered.

If the Capacity Offer of the Service Providing Group has been accepted on the Congestion Management Capacity Market, the capacity in question cannot be offered in the same direction or in the opposite direction to the Transmission System Operator's reserve market for the period in question. If the Capacity Offer of the Flexibility Resource Group has been accepted in the Transmission System Operator's reserve market, the capacity in question cannot be offered in the same direction or in the opposite direction to the Congestion Management Capacity Market for the period in question. If a Capacity Offer of a Service Providing Group has been accepted in the Transmission System Operator's reserve market, an Energy Offer for that capacity cannot be submitted to the Congestion Management Energy Market in the same direction or in the opposite direction for the period in question. If there is a valid agreement for capacity limitation agreed elsewhere for the capacity of the Service Providing Group, the capacity in question cannot be offered to the Congestion Management Capacity or Energy Markets for periods of power limitation.

If a System Operator releases a Flexibility Resource Group approved on the Congestion Management Capacity Market from the obligation to maintain flexibility capacity for the supply of flexibility energy for a certain period of time, the Flexibility Service Provider may participate in other electricity markets with the flexibility capacity in question and for the period in question.

If the Energy Offer of the Service Providing Group has been accepted in the Congestion Management Energy Market, the energy in question cannot be offered in the same direction or in the opposite direction as an energy offer to the Transmission System Operator's reserve market for the period in question.

If the Energy Offer of the Service Providing Group is not accepted in the Congestion Management Energy Market, the Flexibility Service Provider may offer the energy of the Service Providing Group to other electricity markets.

A Flexibility Service Provider can submit both an up-regulation and a down-regulation offer from the Service Providing Group to the Congestion Management energy market for the same market period.

5 Requirements for Service Providing Units and Groups

The Service Providing Unit must be located in Fingrid's system responsibility area².

The location of the Service Providing Unit must be defined so that it is unambiguously located in one of the Congestion Zones defined by the System Operator. A Service Providing Unit is identified with an identifier that can be used to assign it to a specific Congestion Zone.

Aggregation of Service Providing Units into Service Providing Groups is allowed. However, the aggregation of Service Providing Units shall be carried out in such a way that the aggregated Service Providing Units attached to the Capacity Offer and the Energy Offer are located in the same Congestion Zone and, as a Service Providing Group, fully meet the requirements set out in these terms and conditions.

In addition, the aggregation of Service Providing Units into a Service Providing Group must be done for each Balance Responsible Party and Open Supplier. One Capacity and Energy Offer may only have Service Providing Units on the balance portfolio of one Balance Responsible Party and one Open Supplier.

The Service Providing Group must meet the technical requirements set out in these terms and conditions.

Activation and Deactivation Ramp Times must be announced for each Service Providing Group.

The supply of energy by the Service Providing Group is based on physical control, which the Flexibility Service Provider implements with its own technical solution. The adjustment must be implemented to its full power in accordance with the accepted offer from the beginning of the relevant Market Period. The adjustment must be carried out at the power specified in the accepted offer throughout the entire Market Period. The Flexibility Service Provider shall implement the Ramps in accordance with its notification before and after the Market Period subject to the accepted energy offer. A conceptual illustration of the Market Period subject to an accepted energy offer and the Ramps before and after the Market Period subject to an accepted energy offer is presented in Figure 1.

² Finland, excluding the autonomous region of Åland.

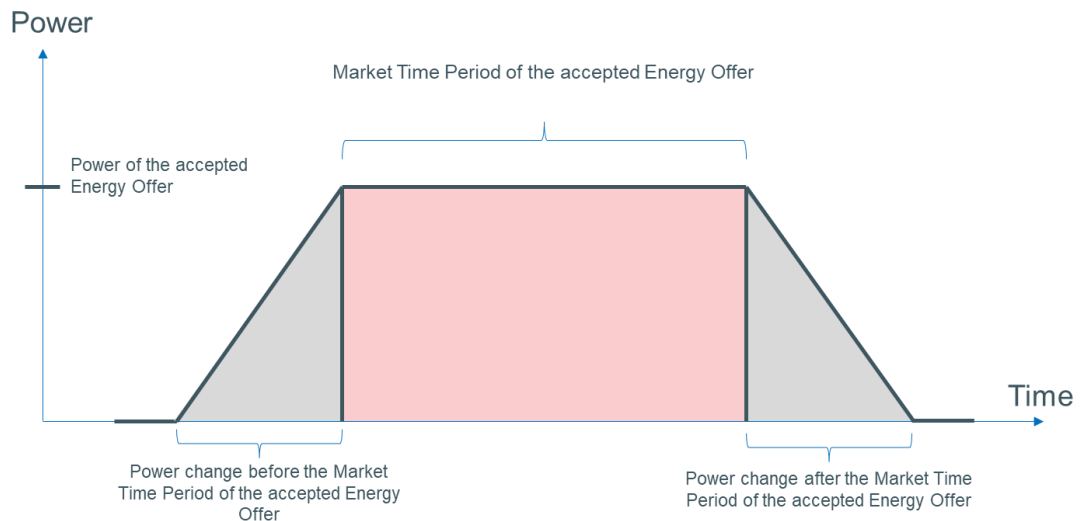


Image 1. A conceptual illustration of the Market Period that is the subject of the accepted Energy Offer and the Ramps before and after the Market Period that is the subject of the accepted Energy Offer. The adjustment of the Service Providing Group must be implemented at the power specified in the accepted tender throughout the Market Period of the accepted offer, i.e. Ramps must be implemented outside the Market Period that is the subject of the accepted Energy Offer.

6 Congestion Management Capacity Market

The System Operator acquires flexibility capacity from the Congestion Management Capacity Market for the needs of congestion management in the electricity network and to guarantee the system security of the electricity network. The System Operator's goal is to make the total procurement of flexibility capacity as affordable as possible.

Capacity Products are traded in the Congestion Management Capacity Market where the Flexibility Service Provider commits to reserve the flexibility capacity it offers for Flexibility. The Capacity Offer of the Flexibility Service Provider shall be in accordance with these terms and conditions and shall be submitted to the Marketplace in accordance with its separate instructions. The minimum volume and resolution of the capacity offers is 0.1 MW.

The Capacity Product is subject to an obligation to submit an Energy Offer to the Congestion Management Energy Market in accordance with an accepted Capacity Offer.

The System Operator will select the most economically advantageous offers in accordance with the information attached to the Capacity Offer and the impact assessment based on the network situation. The selection criteria used for the processing and procurement of capacity offers are as follows:

- Congestion Zone: the required amount of flex capacity is procured for each Congestion Zone.

- Price: The capacity offer will be selected in price order for each Congestion Zone, starting from the most affordable total price from the System Operator's point of view.
- Divisibility of the tender: If the Flexibility Service Provider has required that the tender be processed as undivided, the tenders will not always be selected in order of price, but with the aim of achieving the lowest possible acquisition cost for the System Operator in the overall procurement.
- Arrival time: if the tenders are similar in other respects (Congestion Zone, total price, divisible), the first tender submitted to the Marketplace will be selected.

The System Operator has the right to set a ceiling price for flexibility capacity, flexibility energy and the total price of the tender.

If the acquisition of flexibility capacity from the Marketplace would lead to unreasonable costs from the System Operator's point of view, the System Operator has the right to not accept the tenders.

Compensation for an accepted Capacity Offer will be paid in accordance with the offer (pay-as-bid).

Table 1 shows the parameters of the capacity market and the Capacity product.

Table 1 Information required for TSM capacity market offerings.

Parameter	Comment	Capacity market
Tender submission period	when offers for a capacity product can be submitted	varies according to need, but at least 16 hours before delivery
Timing of the tendering process	when offers are processed	separately announced for each tendering process
Method of tendering	tender selection method	auction
Period of the tender	for which hours the tenders are processed	for each hour separately
Applicable market period	the period for which the offer is submitted	60 minutes
Price, capacity reservation	capacity compensation	X €/MW, h e.g. 123.45 €/MW, h
Price, Energy Offer	the maximum value of the energy offer	X €/MWh e.g. 123.45 €/MWh
Offer volume	the amount of power to be provided for the market period;	X MW e.g. 10.1 MW

In addition to the parameters presented in the table, the Flexibility Service Provider can choose to group offers for individual hours. By grouping, the Flexibility Service Provider can define rest periods between activations, as well as the minimum and maximum number of consecutive activations. The flexibility service provider can also determine the bidding volume for each market period separately.

7 Energy Market for Congestion Management

The System Operator procures flexibility energy from the Congestion Management energy market for the needs of the System Operator's Congestion Management and to guarantee the system security of the electricity network. If a separately accepted capacity offer is available in the Congestion Management capacity market, the obligation to provide flexibility energy in it will be treated together with other Energy Offers (without an accepted Capacity Offer). In this way, all Energy Offers are in an equal position.

The Energy Offer of the Flexibility Service Provider shall be in accordance with the description given in these terms and conditions and shall be submitted to the Market-place in accordance with its separate instructions. The minimum volume and offer

resolution of energy offers is 0.1 MW. The System Operator processes Energy Offers at the earliest two days before the period to which the offer is made.

The System Operator decides on the amount of flexibility energy it acquires from the Congestion Management energy market based on the System Operator's need for Congestion Management and the guarantee of the system security of the electricity network. In the total procurement of flexibility energy, the System Operator aims to achieve the lowest possible purchase cost. Based on the information attached to the Energy Offer and an impact assessment based on the network situation, the System Operator selects the most economically advantageous Energy Offers. The selection criteria used for the processing and procurement of energy tenders are as follows:

- Congestion Zone: the required amount of energy is procured for each Congestion Zone.
- Price: The energy offer is selected for each Congestion Zone in price order, starting from the most advantageous from the System Operator's point of view.
- Divisibility of the tender: If the Flexibility Service Provider has required that the tender be processed as undivided, the tenders may not always be selected in price order, but with the aim of finding the most appropriate orders, considering the total costs of the procurement and the balance sheet effects.
- Arrival time: if the tenders are similar in other respects (Congestion Zone, price, divisibility of the tender), the first tender submitted to the Marketplace will be selected.

The System Operator has the right to set a ceiling price for Energy Offers.

If the procurement of flexibility energy from the Marketplace would lead to unreasonable costs from the System Operator's point of view, the System Operator has the right to not accept the offers.

Activation in accordance with an accepted Energy Offer will take place based on a message sent by the Marketplace to the Flexibility Service Provider. A transaction binding on the parties is concluded in connection with the message sent by the Marketplace.

Compensation for an accepted Energy Offer will be paid or debited in accordance with the accepted offer (pay-as-bid).

Table 2 presents the parameters of the energy market and the Energy Product.

Table 2 Information required for congestion management energy market offers.

Parameter	Comment	Energy market before day-ahead market	Energy market After the day-ahead market
Tender submission period	when bids can be submitted for a specific hour (D=delivery date, T=delivery hour)	opens: D-30 closes: D-1 at 10 (EET/EEST)	opens: D-30 closes: T-60 min
Timing of the tendering process	when offers are processed	auction: D-1 at 10 (EET/EEST)	continuous trading D-1 from 15 (EET/EEST) until T-60 min
Period of the tender	for which hours the tenders are processed	for all hours of the delivery day	for each delivery hour separately
Applicable market period	the period for which the bid is submitted	60 minutes	
Offer volume	the amount of power to be provided for the market period;	X MW e.g. 10.1 MW	
Minimum activation volume (optional)	minimum activation to be considered in the tendering process	X MW e.g. 1 MW	
Price	energy fee	X €/MWh e.g. 123.45 €/MWh	
Congestion Zone	the region to which energy is provided	areas in accordance with the Congestion Zones defined in the Marketplace	
Hours offered	hours for which energy is provided	e.g. 1 January 2025 at 12.00-13.00	
Tender expiration time	the time when an unaccepted offer expires	e.g. 1 January 2025 at 10:00	

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Parameter	Comment	Energy market before day-ahead market	Energy market Af- ter the day-ahead market
Tender Com- pletion Method	conditions related to the fulfilment of the offer	depending on the marketplace configura- tion: Normal, Fill or Kill, or Fill and Kill	
Offer Direction (Up/Down)	is the offer up or down regulation	up or down regulation	

In addition to the parameters presented in the table, the Flexibility Service Provider can choose to group offers for individual hours. By grouping, the Flexibility Service Provider can define rest periods, minimum and maximum number of activations, and minimum and maximum number of consecutive activations between activations.

The sign rules for the price parameter in the table are as follows:

- up regulation, positive price: The System Operator pays the Flexibility Service Provider
- up regulation, negative price: The Flexibility Service Provider pays the System Operator
- down regulation, positive price: The System Operator pays the Flexibility Service Provider
- down regulation, negative price: The Flexibility Service Provider pays the System Operator

8 Reporting by the Flexibility Service Provider

The Flexibility Service Provider is obligated to provide the System Operator or the Marketplace with measurement data from the Service Providing Group at its own expense in accordance with the System Operator's *Congestion Management Market Information Exchange Guidelines*.

The Flexibility Service Provider is obligated to agree with the Balance Responsible Party and the Open Supplier of the Service Providing Group on the notification of the amount of flexibility energy accepted in the Congestion Management Energy Market to the Balance Responsible Party and the Open Supplier.

9 Verification of delivered energy and sustained capacity

9.1 Verification of delivered energy

In verifying the delivered flexibility energy, the System Operator or the Marketplace shall use the metering data of the Service Providing Group submitted by the Flexibility Service Provider to the Marketplace, the consumption or production baselines of the Service Providing Group and the Flexibility Service Provider's approved Energy Offers.

The consumption or production baseline for the Service Providing Group is determined on the Marketplace using the metering data submitted to the Marketplace and the calculation method for the consumption or production baseline selected by the Flexibility Service Provider and approved by the System Operator. The Flexibility Service Provider may also have the System Operator approve a consumption or production baseline that it has defined itself.

The difference between the consumption or production baseline for a flexibility resource group and the metering data is calculated as the delivered energy. The Marketplace shall compare the supplied flexibility energy during the Market Period in question with the amount of the Energy Offer accepted from the Service Providing Group. If the flexibility energy supplied by the Service Providing Group is different from the amount of the flexibility energy accepted from the Service Providing Group, the sanction set out in section 11 of these terms and conditions shall apply.

The System Operator has the right to request additional information about the metering data and production or consumption baselines submitted to the Marketplace by the Service Providing Group from the Flexibility Service Provider or the System Operator to whose network the Service Providing Unit is connected. The Flexibility Service Provider is obligated to provide the requested additional information at its own expense.

9.2 Verification of maintained flexibility capacity

An accepted Capacity Offer obligates the submission of Energy Offers to the Congestion Management Energy Market. The maintained flexibility capacity is determined by comparing the amount of flexibility capacity accepted from the Service Providing Group with the number of Energy Offers in the Service Providing Group's relevant Congestion Zone during the relevant period. If the amount of Flexibility Capacity accepted from the Service Providing Group is greater than the number of Energy Offers of the Service Providing Group in the relevant Congestion Zone during the relevant period, the sanction set out in section 11 of these terms and conditions shall be applied. Maintained capacity exceeding the agreed amount will not result in penalties and no additional Capacity Compensation will be paid for it.

In addition, the System Operator can examine the maintained flexibility capacity of the Service Providing Group based on the metering data.

10 Energy treatment in the energy balance

If the Energy Offer has been accepted in the Congestion Management Energy Market after the closing of the submission of bids in the Day-ahead Market:

- In the energy market for congestion management, an Energy Offer accepted after the closing of the submission of bids in the day-ahead market will result in energy supply to be reported for imbalance settlement between the System Operator and the Balance Responsible Party of the Service Providing Group. The energy volumes per imbalance settlement period to be reported to the imbalance settlement consist of the energy amount of the accepted Energy Offer and the energy volumes caused by ramping. The amount of energy caused by the ramps before and after the Market Period subject to the accepted Energy Offer shall be determined per settlement period based on the Activation and Deactivation Ramps notified to the Marketplace by the Flexibility Service Provider. An illustration of the amounts of energy generated is shown in Figure 2.
- Fingrid reports the energy deliveries generated for each imbalance settlement period to the imbalance settlement unit (eSett Oy) within 13 days at the latest, and they are taken into account in the imbalance settlement of the Balance Responsible Party of the Service Providing Group. The System Operator or eSett Oy shall report the amount of energy in accordance with the accepted Energy Offer and the energy volumes caused by ramping to the Balance Responsible Party of the Service Providing Group for each imbalance settlement period within 13 days of the delivery of the flexibility energy at the latest.

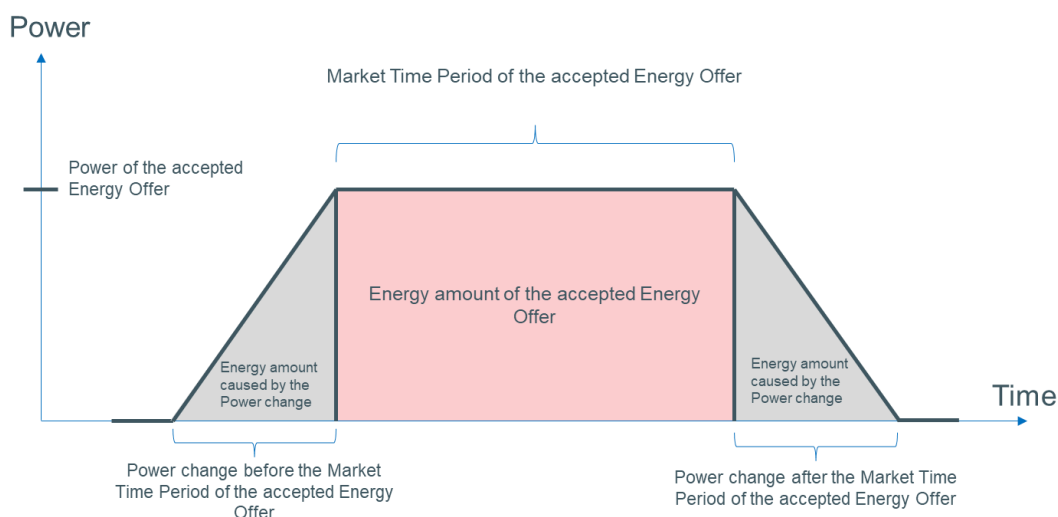


Image 2. A conceptual illustration of the amount of energy to be reported to the imbalance settlement when an Energy Offer has been accepted in the Congestion Management Energy Market after the submission of bids for the Day-ahead Market has closed.

If an Energy Offer has been accepted on the Congestion Management Energy Market before the closing of bids in Day-ahead Market:

- In the Congestion Management Energy Market, an Energy Offer accepted before the closing of the submission of bids in the Day-ahead Market does not result in an energy supply between the System Operator and the Balance Responsible Party of the Service Providing Group to be reported in the imbalance settlement. The System Operator does not report the energy volumes in accordance with the accepted offer or the energy volumes caused by ramping to the imbalance settlement.

11 Fees and Payment Terms

11.1 Capacity compensation

The System Operator shall pay the Capacity Compensation to the Flexibility Service Provider based on the accepted Capacity Offers, taking into account any sanctions caused by the unmaintained flexibility capacity.

The sanction related to the capacity compensation shall be determined as follows:

The monthly Capacity Compensation will be lower than the accepted Capacity Offer if the related mandatory Energy Offers are not delivered in full. The ratio of the number of Energy Offers submitted to the number of Energy Offers required by an accepted Capacity Offer is calculated monthly. If the number of tenders submitted is lower than the obligation, i.e. the ratio is less than 100%, the capacity compensation will be reduced linearly. If the ratio is less than 50%, no capacity compensation will be paid at all.

11.2 Energy fee

The System Operator pays the Energy Fee based on the accepted Energy Offers, considering possible sanctions. The sign of the invoice tells the recipient whether the payment is due or whether the invoice will be refunded to the recipient.

The sanction related to the energy fee is determined as follows:

If the up or down regulation has been offered at a positive price, the System Operator will pay the Flexibility Service Provider a maximum of the amount specified in the order as the Energy Fee, and the amount to be paid will be reduced linearly according to the delivery rate if the delivery rate is less than 95% and the fee will not be paid if the delivery rate is less than 40%.

If the up or down regulation has been offered at a negative price, the Flexibility Service Provider will always pay the System Operator the amount specified in the order as an Energy Fee.

11.3 Billing

Invoicing for flexibility capacity and flexibility energy is carried out in accordance with the invoicing practices announced by the System Operator *in the Market Information Exchange Instructions*. The billing period is one (1) month.

The Trading Party shall make reminders regarding the invoice in writing. The other party checks the invoice and sends the necessary adjustment invoice without delay. The reminder does not release the party from the payment obligation on the due date, unless otherwise agreed on a case-by-case basis.

In addition to the fees mentioned in these terms and conditions, the Flexibility Service Provider's invoices must be supplemented with the VAT in force at the time, as well as other taxes and fees imposed by the authorities in accordance with their effects.

In the event of late payment, the Trading Party is liable to pay late payment interest. Penalty interest is determined in accordance with section 4(1) of the Interest Act.

12 Force majeure

In the event of force majeure, trading parties have the right to limit or suspend the maintenance of flexibility capacity or the supply of flexibility energy.

A force majeure event is considered to be an event beyond the control of the Trading Party that was not known to the party at the time the offer was made and which the party could not have prevented or the effects of which could not have been avoided by reasonable measures, and which makes it impossible or materially difficult or otherwise unreasonable to maintain the flexibility capacity or supply of the flexibility energy in accordance with the accepted offer.

Force majeure may include war, internal unrest, vandalism, sabotage, explosion, fire, unforeseen equipment failure, power outage, storm, flood, general traffic disruption, strike or work stoppage by a key group, a lockout ordered by an employers' organisation, an action by the authorities or some other equally significant and unusual reason. A situation where the above-mentioned reason is directed at an individual Service Providing Group of the Flexibility Service Provider, but the Flexibility Service Provider has the opportunity to compensate for the missing Flexibility Capacity in accordance with the accepted tender from its other Service Providing Groups in the Congestion Zone in question will not be considered as a force majeure event. If a Flexibility Service Provider replaces the missing Flexibility Capacity from its other Service Providing Groups, the Flexibility Service Provider must notify the System Operator of this in accordance with the current guidelines.

The Flexibility Service Provider shall notify the Network Companies of the occurrence of force majeure, its estimated duration and its removal without delay in writing in accordance with the instructions of the System Operator in force at any given time. During the period of force majeure, the System Operator shall not pay compensation to the Flexibility Service Provider in accordance with these terms and conditions, and it shall not be subject to any sanctions under these terms and conditions for unmaintained flexibility capacity or undelivered or oversupplied flexibility energy.

13 Responsibilities and obligations of trading parties

The trading parties shall not be liable for any direct or indirect damage caused to each other by trading, the delivery or non-delivery of flexibilities, unless the damage is proven to have been caused by intentional or grossly negligent conduct of the party or its employees. The System Operator is not responsible for any damage caused by an erroneous message sent by the System Operator or the Marketplace.

A Trading Party may not disclose confidential information obtained as a result of trading to a third party without the written consent of the other party, unless it is necessary for the purposes of trading. Notwithstanding the above, the parties may disclose information to the authorities in order to comply with their legal obligations. In addition, the System Operator may disclose information to its service provider for the use and development of the Marketplace. Before disclosing the information, the System Operator shall enter into a non-disclosure agreement with the service provider, which shall limit the use of the information to the above-mentioned purposes.

A Trading Party does not have the right to transfer the Flexibility Service Agreement to a third party without the consent of the other party. The System Operator has the right to transfer the Flexibility Service Agreement to a third party to whom the System Operator's tasks are transferred in whole or in part.

Trading parties must comply with separately defined corporate responsibility requirements in their operations. Violation of corporate responsibility requirements can be considered a material breach of these terms and conditions.

The Network Companies have the right to temporarily suspend the Flexibility Service Provider from the Marketplace if the Flexibility Service Provider repeatedly fails without an acceptable reason to maintain the Flexibility Capacity or deliver Flexibility Energy or has otherwise repeatedly violated the terms of this document despite the Distribution Company's written warning. The duration of the temporary exclusion is one to three months, depending on the nature of the violation.

If the terms of this document are materially breached, the Trading Parties shall have the right to terminate the Flexibility Service Agreement with immediate effect, in which case the Flexibility Service Provider will no longer be able to trade the Products of the System Operator on the Marketplace. When the System Operator terminates the agreement, the System Operator separately decides on the expiry of the Flexibility Service Provider's obligations that arose before the termination of the Flexibility Service Agreement.

Disputes shall primarily be resolved through negotiations between the Trading Parties. If the disputes cannot be resolved in the negotiations, the party may bring the matter to the district court of the System Operator's domicile as a court of first instance, unless otherwise agreed.