

# **Gross Bidding Agreement**

**Nordic/Baltic Market**

**[Name of Client]**

**[Name of Client Representative]**

**Nord Pool AS**

This **Gross Bidding Agreement** (the “**Agreement**”) is made the day of \_\_\_\_\_ 201[7]

**BETWEEN:**

**[Insert Name of CLIENT]**, a company incorporated under the laws of [*insert state*], having its registered office at [*insert registered address*], registered in the [*insert name of register*] with the number [*insert registration number*] (the “**Client**”);

**[Insert Name of CLIENT REPRESENTATIVE]**, a company incorporated under the laws of [*insert state*], having its registered office at [*insert registered address*], registered in the [*insert name of register*] with the number [*insert registration number*] (the “**Client Representative**”);  
and

and

**NORD POOL AS**, a company incorporated under the laws of Norway with a company number 984 058 098 whose registered office is at Vollsveien 17B, Postboks 121, 1325 Lysaker, Norway (“**Nord Pool**”);

each a “**Party**” and together the “**Parties**”.

## 1. GENERAL

- 1.1 Nord Pool operates the Nordic/Baltic Day-ahead Market pursuant to the terms of the Rulebook.
- 1.2 Under the terms of the Rulebook, Nord Pool offers eligible Members the opportunity to enter a gross bidding arrangement with respect to its Trading in the Day-ahead Market.
- 1.3 Parties have entered into a Client Agreement whereby the Client Representative has obtained the right to place Orders on behalf of the Client. The Client wishes to participate in Gross Bidding on the terms and conditions of this Agreement and the Rulebook.
- 1.4 The Client wishes to participate in Gross Bidding on the terms and conditions of this Agreement.
- 1.5 This Agreement only applies to Orders and Transactions placed in the Day-ahead Market in one country in the Nordic and Baltic Market.

## 2. INTERPRETATION

- 2.1 Capitalised terms used in this Agreement which are otherwise not defined herein shall have the meaning attributed to them in the Rulebook, and the principles of interpretation of the Rulebook shall apply also in interpreting this Agreement.
- 2.2 In addition, the following terms shall have the meaning ascribed to them below:
  - a. “**Gross Bidding**” means the placement of Orders in electricity on the Day-ahead Market in the Gross Bidding Portfolios, under an arrangement entailing that a reduced fee is paid for a specified amount of purchase and sales volumes that nets to zero whereas standard fees are paid for the remaining volume (and this Agreement constitutes such an arrangement).
  - b. “**Gross Bidding Date**” means [*insert date on which Gross Bidding is to commence*].

- c. “**Gross Bidding Portfolios**” means both the Purchase Portfolios and the Sales Portfolios set out in Annex 1 hereto, and which may be changed by a written and duly signed notice from the Participant (in the substantial format of Annex 1) subject to the consent of Nord Pool.
- d. “**Gross Volume Fee**” means the fees specified as such in the Fee Schedule.
- e. “**Purchase Portfolio**” means the electricity purchases carried out by the Client (through the Client Representative).
- f. “**Sales Portfolio**” means the electricity sales generated by the Client’s production of electricity and/or sales based on other procurement agreement entered into by the Client.
- g. “**Standard Volume Fee**” means fees in the Fee Schedule not being Gross Volume Fees.

### 3. GROSS BIDDING

- 3.1 With effect from the Gross Bidding Date, the Client undertakes to conduct Gross Bidding and the Client Representative undertakes to carry out such Gross Bidding on behalf of the Client in accordance with this Agreement and the Rulebook.
- 3.2 The Client and the Client Representative undertake to carry out Gross Bidding for all Sales Portfolios and Purchase Portfolios. By entering into this Agreement, the Client and the Client Representative refrain from internal netting/matching of purchase interest in the Purchase Portfolio(s) with sales interest in the Sales Portfolio(s).
- 3.3 Nord Pool may, at its discretion and subject to available functionality of applicable systems, implement technical measures to ensure the Client’s and the Client Representative’s compliance with clause 3.2 above.

### 4. GROSS BIDDING FEES

- 4.1 To the extent that the gross volumes traded under the Gross Bidding Portfolios are corresponding (i.e. nets to zero), the Client shall be charged a Gross Volume Fee with respect to the applicable volume. Any net difference in volumes traded under the Gross Bidding Portfolios (i.e. net “surplus” purchase or sales volumes) shall be charged the Standard Volume Fee with respect to the applicable volume.
- 4.2 The total Trading and Clearing fees for Gross Bidding Portfolios will be calculated on an hourly basis (per clock hour from the top of each hour) as follows:

*Total Fee = (VFs \* A) + (VFg \* G), where*

*VFs = Standard Volume Fee.*

*VFg = Gross Volume Fee.*

- $A$  = the absolute value of the difference between the applicable sales volume and applicable purchase volume: ( $= \text{abs}(S-P)$ )
- $S$  = the sales volume
- $P$  = the purchase volume
- $G$  = the sum of the sales volume and the purchase volume minus the absolute value of the difference between the two volumes: ( $S+P - A$ )
- 4.3 There shall be a maximum Gross Volume Fee per calendar year stated in the Fee Schedule. The Gross Volume Fee per calendar year may not exceed such maximum volume when calculated pursuant to clause 4.2 (i.e. any exceeding Gross Volume Fee shall not be charged). For the avoidance of doubt, this clause shall not apply to any Standard Volume Fees.
- 4.4 Fees under this Agreement will be calculated as part of the regular invoicing of the Client pursuant to the Rulebook.

## 5. TERM AND TERMINATION

- 5.1 This Agreement shall take effect from the Gross Bidding Date.
- 5.2 A Party may terminate this Agreement with three (3) months' written notice to the other Party. However, if the Client's Client Agreement terminates prior to the expiry of the three-month notice period, this Agreement terminates concurrently with the Client Agreement.

## 6. MISCELLANEOUS

- 6.1 **Notices.** Any notice required to be given under this Agreement or the Rulebook by the Client or the Client Representative shall be given by authorised representatives and in writing to authorised representatives of Nord Pool, unless as otherwise prescribed in the Rulebook.
- 6.2 **Entire agreement.** This Agreement and the Rulebook contain the whole agreement between Nord Pool, the Client and the Client Representative relating to the subject matter of this Agreement and the Rulebook and supersede any previous arrangement, understanding or agreement between them relating to that subject matter. Each Party acknowledges that, in entering into this Agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty other than as expressly set out in this agreement and the Rulebook. Nothing in this Section 6.2 shall limit or exclude any liability for fraud.
- 6.3 **Inconsistency of terms.** In the event of there being an inconsistency or difference between the terms of this Agreement and the terms of the Rulebook, the terms of this Agreement shall prevail.
- 6.4 **Severability.** In the event that any one or more provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions shall remain valid and enforceable.
- 6.5 **Assignment.** The Client or the Client Representative may not transfer, novate or assign this Agreement or its rights under the Rulebook without the prior written consent of Nord Pool.
- 6.6 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed shall constitute an original of this Agreement, but all the counterparts shall together constitute the same agreement.

- 6.7 **Waiver.** No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy.
- 6.8 **Amendments.** Amendments to this Agreement require written agreement of both Parties. However, Annex 1 to this Agreement may be amended by a written and duly signed notice from the Participant (substantially in the form of Annex 1), subject to the consent of Nord Pool. Furthermore, Nord Pool may amend the Rulebook in accordance with the provisions thereof.

## 7. CHOICE OF LAW AND DISPUTE RESOLUTION

- 7.1 This Agreement shall be governed by, construed and take effect in accordance with [ *insert governing law of the Client Agreement* ] law.
- 7.2 The [ *insert venue determined in the Client Agreement* ] courts shall have exclusive jurisdiction to settle any claim, dispute or difference that may arise out of or in connection with this Agreement, including any question as to its existence, validity or termination.
- 7.3 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the [ *insert venue determined in the Client Agreement* ] courts and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any proceedings brought in the [ *insert venue determined in the Client Agreement* ] courts shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction in accordance with the enforcement law of that jurisdiction.

\* \* \*

IN WITNESS OF THEIR AGREEMENT each Party has caused its authorised representative to execute this Agreement effective as of the date of signature by all Parties.

**For and on behalf of [Client name]**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

**For and on behalf of [Client Representative name]**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

**For and on behalf of Nord Pool AS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

## ANNEX 1- GROSS BIDDING PORTFOLIOS

Trading Portfolio	Short Code	Type (sale/purchase)	Termination Date

For and on behalf of [Client name]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date: