



# Product overview

## N2EX - UK Market

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## **1. Introduction**

### **1.1 N2EX – UK ENERGY MARKET PLACE**

Following an extensive tender process, NASDAQ OMX Commodities (NOMXC) and Nord Pool Spot AS (NPS) have been selected by The Futures & Options Association (FOA) to provide Market and Clearing services for the UK Wholesale Power Market. This joint venture began with Trading and Clearing activities on the 12<sup>th</sup> January 2010 and operates under the name N2EX.

NPS is the global leader in the creation and operation of physical power markets with a tradition of success dating back to 1993. NASDAQ OMX is a pioneer in exchange development and technology and currently supplies exchange technology to over 60 financial marketplaces in over 50 countries.

N2EX, the UK market offering, will initially be a marketplace for Physical UK Power contracts and launch a platform for financial futures contracts further into 2010.

- The physical market will be operated jointly by NPS and NOMXC.
- The futures market will be operated by NOMXC.

This document describes the N2EX physical markets.

### **1.2 The Physical Market**

From the outset N2EX will operate as a physical power market place providing platforms for the trading of UK Power contracts. This can be divided into three product areas:

- The Spot Market – A continuous market for ½ hour contracts, 1 hour contracts, 2 hour blocks. The spot market will in addition cover 4 hour blocks as well as Day and weekend contracts as set out in item 2.1.1 Spot Order Contracts.
- The Prompt Market – A continuous market for physically delivered power providing 4 hour blocks, Overnight, Block 3+4, Peak, Off-peak, Extended Peak and Base, Weekend and Weekly contracts for Peak and Base load, Weekend Bank Holiday contract and Monthly Contract as set out in item 2.2.1 Prompt Order Contracts. Contracts in the Prompt market will be moved from the Prompt market to the Spot market at the close of the prompt market (19:00) two days prior to the beginning of the delivery period to avoid overlapping contracts. A diverging routine is implemented at the prompt market close on Fridays see item 2.1 Spot Market and 2.2 Prompt Market.
- The Day Ahead Auction Market (DAM) - A day-ahead spot market auction for physically delivered power.

### **1.3 Marketplace platforms**

The prompt and intraday markets will be run on the CONDICO trading system. The system is a fully web-supported transaction platform providing connectivity through the Internet.

The DAM will run on SAPRI v.2.2. Participants will access the SAPRI system by accessing the SAPRI web application.

Systems feature:

- Secure internet access
- Automatic BSC Notification
- Central counterparty clearing

### **1.4 Market Rules and supervision**

The Norwegian Regulator NVE will act as regulator for the trading and clearing of physical contracts in the N2EX UK Power market. The UK Power market will follow UK market practice. The Rulebook will be under UK law. The Physical market will be operated by Nord Pool Spot AS (NPS) for trading and NASDAQ OMX Commodities (NOMXC) through Nord Pool Clearing ASA (NPC) for clearing.

Following the launch of financial futures, the Financial Supervisory Authority of Norway will act as regulator for the trading and clearing of financial contracts based upon the UK power markets and operated by NASDAQ OMX Commodities (NOMXC) through the companies Nord Pool ASA (NP) and Nord Pool Clearing ASA (NPC).

The Market Surveillance Department will monitor the trading activities in the physical and financial markets at Nord Pool Spot and NASDAQ OMX and conduct investigations of possible breaches of laws and regulations.

### **1.5 BSC**

The balance of the transmission system is ensured under the Balancing and Settlement Code (BSC). Reporting requirements to the BSC will be provided by NPC.

### **1.6 Membership**

There will be three types of participant categories for the physical markets at N2EX:

#### **1.6.1 Direct participant**

- Participant agreement with Nord Pool Spot
- Clearing agreement with Nord Pool Clearing (part of NOMXC)
- Permits trading and clearing on own behalf
- Requires in-house competence
- Responsible for own settlement procedures

### **1.6.2 Trading and clearing representative**

- Participant agreement with Nord Pool Spot
- Clearing agreement with Nord Pool Clearing
- Permits both trading on own behalf as well as for clearing customers
- Requires in-house competence
- Responsible only for the settlement of their own trading

### **1.6.3 Clearing customer**

- Clearing customer agreement with their trading and clearing representative and Nord Pool Spot
- Clearing agreement with Nord Pool Clearing
- Responsible for settlement of their own trading done by the trading and clearing representative

#### **In addition all participants must:**

- Enable N2EX to maintain a valid ECVNA (Energy Contract Volume Notification Agent)
- Comply with the terms of the Balancing and Settlement Code
- Post collateral according to prevailing rules
- Comply with the rulebooks for trading and clearing

All formalities must be completed before trading can commence.

## 2. Overview of the Physical Markets at N2EX

N2EX will provide the following sub markets:

- Spot Market
- Prompt Market
- Day Ahead Auction Market (DAM)

### 2.1 Spot Market

The spot market will be run in the Condicto trading system.

- **Quotation method:** Continuous trading
- **Trading days:** The spot market will be open for trading from 00:15 to 23:45 all days.
- **Opening of products:** The Half Hour, Hour and 2 Hour Block contracts will be made available in the trading system on a rolling contract basis (one on, one off). The Block contracts, the day and weekend contracts will be transferred from the Prompt Market to the Spot Market at the Prompt Market close on Fridays for contracts with delivery day Monday, Tuesday and Wednesday. See item 2.3 below for a description of the process of transferring contracts from the Prompt Market to the Spot market.
- **Trading period:** Contracts will cease to be available for trading according to the following: (see item 2.1.2 – 2.1.3)
  - Half Hour contracts: 15 minutes ahead of Gate Closure
  - 1 Hour contracts: 16 minutes ahead of Gate Closure
  - 2 Hour Blocks: 17 minutes ahead of Gate Closure
  - 4 Hour Blocks: 19 minutes ahead of Gate Closure
  - Listed Block combinations: 15 minutes ahead of Gate Closure
- **Volume tick:** 1 MW
- **Price tick:** GBP 0.01/MWh
- **Order details:**
  - Buy or sell
  - Product
  - Volume (in MW)
  - Limit price in GBP/MWh
  - Order type: Fill, Fill and Kill, Fill or Kill, Stop Order, all or nothing
  - BSC energy account
- **Cash settlement and delivery:**
  - For invoices with net purchase amount: Delivery day + 1 day
  - For invoices with net sell amount: Delivery day + 3 days
- **OTR:** Contracts transferred from the Prompt Market (4H, day and weekend contracts) will be available for OTR until 19:00 the day before delivery. Ref. Clearing Schedule. Bank Holiday Contracts and Month Contracts will also be available for OTR. The Half Hour, 1 Hour and 2 Hour contracts will not be available for OTR.

### 2.1.1 Spot Order Contracts

The Spot Market (PM) will permit trading of Half Hour, Hour, 2 Hour Block, 4 Hour Block, and the various day and weekend contracts. All contracts will be specified as EFA day contracts starting at 23:00 day ahead.

| Contr. type.           | Contr. lngth. | Contr. frqcy. | Contr. open | Start Time 1   | End Time 1     | Start Time 2 | End Time 2 | Start Time 3 | End Time 3 | Start Time 4 | End Time 4 |
|------------------------|---------------|---------------|-------------|----------------|----------------|--------------|------------|--------------|------------|--------------|------------|
| Half Hour              | 30 min        | 48/Day        | 96          | See item 2.1.1 | See item 2.1.1 |              |            |              |            |              |            |
| Hour                   | 1 Hr          | 24/day        | 48          | See item 2.1.2 | See item 2.1.2 |              |            |              |            |              |            |
| 2 Hour block           | 2 Hrs         | 12/Day        | 24          | See item 2.1.3 | See item 2.1.3 |              |            |              |            |              |            |
| 4 Hour block*          | 4 Hrs         | 6/day         | 12-30       | See item 2.1.4 | See item 2.1.4 |              |            |              |            |              |            |
| Overnight*             | 8 Hrs         | 1/Day         | 2 - 5       | 23:00          | 07:00          |              |            |              |            |              |            |
| Block 3+4*             | 8 Hrs         | 1/Day         | 2 - 5       | 07:00          | 15:00          |              |            |              |            |              |            |
| Peak*                  | 12 Hrs        | 1/Day         | 2 - 5       | 07:00          | 19:00          |              |            |              |            |              |            |
| Off peak*              | 12 Hrs        | 1/Day         | 2 - 5       | 23:00          | 07:00          | 19:00        | 23:00      |              |            |              |            |
| Extended peak*         | 16 Hrs        | 1/Day         | 2 - 5       | 07:00          | 23:00          |              |            |              |            |              |            |
| Base*                  | 24 Hrs        | 1/Day         | 2 - 5       | 23:00          | 23:00          |              |            |              |            |              |            |
| Weekend 5*             | 8 Hrs         | 1/Wk          | 0-1         | Sat 15:00      | Sat 19:00      | Sun 15:00    | Sun 19:00  |              |            |              |            |
| Weekend 6*             | 8 Hrs         | 1/Wk          | 0-1         | Sat 19:00      | Sat 23:00      | Sun 19:00    | Sun 23:00  |              |            |              |            |
| Weekend overnight*     | 16 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sat 07:00      | Sat 23:00    | Sun 07:00  |              |            |              |            |
| Weekend 3+4*           | 16 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 15:00      | Sun 07:00    | Sun 15:00  |              |            |              |            |
| Weekend off-peak*      | 24 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sat 07:00      | Sat 19:00    | Sat 23:00  | Sat 23:00    | Sun 07:00  | Sun 19:00    | Sun 23:00  |
| Weekend peak*          | 24 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 19:00      | Sun 07:00    | Sun 19:00  |              |            |              |            |
| Weekend extended peak* | 32 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 23:00      | Sun 07:00    | Sun 23:00  |              |            |              |            |
| Weekend base*          | 48 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sun 23:00      |              |            |              |            |              |            |

\*Contracts moved to the spot market from the prompt market.

## 2.1.2 Unique Spot Order Contracts

The Half Hour, 1 Hour and 2 Hour contracts will only be available in the spot market on a rolling contract basis covering 48 hours out.

### 2.1.2.1 Half Hour Contracts

There will be 96 half hour contracts available for trading at any time. Contracts are closed for trading 15 minutes before the start of the Gate Closure for the first Settlement Period of the respective Hour.

|              | <b>START TIME</b> | <b>END TIME</b> |              | <b>START TIME</b> | <b>END TIME</b> |
|--------------|-------------------|-----------------|--------------|-------------------|-----------------|
| Half hour 47 | 23:00             | 23:30           | Half hour 23 | 11:00             | 11:30           |
| Half hour 48 | 23:30             | 00:00           | Half hour 24 | 11:30             | 12:00           |
| Half hour 01 | 00:00             | 00:30           | Half hour 25 | 12:00             | 12:30           |
| Half hour 02 | 00:30             | 01:00           | Half hour 26 | 12:30             | 13:00           |
| Half hour 03 | 01:00             | 01:30           | Half hour 27 | 13:00             | 13:30           |
| Half hour 04 | 01:30             | 02:00           | Half hour 28 | 13:30             | 14:00           |
| Half hour 05 | 02:00             | 02:30           | Half hour 29 | 14:00             | 14:30           |
| Half hour 06 | 02:30             | 03:00           | Half hour 30 | 14:30             | 15:00           |
| Half hour 07 | 03:00             | 03:30           | Half hour 31 | 15:00             | 15:30           |
| Half hour 08 | 03:30             | 04:00           | Half hour 32 | 15:30             | 16:00           |
| Half hour 09 | 04:00             | 04:30           | Half hour 33 | 16:00             | 16:30           |
| Half hour 10 | 04:30             | 05:00           | Half hour 34 | 16:30             | 17:00           |
| Half hour 11 | 05:00             | 05:30           | Half hour 35 | 17:00             | 17:30           |
| Half hour 12 | 05:30             | 06:00           | Half hour 36 | 17:30             | 18:00           |
| Half hour 13 | 06:00             | 06:30           | Half hour 37 | 18:00             | 18:30           |
| Half hour 14 | 06:30             | 07:00           | Half hour 38 | 18:30             | 19:00           |
| Half hour 15 | 07:00             | 07:30           | Half hour 39 | 19:00             | 19:30           |
| Half hour 16 | 07:30             | 08:00           | Half hour 40 | 19:30             | 20:00           |
| Half hour 17 | 08:00             | 08:30           | Half hour 41 | 20:00             | 20:30           |
| Half hour 18 | 08:30             | 09:00           | Half hour 42 | 20:30             | 21:00           |
| Half hour 19 | 09:00             | 09:30           | Half hour 43 | 21:00             | 21:30           |
| Half hour 20 | 09:30             | 10:00           | Half hour 44 | 21:30             | 22:00           |
| Half hour 21 | 10:00             | 10:30           | Half hour 45 | 22:00             | 22:30           |
| Half hour 22 | 10:30             | 11:00           | Half hour 46 | 22:30             | 23:00           |

### 2.1.2.2 1 Hour Contracts

There will be 48 hourly stand alone contracts available for trading at any time. Contracts are closed for trading 16 minutes before the start of the Gate Closure for the first Settlement Period of the respective Hour.

|         | <b>START<br/>TIME</b> | <b>END<br/>TIME</b> |
|---------|-----------------------|---------------------|
| Hour 24 | 23:00                 | 00:00               |
| Hour 01 | 00:00                 | 01:00               |
| Hour 02 | 01:00                 | 02:00               |
| Hour 03 | 02:00                 | 03:00               |
| Hour 04 | 03:00                 | 04:00               |
| Hour 05 | 04:00                 | 05:00               |
| Hour 06 | 05:00                 | 06:00               |
| Hour 07 | 06:00                 | 07:00               |
| Hour 08 | 07:00                 | 08:00               |
| Hour 09 | 08:00                 | 09:00               |
| Hour 10 | 09:00                 | 10:00               |
| Hour 11 | 10:00                 | 11:00               |
| Hour 12 | 11:00                 | 12:00               |
| Hour 13 | 12:00                 | 13:00               |
| Hour 14 | 13:00                 | 14:00               |
| Hour 15 | 14:00                 | 15:00               |
| Hour 16 | 15:00                 | 16:00               |
| Hour 17 | 16:00                 | 17:00               |
| Hour 18 | 17:00                 | 18:00               |
| Hour 19 | 18:00                 | 19:00               |
| Hour 20 | 19:00                 | 20:00               |
| Hour 21 | 20:00                 | 21:00               |
| Hour 22 | 21:00                 | 22:00               |
| Hour 23 | 22:00                 | 23:00               |

### 2.1.2.3 2 Hour Block Contracts

There will be 24, 2 hour standalone block contracts available for trading at any time. Contracts are closed for trading 17 minutes before the start of the Gate Closure for the first Settlement Period of the respective Two Hour Period.

|          | <b>START TIME</b> | <b>END TIME</b> |
|----------|-------------------|-----------------|
| Block 1a | 23:00             | 01:00           |
| Block 1b | 01:00             | 03:00           |
| Block 2a | 03:00             | 05:00           |
| Block 2b | 05:00             | 07:00           |
| Block 3a | 07:00             | 09:00           |
| Block 3b | 09:00             | 11:00           |
| Block 4a | 11:00             | 13:00           |
| Block 4b | 13:00             | 15:00           |
| Block 5a | 15:00             | 17:00           |
| Block 5b | 17:00             | 19:00           |
| Block 6a | 19:00             | 21:00           |
| Block 6b | 21:00             | 23:00           |

### 2.1.3 Spot Order Contracts that are transferred from the Prompt Market

All the blocks, days and weekend contracts listed in the Prompt Market will be transferred to the spot market as they move closer to delivery.

#### 2.1.3.1 4 Hour Block Contracts

There will be 12 – 30, 4 hour stand alone block contracts available for trading in the spot market at any time. Contracts will be closed for trading 19 minutes before the start of the Gate Closure for the first Settlement Period of the respective 4 Hour Period.

Contracts will normally become available in the spot market at 19:00 two Full clear Business days prior to delivery. Hence Contracts with Delivery Day on Mondays, Tuesdays and Wednesdays will be available in the Spot Market when the Prompt Market closes on Fridays at 19:00.

|         | <b>START TIME</b> | <b>END TIME</b> |
|---------|-------------------|-----------------|
| Block 1 | 23:00             | 03:00           |
| Block 2 | 03:00             | 07:00           |
| Block 3 | 07:00             | 11:00           |
| Block 4 | 11:00             | 15:00           |
| Block 5 | 15:00             | 19:00           |
| Block 6 | 19:00             | 23:00           |

#### 2.1.3.2 Overnight and block 3+4

There will be 2 to 5, overnight and block 3+4 as stand alone contracts available for trading in the Spot Market at any time. Contracts will be closed for trading 15 minutes before the start of the Gate Closure for the first Settlement Period of the respective Contract.

Contracts will normally become available in the Spot Market at 19:00 two Full clear Business days prior to start of the applicable Delivery Hours. Contracts with Delivery Day

on Monday, Tuesday and Wednesday will be available in the Spot Market when the Prompt Market closes on Fridays at 19:00.

| <b>Contr. type.</b> | <b>Contr. lngth.</b> | <b>Contr. frqcy.</b> | <b>Contr. open</b> | <b>Start Time 1</b> | <b>End Time 1</b> |
|---------------------|----------------------|----------------------|--------------------|---------------------|-------------------|
| Overnight           | 8 Hrs                | 1/Day                | 2 - 5              | 23:00               | 07:00             |
| Block 3+4           | 8 Hrs                | 1/Day                | 2 - 5              | 07:00               | 15:00             |

### **2.1.3.3 Day Contracts**

There will be 2 - 5 of each day products, Peak, Off peak, Extended peak and Base as stand alone contracts available for trading at any time. Day contracts will be closed for trading 15 minutes before the start of the Gate Closure for the first Settlement Period of the respective Contract:-

Contracts will normally become available in the Spot Market at 19:00 two Full clear Business days prior to Delivery. Contracts with Delivery Day Monday, Tuesday and Wednesday will be available in the Spot Market when the Prompt Market closes on Fridays at 19:00.

| <b>Contr. type.</b> | <b>Contr. lngth.</b> | <b>Contr. frqcy.</b> | <b>Contr. open</b> | <b>Start Time 1</b> | <b>End Time 1</b> | <b>Start Time 2</b> | <b>End Time 2</b> |
|---------------------|----------------------|----------------------|--------------------|---------------------|-------------------|---------------------|-------------------|
| Peak                | 12 Hrs               | 1/Day                | 2 - 5              | 07:00               | 19:00             |                     |                   |
| Off peak            | 12 Hrs               | 1/Day                | 2 - 5              | 23:00               | 07:00             | 19:00               | 23:00             |
| Extended peak       | 16 Hrs               | 1/Day                | 2 - 5              | 07:00               | 23:00             |                     |                   |
| Base                | 24 Hrs               | 1/Day                | 2 - 5              | 23:00               | 23:00             |                     |                   |

A Tuesday base contract will be listed in the Prompt Market from the Wednesday one week prior to Delivery and be available for trading in the Prompt Market during opening hours 07:00 – 19:00 Tuesdays through Fridays. The contract will then become available in the Spot Market at 19:00 Friday evening and will be available for trading until Monday evening 21:30. The Spot Market will have 5 base contracts listed on Friday evening (Saturday open for trading until 21:30 on Friday evening, Sunday, Monday, Tuesday and Wednesday). 2 base contracts will be listed during normal weekdays.

### 2.1.3.4 Weekend Contracts

There will be 1 of each weekend contract available for trading in the Spot Market Wednesday (19.00) through Friday. Weekend contracts will be closed for trading 15 minutes before the start of the Gate Closure for the first Settlement Period of the respective Contract. Weekend contracts will be transferred from the prompt market to the spot market on Wednesdays at 19:00 2 Full clear Business Days prior to delivery.

| Contr. type.          | Contr. lngth. | Contr. frqcy. | Contr. Open | Start Time 1 | End Time 1 | Start Time 2 | End Time 2 | Start Time 3 | End Time 3 | Start Time 4 | End Time 4 |
|-----------------------|---------------|---------------|-------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| Weekend 5             | 8 Hrs         | 1/Wk          | 0-1         | Sat 15:00    | Sat 19:00  | Sun 15:00    | Sun 19:00  |              |            |              |            |
| Weekend 6             | 8 Hrs         | 1/Wk          | 0-1         | Sat 19:00    | Sat 23:00  | Sun 19:00    | Sun 23:00  |              |            |              |            |
| Weekend overnight     | 16 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sat 07:00  | Sat 23:00    | Sun 07:00  |              |            |              |            |
| Weekend 3+4           | 16 Hrs        | 1/Wk          | 0-1         | Sat 07:00    | Sat 15:00  | Sun 07:00    | Sun 15:00  |              |            |              |            |
| Weekend off-peak      | 24 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sat 07:00  | Sat 19:00    | Sat 23:00  | Sat 23:00    | Sun 07:00  | Sun 19:00    | Sun 23:00  |
| Weekend peak          | 24 Hrs        | 1/Wk          | 0-1         | Sat 07:00    | Sat 19:00  | Sun 07:00    | Sun 19:00  |              |            |              |            |
| Weekend extended peak | 32 Hrs        | 1/Wk          | 0-1         | Sat 07:00    | Sat 23:00  | Sun 07:00    | Sun 23:00  |              |            |              |            |
| Weekend base          | 48 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sun 23:00  |              |            |              |            |              |            |

### 2.1.3.5 Bank Holiday Contracts

N2EX will list Bank holiday base load contracts to cover bank holiday periods. Bank holiday contracts will in general become available in the trading system 7 days prior to the end of the delivery period and be closed for trading the day before delivery starts at 19:00. Appendix 2 shows the listing pattern for bank holidays 2010 to 2012. Bank holiday contracts will span 2-4 days.

| Contr. type. | Contr. lngth. | Contr. frqcy. | Contr. open | Start Time 1                  | End Time 1                |
|--------------|---------------|---------------|-------------|-------------------------------|---------------------------|
| Bank Holiday | 48 - 96 Hrs   | 1/Day         | 0 - 1       | Day before Bank Holiday 23:00 | (Last) Bank Holiday 23:00 |

| Year | Bank Holiday | Date      | Contract period |
|------|--------------|-----------|-----------------|
| 2011 | New Years    | 3 January | 3 days          |
|      | Easter       |           | 4 days          |

|      |   |                            |        |
|------|---|----------------------------|--------|
|      | <ul style="list-style-type: none"> <li>▪ Good Friday</li> <li>▪ Easter Monday</li> </ul>                                      | 22 April<br>25 April       |        |
|      | Early May Bank Holiday  | 2 May                      | 3 days |
|      | Spring Bank Holiday   | 30 May                     | 3 days |
|      | Summer Bank Holiday   | 29 August                  | 3 days |
|      | Christmas <ul style="list-style-type: none"> <li>▪ Christmas Day</li> <li>▪ Boxing Day</li> </ul>                             | 26 December<br>27 December | 4 days |
| 2012 | New Years   | 3 January                  | 3 days |
|      | Easter <ul style="list-style-type: none"> <li>▪ Good Friday</li> <li>▪ Easter Monday</li> </ul>                               | 6 April<br>9 April         | 4 days |
|      | Early May Bank Holiday  | 7 May                      | 3 days |
|      | Spring Bank Holiday <ul style="list-style-type: none"> <li>▪ Spring Bank Holiday</li> <li>▪ Queen's Dimond Jubilee</li> </ul> | 4 June<br>5 June           | 4 days |
|      | Summer Bank Holiday   | 29 August                  | 3 days |
|      | Christmas <ul style="list-style-type: none"> <li>▪ Christmas Day</li> <li>▪ Boxing Day</li> </ul>                             | 26 December<br>27 December | 4 days |

## 2.1.4 Contract codes

### Contract codes

| CONTRACT TYPE         | CONTRACT CODE PREFIX (FIXED) | CONTRACT CODE SUFFIX (VARIABLE) | EXAMPLE         |
|-----------------------|------------------------------|---------------------------------|-----------------|
| Half Hour             | HH-                          | yyyymmdd-nn                     | HH-20090120-36  |
| Hour                  | 1H-                          | yyyymmdd-nnH                    | 1H-20090120-10H |
| 2 Hour Blocks         | 2H-                          | yyyymmdd-nl                     | 2H-20090120-3B  |
| 4 Hour Blocks         | 4H-                          | yyyymmdd-Bn                     | 4H-20090120-B4  |
| Overnight             | See item 2.2.6               |                                 |                 |
| Block 3+4             | See item 2.2.6               |                                 |                 |
| Peak                  | See item 2.2.6               |                                 |                 |
| Off-peak              | See item 2.2.6               |                                 |                 |
| Extended peak         | See item 2.2.6               |                                 |                 |
| Base                  | See item 2.2.6               |                                 |                 |
| Weekend 5             | See item 2.2.6               |                                 |                 |
| Weekend 6             | See item 2.2.6               |                                 |                 |
| Weekend overnight     | See item 2.2.6               |                                 |                 |
| Weekend 3+4           | See item 2.2.6               |                                 |                 |
| Weekend off-peak      | See item 2.2.6               |                                 |                 |
| Weekend peak          | See item 2.2.6               |                                 |                 |
| Weekend extended peak | See item 2.2.6               |                                 |                 |
| Weekend base          | See item 2.2.6               |                                 |                 |
| Weekend bank holiday  | WEBH-                        |                                 | WEBH-2012-14    |

The first example means half hour contract 36 (17:30-18:00) for 20 January 2009.

## 2.1.5 Variables

| SUFFIX VARIABLE | DEFINITION                             | RANGE         |
|-----------------|--|---------------|
| Dd              | Day of Month (Two Digits)              | 01 to 31      |
| Mm              | Month of Year (Two Digits)             | 01 to 12      |
| Yyyy            | Year (Four Digits)                     | 2000 to 2099  |
| N               | Block Period (One Digit)               | 1 to 6        |
| NI              | Block Period (Two Digit)               | 1A to 6B      |
| Nn              | Half Hour and Hour Period (Two Digits) | 01 to 48 (50) |

## 2.2 Prompt Market

The Prompt Market will also be run in the Condico trading system.

- **Quotation method:** Continuous trading
- **Trading days:** Monday through Friday 07:00 to 19:00. The Prompt Market will be closed on UK Bank Holidays.
- **Trading period:** From 48 hours out up to 7 days out
- **Opening of products:** New contracts will be made available in the trading system every trading day from 07:00 on a rolling contract basis. The 4 Hour Block and the day and weekend contracts will be transferred from the Prompt Market to the Spot Market at the Prompt Market close (19:00) two Full clear Business Days before the corresponding EFA day starts or on the Prompt Market close on Fridays for Monday Tuesdays and Wednesday contracts. See item 2.3 below for a description of the process of transferring contracts from the Prompt Market to the Spot market.
- **Volume tick:** 1 MW
- **Price tick:** GBP 0.01/MWh
- **Order details:**
  - Buy or sell
  - Product
  - Volume (in MW)
  - Limit price in GBP/MWh
  - Order type: Fill, Fill and Kill, Fill or Kill, Stop Order, all or nothing
  - BSC energy account
- **Closing prices:** Set at a random time within the last 10 minutes of trading every trading day.
- **Cash settlement and delivery:**
  - For invoices with net purchase amount: Delivery day + 1 day
  - For invoices with net sell amount: Delivery day + 3 days
- **OTR** Contracts will be available for OTR on the Prompt Market trading days 07.00 – 19.00. Ref. Clearing Schedule.

### 2.2.1 Prompt Order Contracts

The Prompt Market (PM) will permit the trading of Block, various day and weekend contracts. Week contracts and month contracts will only be available as OTR. Ref. Clearing Schedule.

| Contr. type.          | Contr. lngth. | Contr. frqcy. | Contr. open | Start Time 1   | End Time 1     | Start Time 2 | End Time 2 | Start Time 3 | End Time 3 | Start Time 4 | End Time 4 | Start Time 5 | End Time 5 |
|-----------------------|---------------|---------------|-------------|----------------|----------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| 4 Hour block          | 4 Hrs         | 6/Day         | 24          | See item 2.1.4 | See item 2.1.4 |              |            |              |            |              |            |              |            |
| Overnight             | 8 Hrs         | 1/Day         | 4           | 23:00          | 07:00          |              |            |              |            |              |            |              |            |
| Block 3+4             | 8 Hrs         | 1/Day         | 4           | 07:00          | 15:00          |              |            |              |            |              |            |              |            |
| Peak                  | 12 Hrs        | 1/Day         | 4           | 07:00          | 19:00          |              |            |              |            |              |            |              |            |
| Off-peak              | 12 Hrs        | 1/Day         | 4           | 23:00          | 07:00          | 19:00        | 23:00      |              |            |              |            |              |            |
| Extended peak         | 16 Hrs        | 1/Day         | 4           | 07:00          | 23:00          |              |            |              |            |              |            |              |            |
| Base                  | 24 Hrs        | 1/Day         | 4           | 23:00          | 23:00          |              |            |              |            |              |            |              |            |
| Weekend 5             | 8 Hrs         | 1/Wk          | 0-1         | Sat 15:00      | Sat 19:00      | Sun 15:00    | Sun 19:00  |              |            |              |            |              |            |
| Weekend 6             | 8 Hrs         | 1/Wk          | 0-1         | Sat 19:00      | Sat 23:00      | Sun 19:00    | Sun 23:00  |              |            |              |            |              |            |
| Weekend overnight     | 16 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sat 07:00      | Sat 23:00    | Sun 07:00  |              |            |              |            |              |            |
| Weekend 3+4           | 16 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 15:00      | Sun 07:00    | Sun 15:00  |              |            |              |            |              |            |
| Weekend off-peak      | 24 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sat 07:00      | Sat 19:00    | Sat 23:00  | Sat 23:00    | Sun 07:00  | Sun 19:00    | Sun 23:00  |              |            |
| Weekend peak          | 24 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 19:00      | Sun 07:00    | Sun 19:00  |              |            |              |            |              |            |
| Weekend extended peak | 32 Hrs        | 1/Wk          | 0-1         | Sat 07:00      | Sat 23:00      | Sun 07:00    | Sun 23:00  |              |            |              |            |              |            |
| Weekend base          | 48 Hrs        | 1/Wk          | 0-1         | Fri 23:00      | Sun 23:00      |              |            |              |            |              |            |              |            |
| Peak week*            | 60 Hrs        | 1/Wk          | 0-1         | Mon 07:00      | Mon 19:00      | Tue 07:00    | Tue 19:00  | Wed 07:00    | Wed 19:00  | Thu 07:00    | Thu 19:00  | Fri 07:00    | Fri 19:00  |
| Base week*            | 168 Hrs       | 1/Wk          | 0-1         | Sun 23:00      | Sun 23:00      |              |            |              |            |              |            |              |            |
| Month bas*            | 672-1008Hrs   | 1/Mo          | 0-1         | Sun 23:00      | Sun 23:00      |              |            |              |            |              |            |              |            |

\*Not included as tradeable contract only as OTR give-ups.  
Other combinations can be specified by the user.

### 2.2.2 Block contracts

Block contracts in the Prompt Market will be added every trading day at 07:00. 4 Hour Block contracts for 4 days will be available for trading in the Prompt Market Monday through Friday.

Block contracts will be available for trading in the Prompt Market until 19:00 2 to 4 days prior to Delivery.

4 Hour Blocks, Overnight and Block 3+4 contracts covering 4 days (3-7 days out) will be traded in the Spot Market (see 2.1.3.1 and 2.1.3.2 above).

| <b>Contr. type.</b> | <b>Contr. lngth.</b> | <b>Contr. frqcy.</b> | <b>Contr. open</b> | <b>Start Time 1</b> | <b>End Time 1</b> |
|---------------------|----------------------|----------------------|--------------------|---------------------|-------------------|
| 4 Hour block        | 4 Hrs                | 6/Day                | 24                 | See item 2.1.3      | See item 2.1.3    |
| Overnight           | 8 Hrs                | 1/Day                | 4                  | 23:00               | 07:00             |
| Block 3+4           | 8 Hrs                | 1/Day                | 4                  | 07:00               | 15:00             |

### 2.2.3 Day contracts

Day contracts will be added to the trading system every trading day at 07:00. There will be 4 day contracts (covering 3-7 days out) available for trading in the Prompt Market Monday through Friday. On Monday at 07:00 contracts for the following Saturday and Sunday will be added to the trading system.

Day contracts will be available for trading in the prompt market until 19:00 2 to 4 days prior to delivery. Day contracts for the closest 2-5 days will be traded the spot market (see item 2.1.3.3 above)

| <b>Contr. type.</b> | <b>Contr. lngth.</b> | <b>Contr. frqcy.</b> | <b>Contr. open</b> | <b>Start Time 1</b> | <b>End Time 1</b> | <b>Start Time 2</b> | <b>End Time 2</b> |
|---------------------|----------------------|----------------------|--------------------|---------------------|-------------------|---------------------|-------------------|
| Day Peak            | 12 Hrs               | 1/Day                | 4                  | 07:00               | 19:00             |                     |                   |
| Day Off-peak        | 12 Hrs               | 1/Day                | 4                  | 23:00               | 07:00             | 19:00               | 23:00             |
| Day Extended peak   | 16 Hrs               | 1/Day                | 4                  | 07:00               | 23:00             |                     |                   |
| Day Base            | 24 Hrs               | 1/Day                | 4                  | 23:00               | 23:00             |                     |                   |

## 2.2.4 Weekend contracts

New weekend contracts for the following weekend will be added to the trading system every Monday morning at 07:00.

Weekend contracts will be available in the prompt market until Wednesday at 19:00, and thereafter traded in the spot market (see item 2.1.3.4 above)

| Contr. type.          | Contr. lngth. | Contr. frqcy. | Contr. open | Start Time 1 | End Time 1 | Start Time 2 | End Time 2 | Start Time 3 | End Time 3 | Start Time 4 | End Time 4 |
|-----------------------|---------------|---------------|-------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| Weekend 5             | 8 Hrs         | 1/Wk          | 0-1         | Sat 15:00    | Sat 19:00  | Sun 15:00    | Sun 19:00  |              |            |              |            |
| Weekend 6             | 8 Hrs         | 1/Wk          | 0-1         | Sat 19:00    | Sat 23:00  | Sun 19:00    | Sun 23:00  |              |            |              |            |
| Weekend overnight     | 16 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sat 07:00  | Sat 23:00    | Sun 07:00  |              |            |              |            |
| Weekend 3+4           | Hrs           | 1/Wk          | 0-1         | Sat 07:00    | Sat 15:00  | Sun 07:00    | Sun 15:00  |              |            |              |            |
| Weekend off-peak      | 24 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sat 07:00  | Sat 19:00    | Sat 23:00  | Sat 23:00    | Sun 07:00  | Sun 19:00    | Sun 23:00  |
| Weekend peak          | 24 Hrs        | 1/Wk          | 0-1         | Sat 07:00    | Sat 19:00  | Sun 07:00    | Sun 19:00  |              |            |              |            |
| Weekend extended peak | 32 Hrs        | 1/Wk          | 0-1         | Sat 07:00    | Sat 23:00  | Sun 07:00    | Sun 23:00  |              |            |              |            |
| Weekend base          | 48 Hrs        | 1/Wk          | 0-1         | Fri 23:00    | Sun 23:00  |              |            |              |            |              |            |

## 2.2.5 Bank Holiday Contracts

N2EX will list Bank holiday base load contracts to cover bank holiday periods. Bank holiday contracts will in general become available in the trading system 7 days prior to the end of the delivery period and be closed for trading the day before delivery starts at 19:00. Appendix 2 shows the listing pattern for bank holidays 2010 to 2012. Bank holiday contracts will span 2-4 days.

| Contr. type. | Contr. lngth. | Contr. frqcy. | Contr. open | Start Time 1                  | End Time 1                |
|--------------|---------------|---------------|-------------|-------------------------------|---------------------------|
| Bank Holiday | 48 - 96 Hrs   | 1/Day         | 0 - 1       | Day before Bank Holiday 23:00 | (Last) Bank Holiday 23:00 |

| Year | Bank Holiday            | Date      | Contract period |
|------|-------------------------|-----------|-----------------|
| 2011 | New Years               | 3 January | 3 days          |
|      | Easter<br>▪ Good Friday | 22 April  | 4 days          |

|      |   |                            |        |
|------|---|----------------------------|--------|
|      | ▪ Easter Monday   | 25 April                   |        |
|      | Early May Bank Holiday  | 2 May                      | 3 days |
|      | Spring Bank Holiday   | 30 May                     | 3 days |
|      | Summer Bank Holiday   | 29 August                  | 3 days |
|      | Christmas<br>▪ Christmas Day<br>▪ Boxing Day                              | 26 December<br>27 December | 4 days |
| 2012 | New Years   | 3 January                  | 3 days |
|      | Easter<br>▪ Good Friday<br>▪ Easter Monday                                | 6 April<br>9 April         | 4 days |
|      | Early May Bank Holiday  | 7 May                      | 3 days |
|      | Spring Bank Holiday<br>▪ Spring Bank Holiday<br>▪ Queen's Diamond Jubilee | 4 June<br>5 June           | 4 days |
|      | Summer Bank Holiday   | 29 August                  | 3 days |
|      | Christmas<br>▪ Christmas Day<br>▪ Boxing Day                              | 26 December<br>27 December | 4 days |

### 2.2.6 Week contracts

Nord Pool Spot will not be able to list week contracts since Nord Pool Spot does not have a license to list products more than a week ahead. Week contracts will however be available as **OTR**.

There will be one week available as OTR any given trading day. The cut-off time for OTR for the week contract is Friday 19:00 in the Prompt Market.

| Cont. type | Cont. Lngth | Cont. frqcy | Cont. open | Start Time 1 | End Time 1 | Start Time 2 | End Time 2 | Start Time 3 | End Time 3 | Start Time 4 | End Time 4 | Start Time 5 | End Time 5 |
|------------|-------------|-------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| Peak week  | 60 Hrs      | 1/Wk        | 1          | Mon 07:00    | Mon 23:00  | Tue 07:00    | Tue 23:00  | Wed 07:00    | Wed 23:00  | Thu 07:00    | Thu 23:00  | Fri 07:00    | Fri 23:00  |
| Base week  | 168 Hrs     | 1/Wk        | 1          | Sun 23:00    | Sun 23:00  |              |            |              |            |              |            |              |            |

### 2.2.7 Month Contracts

Nord Pool Spot will not be able to list month contracts as long as Nord Pool Spot does not have a license to list products more than a week ahead. Month contracts will be available as OTC give-ups.

Month contracts are based on the number of days in an EFA month, namely 28 days in January, February, April, May, July, August, October and November; 35 days in March, June, September, December. Month contracts will be listed at 07.00 on the first trading

day after the preceding month has gone to delivery. Ref. Appendix 3 – listing pattern for week base and month base contracts.

Month contracts will be available as OTR give-up until Friday (19.00) the day before delivery starts on Sunday 23.00.

| <b>Contr. type.</b> | <b>Contr. lngth.</b>   | <b>Contr. frqcy.</b> | <b>Contr. open</b> | <b>Start Time</b><br><b>1</b> | <b>End Time</b><br><b>1</b> |
|---------------------|------------------------|----------------------|--------------------|-------------------------------|-----------------------------|
| Month base          | <b>672 to 1008 Hrs</b> | 1/Mo.                | <b>1</b>           | Sun<br>23:00                  | Sun<br>23:00                |

## 2.2.8 Contract codes

| CONTRACT TYPE             | CONTRACT CODE PREFIX (FIXED) | CONTRACT CODE SUFFIX (VARIABLE) | EXAMPLE       |
|---------------------------|------------------------------|---------------------------------|---------------|
| 4 Hour block              | See item 2.1.9               |                                 |               |
| Overnight                 | DON-                         | yyyymmdd                        | DON-20090221  |
| Block 3+4                 | DB34-                        | yyyymmdd                        | DB34-20090221 |
| Peak                      | DP-                          | yyyymmdd                        | DP-20090228   |
| Off-peak                  | DOP-                         | yyyymmdd                        | DOP-20090221  |
| Extended peak             | DEP-                         | yyyymmdd                        | DEP-20090221  |
| Base                      | DB-                          | yyyymmdd                        | DB-20090228   |
| Weekend 5                 | WE5-                         | yyyy-ww                         | WE5-2009-09   |
| Weekend 6                 | WE6-                         | yyyy-ww                         | WE6-2009-09   |
| Weekend overnight         | WEON-                        | yyyy-ww                         | WEON-2009-09  |
| Weekend 3+4               | WE34-                        | yyyy-ww                         | WE34-2009-09  |
| Weekend off-peak          | WEOP-                        | yyyy-ww                         | WEOP-2009-09  |
| Weekend peak              | WEP-                         | yyyy-ww                         | WEP-2009-09   |
| Weekend extended peak     | WEEP-                        | yyyy-ww                         | WEEP-2009-09  |
| Weekend base              | WEB-                         | yyyy-ww                         | WEB-2009-09   |
| Peak week                 | WP-                          | yyyy-ww                         | WP-2009-9     |
| Base week                 | WB-                          | yyyy-ww                         | WB-2009-9     |
| Month base                | MB-                          | yyyy-mm                         | WP-2011-6     |
| Weekend Bank Holiday Base | WEBH-                        | yyyy-ww                         | WEBH-2010-34  |

The first example in the table means Peak Day contract for 20 January 2009.

## 2.2.9 Variables

| SUFFIX VARIABLE | DEFINITION                 | RANGE        |
|-----------------|----------------------------|--------------|
| Dd              | Day of Month (Two Digits)  | 01 to 31     |
| Mm              | Month of Year (Two Digits) | 01 to 12     |
| Yyyy            | Year (Four Digits)         | 2000 to 2099 |
| Ww              | Week (Two Digits)          | 01 to 53     |

## 2.3 Transferring contracts from the Prompt Market to the Spot Market

Products from the Prompt Market will in general be transferred to the Spot Market at the end of the Prompt Market close every Trading Day two full clear Business Days before the corresponding EFA day starts. Products in the Prompt and Spot Market are stand alone contracts. Products in the Prompt Market will keep the contract code they had in the Prompt Market when they roll over in to the Spot Market.

When the Prompt Market closes as set out in the Trading Schedule:

- On Mondays at 19.00 Products with Deliver Day Thursday (EFA day) will roll over to the Spot Market.

- On Tuesdays at 19.00 Products with Delivery Day Friday (EFA day) will be transferred to the Spot Market.
- On Wednesdays at 19.00 Products with Delivery Day Saturday (EFA day) will be transferred to the Spot Market.
- On Thursdays at 19.00 Products with Delivery Day Sunday (EFA day) will be transferred to the Spot Market.
- On Fridays at 19.00 Products with Delivery Day Monday, Tuesday and Wednesday (EFA day) will be transferred to the Spot Market

#### **2.4 Contract Matching in the spot and prompt markets**

Once an order is matched in the trading system, the member automatically enters into a contract with NPC, in its capacity as the central counterparty. Trading is anonymous and the member does not have any relationship with the member whose order caused the match.

#### **2.5 Clock change in the spot and prompt markets**

Numbering of Half Hour and Hour products follows the convention in the Balancing and Settlement Code. On the short-clock change day in March, the products are numbered 01 to 46 and 01 to 23 respectively and on the long-clock change in October the products are numbered 01 to 50 and 01 to 25 respectively.

All other products spanning the March or October clock change are one hour shorter on the short-clock change and one hour longer on the long-clock change.

## 2.6 Day-Ahead Market (DAM)

The DAM will be run in the SAPRI v.2.2 Trade Client.

- **Quotation method:** Continuous submission of orders before gate closure.
  - **Gate closure:** 09:30 am (GMT/BST) on working days except on the working day immediately preceding a weekend and/or Bank Holiday. Every Tuesday contracts for the following week (Monday through Sunday) will be listed in SAPRI. In effect the DAM market will have between 5 – 11 days open for bidding at any given time. For each day's auction all orders must be received before 09:30 am the day prior to delivery day.
  - Publication of prices and Distribution of participant schedules: 09:45-10:00
  - On the last working day before a weekend or Bank holiday auctions for the weekend/Bank holiday period including the next working day will be run in a staggered pattern. On the last day before a weekend or Bank holiday gate closures will be as follows:
    - 9:15 for day 1 (Saturday)
    - 9:30 for day 2 (Sunday)
    - 9:45 for day 3 (Monday)
    - Then + 15 minutes for subsequent days
  - Publication of prices and Distribution of participant schedules: within 5 minutes after each is run.
- **Publication of prices and Distribution of participant schedules:** 09:45-10:00
- **End dispute time:** 10:30 (30 minutes after distribution of schedules)
- **Trading days:** The Auction market is open every UK working day, 5 days a week during normal working hours. For weekends, the price is calculated on Friday for Saturday, Sunday and Monday. For UK bank holidays the price is calculated in advance in the similar way as for weekends. (ref Gate Closure above)
- **Volume tick:** 0.1 MW
- **Price tick:** GBP 0.01/MWh
- **Price steps:** The number of price steps for the market is 200 including the upper and lower price limits.
- **Trading currency:** Pound sterling, bidding with 1 decimal and results with 2 decimals
- **Lower technical price limit:** £ 0
- **Upper technical price limit:** £ 2000
- **Contracts:** Hourly contracts will be listed in periods 1 to 24.

| Period | Hour (GMT/BST) |
|--------|----------------|
| 1      | 23:00 – 00:00  |
| 2      | 00:00 – 01:00  |
| 3      | 01:00 – 02:00  |

|    |               |
|----|---------------|
| .  |               |
| .  |               |
| 23 | 21:00 – 22:00 |
| 24 | 22:00 – 23:00 |

▪ **Settlement:**

- Delivery day + 1 for buy positions
- Delivery day + 3 for sell positions

**2.6.1 DAM Products**

Purchases are designated as positive numbers, sales as negative numbers.

There are three types of orders available in DAM; hourly order, block order and flexible hourly order.

**2.6.2 Hourly order**

The hourly order is the basic type of DAM market order. Each participant selects the range of price steps for the Hourly Order individually.

The simplest order is a price independent order for all hours. The participant will receive a schedule of deliveries equal to the specified volume for all hours, regardless of the price level within the range.

Participants who submit price dependent orders accept that Nord Pool Spot will make a linear interpolation of volumes between each adjacent pair of submitted price steps. Once the DAM price for each hour is determined, a comparison with a participant's order form for the day establishes the traded volume for that participant.

**2.6.3 Block order**

The block order gives the participant the opportunity to set an 'all or nothing' condition for all the hours within the block. The block order is an aggregated order for several hours, with a fixed price and volume throughout these hours. The participants can freely pick the start and stop hour of a block but it must consist of at least three consecutive hours.

A block order must be accepted in its entirety; thus, if accepted, the contract covers all hours and the volume specified in the order. The block order price is compared with the average DAM price for the hours to which the block order applies; a block order is accepted if the following conditions are met:

- If the order price of a sales block is lower than the average DAM area price
- If the order price of a purchase block is higher than the average DAM area price

- Each participant may post up to 20 block orders per portfolio per delivery day.
- Maximum volume per block is 100 MWh.

#### 2.6.4 Linked Block Orders

It is also possible to define links between block orders meaning that the evaluation and acceptance of one block order (daughter block) is dependent on the acceptance of another block order (mother block). It is possible to link up to three block orders together. The third order is then dependent on acceptance of both the first and the second order.

All block orders that are linked together must be either only sales or purchase blocks and all linked block orders must be connected to one portfolio.

#### 2.6.5 Flexible hourly order

The flexible hourly order is a sales order for a single hour with a fixed price and volume. The hour is not specified, but instead the order will be accepted in the hour with the highest price in the calculation, given that the price is higher than the limit set in the order.

Each participant may post up to 3 flexible hourly orders per delivery day.

Maximum volume per block is 50 MWh

#### 2.6.6 Codes in settlement of DAM trades

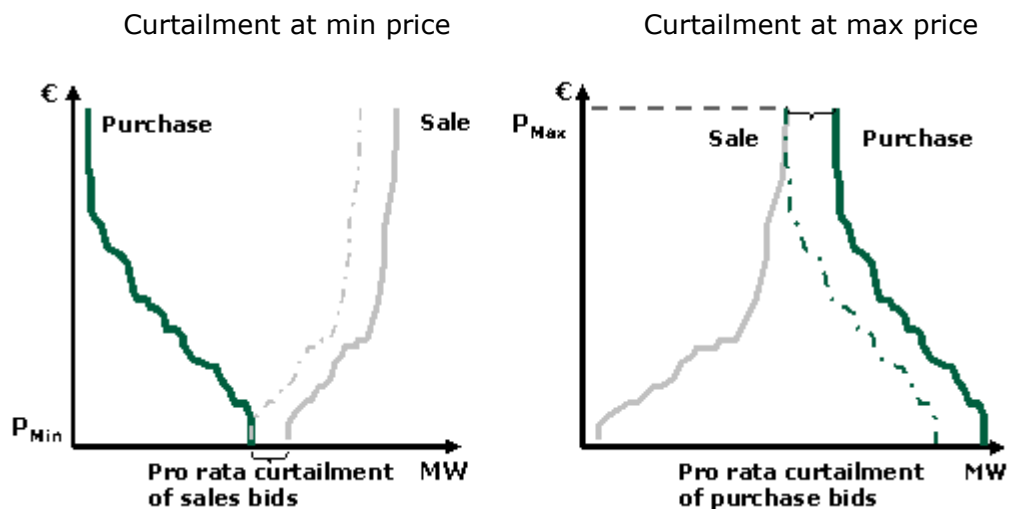
All DAM orders that have been accepted in the auction will through the price calculation result in 24 hourly prices according to the EFA calendar. In clearing, however these hourly prices are presented according to the standard calendar. The price for Period 1 (23:00-00:00) in the auction corresponds to hour 24 the previous day according to the standard calendar. The following reporting codes will appear in the settlement procedure.

| CONTRACT TYPE      | CONTRACT CODE PREFIX (FIXED) | CONTRACT CODE SUFFIX (VARIABLE) | EXAMPLE       |
|--------------------|------------------------------|---------------------------------|---------------|
| Daily Auction hour | DH                           | yyyymmdd-nn                     | DH20090907-06 |

| SUFFIX VARIABLE | DEFINITION                 | RANGE         |
|-----------------|----------------------------|---------------|
| dd              | Day of Month (Two Digits)  | 01 to 31      |
| mm              | Month of Year (Two Digits) | 01 to 12      |
| yyyy            | Year (Four Digits)         | 2000 to 2099  |
| nn              | Hour Period (Two Digits)   | 01 to 24 (25) |

## 2.6.7 Curtailment

Curtailment of orders in the DAM market will take place in the situation where the aggregated supply and demand curve does not intersect. This may be the case when there is significant over supply or under supply. N2EX will request participants to adjust their orders for the actual hour(s) where the supply and demand curves does not intersect and run a second price calculation. Orders must be adjusted in a positive direction i.e. decrease purchases and/or increase sales at max price and the opposite at min price. If this is insufficient to get a point of intersection then curtailment will be effectuated.



In order to settle the price at balance between demand and supply in situations with over supply it is necessary to curtail the sales orders so that the supply curve intersect with the demand curve at minimum price - £ xx.

In order to settle the price at balance between demand and supply in situations with under supply it is necessary to curtail the purchase orders so that the demand curve intersect with the supply curve at maximum price - £ yy.

The total curtailment will be divided among the affected participants pro rata based on their wish for sale or purchase at minimum or maximum price (respectively).

### 3. Index

N2EX has, in consultation with the market, decided to provide two alternative indices based upon the activity in the Physical UK Power markets. The indices will be used as reference prices for derivatives contracts to be launched at a later date.

#### 3.1 Index 1 – derived from the prompt market

A VWAP (Volume Weighted Average Price) of all the trades done in the day-ahead base contract between 07.30 and 08.30 am on the day before delivery is calculated. All cleared (Day Base) contracts, both N2EX exchange and N2EX OTC trades, are included in the calculation.

In the event of a weekend or UK Public Holiday, the indices will be derived from the price traded on the previous business day for that day. For example, if Monday is a holiday, the day-ahead indices calculated and published on Friday will be for Saturday, Sunday, Monday and Tuesday

#### 3.2 Index 2 – derived from the Day-Ahead Market

The arithmetic average of the 24 individual hourly prices in the DAM for a specific day calculated 09.30 am on the day before delivery.

#### 3.3 Index 3 – Adjusted Gas Price

Gas price quotes at 09:30 are sent from participants to physical.trading@n2ex.com by 09:40 every working day. Price quotes including WD (Within Day), DA (Day-ahead) and WE (Weekend) are registered and adjusted gas price is calculated. To match EFA calendar 7/24 of WD + 17/24 of DA is used to derive adjusted gas price.

#### 3.4 Index 4 – N2EX Spark Spread

Spark Spread is derived from Day-Ahead auction base load price for corresponding delivery date and trader-supplied WD (Within Day) and DA (Day-Ahead) gas prices, taken at 09:30 to correspond with the closing time for the day-ahead power auction.

Industry average rates are used to derive Spark Spread: Conversion factor = 06945: the conversion rate from gas in p/th to a notional cost of gas-fired generation, based on 34.1232 th per MWh for natural gas and 49.13% station efficiency

#### 3.5 Index naming convention (proposed)

| Index              | CONTRACT CODE<br>PREFIX (FIXED) | CONTRACT CODE<br>SUFFIX<br>(VARIABLE) | EXAMPLE          |
|--------------------|---------------------------------|---------------------------------------|------------------|
| Daily Prompt Index | N2P_DAP-                        | yyyymmdd-nn                           | N2P_DAP-20090907 |
| DAM Index          | N2P_DAM-                        | yyyymmdd-nn                           | N2P_DAM-20090907 |

|                           |                 |                    |                         |
|---------------------------|-----------------|--------------------|-------------------------|
| <b>Adjusted Gas Price</b> | <b>N2P_GAS-</b> | <b>yyyymmdd-nn</b> | <b>N2P_GAS-20090907</b> |
| <b>Spark Spread Index</b> | <b>N2P_DSS-</b> | <b>yyyymmdd-nn</b> | <b>N2P_DSS-20090907</b> |

| <b>PREFIX</b>  | <b>DEFINITION</b>                                 |
|----------------|---|
| <b>N2P_DAP</b> | <b>N2P: N2Power<br/>DAP: Day-Ahead Prompt</b>     |
| <b>N2P_DAM</b> | <b>N2P: N2Power<br/>DAP: Day-Ahead Market</b>     |
| <b>N2P_GAS</b> | <b>N2P: N2Power<br/>GAS: Gas Price</b>            |
| <b>N2P_DSS</b> | <b>N2P: N2Power<br/>DSS: "Dirty" Spark Spread</b> |

| <b>SUFFIX VARIABLE</b> | <b>DEFINITION</b>                 | <b>RANGE</b>        |
|------------------------|-----------------------------------|---------------------|
| <b>dd</b>              | <b>Day of Month (Two Digits)</b>  | <b>01 to 31</b>     |
| <b>mm</b>              | <b>Month of Year (Two Digits)</b> | <b>01 to 12</b>     |
| <b>yyyy</b>            | <b>Year (Four Digits)</b>         | <b>2000 to 2099</b> |

## Appendix 1

The following illustrates when the different contracts in the Spot and Prompt markets are open for trading on the Condicto trading platform.

|                          |                    | <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 20px; height: 10px; background-color: blue; border: 1px solid black;"></div> TRADING DAY<br/> <div style="width: 20px; height: 10px; background-color: green; border: 1px solid black;"></div> PRODUCTS AVAILABE FOR TRADING IN SPOT<br/> <div style="width: 20px; height: 10px; background-color: red; border: 1px solid black;"></div> NO PRODUCTS AVAILABLE FOR TRADING         </div> |         |          |        |          |        |        |         |         |          |        |          |        |  |
|--------------------------|--------------------|--|---------|----------|--------|----------|--------|--------|---------|---------|----------|--------|----------|--------|--|
| Trading day 1:<br>Monday | WEEK 1             |  |         |          |        |          |        | WEEK 2 |         |         |          |        |          |        |  |
| Products                 | Monday             | Tuesday  | Wed.day | Thursday | Friday | Saturday | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Half Hour (48)           | <b>TRADING DAY</b> |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 1 Hour (24)              |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 2 Hour (12)              |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 4H Block (6)             |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DON-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DB34                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DP-                      |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DOP-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DEP-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DB-                      |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE5-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE6-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEON-                    |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE34-                    |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                    |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEEP-                    |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEB-                     |                    |  |         |          |        |          |        |        |         |         |          |        |          |        |  |

Contracts with delivery Friday, Saturday and Sunday will become available in the trading system Monday at 07:00!

| Trading day 2:<br>Tuesday | WEEK 1 |             |         |          |        |          |        | WEEK 2 |         |         |          |        |          |        |  |
|---------------------------|--------|-------------|---------|----------|--------|----------|--------|--------|---------|---------|----------|--------|----------|--------|--|
|                           | Monday | Tuesday     | Wed.day | Thursday | Friday | Saturday | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Products                  |        | TRADING DAY |         |          |        |          |        |        |         |         |          |        |          |        |  |
| HH (48)                   |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 1H (24)                   |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 2H (12)                   |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| 4H Block (6)              |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DON-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DB34                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DP-                       |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DOP-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DEP-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| DB-                       |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE5-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE6-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEON-                     |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WE34-                     |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                     |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                     |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                     |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |
| WEB-                      |        |             |         |          |        |          |        |        |         |         |          |        |          |        |  |

| Trading day 3:<br>Wednesday | WEEK 1 |         |             |          |        |          |        | WEEK 2 |         |         |          |        |          |        |  |
|-----------------------------|--------|---------|-------------|----------|--------|----------|--------|--------|---------|---------|----------|--------|----------|--------|--|
|                             | Monday | Tuesday | Wed.day     | Thursday | Friday | Saturday | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Products                    |        |         | TRADING DAY |          |        |          |        |        |         |         |          |        |          |        |  |
| HH (48)                     |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| 1H (24)                     |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| 2H (12)                     |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| 4H Block (6)                |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DON-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DB34                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DP-                         |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DOP-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DEP-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| DB-                         |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WE5-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WE6-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEON-                       |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WE34-                       |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                       |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                       |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                       |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |
| WEB-                        |        |         |             |          |        |          |        |        |         |         |          |        |          |        |  |

| Trading day 4:<br>Thursday | WEEK 1 |         |         |             |        |          |        | WEEK 2 |         |         |          |        |          |        |  |
|----------------------------|--------|---------|---------|-------------|--------|----------|--------|--------|---------|---------|----------|--------|----------|--------|--|
|                            | Monday | Tuesday | Wed.day | Thursday    | Friday | Saturday | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Products                   |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| HH (48)                    |        |         |         | TRADING DAY |        |          |        |        |         |         |          |        |          |        |  |
| 1H (24)                    |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| 2H (12)                    |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| 4H Block (6)               |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DON-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DB34                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DP-                        |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DOP-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DEP-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DB-                        |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE5-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE6-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEON-                      |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE34-                      |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                      |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEEP-                      |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEB-                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |

| Trading day 5:<br>Friday (W1) | WEEK 1 |         |         |             |        |          |        | WEEK 2 |         |         |          |        |          |        |  |
|-------------------------------|--------|---------|---------|-------------|--------|----------|--------|--------|---------|---------|----------|--------|----------|--------|--|
|                               | Monday | Tuesday | Wed.day | Thursday    | Friday | Saturday | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Products                      |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| HH (48)                       |        |         |         | TRADING DAY |        |          |        |        |         |         |          |        |          |        |  |
| 1H (24)                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| 2H (12)                       |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| 4H Block (6)                  |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DON-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DB34                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DP-                           |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DOP-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DEP-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| DB-                           |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE5-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE6-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEON-                         |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WE34-                         |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEOP-                         |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEP-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEEP-                         |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |
| WEB-                          |        |         |         |             |        |          |        |        |         |         |          |        |          |        |  |

All contracts with delivery Monday, Tuesday and Wednesday will be transferred to the Spot Market Friday at 19.00!

| Trading day 6:<br>Saturday (W1) | WEEK 1 |         |         |          |        |             |        | WEEK 2 |         |         |          |        |          |        |  |
|---------------------------------|--------|---------|---------|----------|--------|-------------|--------|--------|---------|---------|----------|--------|----------|--------|--|
|                                 | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday    | Sunday | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |  |
| Products                        |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| Half Hour (48)                  |        |         |         |          |        | TRADING DAY |        |        |         |         |          |        |          |        |  |
| 1 Hour (24)                     |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| 2 Hour (12)                     |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| 4H Block 6                      |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DON-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DB34                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DP-                             |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DOP-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DEP-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| DB-                             |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WE5-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WE6-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WEON-                           |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WE34-                           |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WEOP-                           |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WEP-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WEEP-                           |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |
| WEB-                            |        |         |         |          |        |             |        |        |         |         |          |        |          |        |  |

Only the Spot Market is available on Saturday and Sunday

| Trading day 7:<br>Sunday (W1) | WEEK 1 |         |         |          |        |          |             | WEEK 2 |         |         |          |        |          |        |
|-------------------------------|--------|---------|---------|----------|--------|----------|-------------|--------|---------|---------|----------|--------|----------|--------|
|                               | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday      | Monday | Tuesday | Wed.day | Thursday | Friday | Saturday | Sunday |
| Products                      |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| Half Hour (48)                |        |         |         |          |        |          | TRADING DAY |        |         |         |          |        |          |        |
| 1 Hour (24)                   |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| 2 Hour (12)                   |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| 4H Block 6                    |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DON-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DB34                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DP-                           |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DOP-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DEP-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| DB-                           |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WE5-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WE6-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WEON-                         |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WE34-                         |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WEOP-                         |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WEP-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WEEP-                         |        |         |         |          |        |          |             |        |         |         |          |        |          |        |
| WEB-                          |        |         |         |          |        |          |             |        |         |         |          |        |          |        |

**Appendix 2**  
**Listing pattern for bank holiday base contracts**

| <b>LISTING PATTERN</b> |                     |        |                 |        |
|------------------------|---------------------|--------|-----------------|--------|
| <b>Contract</b>        | <b>BANK HOLIDAY</b> |        |                 |        |
|                        | Trading period      |        | Delivery period |        |
|                        | Start               | End    | Start           | End    |
|                        | 07:00               | 17:30  | 23:00           | 23:00  |
| WEBH-2010-34           | 24.aug              | 27.aug | 27.aug          | 30.aug |
| WEBH-2010-52           | 29.des              | 31.des | 31.des          | 03.jan |
| WEBH-2011-16           | 19.apr              | 21.apr | 21.apr          | 25.apr |
| WEBH-2011-17           | 26.apr              | 29.apr | 29.apr          | 02.mai |
| WEBH-2011-21           | 24.mai              | 27.mai | 27.mai          | 30.mai |
| WEBH-2011-34           | 23.aug              | 26.aug | 26.aug          | 29.aug |
| WEBH-2011-51           | 21.des              | 23.des | 23.des          | 27.des |
| WEBH-2011-52           | 28.des              | 30.des | 30.des          | 02.jan |
| WEBH-2012-14           | 03.apr              | 05.apr | 05.apr          | 09.apr |
| WEBH-2012-18           | 01.mai              | 04.mai | 04.mai          | 07.apr |
| WEBH-2012-22           | 30.mai              | 01.jun | 01.jun          | 05.jun |
| WEBH-2012-35           | 21.aug              | 24.aug | 24.aug          | 27.aug |
| WEBH-2012-52           | 20.des              | 24.des | 24.des          | 26.des |