

Balance Agreement

Between

Statnett SF

(hereafter called Statnett)

and

(hereafter called Balance Responsible Party or BRP)

Business Register Number: _____

1. General

Norwegian authorities have appointed Statnett as responsible for imbalance settlement in all Norwegian market balance areas. Statnett coordinates metering and settlement of power trading to ensure an economical balance in the power market.

As stated in the "Regulations concerning metering, settlement, invoicing of network services, the neutrality of network companies and so on" dated 11.3.1999 (hereinafter "the Regulation") § 5-7, the relation between Statnett and the BRP shall be governed in a separate agreement, the Balance Agreement. On this basis, Statnett and the BRP hereby enter into the Balance Agreement.

2. Parties to this Balance Agreement

The parties to this Balance Agreement are Statnett and the BRP.

3. Outsourcing of Operations

In accordance with the Regulation § 5-9, Statnett has outsourced certain operational tasks related to the coordination of imbalance settlement. eSett Oy will perform these tasks.

eSett Oy will calculate, invoice and settle the imbalances and fees and perform the collateral management on behalf of Statnett.

By signing this Balance Agreement, the BRP is entitled to enter into an Imbalance Settlement Agreement with eSett Oy.

To access the Norwegian wholesale market for electrical power both a valid Balance Agreement with Statnett and a valid Imbalance Settlement Agreement with eSett Oy is required.

4. Fees

According to the the Regulation § 5-8 Statnett can demand payment of fees from BRPs for the imbalance settlement and to cover parts of the system operation costs. eSett Oy will invoice the fees. Statnett can adjust the fees at its own discretion with one month's written notice.

5. Provision of Collateral

Each BRP shall provide collateral securing the imbalance settlement. The collateral shall be posted to eSett Oy in accordance with the Imbalance Settlement Agreement.

Statnett may demand extraordinary collateral from the BRP within the existing collateral regime handled by eSett Oy.

6. Confidentiality

Unless otherwise stated in this Balance Agreement, Statnett is obliged to treat information obtained from the BRP confidentially. Statnett is subject to the Act relating to the right of access to documents held by public authorities and public undertakings (Freedom of Information Act). The BRP is aware that according to that Act, Statnett may have to disclose information the BRP otherwise would like to have kept confidential. Information may also be published if the BRPs agree to the publication or if the information is anonymized to such an extent that it cannot be traced back to the individual BRP.

7. Breach of this Balance Agreement

Any violation of the Imbalance Settlement Agreement by a BRP constitutes a breach of this Balance Agreement.

If the BRP does not plan for balance between supplied and withdrawn energy, it is also a breach of this Balance agreement. Statnett shall in such a case contact the BRP and set a time limit for the BRP to take remedial measures.

It is considered a material breach of this Balance Agreement if

- the BRP cannot document the next day's planned balance at the request of Statnett,
- the BRP fails to fulfill the collateral requirement set forth by eSett Oy,
- the BRP fails to comply with eSett Oy's payment terms,
- the BRP repeatedly breaches this Balance Agreement or
- the BRP does not correct the breach of the agreement within the time limit set by Statnett.

In any event of material breach of this Balance Agreement by the BRP, Statnett has the right to terminate this Balance Agreement with immediate effect. Consequently the BRP is excluded from the wholesale electricity market.

Upon termination of this Balance Agreement Statnett will promptly notify NVE, eSett Oy, gridowners and other BRPs where the BRP has rights or obligations.

8. Force Majeure

The parties' respective obligations according to this Balance Agreement are suspended and the parties are free of any liability for failure to fulfill this Balance Agreement if the following conditions become true and as long they persist:

- an obstacle disables fulfillment,
- the obstacle is beyond the parties control,
- the obstacle is of such a nature that it cannot reasonably be expected to have been taken into account at the time of entering into this Balance Agreement,
- the parties cannot reasonably be expected to avoid or overcome the consequences of the obstacle.

An obstacle disabling fulfillment may e.g. be a natural disaster, strike, lock out or sabotage.

9. Liability

Parties are responsible for damage and loss willfully or negligently inflicted on the other party.

Parties are not responsible for indirect, or consequential loss or damages, unless such loss or damages are due to willful intent or gross negligence.

If the aggrieved party fails to take all reasonable measures to mitigate the loss or damage, compensation may be reduced.

10. Information

The parties are mutually responsible for exchanging relevant information affecting this Balance Agreement. Information shall be exchanged without any unnecessary delay.

11. Amendments to the Agreement

If Statnett wishes to make changes to the Balance Agreement, the proposed changes shall be submitted to the balance responsible parties for comments with a deadline of one month. After one month, Statnett can make the necessary changes in the agreement. The changes in the Balance Agreement shall be submitted to NVE and published one month before implementation.

12. Duration and Termination

This Balance Agreement applies until either party terminates it in writing. This Balance Agreement may be terminated with one month's notice. Upon termination, this Balance Agreement remains valid until all of the BRPs commitments are fulfilled or they have been transferred to another BRP.

13. Discontinuity

Certain changes as reorganization, mergers, demergers, new organization, or other changes to corporate structure may require that a new legal entity must sign a new Balance Agreement. The BRP shall keep Statnett and eSett Oy informed of such processes.

The BRP may not assign, in whole or in part, any of its right or obligations under this Balance Agreement without written consent of Statnett.

14. Disputes

Norwegian law shall govern this Balance Agreement. Disputes shall be settled in Norwegian courts and Oslo City Court shall be legal domicile.

15. Term of the Balance Agreement

This Balance Agreement will enter into force upon written confirmation from Statnett. When entering into force, this agreement will replace any existing Balance Agreement between the parties.

By signing this Balance Agreement the BRP accepts the at any time prevailing terms and conditions for participation in the Norwegian wholesale market for electrical power.

Place:, Date:

.....
Signature of Balance Responsible Party

.....
In block letters

Notice
Signature is only valid when signed by person (s) having general signing authority for the Balance Responsible Party. In addition to signing, please initial every page in the bottom right corner. This Agreement has been executed in two (2) identical original counterparts, one for each Party.