

Appendix 4 of the Balance Group Contract Version 2.0 of 1. November 2016 – Balancing Pooling version 1.0

1 Introduction

The purpose of this appendix to the balance group contract is for Swissgrid to indemnify the BGM in accordance with the following principles in cases where additional time and work is required because customers of the suppliers/generators (hereinafter **suppliers/generators**) participate in a control pool. This annex forms an integral part of this balance group contract to be signed.

2 Principle of indemnification

Swissgrid shall indemnify the BGM for any additional time and work carried out in connection with the control pool activities in accordance with the following provisions.

This obligation of Swissgrid exists regardless of the amount of damage incurred by the BGM, provided the additional time and work incurred is the result of justified and reasonable conduct of the BGM. The following paragraph 3 specifies the joint understanding of the parties with regard to this indemnification.

3 Additional time and work

If additional time and work is incurred on the part of the BGM because the BGM must issue additional information relating to the control pooling activities to a supplier/generator in their balance group, Swissgrid undertakes to indemnify the BGM, provided the following conditions are met:

1. The BGM must substantiate the additional time and work by presenting the additional time required for the activities carried out.
2. The additional time and work incurred by the BGM to provide the information is commensurate with the justified interests of the supplier/generator in the information provided.
3. Simply passing on to the supplier/generator the information that Swissgrid has made available to the BGM (in particular billing information) shall not be compensated for by Swissgrid.

4 Schedules

Both the BGM and Swissgrid can request that discussions be held about whether the BGM should receive payment for regular additional time and work rather than remuneration for individual cases of additional time and work. This includes both the initial and recurring additional time and work. This may be appropriate, for example, if the BGM introduces additional schedule information or amendments to a schedule that are to be included in the ongoing process and the bill of the BGM.

Such discussions should particularly take place if it can be assumed that regular additional time and work carried out by the BGM would result in fewer costs for which Swissgrid is to indemnify the BGM than the remuneration of individual cases of additional time and work (aim of cost-effectiveness).

5 Review

Previous experience has shown that control pooling activities only have a marginal effect on the energy balance of the balance groups.

The parties accept that the sense of this annex will have to be reviewed if a new pooling concept is introduced by the Swiss Association of Electricity Companies (VSE).