**APPENDIX 2: SCHEDULE AND PAYMENTS**

This **Appendix 2** describes the expected establishment time, the collateral to be provided and requirements for and payment for connection of the Generating Facility to the grid.

The Facility Owner must pay the connection charge (as specified below) to the Distribution System Operator for the grid connection when the Generating Facility supplies electricity to the Public Electricity Supply Grid for the first time, see clause 3.2 of the Agreement.

If the Generating Facility is not connected to the grid no later than on the Long-Stop Date due to circumstances that are beyond the Distribution System Operator’s control, the Facility Owner must pay all the actual costs, including case processing costs and metering costs incurred by the Distribution System Operator in order to connect the Generating Facility to the grid, however, maximum an amount equal to the size of the Distribution System Operator’s connection charge as specified in clause 2.2.

In accordance with clause 2.6 of the Agreement, the collateral must be provided as security for (i) the connection charge if the Generating Facility is connected to the Public Electricity Supply Grid, and (ii) all actual costs incurred by the Distribution System Operator in order to connect the Generating Facility to the grid if the Generating Facility is not connected to the Public Electricity Supply Grid, up to a maximum amount equal to the size of the connection charge as specified in clause 2.2 of the Agreement.

Under the Danish Executive Order on Grid Connections (*Nettilslutningsbekendtgørelsen*), the Distribution System Operator may demand that the Facility Owner must provide collateral for costs payable by the Facility Owner for connection of the Generating Facility to the grid.

The collateral must be provided for the full project.

The times specified below apply from the time at which the Distribution System Operator has received a signed Agreement and received and approved the collateral.

|  |
| --- |
| **FULL PROJECT**The project is commenced once the Facility Owner has provided collateral as specified in clause 2.4 of the Agreement. |
| **Total establishment time and collateral:** |
| Expected establishment time |       months |
| Connection charge |       DKK , incl. VAT |
| Collateral |       DKK , incl. VAT |
| Comments | The collateral has been calculated on the basis of and serves as security for the Facility Owner’s payment in accordance with the section **Financial Aspects of the Grid Connection.** |

|  |
| --- |
| **PHASED PROJECT [*IS LEFT OUT IF THE PROJECT IS NOT PHASED*]** |
| The project is commenced once the Facility Owner has provided collateral as specified in clause 2 of the Agreement.**Phase 1** |
| 1. Elements included in phase 1 can be specified here.
2. y
3. z
 |
| Expected establishment time |       months |
|  |  |
|  |  |
|  |  |

|  |
| --- |
| **Phase 2** |
| 1. Elements included in phase 2 can be specified here.
2. y
3. z
 |
| Expected establishment time |       months |
|  |  |
|  |  |
|  |  |

|  |
| --- |
| **Phase 3** |
| 1. Elements included in phase 3 can be specified here.
2. y
3. z
 |
| Expected establishment time |       months |
|  |  |
|  |  |
|  |  |

**FINANCIAL ASPECTS OF THE GRID CONNECTION**

**The Generating Facility is connected to the grid**

If the Generating Facility is connected to the grid, the Facility Owner must pay the connection charge to the Distribution System Operator as well as other costs incumbent on the Facility Owner under the applicable legislation, including case processing costs and metering costs.

The connection charge falls due for payment to the Distribution System Operator when the Generating Facility supplies electricity to the Public Electricity Supply Grid for the first time.

**The Generating Facility is not connected to the grid**

If the Generating Facility is not connected to the grid, the Facility Owner must pay all the actual costs, including case processing costs and metering costs, incurred by the Distribution System Operator in order to connect the Generating Facility to the grid, however, maximum an amount equal to the size of the connection charge as specified in clause 2.2 of the Agreement.

The costs payable by the Facility Owner may include:

* Costs paid or incurred by the Distribution System Operator
* Costs for the works that have been or are performed by or for the Distribution System Operator; and
* Costs for works that the Distribution System Operator is under a contractual obligation to let a third party perform.

The costs particularly concern the following works for the expansion and reinforcement of the Public Electricity Supply Grid and establishment of the Grid Connection Point:

*[The costs relevant to list here will depend on the specific project. Consequently, the list below is for exemplification only*

* *Detailed design of the project*
* *Installation of a 50/60 kV cable connection*
* *Expansion of 50/60 kV stations, containing station components and other station elements*
* *Establishment and the work to be carried out*
* *Dismantling of works.*
* *Case processing costs*].

The costs include both external and internal costs (internal hours used are settled at the Distribution System Operator’s normal hourly rates), including any re-establishment costs.

The costs fall due for payment to the Distribution System Operator at the earliest of the following dates:

* Termination of the Agreement pursuant to clause 6 of the Agreement
* Termination of the Agreement without notice due to the Facility Owner’s material breach pursuant to clause 7 of the Agreement, or
* [DATE] (‘**Long-Stop Date’**)[[1]](#footnote-1).

Comments on the financial aspects

The Distribution System Operator will send an invoice to the Facility Owner for either (i) the connection charge at the time of grid connection, see above, when the Generating Facility supplies electricity to the Public Electricity Supply Grid for the first time, or (ii) the actual costs if the grid connection is not carried out. In addition, the Distribution System Operator will send an invoice for other grid connection costs which are incumbent on the Facility Owner under the applicable legislation when the costs can be calculated.

**REQUIREMENTS FOR COLLATERAL FOR THE GRID CONNECTION**

The Facility Owner’s collateral must be in the form of a demand guarantee issued by a recognised bank or other similar collateral. The collateral/guarantee text must be in Danish.

All costs for the provision of collateral are payable by the Facility Owner.

The guarantee is issued with the Distribution System Operator as the beneficiary and is sent to the Distribution System Operator:

[Specify the desired address to which it is to be sent]

The Distribution System Operator has a right to reject an issued guarantee that does not provide the Distribution System Operator with the necessary collateral.

**RELEASE OF COLLATERAL**

**The Generating Facility is connected to the grid**

The collateral is released when the Facility Owner has paid the connection charge to the Distribution System Operator.

**The Generating Facility is not connected to the grid**

The collateral is released when the Facility Owner has paid all actual costs, however, up to maximum an amount corresponding to the connection charge, to the Distribution System Operator for costs incurred by the Distribution System Operator in accordance with the section on **Financial Aspects of the Grid Connection**

**RESERVATIONS IN RELATION TO THE GRID CONNECTION**

The expected establishment time specified in the above table is the Distribution System Operator’s indicative schedule for grid connection. The expected establishment time may cover both case processing time and establishment time and only concerns the Distribution System Operator’s part of the connection works.

The expected establishment time as stated in the above table represents the Distribution System Operator’s best estimate based on current conditions and is subject to changes in the assumptions made. Experience shows that the following factors, among others, may impact the expected establishment time and the grid connection time (the list is not exhaustive):

* Obtaining the required regulatory and landowner approvals
* Grid component delivery times, especially where the Distribution System Operator has not received order confirmations from its suppliers when estimating the establishment time
* Establishment times for the work to be carried out, especially where the Distribution System Operator has not concluded an agreement with its external suppliers when estimating the establishment time
* Changes in expected processing and establishment times for Energinet’s construction projects
* Breakdowns and faults in connection with the transfer, installation and mounting of grid components as well as faults in components
* Weather conditions.

1. 1 [Explanatory comment: The ‘Long-Stop Date’ is to be entered here, so that the Facility Owner cannot avoid paying costs by simply not complying with the Agreement. The date should be approximately [6-12] months after expected date of completion of the establishment] [↑](#footnote-ref-1)