Rijkswaterstaat
*Ministerie van Infrastructuur en Waterstaat*

**Wind Farm Maasvlakte 2**

## RWS COMMERCIALLY CONFIDENTIAL INFORMATION

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| **SCHEDULE 2** | PAYMENT MECHANISM |

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|---|---|
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## Contents

# 1 Delivery Charge

## 1.1 Net Delivery Charge (NDC)

(a) The Net Delivery Charge (NDC) is payable throughout the period starting on the Commencement Date and ending on the Expiry Date or on an earlier date if the Agreement is terminated early.

(b) The Net Delivery Charge is the amount the Purchaser must pay the Operator and is determined as follows:

NDC = EPC + FPC + GOOC + OTRC + CC − CA − AA – UUA – DA – PD

Where:

(i) EPC is the electricity price compensation, which is calculated according to the provisions of paragraph [1.2] of this Schedule;

(ii) FLC is the floor price compensation, which is calculated according to the provisions of paragraph [1.3] of this Schedule;

(iii) GOOC is the guarantees of origin compensation, which is calculated according to the provisions of paragraph [1.4] of this Schedule;

(iv) OTRC is the other tradable rights compensation, which is calculated according to the provisions of paragraph [1.5] of this Schedule;

(v) CC is the curtailment compensation, which is calculated according to the provisions of paragraph [1.6] of this Schedule;

(vi) CA is the curtailment adjustment, which is calculated according to the provisions of paragraph [1.7] of this Schedule;

(vii) AA is the Availability Adjustment, which is calculated according to the provisions of paragraph [1.8] of this Schedule;

(viii) UUA is the Unforeseen Unavailability Adjustment, which is calculated according to the provisions of paragraph [1.9] of this Schedule;

(ix) DA is the delay adjustment, which is calculated according to the provisions of paragraph [1.10] of this Schedule;

(x) PD is the production deduction, which is calculated according to the provisions of paragraph [1.11] of this Schedule.

(c) If the Net Delivery Charge is negative, the Operator must pay the amount to the Purchaser.

## 1.2 Electricity Price Compensation (EPC)

(a) The compensation for electricity (EPC) consists of the sum of the compensations per Wind Turbine for supplied or purchased electricity;

(b) The compensation per Wind Turbine for supplied or purchased electricity is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the phase concerned applies:

| Wind turbine in phase | P (€/MWh) | Q (MWh) |
|---|---|---|
| Construction Rate Phase | i) in the event of intake by the grid operator (IGO), the TenneT imbalance settlement price for Programme Responsible Parties supplies per PTU; or<br>ii) in the event of delivery by the grid operator (DGO), the TenneT imbalance settlement price for Programme Responsible Parties purchases per PTU | the Production per PTU during the relevant period |
| Pre-SDE Rate Phase | the EPEX hourly price less an imbalance reduction of 5%. | the Production per hour during the relevant period |
| SDE Rate Phase | The lowest of:<br>i) the Final SDE Electricity Correction Amount for that Calendar Year; and<br>ii) the SDE Base Amount | the Production during the relevant period |
| Market Price Phase | The lowest of:<br>i) the volume weighted average EPEX hourly price over a calendar year less an imbalance reduction of 5%; and<br>ii) the SDE Base Amount | the Production during the relevant period |

(c) In deviation from the above, for the advance invoice in accordance with paragraph 2.1 of this Schedule, the provisional SDE Electricity Correction Amount will be used for Wind Turbines in the SDE rate phase and the EPEX hourly price for Wind Turbines in the Market Price phase;

(d) The Electricity Price Compensation (EPC) may be negative.

(e) The volume weighted average EPEX hourly price is determined as ($\sum P_i \times Q_i$) for all hours i in the Calendar Year concerned, divided by the Production in that Calendar Year.

- $P_i$ is equal to the EPEX hourly rate in hours i
- $Q_i$ is equal to the Production for that hour
- ($\sum P_i \times Q_i$) is equal to the sum of all $P_i \times Q_i$ products for all hours in the Calendar Year concerned.

**1.3 Floor Price Compensation (FPC)**

(a) The floor price compensation for electricity (FPC) consists of the sum of the compensations per Wind Turbine at a price P from the Electricity Price Compensation for a Calendar Year lower than the Basic Energy Price;

(b) The compensation per Wind Turbine at a price P in the Electricity Price Compensation lower than the Basic Energy Price is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| **Wind turbine in phase** | **P (€/MWh)** | **Q (MWh)** |
|---|---|---|
| Construction Rate Phase | 0 | 0 |
| Pre-SDE Rate Phase | 0 | 0 |
| SDE Rate Phase | the Basic Energy Price minus the Final SDE Electricity Correction Amount for that Calendar Year minus 7.50. With a minimum of 0 and a maximum of 7.50 | the lowest of:<br>i) the Production per Calendar Year; and<br>ii) the Production per Calendar Year |
| Market Price Phase | the highest of:<br>i) 0; and<br>ii) the Basic Energy Price minus the P as determined in paragraph 1.2 (*Electricity Price Compensation*) of this Schedule | the Production per Calendar Year |

(c) If the floor price compensation for electricity (FPC) is less than zero, it is set to zero.

### 1.4 GoO Compensation (GOOC)

(a) The compensation for Guarantees of Origin delivered is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| **Wind turbine in phase** | **P (€/GOOC)** | **Q (Quantity)** |
|---|---|---|
| Construction Rate Phase<br>Pre-SDE Rate Phase<br>SDE Rate Phase | the Final SDE Correction Amount Guarantees of Origin | the volume of Guarantees of Origin delivered (registered on the CertiQ account of the Purchaser) during the relevant period |
| Market Price Phase | 50% of the Market value of GoOs | the volume of Guarantees of Origin delivered (registered on the CertiQ account of the Purchaser) during the relevant period |

(b) In deviation from the above, for the advance invoice in accordance with paragraph 2.1 of this Schedule, the Provisional SDE Correction Amount Guarantees of Origin will be used rather than the Final SDE Correction Amount Guarantees of Origin;

(c) In the event the Final SDE Correction Amount Guarantees of Origin equals zero, P will equal zero;

(d) In the event the Final SDE Correction Amount Guarantees of Origin is no longer published, it will be replaced by 50% of the Market Value of Guarantees of Origin, with a minimum of zero.

## 1.5 Other Green Tradable Compensation (OGTC)

(a) The Other Green Tradable Compensation (OGTC) is the compensation for Other Green Tradable Rights sold and delivered;

(b) The compensation for Other Green Tradable Rights (OGTC) delivered is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| **Wind turbine in phase** | **P (€/OTRC)** | **Q (Quantity)** |
|---|---|---|
| Construction Rate Phase<br>Pre-SDE Rate Phase<br>SDE Rate Phase<br>Market Price Phase | the Final SDE Correction Amount for Other Corrections | the volume of Other Green Tradable Rights produced for which an adjustment under Article 14(1)(c) has been made during the relevant period |

(c) In deviation from the above, for the advance invoice in accordance with paragraph 2.1 of this Schedule, the Provisional SDE Correction Amount for Other Corrections will be used rather than the Final SDE Correction Amount for Other Corrections;

(d) In the event the Final SDE Correction Amount for Other Corrections is less than or equal to zero, P will equal zero;

(e) In the event the Final SDE Correction Amount for Other Corrections is not published, P will equal zero.

## 1.6 Curtailment Compensation (CC)

(a) The Curtailment Compensation (CC) consists of:

(i) compensation for missed revenues for the supply of electricity, GoOs, any Other Green Tradable Rights and missed SDE subsidy as a result of the implementation of a Curtailment Instruction, as provided for in subsections (b) to (d) of this paragraph; and

(ii) compensation for the implementation of the Curtailment Instruction, as provided for in subsection (e) of this paragraph.

(b) The compensation for missed revenues consists of the sum of the compensations per Wind Turbine as a result of the implementation of a Curtailment Instruction;

(c) The compensation per Wind Turbine for the implementation of the Curtailment Instruction is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| **Wind turbine in phase** | **P (€/MWh)** | **Q (MWh)** |
|---|---|---|
| Construction Rate Phase | not applicable | not applicable |

| Wind turbine in phase | P (€/MWh) | Q (MWh) |
|---|---|---|
| Pre-SDE Rate Phase<br>SDE Rate Phase<br>Market Price Phase | the sum of:<br>i) the P for the relevant PTU as determined in paragraph 1.2 (Electricity Price Compensation) of this Schedule, with a minimum of 0;<br>ii) the P as determined in paragraph 1.4 (*CoO Compensation*) of this Schedule;<br>iii) the P as determined in paragraph 1.5 (*Other Green Tradable Rights*) of this Schedule.<br>iv) the P for the missed subsidy is determined as: the SDE Base Amount minus the sum of (a) the Final SDE Electricity Correction Amount, (b) the Final SDE Correction Amount GoOs and (c) the Final SDE Correction Amount for Other Corrections for that Calendar Year. | the Curtailment Volume during the relevant period |

(d) contrary to the above, the compensation for missed subsidy under iv) above does not apply to the Curtailment Volume realised over a consecutive period of 6 hours during which the EPEX hourly price was negative, and no subsidy was provided and should therefore be deducted from the compensation provided for under (c).

(e) The compensation for the added value realised as a result of the implementation of the Curtailment Instruction equals 25% of the amount determined by deducting the additional income realised (negative income avoided) from the compensation provided for under (b) of this paragraph.

### 1.7 Curtailment Adjustment (CA)

(a) The Curtailment Adjustment (CA) is a correction for not, not timely or not correctly implementing a Curtailment Instruction;

(b) The Curtailment Adjustment is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| Wind turbine in phase | P (€/MWh) | Q (MWh) |
|---|---|---|
| Construction Rate Phase | not applicable | not applicable |
| Pre-SDE Rate Phase<br>SDE Rate Phase<br>Market Price Phase | € 40 | the missed Curtailment Volume during the relevant period |

### 1.8 Availability Adjustment (AA)

(a) The Availability Adjustment (AA) is a correction that is applied in the event the Measured

Availability in a Calendar Year is lower than the Guaranteed Availability;

(b) The Availability Adjustment for each Calendar Year from the Calendar Year in which the Completion Date falls up to and including the Calendar Year in which the Expiry Date falls, in which the Measured Availability is lower than the Guaranteed Availability, is calculated as P x Q in which case the following applies:

| **Period** | **P (€/MWh)** | **Q (MWh)** |
|---|---|---|
| Calendar Year | the highest of:<br>i) 0; and<br>ii) the market value of GoOs, plus the P as determined in paragraph 1.5 (*Other Green Tradable Compensation*). | the highest of:<br>i) 0; and<br>ii) the Guaranteed Availability (%) minus the Measured Availability (%) multiplied by the Expected Production during the relevant period |

(c) In the other Calendar Years, the Availability Adjustment is zero (0).

### 1.9 Unforeseen Unavailability Adjustment (UUA)

(a) The Unforeseen Unavailability Adjustment (UUA) consists of the sum of the corrections per Wind Turbine whose day-ahead declared availability on a Calendar Day differs from the Measured Availability in accordance with Schedule 14 Roles, Tasks & Communications Protocol;

(b) The Unforeseen Unavailability Adjustment per Wind Turbine is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| **Wind turbine in phase** | **P (€/day)** | **Q (days)** |
|---|---|---|
| Construction Rate Phase | not applicable | not applicable |
| Pre-SDE Rate Phase<br>SDE Rate Phase<br>Market Price Phase | € 1,000 | the number of days on which the day-ahead declared availability differs by more than 1 hour from the measured determined availability according to availability criteria in Schedule 3. |

### 1.10 Delay Adjustment (DA)

(a) The Delay Adjustment (DA) is a correction that is applied in the event the Completion Date falls after the Scheduled Completion Date;

(b) In the event the Completion Date falls after the Scheduled Completion Date, the Delay Adjustment will be calculated as P x Q for each Payment Period from the Payment Period in which the Scheduled Completion Date falls up to and including the Payment Period in which the Completion Date falls, whereby:

| Period | P (€/MWh) | Q (MWh) |
|---|---|---|
| Payment Period | The highest of:<br>i) 0; and<br>ii) the market value of GoOs in the previous year. | 1/12 of the Expected Production of the Wind Farm per Calendar Year |

(c) In deviation from to the above, the Delay Adjustment in a Payment Period will be zero if the Operator supplies replacement GoOs of comparable quality (Dutch wind energy) for 1/12 of the Expected Production of the Wind Farm per Calendar Year.

## 1.11 Production Deduction (PD)

(a) The Production Deduction (PD) per Payment Period consists of the highest of:

(i) € [60,000] in each Payment Period from the Payment Period in which the Completion Date falls up to and including the Payment Period in which the Expiry Date falls, and zero in all other Payment Periods; and

(ii) the sum of the deductions per Wind Turbine for the electricity purchased, as determined in subsection (b) of this paragraph;

(b) The deduction per Wind Turbine for purchased electricity is calculated as P x Q, whereby for each Wind Turbine in the phases mentioned below the compensation applicable in the relevant phase applies:

| Wind turbine in phase | P (€/MWh) | Q (MWh) |
|---|---|---|
| Construction Rate Phase | 0 | 0 |
| Pre-SDE Rate Phase | 0 | 0 |
| SDE Rate Phase | the result of:<br>i) the Additional Payment as included in the Tender Submission of € [●●];<br>plus<br>ii) the current maximum SDE+ basic amount for the Wind category on primary flood defences at the time of applying for the Wind Farm subsidy decision;<br>minus<br>iii) € [●][1]; and<br>with a minimum of zero. | the Production during the relevant period |
| Market Price Phase | 0 | 0 |

[1] The amount entered here effectively serves as a ceiling for the Tenderers against which they can determine the Additional Payment.

# 2 INVOICING AND PAYMENT

## 2.1 Advance Invoice

(a) No later than fifteen (15) Business Days after the end of each Payment Period, the Purchaser will send the Operator a monthly statement containing the substantiation for the previous Payment Period of the components:

(i) the Electricity Price Compensation (EPC), which is calculated according to the provisions of paragraph [1.2] of this Schedule;

(ii) the Guarantees of Origin Compensation (GOOC), which is calculated according to the provisions of paragraph [1.4] of this Schedule;

(iii) the Other Tradable Rights Compensation (OTRC), which is calculated according to the provisions of paragraph [1.5] of this Schedule;

(iv) the Delay Adjustment (DA), which is calculated according to the provisions of paragraph [1.10];

(v) the Production Deduction (PD), which is calculated according to the provisions of paragraph [1.11] of this Schedule.

(b) No later than ten (10) Business Days after receipt of the relevant monthly statement, the Operator will send the Purchaser an advance invoice in accordance with the monthly statement sent by the Purchaser.

## 2.2 Final Invoice

(a) No later than thirty (30) Business Days after the annual publication of the Final SDE Correction Amounts, the Purchaser will send the Operator an annual statement containing the substantiation for the components of the Net Delivery Charge (NDC) to be used for the previous Calendar Year;

(b) The amounts already invoiced and paid in the previous calendar year in accordance with paragraph 2.1 shall be deducted from the relevant annual statement;

(c) No later than ten (10) Business Days after receipt of the relevant annual statement, the Operator will send the Purchaser a final invoice in accordance with the annual statement sent by the Purchaser.

## 2.3 Miscellaneous

(a) All prices mentioned in this Agreement are exclusive of levies, deductions and taxes of any kind, including VAT and energy tax;

(b) The amount of value-added tax owing must be indicated on each invoice or credit note;

(c) Invoices or credit notes, respectively, and other invoices shall be addressed as follows:

RWS Major Projects and Maintenance
Attn. Accounts Payable Department
stating Wind Farm Maasvlakte 2 [●]
PO Box 8185
3503 RD UTRECHT, THE NETHERLANDS

# 3 Indexation

## 3.1 Indexed Amounts

(a) The amounts of the:

- the Transfer Guarantee;
- the P of the Curtailment Adjustment referred to in paragraph 1.7(b); and
- the P of the Unforeseen Unavailability Adjustment referred to in paragraph 1.9(b)

are indexed effective 1 January, to ensure they are at the price level of the relevant year t. To this end, these amounts are multiplied by the Index Number$_t$;

(b) The Index Number$_t$ is the result of the following formula:
Index Number$_t$ = ($y_t$ /$y_{2019}$)

where:

(i) Index number$_{t,}$ = Index number for year t;

(ii) $j_t$ = Index Number of the Consumer Price Index for the publication period January in year t;

(iii) $j_{2019}$ = Index Number of the Consumer Price Index for the publication period January in year 2019; and

(iv) index number = the Consumer Price Index (all categories, total expenses, first published figures, as published by Statistics Netherlands), which reflects the ratio between the value of a quantity in a particular publication period and the value of that quantity used by the publishing agency as the base period.

**3.2 Non-indexed Amounts**

Amounts in this Agreement that are not specified in paragraph 3.1(a) will not be indexed.

**3.3 Indexation Proposal**

Indexation of the amounts referred to in paragraph 3.1 will take place annually per 1 January as follows:

(a) the Purchaser will send the Operator an indexation proposal as an annex to the Annual Statement as referred to in Paragraph 2.2(a), with an overview of the amounts resulting from the calculation of the provisions of Paragraph 3.1, including the price level for the relevant year and the relevant index figures;

(b) If an index figure has not yet been determined for this calculation on the date on which that calculation takes place, the provisional publication or the most recent known price index figure will be used instead;

(c) Within 20 Business Days of receipt of the indexation proposal, the Operator must determine the difference between the amounts that the Purchaser has already paid in the relevant Calendar Year and the amounts that the Purchaser must pay in the relevant Calendar Year after application of the indexation proposal;

(d) The Operator must include the difference as referred to in subsection (c) in the next invoice.