

# **MODEL CONTRACT FOR HEAT TRADE**

13 October 2022/updated 9 January 2024

## **Background: Key Topics in the Heat Trade**

This model contract concerns the purchase of heat from a heat provider to a district heating company.

This model contract includes only the key topics that should generally be agreed on in a contract concerning heat trade or that should at least be assessed when drawing up individual contracts. In addition, it is possible to add individually agreed terms, price lists and technical instructions to the contract where necessary. The parties may deviate from the wording of the model contract for justified reasons. However, it should be noted that the model contract in question has been processed extensively with the representatives of both the suppliers and the buyers with the effort of taking into account the needs, obligations and rights of both parties.

In addition to the contract clauses in the model contract, individually agreed conditions and needs specific to each case in the heat trade in question must be taken into account. It is likely that it will be necessary to specify or deviate from the model contract with respect to an individual contract, and therefore it is generally not possible to draw up a comprehensive model contract that would suit every situation.

In addition to the contract for heat trade, there may be a valid heat contract between the heating company and the customer concerning the heating of a property with district heating, agreeing on connecting the heat consumption site to the district heating network and supplying heat to the heat supply point. The general terms of contract for district heat shall be applied to the heat contract. The heat contract and the general terms of contract for district heat are not applied to the purchase of heat referred to in this model contract. A heat contract is not part of a contract concerning heat trade, and these contracts shall be dealt with separately.

With respect to the model contract for heat trade, separate application guidelines have also been drawn up, explaining the contents and the underlying purpose of the model contract in further detail. Therefore, the guidelines provide support for drawing up the contract as well as help in drawing up and applying individual contracts concerning heat trade. The application guidelines are not part of the contract for heat trade.

A separate working group consisting of representatives and members of Finnish Energy has been responsible for the preparation of the contents of the model contract and the related guidelines.

The Energy Markets Committee of Finnish Energy approved the model contract on 13 October 2022. The model contract has been updated on 9 January 2024.

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## 1. Contract information

### 1.1. Contracting parties

The contracting parties are (hereinafter also separately "Party", and together "Parties"):

**District heat company x (Buyer)**

Company name:

Address:

Business ID:

**Heat vendor x (Vendor)**

Company name:

Address:

Business ID:

*[In rented properties: E.g. a property company can also be added here as a party to the contract.]*

**Property owner x**

Company name:

Address:

Business ID:]

### 1.2. Purpose and subject of the Contract

The Vendor shall sell heat to the Buyer under the terms referred to in the Contract.

The Buyer is responsible for the energy balance of the district heating network, the operation of the district heating system and the necessary production reserve capacity.

Only the sale of heat and the purchase of heat for the district heating system are agreed on in this Contract. The heat contract between the Parties and the terms of contract for district heat shall be applied to the supply of district heat required by the property.

Subject of the Contract:

**Alternative 1 (The heat sold fulfills the quality requirements of district heat)**

*[Heat energy sold to the district heating network of a production unit managed by the Vendor, the source of which is [a short free-form description of the subject of Contract].]*

**Alternative 2 (heat is sold)**

*[The heat energy supplied by the Vendor, the source of which is [a short free-form description of the subject of Contract].]*

The production equipment is specified in further detail in Appendix 1, describing the schematic diagram of the site, including a simplified PI diagram with a point representing the distribution of responsibilities, the directions for use of the



production equipment, the location of the production equipment in the property, the space and area provisions made for the devices (e.g. required maintenance clearances), and the point of heat supply.

### **1.3. Rights and obligations of the Parties**

The Vendor shall have the right and opportunity to utilise its production capacity and the Buyer shall undertake to receive the production according to this Contract.

#### **Alternative 1**

*[The Vendor has no production obligation.]*

**Alternative 2** *(it is described that a certain part of production is stable in terms of its duration, particularly in the heating season)*

*[[XX]% of the nominal contracted capacity of the site is available in the heating season with [XX]% certainty.]*

#### **Alternative 3**

*[A free-form description of production where the Vendor and the Buyer agree or describe a typical situation in heat production and describe the duration or seasonal variation of production.]*

#### **Buyer's rights and obligations**

The Buyer shall be entitled to limit the production received into the network to comply with the Contract. This is a necessary to ensure technical and economical management of the district heating system and the stability of heat distribution in the network.

The Buyer may without notice temporarily limit or discontinue the transfer of heat energy to network or set a temporary production limit or production ban during damage repairs, incident or disruption situations, when the network operation is jeopardised or for another corresponding reason. This kind of a situation may also result in a production impediment, of which the Buyer is unable to inform the Vendor in advance. In such a case, the Buyer must notify Vendor of the delay immediately after becoming aware of it. The Buyer may also notify the Vendor of temporary network disruptions in a centralised way in the Buyer's online service or with general disruption notifications.

The Buyer may set a temporary production limit or production ban due to non-urgent but necessary network construction, maintenance or service measures or for other corresponding reasons. In terms of non-urgent works, the Buyer must notify the Vendor of the works and limitations [x] weeks in advance.

*[The Buyer and the Vendor may agree with each other on other situations where it is not compulsory to produce, supply or receive heat.]*

Production limitations or bans set by the Buyer can be set for a maximum of [x] days in a year. If production is suspended or limited for more than the [x] days per year as agreed above or if production is suspended continuously for more than [x] days in an unforeseen situation, the Buyer's liability to the Vendor shall be assessed on the basis of section 15.



## **Vendor's rights and obligations**

The Vendor shall have the right to use and circulate heat flows within the facility for its own use [*before metering the heat sold to the district heating network*] **OR** [*before the district heat production equipment*] **OR** [*before metering the heat to be sold*]. No compensation is claimed from the Vendor with regards to the utilisation of heat for the Vendor's own use before heat supply to the Buyer.

### **1.4. Disclosure and notification obligation of the Parties**

The Parties shall be obliged to notify the other Party without delay of all matters they become aware which may have a material impact on the Party's rights or obligations by virtue of the Contract.

### **1.5. Contract documents and the order of priority concerning their application**

The Contract consists of the following contract documents, which supplement each other:

1. this contract document
2. the appendices to the Contract listed at the end of this contract document (Appendix 1 "Technical data and requirements for the equipment" and Appendix 2 "Heat price appendix")
3. The effective price lists of the Buyer and the Vendor.

If the contents of the contract documents are inconsistent with each other, the contract documents shall be applied and interpreted in the above-mentioned numerical order from the lowest to the highest. If the appendices listed at the end of this contract document are inconsistent with each other, the appendices shall be applied in numerical order from the lowest to the highest.

### **1.6. Entry into force of the Contract and start of supply**

The Contract shall enter into force as from the day when both Parties have signed the Contract with binding effect.

Supply by virtue of the Contract shall be started [to be agreed in each case separately, e.g. xxx day/week after signing the Contract / date / other].

The precondition for the supply and transfer of heat to network is a signed Contract and that the equipment of the Vendor and the Buyer meet the technical requirements agreed by the Parties. The technical requirements are specified in further detail in sections 9 and 10 and in Appendix 1 of the Contract.

## **2. Guarantees of origin of sold heat**

Parties agree on matters related to guarantees of origin only if guarantees of origin are being applied for the heat that is subject to the Contract or if the other Party wishes to apply for them.

The Parties shall agree who will act as account holder in the registry of guarantees of origin. [Unless otherwise agreed between the Parties,] the Buyer shall act as account holder. Thus, the Buyer shall also be responsible for all measures and costs related to the guarantees of origin.



The account holder is responsible for applying for guarantees of origin (reporting of production and energy sources), and for the transfer and cancellation of guarantees of origin.

*[The origin of the heat must be certified if heat is sold to users as renewable or waste heat. Applying for guarantees of origin for heat is voluntary. It is necessary to agree on matters related to guarantees of origin only if guarantees of origin are being applied for the heat that is subject to the Contract or if the other Party wishes to apply for them.]*

*[The guarantee of origin of heat is an electronic document that acts for the customer as a guarantee that certain energy has been produced from renewable sources or that it is waste heat. An assessment body shall carry out the verification of the energy generating installation at the request of the occupier of the energy generating installation. The occupier of the energy generating installation may register the generating installation in the Energy Authority's registry and apply to become an account holder.]*

*[The occupier of the energy generating installation may authorise a representative to act on its behalf in the registry. One account holder may manage in the registry several generating installations owned by different parties.]*

### **3. Liabilities, costs and limits of liability concerning supply**

The supply point of heat trade and liability between the Parties as well as the space requirements are defined in Appendix 1.

The Vendor shall reserve a space for the Buyer in the property where the Buyer can use and maintain its own pipes and devices. Unless the Vendor is the owner of the property referred to in this Contract, the Vendor shall obtain the property owner's consent in writing or in another permanent method before signing this Contract. The property owner's consent must be obtained for the heat trade and for building the necessary equipment, as well as for any limitations that may arise for the use of the buildings and site.

The Vendor shall at its own expense be responsible for the management and insurance of the facilities and acquiring room from the facilities into which the Buyer will install the devices required for the implementation of this Contract.

The Buyer shall at its own expense be responsible for arranging energy metering and for the acquisition of devices required for it. The Vendor shall make sure that the facility where the metering devices will be located has electricity connection complying with the Buyer's instructions for connecting the heat energy meter and other equipment, which are necessary for monitoring the heat production and supply, to the 230 V electricity network. The Vendor shall provide the Buyer with the electricity required by this equipment without charge.

The Parties shall at their own expense be responsible for the acquisition, insurance, servicing, maintenance and operation of the equipment required in the production and supply of heat in accordance with the agreed supply point.

The Parties shall agree on the construction of district heating pipes and pipes inside the property, on meeting the costs of building and maintaining the pipes, cost sharing and construction, and the location of the pipes and the equipment required in heat transfer.





The Buyer shall undertake to transfer any pieces of property it has installed in the Vendor's facility to another suitable location assigned by the Vendor if the Vendor so requires, as agreed between the Parties. The Vendor shall meet the resulting costs unless otherwise agreed.

Upon expiration of the Contract or if the Buyer's devices are not in use or there is no intention to use them or if they cannot be used in the future, either, the Buyer shall remove its devices within six (6) months if the Vendor or the property owner so requests and it is possible to physically remove the devices. In terms of auxiliary devices and pipes, the primary method is safe dismantling and, if necessary, for example, end plugging and disconnecting them from voltage sources. The devices to be left in situ shall thus remain the Vendor's property and be used by the Vendor.

The Party responsible for the production equipment shall be responsible for heat transfer to the district heating network. In connection with the transfer, the Party responsible for the production equipment shall ensure that the agreed technical values and quality standards are met.

The district heating water is owned by the Buyer.

#### **4. Connecting the production unit to the network and maintenance of the production unit**

The Contract and its contents shall be dealt separately from the property's heat contract, the property's district heat connection and the related fees and obligations. The subject of the Contract is either a separate production connection or the water flows or contracted output values related to the production of an existing district heat connection.

*[The allocation of heat [production unit] AND/OR [heat recovery] and network investments, their implementation and the costs related to maintaining the equipment required for the production shall be agreed separately between the Parties.]*

#### **5. Contingency planning by the Parties for network and production disruptions**

The Parties shall make contingency plans for possible disruptions in the supply and reception of heat. In case of this kind of situation, the Parties may agree separately on acquiring reserve power to ensure heat supply. Unless otherwise agreed, the Buyer shall be responsible for the operation and reserve capacity of the district heating system.

Unless otherwise agreed, the Vendor shall at its own expense be responsible for contingency measures and systems during the servicing and maintenance of the heating network, and during similar limitations to heat sales, in order to ensure that there will be no disruptions to the Vendor's other business operations if the heat sales are prevented.

*[These contingency measures may be, for example, auxiliary systems and emergency cooling systems.]*

#### **6. Access to the property and facilities by virtue of the Contract**

The Parties must have access to facilities where the Party's own equipment, in relation to this contract, is located in. The Parties shall undertake to comply with the safety instructions and practices of the property and facility.



The Vendor must organise (at its own expense) free and direct access to the facilities housing the Buyer's pipes or equipment in the way agreed with the Buyer.

**Alternative section:** *[The Buyer shall be entitled to store keys handed over by the Vendor/ [Property owner] in a key safe located at the premises.]*

## 7. Right to maintenance tasks in the property

The Parties shall have the right to carry out installation and repair work on their own pipes and devices in the premises managed by the Vendor.

At the property, the site instructions must be complied with and, if necessary, a work permit must be obtained, and any special requirements for the site must be taken into account. Emergency repairs must be reported to the other Party without delay.

The Parties are also permitted to carry out tasks required by the hot work permit on the Party's own equipment and, in urgent cases, also on the equipment of the property. Hot work is carried out in accordance with the work plan of the Party carrying out the work. The Parties shall notify each other of any installation and repair work and hot work in advance. This does not apply to urgent repair and installation tasks, which are to be notified of as soon as possible.

## 8. Annual production, contracted capacity and water flow

The highest contracted capacity [X] kW/MW and rated capacity [X] kW/MW, as well as the highest contracted water flow [X] m<sup>3</sup>/h related to heat supply are agreed in Appendix 1 of the Contract. The contracted capacity and water flow are affected by local conditions, the network transfer capability and the possibility to supply heat into the heat network.

The estimated annual amount of heat sold is [X] MWh/GWh.

**Alternative section on the expansion option:** *[An expansion option has been agreed for the site [potential report on phased expansion] to a highest contracted capacity of [X] kW/MW and rated capacity of [X] kW/MW, on the highest contracted water flow related to the option of [X] m<sup>3</sup>/h and the annual production estimate according to the option of [X] MWh. The option is valid for [X] years unless the Parties agree on renewing or updating the option contract.]*

Changes to the highest contracted capacity, rated capacity [,/and] contracted water flow of the contract [*and updating or renewing the option contract*] shall be agreed between the Parties in writing. Cost sharing arising from any investment needs in change situations shall be agreed separately between the Parties.

## 9. Technical values and quality standard of sold heat

### 9.1. Temperature level of sold heat

#### **Alternative 1 when selling heat**

*[The temperature of sold heat in the agreed supply point (metering) must comply with the technical design values agreed between the Parties.*

*The design values are specified in the separate Appendix 1.]*

#### **Alternative 2 when selling district heat to the network**



*[The lower temperature limit used for produced district heat is 70–90°C, depending on the outdoor temperature. These are the same values used for the dimensioning of the district heating network and the dimensioning of district heating customers' equipment. Higher energy volumes can be transmitted by using higher temperature values with the same amount of water in accordance with the Buyer's instructions.]*

### **Technical limit values**

*The temperature of district heating water supplied to the district heating network at the heat supply point must be a minimum of 65°C and a maximum of 120°C under all operating conditions. The minimum temperature is governed by the general terms of contract for district heat, and the upper temperature limit is set by the design temperature for the components of the district heating network.]*

## **9.2. Pressure level and maintaining the pressure level**

### **Alternative 1 when selling heat**

*[The pressure level of the sold heat must comply with the technical design values concerning the pressure level and sustaining the pressure level as agreed between the Parties.]*

*The design values are specified in the separate Appendix 1.]*

### **Alternative 2 when selling district heat to the network**

*[The pressure level of the sold heat must comply with the technical design values concerning the pressure level and sustaining the pressure level as agreed between the Parties.]*

*In terms of water supplied as district heat to be sold to the district heating network, the design pressure (highest operating pressure) is 1.6 MPa. This must not be exceeded under any circumstances.*

*The party responsible for the production equipment is responsible for monitoring the pump's operation and any problems in its operation or damage caused by it unless otherwise agreed between the Parties.]*

## **9.3. Pressure difference between the supply and return pipe at the heat supply point**

The Buyer shall provide [the party responsible for the production equipment] OR [the Vendor] with sufficient information about the required and the highest permitted pressure difference in order to supply heat. The required pressure difference may vary, for example, according to the time of year.

## **10. Monitoring of agreed technical and quality requirements**

### **10.1. Monitoring obligation and its implementation**

The party responsible for the Production Equipment shall be responsible for monitoring that the technical values and quality standard are met according to section 9 [unless otherwise agreed between the Parties]. The party responsible for the Production Equipment is specified in Appendix 1.



The party responsible for the Production Equipment shall undertake to comply with the instructions and terms agreed between the Parties concerning the implementation of the technical monitoring obligation (in accordance with Appendix 1).

The Parties shall agree on the sharing of costs related to the monitoring measures. If the other Party detects any deviations in the technical values or quality by virtue of the contract due to the monitoring measures, this Party shall notify the other Party of the matter without delay.

If the party responsible for the Production Equipment is in breach of its monitoring obligation or it can be verified on the basis of the monitoring that the technical and quality requirements set for the heat sold are not met, it constitutes a material breach of contract, the liability for which is subject to section 15. The party responsible for the Production Equipment must prevent the exceeding of the design values of the network components (maximum operating pressures and temperatures) automatically and monitor fault situations and take action on them with immediate effect. The party responsible for the Production Equipment shall be liable for damage caused by exceeding the values in accordance with the agreed limits of supply and liability.

If the party responsible for Production Equipment or the Vendor is unable to meet the technical and quality requirements set for the party and is unable to rectify the situation [*within the period for repairs agreed between the Parties / within [X] days*], it constitutes a material breach of contract, on the basis of which the Contract can be revoked in accordance with section 18.3.

## **10.2. Supply of heat according to the agreed terms**

If the technical values and quality standard of produced district heat by virtue of the Contract are repeatedly not met, the Buyer shall have the right to suspend the purchase of heat until the party responsible for the Production Equipment has remedied the operations to meet with the agreement. The party responsible for the Production Equipment must start immediate remedial measures in order to bring the temperature to the agreed level after the Buyer has notified of the matter.

Correspondingly, if the properties of the heat source provided (Appendix 1) do not meet the situation agreed (in this Contract) or a situation based on the design, for example, in terms of their quality or permanence and the level of quality is repeatedly not fulfilled, the Buyer shall have the right to suspend the purchase of heat until the Vendor has remedied the operations to meet with the agreement.

The Parties shall undertake to seek technical and functional solutions by offering their own expertise and support for use. The Buyer shall be obliged to cooperate with the Vendor in the effort of finding solutions to achieve the agreed temperature.

If the Vendor has not started remedial measures within a reasonable period or it has been found that it is not possible to achieve the quality level required in the Contract with the remedial measures, the Buyer shall have the right to revoke the Contract in accordance with section 18.3. If the Buyer revokes the Contract on the basis of this section, the Vendor shall not be reimbursed for any costs incurred to it.

If the Buyer is repeatedly or continuously unable to receive heat in compliance with the agreed terms, the Vendor shall have the right to revoke the Contract in accordance with section 18.3. In such a case, the Vendor shall not reimburse the Buyer for the costs incurred from the revoking of the Contract.



If the Vendor is repeatedly or continuously unable to supply heat in compliance with the agreed terms, the Buyer shall have the right to revoke the Contract in accordance with section 18.3. In such a case, the Buyer shall not reimburse the Vendor for the costs incurred from the revoking of the Contract.

### **10.3. Responsibilities**

The Parties shall be responsible for their own part for the fulfilment of the technical requirements in accordance with the limits of liability before the start of heat supply and during supply.

The equipment must comply with laws and regulations, provisions published by the authorities as well as the requirements of standards, and with the recommendations of Finnish Energy and the requirements and instructions agreed between the Parties. The requirements are described in further detail in Appendix 1.

The party responsible for the production unit shall be responsible for meeting the obligations concerning refrigeration appliances.

Conformity is examined at the time of the purchase of the equipment unless, for example, compelling change in legislation or order of the authorities requires the replacement or updating of the equipment.

All modifications done to the heat production equipment that may have a significant impact on the agreed pressure, temperature, heat supply and other operational parameters must be performed in consensus between the Parties. Following the modifications, the technical parameters must comply with section 9.

The Parties must not operate or modify their devices or their operation so that it results in disturbance or inconvenience to the other Party's devices, business operations or heat supply. The Party shall notify the opposite party without delay of all changes, operational disturbances, leaks and other similar circumstances that may have an effect on heat supply or reception of heat or on otherwise agreed conditions. After being notified of the matter, the Parties must take action to remedy the situation without delay.

The Buyer must be contacted concerning any filling, discharging and modifications on the water volumes related to the district heating network, and measures must be taken in accordance with the Buyer's instructions. The Vendor shall be responsible for the filling, discharge and modifications on its own pipe sections in accordance with the limits of liability agreed in Appendix 1.

## **11. Metering**

### **11.1. Organising metering and the reading of metering data**

The Buyer shall be responsible for organising metering, for remote reading and making the production data available to both Parties.

The energy meter that is used as the basis for invoicing shall correspond with a thermal energy meter that complies with the Measuring Instruments Act in terms of its properties. The hourly metering data registered by the energy meter and other metering data that may be used as a basis for invoicing, shall be transmitted to the Buyer's metering data system via a remote reading system.



The Buyer shall read the metering data used as the basis for invoicing once in 24 hours. If meter reading is not successful at the usual time, the meter must be read by the next day at the latest. If it is not possible to read the meter for a longer period than two days, the Buyer must launch measures to remedy the reading. [The Parties may also agree on another reading interval.]

The metering devices their location is presented in the technical connection diagram (Appendix 1).

### **11.2. Sharing of metering data**

The Vendor shall have the right to receive real-time metering data for its own energy consumption control and monitoring system. The Buyer shall install the necessary devices in the thermal energy meter and possibly also in other metering related to the operation of the production plant if it can be arranged within reason and it is technically possible. The method of data reading shall be agreed separately between the Parties. The Parties may also separately agree on other methods of data provision and sharing and on sharing the costs thereof.

### **11.3. The Parties' right to inspect thermal energy meters**

The Parties shall have the right to have access to the meter and to inspect the meters readings.

The correctness of metering used as the basis for invoicing is the Buyer's responsibility. The Buyer shall have the energy meter inspected upon the Vendor's request. If an error in the energy meter is higher than +/- five (5) per cent, the Buyer shall be responsible for the costs incurred from the inspection. Otherwise, the costs are met by the Party that requested the inspection.

## **12. Suspensions and reductions of heat supply**

### **12.1. Situations where the Parties have the right to temporarily suspend the supply and reception of heat to network**

The Buyer shall have the right to restrict supply to comply with the Contract.

The buyer shall have the right to suspend the reception of supply with immediate effect at the time of supply if the agreed heat quality level is not met or the Vendor's equipment does not comply with the installation instructions applied to the requirements of pressure or other design data, or the equipment does not comply with the legal provisions or those issued by the authorities.

Any clear deviation from the normal production profile, quantity, or a production interruption should be communicated to the Buyer in advance, if possible.

The Vendor shall have the right to suspend the supply and the Buyer shall have the right to suspend the reception of heat immediately in order to implement a measure that ensures the security of supply or aims to avoid personal injury or damage to property, a disturbance or a risk of disturbance in the Buyer's district heating network or in the Vendor's process.

The Party shall ensure that the supply or reception of heat remains suspended or limited until the above-mentioned reasons for the suspension have been removed.



If either Party is aware in advance of any interruption, closure, or limitation of the delivery, other than a short-term one, which may significantly affect the fulfillment of obligations under the Agreement, they must notify the other Party well in advance.

## **12.2. Exemption from possible obligation to supply and receive heat energy**

The Parties are not obligated to fulfil the Contractual obligations, nor is a Party liable for damages to the other Party due to circumstances beyond their control, i.e., force majeure events such as war, terrorist actions, government decisions, legal changes, major operational disruptions, labour strikes, fires, significant challenges in the supply chain, or other exceptional circumstances that significantly affect the fulfilment of obligations under the Contract, and which the Party could not have foreseen at the time of signing the Contract and the adverse effects of which the Party cannot reasonably prevent or remedy.

## **13. Price**

### **13.1. Pricing structure of sold heat**

Valuation of heat:

#### **Alternative 1**

[The Buyer pays for the [produced]/[supplied] heat in accordance with Price Appendix 2.]

#### **Alternative 2**

[In accordance with the public open price list.]

### **13.2. Sharing of investments and maintenance costs**

It may be possible to agree on possible sharing of initial investments between the Parties with a separate contract between the Parties after the investment works have been completed.

The Parties shall be responsible for subsequent investments as well as maintenance and operation costs related to the production unit at their own expense in accordance with the limits of liability presented in Appendix 1.

### **13.3. Pricing of services**

Fees according to effective price lists shall be charged for services ordered from each other by the Parties.

### **13.4. Value added tax obligation**

Value added tax, effective at any given time, shall be added to the fees if the Vendor is liable for value added tax.



## 14. Provision of invoicing

The [Buyer]/[Vendor] shall compile the invoicing material for the [Vendor]/[Buyer] on the basis of the amount of heat energy.

Invoicing shall take place afterwards according to actual consumption. The invoice shall be delivered to the [Buyer/Seller] [for example monthly or every x month].

If there is an error in the metering data due to a fault or data transmission disruption in the metering equipment, invoicing shall be based on an estimated amount of supply. The estimate shall be made on the basis of the previously metered supply amount, taking into account corresponding conditions and the supply profile unless the Parties have other, more accurate data at their disposal.

In the event of an error in metering, a Party shall have the right to recover their claims based on the metering or meter-reading error for a period of three (3) years.

The payment period is [x] days from the date of invoice. Interest for late payment shall be charged on any overdue payments in accordance with the Interest Act. The [Buyer/Vendor] shall also have the right to charge reasonable collection fees.

## 15. Liability for damages

The Parties shall be liable to compensate the other Party for direct damage caused by them. Neither Party shall be liable to compensate the other Party for indirect damage. However, a Party shall be liable to compensate the other Party for indirect damage if the Party has acted with gross negligence or with intent.

The amount of liability in terms of damage caused shall be limited to maximum of [X] euros.

The Party that is subject to any damage shall be obliged to take all necessary measures with immediate effect in order to try to prevent or limit the damage. If the Party will not take measures to prevent or limit the damage or delays in taking the measures, this shall be taken into account as a matter that will reduce the amount of compensation.

The Parties shall have appropriate liability and indemnity insurance cover during the validity of the Contract.

## 16. Amendments to the Contract

The Parties may together agree on amending the Contract in writing. If the price of heat energy is tied to a reference value or reference values (e.g. indexes) beyond the control of the contracting parties, any changes in these shall not be regarded as amendments to the price or terms of contract.

The Parties shall be obliged to negotiate on a review of prices or contract terms in situations in accordance with section 19.

## 17. Validity of the Contract

### **Alternative 1**

*[The Contract shall be valid for a fixed period of xx.xx—yy.yy. The fixed-term Contract can be continued for a new fixed period if the Parties so wish. Negotiations*





*on continuing the Contract must be started well in advance before the end of the fixed-term Contract.]*

**Alternative 2**

*[The Contract shall be valid for a fixed period of xx.xx—yy.yy. The fixed-term Contract can be continued as valid until further notice if the Parties so wish. Negotiations on continuing the Contract must be started well in advance before the end of the fixed-term Contract.]*

**Alternative 3**

*[The Contract shall be valid until further notice.]*

**18. Expiration of contract**

**18.1. Fixed term contract**

A fixed-term Contract shall end upon the expiry of the fixed term if a Party has given notice on the Contract [x] months before the end of the fixed term or due to revoking. Otherwise, a fixed-term contract will continue after the end of the fixed term as valid until further notice unless a new Contract has been drawn up between the Parties.

*[Here, the Parties may agree on the terms for expiring a fixed-term contract in further detail.]*

**18.2. Period of notice for a contract valid until further notice**

Both Parties may terminate a Contract that is valid until further notice with a [x] months' period of notice. The Party must be notified of the termination of the Contract in writing.

**18.3. Revoking the Contract**

Both Parties shall have the right to revoke the Contract with immediate effect by notifying of it in writing to the other Party:

- a) if the other Party has been in material breach of the terms of Contract and has not remedied the breach within 30 days of a written notice issued on it, or
- b) the fulfilment of the Contract is delayed or is likely to be delayed by longer than [x] months due to force majeure, or
- c) the other Party is continuously incapable of fulfilling its contractual obligations, or
- d) if the other Party has gone bankrupt, placed in liquidation or is otherwise incapable of paying its debts or obligatory or voluntary clearing fees.

**19. Unreasonableness**

If there are changes in financial or commercial circumstances, changes arising from legislation, measures taken by the authorities or other reasons beyond the control of the Parties that could not have been taken into account when drawing up the contract result in an obvious disproportion in the performance obligations, the Parties shall negotiate on a revision of the prices or other terms of contract in order to remove the disproportion or agree on a temporary suspension of production or sale.



If no solution is achieved through contract negotiations to remove the disproportion, the Party shall be under no obligation to continue unprofitable or otherwise unreasonable operations, in which case the Contract can be terminated with [x] months' notice. The Party may demand compensation from the Party invoking unreasonableness for damages caused by the premature termination of the Contract with respect to a fixed-term Contract.

**20. Transfer of contract**

The Contract or the rights based on it may be transferred to a third party only with the written consent of both Parties. By way of derogation from the above, the Party shall have the right to transfer the Contract or the rights based on it to a third party if the Party's operations are transferred to a third party as part of corporate restructuring and the third party continues in the same role as the Party to the Contract.

The transfer of Contract must be notified to the other Party in writing 30 days before the transfer of Contract.

**21. Disputes concerning the Contract**

If the Parties cannot reach an amicable resolution regarding disputes related to the Agreement, the disputes shall be settled by a competent general regional court, whereby the action shall be brought before the district court of the heat network area, unless otherwise agreed in individual cases.

**22. Signatures**

**Alternative 1**

[  
*This Contract has been made in two (2) copies, one (1) for each Party.*

*[place], [date]*

*[Company name]*

*[Company name]*

\_\_\_\_\_  
*[name]*  
]

\_\_\_\_\_  
*[name]*

**Alternative 2**

*[This Contract has been signed electronically by the following competent representatives of the Parties, and each Party has an identical electronic copy of the signed Contract.]*