



INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY FOR STORAGE PERIOD 2023 – 2024



INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY

UNDER THE RULES OF OPERATION SETTING OUT THE COMMERCIAL TERMS AND CONDITIONS FOR ACCESS TO AND USE OF A GAS STORAGE FACILITY OF NAFTA a.s.

I. OFFER

NAFTA, as an operator of the Storage System (hereinafter the "Storage System Operator"), invites for application for access to and use of the Firm Flexible Storage Capacity.

Firm Flexible Storage Capacity service enables the Customer to inject and withdraw natural gas to/from the Storage Facility all year round with a 2-hour re-nomination lead time.

The Storage Capacity will be tendered among all interested gas market participants (hereinafter "Applicants").

The Gas Storage Agreement, under which Firm Flexible Storage Capacity is allocated, will be concluded with successful Applicants.

Please see **the following related documents** where the terms and conditions pertaining to this storage service are stipulated.

- a. **Draft Gas Storage Agreement**, which shall be concluded between the SSO and the successful Applicants;
- b. **Rules of Operation**, setting out the commercial terms and business conditions for access to and use of the gas storage facility of NAFTA (hereinafter the "*Rules of Operation*"); and
- c. **Technical Conditions**, covering the access and connection to the storage facility of NAFTA (hereinafter the "*Technical Conditions*").

II. FIRM FLEXIBLE STORAGE CAPACITY

Firm Flexible Storage Capacity is offered in the amount of up to 500,000 MWh in 50 Standard Bundled Units. Storage services are provided for the period from 6 February 2023 until 31 March 2024.

A. STANDARD BUNDLED UNIT (SBU)

PARAMETERS OF 1 BASIC SBU (50 IN TOTAL)

Working Volume	10,000 MWh
Maximum Injection Rate	3.85 MW
Maximum Withdrawal Rate	4.35 MW

The Injection and Withdrawal Rates will be available throughout the whole period on declining curves.

The Injection Rates will be provided at the maximum level if the storage account fullness is within the range of 0 % – 50 % (incl.). Between 50 % - 100 % fullness of the storage account the Injection Rates linearly decrease down to the level of 1.90 MW at 100 % fullness of the storage account.

The Withdrawal Rates will be provided at the maximum level if the storage account fullness is within the range of 100 % – 50 %. Between 50 % (incl.) - 0 % fullness of the storage account the available Withdrawal Rates linearly decrease down to the level of 1.55 MW at 0 % fullness of the storage account.

Max. 125% of Working Volume can be injected and max. 125% of Working Volume can be withdrawn during the storage season without additional charges.

B. VARIABLE FEES

If the sum of injections and/or sum of withdrawals exceed 125% of Working Volume, these excess gas volumes will be subject to a variable fee calculated according to the following formula:

$$\text{VSFM} = (\text{NGI} + \text{NGW}) * (0.0075 * \text{MICEGH} + \text{CO2})$$

VSFM (in EUR): Variable Storage Fee calculated for the calendar month M.

NGI (in MWh): amount of natural gas injected into the Storage Facility in the calendar month M.

NGW (in MWh): amount of natural gas withdrawn from the Storage Facility in the calendar month M.

MICEGH (in EUR/MWh): value of the Monthly Index for the calendar month M at CEGH as published by ICIS European Spot Gas Markets under the heading "Heren Monthly Indices" on the last business day immediately preceding the calendar month M.

CO2 (in EUR/MWh): value of the latest daily price before the start of the calendar month M as published in EUR/t by ICE Endex in EUA Daily Future at <https://www.theice.com/products/18709519/EUA-Daily-Future/data> multiplied by the coefficient 0.001.

For avoidance of doubt, all natural gas transfers to/from the Storage Account of the Storage Customer related to this Agreement shall be added to the amount of the injected/withdrawn natural gas.

C. DELIVERY POINTS

The Applicant can apply for one Delivery Point combination per Application:

	INJECTION OF NATURAL GAS INTO STORAGE FACILITY	WITHDRAWALS OF NATURAL GAS FROM STORAGE FACILITY
COMBINATION 1	Interconnection Point with Transmission System	Interconnection Point with Transmission System
COMBINATION 2	Interconnection Point with Transmission System	Interconnection Point with Distribution System
COMBINATION 3	Interconnection Point with the Virtual Trading Point Austria via cross-border connection of the Storage Facility with the Transmission System of eustream, a.s.	Interconnection Point with the Virtual Trading Point Austria via cross-border connection of the Storage Facility with the Transmission System of eustream, a.s.

- The Interconnection Point with Transmission System enables injection from- and withdrawal to the transit network of eustream
- The Interconnection Point with the Distribution System enables withdrawal into Slovak national grid of SPP-Distribúcia
- the Interconnection Point with the Virtual Trading Point Austria via cross-border connection of the Storage Facility with the Transmission System of eustream, a.s. enables injection from- and withdrawal to VTP Austria via Interconnection Point Baumgarten *

*The Customer is obliged to make relevant nominations at the Entry/Exit Interconnection Point Baumgarten in Austria operated by the correspondent Austrian transmission system operator. The Customer bears all charges imposed by the correspondent Austrian transmission system operator.

The SSO is obliged to offtake/deliver the natural gas at the Entry/Exit Interconnection Point Baumgarten in Slovakia operated by eustream, a.s. and to make relevant nominations with eustream, a.s. in relation to cross-border connection to/from the Storage Facility. The SSO bears all charges imposed by eustream, a.s.

Usage of non-contracted Delivery Point during the Storage Term is possible for Combination 1 and Combination 2 but subjects to daily availability. The corresponding fee is levied pursuant to the Price List.

III. TENDER INFORMATION

A. GENERAL

- The details of the tender will be published on NAFTA's website.
- The Application Period will last at least three (3) hours during which the Applicants may submit their bids using the Application Form.
- An Applicant may submit maximum two binding, irrevocable and duly signed Application Forms by e-mail.
- All Applicants will be informed by e-mail about the result of their Application within 15 minutes after the closing of the Application Period.

B. REGISTRATION

All applicants are asked to register for this Tender by sending an email to storage@nafta.sk.

NAFTA sales team will confirm the acceptance of registration.

C. APPLICATION PERIOD

In the Application Form delivered within the Application Period, the Applicant shall specify the following:

- The number of Standard Bundled Units requested by the Applicant complying with minimum booking requirement of one (1) SBU;
- The price for SBU stated in EUR/MWh rounded to two (2) decimal points;
- The chosen combination of Delivery Points.

D. AFTER THE APPLICATION PERIOD

I. THE EVALUATION OF APPLICATIONS

The Storage System Operator shall prioritize the Applications in accordance with the Rules of Operation with regard to the proposed price including the costs associated with the chosen combination of Delivery Points. If there is no difference between two or more Applications, the pro-rata mechanism shall apply. All other essentials contained in the Applications shall remain unchanged and valid.

The Applicants shall be informed on **the outcome of their Application(s) within 15 minutes** according to the non-discriminatory internal rules, which are set out by the Storage System Operator for all Applicants before the Application Period (hereinafter the "Internal Rules").

II. THE SUCCESSFUL APPLICANT(S)

Pursuant to Article 5.1.10 of the Rules of Operation, the Applicant to whom the Storage System Operator has allocated Firm Flexible Storage Capacity shall enter into the Gas Storage Agreement with the Storage System Operator at the latest within 10 days of the day of receipt of the notification of Firm Flexible Storage Capacity allocation to the Applicant.

IV. TEMPORARY AND CLOSING PROVISIONS

A. THE STORAGE SYSTEM OPERATOR'S RESERVED RIGHTS

- a) The Storage System Operator reserves the right to alter the overall allocated volume or to not allocate any volume at all based on total volume requested by Applicants and the parameters of their individual bids.
- b) The Storage System Operator has the right to reject an Application if it fails to comply with all the requirements set out in the Rules of Operation, this Invitation, and other applicable legal regulations or if the unit price proposed in the Application for the offered storage capacity is lower than the minimum price set out in the Internal Rules.
- c) The Storage System Operator has the right to request additional information or documentation from the Applicant and to check whether the information about the Applicant is accurate, using third-party sources in the public domain.
- d) The Storage System Operator shall have the right to cancel or amend the terms and conditions of this Invitation or to announce a new invitation at any time.

B. WORDS AND EXPRESSIONS

The words and expressions not otherwise defined herein shall bear the meaning defined in the Rules of Operation and in the Technical conditions.

C. LANGUAGE

This Invitation is published in English version.

V. THE CONTACT DETAILS:

NAFTA a.s.

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VI. ANNEXES

Annex No. 1 – Gas Storage Agreement