



INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY FOR STORAGE PERIOD 2020 – 2022



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 2-hours round the clock re-nomination lead time.

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

The Storage System Operator will conclude with successful Applicants **the Gas Storage Agreement** under which the Firm Flexible Storage Capacity (please see Part II. of this Invitation) shall be allocated.

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

- a. **Draft Gas Storage Agreement** shall be concluded between the SSO and the successful Applicants;
- b. **Rules of Operation** sets out the commercial terms and business conditions for access to and use of a gas storage facility of NAFTA (hereinafter the "Rules of Operation"); and
- c. **Technical Conditions** deals with 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 540,000 MWh in 100 Standard Bundled Units. Storage services are provided for the storage period from 1 August 2020 until 31 March 2022. (consisting of 2 storage seasons)

A. STANDARD BUNDLED UNIT (SBU)

PARAMETERS OF 1 BASIC SBU – SEASON 1_ from 1 August 2020 until 31 March 2021

Working Gas Volume	5,400 MWh
Basic maximum flat Injection Rate	3.75 MW
Basic maximum flat Withdrawal Rate	3.75 MW

PARAMETERS OF 1 BASIC SBU – SEASON 2_ from 1 April 2021 until 31 March 2022

Working Gas Volume	5,400 MWh
Basic maximum flat Injection Rate	2.5 MW
Basic maximum flat Withdrawal Rate	2.5 MW

- The Basic Injection and Basic Withdrawal Rates will be available throughout the whole period at the flat level (no curve applies). There is no variable fee for injections and withdrawals, multi-cycling is unlimited.
- The Customer may use our paid services (such as Day-Ahead Rates) to boost storage utilization.

B. DELIVERY POINTS

The Applicant can apply for one Delivery Point for injection and one Delivery Point for withdrawal per Application. The Storage System Operator will provide within the scope of the Gas Storage Agreement access to following Delivery Points:

- The Interconnection Point with Transmission System enables injection and withdrawal from and to the transit network of eustream;
- The Interconnection Point with Distribution System enables withdrawal to the Slovak national grid of SPP-Distribúcia;
- The Interconnection Point with the Virtual Trading Point Austria enables injection and withdrawal from and to the VTP Austria via the MAB interconnector.

The SSO will charge a fee for cross-border use of storage facilities in accordance with the valid Gas System Charges Ordinance issued by the E-Control in case the cross-border use of storage facility has taken place.

For every natural gas quantity injected to the Storage Facility from the Interconnection Point with the Virtual Trading Point Austria (and also for transferred natural gas quantities that have been previously injected from the Interconnection Point with Virtual Trading Point Austria) and consequently withdrawn to the Interconnection Point with Transmission System the Storage System Operator shall apply an additional charge as published in the Storage System Operator's Price List.

Usage of non-contracted Delivery Point during the Storage Term is possible but subjects to daily availability and a fee is levied pursuant to our Price List.

III. TENDER INFORMATION

A. GENERAL

- The details of the tranche will be published on NAFTA's website.
- The Application Period will be published within working hours (9am-5pm) of any working day in Slovakia after the publication of this Invitation.
- The Application Period will last at least three (3) hours during which Applicants may submit their bid(s)

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 particular Application within half an hour 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 in addition to the information required by the Rules of Operation:

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

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 cost of 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 half an hour according to the praxis** and 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 has the right to reduce the requested number of the SBUs in a non-discriminatory manner in the case that the Storage System Operator is not, after the evaluation of all Applications, able to allocate the requested number of the SBUs due to the fact that such requested number of SBUs would exceed the remaining part of the available Firm Flexible Storage Capacity.
- b) The Storage System Operator has the right to reject an Application in particular in the event that it fails to satisfy all the requirements set out in the Rules of Operation, this Invitation, and other applicable legal regulations or the unit price proposed in the Application for the offered storage capacity are 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. THE WORDS AND EXPRESSIONS

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

C. THE LANGUAGE

This Invitation is published in English version.

V. THE CONTACT DETAILS:

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VI. ANNEXES

Annex No. 1 – Gas Storage Agreement