



INVITATION TO APPLY FOR INVERSE STORAGE CAPACITY 2021-2022



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, an operator of the Storage System Facility (hereinafter the "Storage System Operator") invites the market participants for application for **Inverse Storage Capacity**. The capacity may be tendered in one or several tranches.

Inverse Storage Capacity is a Storage Capacity service provided to the Customer with a full Storage Account at the beginning of the first Gas Day of the storage period, and the Customer is obligated to end the last Gas Day of the storage period again with a full Storage Account. The title to gas passes onto the Customer at the beginning of the first Gas Day.

The Storage System Operator will conclude with successful Applicants the **Gas Storage Agreement - Inverse Storage** under which the Inverse 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.

- **Draft Gas Storage Agreement – Inverse Storage** shall be concluded between the SSO and the successful Applicants;
- **Purchase Agreement** shall be attached to the Gas Storage Agreement – Inverse Storage, the Purchase Agreement governs the title transfer of natural gas back to the SSO at the end of the storage service;
- **Form of Parent Company/Bank Guarantee** (applicable when requested by the SSO);
- **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
- **Technical Conditions** deals with the access and connection to the storage facility of NAFTA (hereinafter the "Technical Conditions").

II. INVERSE STORAGE CAPACITY

The Inverse Storage Capacity will consist of the following:

- a) **Allocation of the agreed Firm Flexible Storage Capacity;** and
- b) **The title transfer of natural gas to the Customer by the SSO** (from the SSO's perspective this shall be performed as a sale at the beginning of the provision of the storage service for the nominal fee of five thousand EUR); and
- c) **The title transfer of natural gas to the SSO from the Customer** (from the SSO's perspective this shall be performed as a back purchase after the end of the provision of the storage service for the same nominal fee of five thousand EUR).

The Storage System Operator intends to offer a Firm Flexible Storage Capacity with already pre-injected natural gas (**Inverse Storage**) with the following basic characteristics:

Working Gas Volume	540,000 MWh
Storage Period	1 October 2021 – 31 July 2022
Storage Price	Your bid

The Storage System Operator provides to the Customer the natural gas of Slovak origin. After the end of storage service provision, the Customer shall return the natural gas of Slovak origin.

The Storage System Operator is entitled to request from the Applicant a bank guarantee or a parent company guarantee, or other adequate form of guarantee based on SSO's own risk assessment. The withdrawal of natural gas may not begin earlier than on the day following the day when the original of the agreed guarantee according to previous sentence has been delivered to the Storage System Operator.

A. BASIC STANDARD BUNDLED UNIT (SBU)

NAFTA offers 100 SBUs. The parameters of one (1) SBU allow for 105-day Deliverability and 105-day Injectability on a declining curve.

	1 SBU	100 SBU
Working Gas Volume	5,400 MWh	540,000 MWh
Maximum Withdrawal Rate	2.55 MW	255 MW
Maximum Injection Rate	2.55 MW	255 MW

The Injection and Withdrawal Rates will be available throughout the whole period on declining curves as follows:

The Injection Rates will be provided at the maximum level between 0 % – 50 % (including) of Working Gas Volume and then between 50 % - 100 % of Working Gas Volume the Injection Rates will be linearly decreasing up to the level of 50 % of Maximum Injection Rates at 100 % of Working Gas Volume.

The Withdrawal Rates will be provided at the maximum level between 100 % – 50 % of Working Gas Volume and then between 50 % (including) - 0 % of Working Gas Volume the available Withdrawal Rates will be linearly decreasing up to the level of 50 % of Maximum Withdrawal Rate at 0 % of Working Gas Volume.

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 combination per Application.

	INJECTION OF NATURAL GAS INTO STORAGE FACILITY	WITHDRAWALS OF NATURAL GAS FROM STORAGE FACILITY
COMBINATION 1	the Interconnection Point with Transmission System	the Interconnection Point with Transmission System
COMBINATION 2	the Interconnection Point with Transmission System	the Interconnection Point with Distribution System
COMBINATION 3	the Interconnection Point with Virtual Trading Point Austria	the Interconnection Point with Virtual Trading Point Austria

- 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

- a) The details of the tender will be published on NAFTA's website.
- b) The Application Period will be set within working hours (9am-5pm) of any working day in Slovakia after the publication of this Invitation.
- c) The Application Period will last at least three (3) hours during which the Applicants may submit their bid(s) using the Application Form.
- d) An Applicant may submit maximum two binding, irrevocable and duly signed Application Forms by e-mail.
- e) All Applicants will be informed by e-mail about the result of their 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 and inform the Applicant about the bank guarantee/parent company guarantee requirements, if needed.

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 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 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 Inverse Storage Facility shall enter into the Gas Storage Agreement - Inverse Storage with the Storage System Operator latest within 10 days of the day of receipt of the notification of Inverse Storage Facility allocation to the Applicant. In case that the Applicant has a valid General Agreement on Provision of Storage Services concluded with NAFTA a.s., then the Gas Storage Agreement can be replaced by an Individual Contract Term Sheet. Nonetheless, the provision of the services shall start even prior to finalization of the formal procedures on condition that the bank guarantee/parent company guarantee is submitted.

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 for the Applicant 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 Inverse 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:

NAFTA a.s.

Votrubova 1
P.O.BOX 815 05
81505 Bratislava 1
Slovakia
storage@nafta.sk

Contact person:

Email/EIKON:
Telephone:
Mobile:

Andrej Kočibal

andrej.kocibal@nafta.sk
+421-240242529
+421-917 926 683

Contact person:

Email:
Telephone:
Mobile:

Petra Bocmanova

petra.bocmanova@nafta.sk
+421-240242661
+421-907738675

VI. ANNEXES

Annex No. 1 – Gas Storage Agreement – Inverse Storage (including the Purchase Agreement)

Annex No. 2 – Template of the Bank Guarantee/Parent Company Guarantee