

**PROCEDURE FOR AWARDING STORAGE CAPACITY FOR THERMAL YEAR 2024-2025
FOR PEAK MODULATION SERVICE WITH SEASONAL INJECTION SINCE APRIL 2024**

AUCTION: April, 4th 2024 – 2 p.m. CET

System Marginal Price

Injection since April, 5th 2024

As known, last February, 25th 2023, the Council of the European Union adopted the Regulation (EU) 2023/427 amending Regulation (EU) 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, published at link

<https://eur-lex.europa.eu/legal-content/IT/TXT/?uri=CELEX%3A32023R0427&qid=1679570484364>

In accordance with and as a result of how much ruled in the Article 5p of the Regulation (EU) 2023/427: “[..]. 1. It shall be prohibited to provide storage capacity as defined in Article 2(1), point 28 of Regulation (EC) No 715/2009 of the European Parliament and of the Council in a storage facility as defined in Article 2, point 9 of Directive 2009/73/EC of the European Parliament and of the Council, except for the part of liquefied natural gas facilities used for storage, to: (a) a Russian national, a natural person residing in Russia, or a legal person, entity or body established in Russia; (b) a legal person, entity or body whose proprietary rights are directly or indirectly owned for more than 50 % by a legal person, entity or body referred to in point (a) of this paragraph; or (c) a natural or legal person, entity or body acting on behalf or at the direction of a legal person, entity or body referred to in point (a) or (b) of this paragraph [..]”.

1. Introduction

This document describes the methods and terms for booking by way of competitive auction of the peak storage service with seasonal injection capacity (hereinafter "**Seasonal Peak Service**") pursuant to the Decree of Ministry of Transizione Ecologica which rules the storage for thermal year 2024-2025 and in conformity to ANNEX A of Deliberazione 67/2019/R/gas “Regolazione in materia di garanzia di libero accesso al servizio di stoccaggio del gas naturale” (hereinafter "**RAST**"), issued by the Autorità di Regolazione per Energia Reti e Ambiente (hereinafter "**Authority**").

2. Subject

The booking of space capacity of **4,632,000,000 kWh** (equal to about **438.1 MScm** with PCS 10.57275 kWh/Scm) regarding the Seasonal Peak Service pursuant to Art. 10 of RAST to be assigned according to competitive auction procedures, as laid-down by Art. 15 of RAST, is the purpose of the procedure governed herein (hereinafter the "**Procedure**").

Società soggetta all'attività di direzione
e coordinamento di Edison Spa

Società a socio unico
Capitale Soc. 90.000.000,00 euro i.v.
Reg. Imprese di Milano e C.F. 04501620969
Partita IVA 04501620969 - REA di Milano 1752213

Based on the space booked, a maximum withdrawal capacity of **46,320,000 kWh/d** and an injection capacity of **72,650,000 kWh/d** will be awarded pursuant to Art. 10 of RAST.

The booking of capacities regarding the Seasonal Peak Service that is the subject of this Procedure contemplates the injection of gas quantities equivalent to the capacity book since **5 April 2024** until the end of the injection phase. According to the Art. 23.2 of RAST the unit assignment price of every accepted offer will be equal to the unit price of the last purchasing offer accepted (**system marginal price**).

3. Requirements and documentation to be uploaded in Escomas for participation in the Procedure

3.1. Introduction

Participation in the Procedure is impartially allowed with conditions being equal for all parties that jointly have the requisites specified below.

The Procedure is participated in by using the Edison Stoccaggio IT Platform (hereinafter "**Escomas**"). Access to Escomas is provided to certified parties having IT access credentials issued by Edison Stoccaggio (hereinafter the "**Applicants**" or the "**Applicant**"). The registration is available at the link: <https://escomas.edison.it/>

3.2. Requirements

3.2.1 Subjective requirements and causes of exclusion from access/allocation and provision of storage services

In order to access, be assigned and use storage services, the Applicant/User must:

- a) not to be** a Russian national, a natural person residing in Russia, or a legal person, entity or body established in Russia;
- b) not to be** a legal person, entity or body whose proprietary rights are directly or indirectly owned for more than 50 % by a legal person, entity or body referred to in point (a) of this paragraph; **or**
- c) a natural or legal person, entity or body acting on behalf or at the direction of a legal person, entity or body referred to in point (a) or (b) of this paragraph.**

Failure by the Applicant/User to comply with one of the above requirements both during access to storage services and during the allocation and provision of the same will result in the immediate exclusion of the Applicant/User from auctions and termination of the relationship contract for the provision of storage services. The Applicant/User undertakes to immediately notify the storage company of any relevant changes that may in any way affect the presence and/or loss of the above requirements.

If the Applicant/User accesses one or more of the storage services and/or is assigned one or more of the storage services in the absence of one or all of the above requirements, the same will be (i) immediately excluded from participation in one or more of the procedures for the allocation of storage services thermal year 2024-2025 (ii)

immediately excluded from the allocation of one or more storage services, (iii) immediately excluded from the provision of one or more storage services. In the event (i) (ii) and (iii) the Applicant/User will be declared in default for the absence/forfeiture of one of the above mentioned subjective requirements with the possibility for Edison Stoccaggio S.p.A. to avail/demand all or part of the guarantees issued in its favor.

Both in the phase of access to storage services and in the phase of assignment and provision of the same Edison Stoccaggio S.p.A. reserves the right to carry out any control regarding the presence or absence of the above requirements and reserves the right at any time to request any documentation showing whether or not such requirements exist. Failure to send the required documentation to Edison Storage will result in the immediate suspension of access to storage services and their provision.

3.2.2 Objective requirements

The Applicant will have following requisites:

- ownership of contract with Snam Rete Gas with effect since **April 2024**;
- within the auction date, payment of all amounts that have been billed and have expired on the date of the request, the total of which exceeds the value of the guarantees given to cover the obligations deriving from contracts previously entered into with Edison Stoccaggio.

3.3. Documentation for the auction

To fill in the Purchase Request and participate to the auction Applicants **will: fill in, to be signed by the legal representative (or by a proxy having the appropriate powers) and upload all** the following documentation **in Escomas** on time to permit a checking:

- **Dichiarazioni di accesso informatico**
- **Dichiarazione di titolarità poteri per la partecipazione all'asta**
- **Contratto di Stoccaggio per l'anno termico 2024-2025**
- **Financial Guarantees to cover the Purchase Request.**

Important:

- **Financial Guarantees to cover the Purchase Request are valid only for the short term auctions.** In case of assignment, a Guarantee has to be delivered as described in the point 6;
- **the Cash Deposit is admitted to cover the bid** as described in the point 3.5;
- **the expiring date of the Bank Guarantee and of the Letter of Guarantee is requested to be not previous to 30 June 2024.**

In case of documentation subscribed with Digital Sign (CADES or PAdES mode) and Time Stamp (Marca Temporale) will not be necessary to deliver anything in hardcopies; viceversa, in case of documentation signed with holographic signature, it will be necessary to deliver all the documentation in original as described in the point 3.7.

The Applicant in possession of the **minimum rating** will upload on Escomas the documentation of minimum rating.

The "**minimum rating**" criterion is considered met by having a credit rating provided by primary international organizations with reference to the medium/long-term debt, **equal to at least:**

- **Baa3** if provided by Moody's Investor Services, or;
- **BBB-** if provided Standard & Poor's Corporation, or;
- **BBB-** if provided by Fitch Ratings, or;
- **BBB low** if provided by DBRS.

The Applicant **not in possession of the minimum rating** must present a guarantee issued by one or more parties that have the same "**minimum rating**" **written above**, for an amount equal at least indicated in the point 3.4:

- ❖ a **letter of guarantee** with the "Modulo di titolarità poteri per lettera di garanzia"
- ❖ and/or **bank guarantee**, that can be sent via **Swift Code as described in the point 3.6**
- ❖ and/or **insurance guarantee**
- ❖ and/or documentation to prove the **security deposit** as described in the point 3.5.

It's possible to refer to the Guide to assignment for downloading, filling in and uploading all the Documentation.

Each document uploaded in Escomas by the Applicant will be verified by Edison Stoccaggio and approved or rejected with motivation.

3.4. Amount of the guarantees to cover the Purchase Request (Guarantee valid only for the bid)

The Applicant who does not have the "minimum rating" as described in the point 3.3 will have to present, to cover the obligations related to the Procedure, letter of guarantee and/or bank guarantee and/or insurance guarantee and/or document to read the execution of a cash deposit; **the amount will not have to be less than** as calculated:

$$\text{Minimum amount of guarantee for the bid} = \left(\sum_{k=1}^5 S_k \times PS_k \right) \times 25 \%$$

where:

S_k : Space in the k-th Purchase Request of the Applicant for the storage service requested.

PS_k : unit price of the Space k-th Purchase Request of the Applicant for the storage service requested.

The minimum space for every Purchase Request is equal to 2,000,000 kWh.

3.5. Security deposit

The Applicant that will make use of the **Security Deposit** via bank transfer, at the time the banking transaction is carried out, **accepts that Edison Stoccaggio uses said deposit for the purposes and according to the methods specified under point 6 of the Procedure.**

The cash deposit will have the value date prior or equal to **April, 3rd 2024** and have this description: **“Deposito Cauzionale partecipazione asta Servizio di Stoccaggio 2024-2025”**. The Applicant will send an e-mail to **stoccaggio@edison.it** with amount and swift.

Bank account:

**Società Edison Stoccaggio Spa
Banca Nazionale del Lavoro
Dipendenza di Milano
Via Deruta 19, 20132 Milano
IBAN: IT45F010050160000000006335
SWIFT: BNLITRR**

3.6. Bank guarantee sent using swift code

The Bank Guarantee for the bid can be sent using the **swift code MT760** to the account below reported:

**Società Edison Stoccaggio Spa
Banca Nazionale del Lavoro
Dipendenza di Milano
Via Deruta 19, 20132 Milano
IBAN: IT45F010050160000000006335
SWIFT: BNLITRRMCR**

Before the emission of the guarantee, every change of wording of the version downloaded from Escomas has to be approved by Edison Stoccaggio.

3.7. Delivering of documentation signed by holographic signature

Edison Stoccaggio allows the holographic signature of the documentation described in the point 3.3. The Applicant will have to:

- upload in Escomas the documentation;
- **deliver the hardcopies within 12 p.m. CET of April, 4th 2024.**

Please note that two original copies of the Contract have to be delivered initialed on every page and signed by the legal representative or the proxy having the appropriate powers.

The envelope with all documents and all related annexes must be closed (initialed on the border) and report the company name of the Applicant.

The envelope will be delivered to the following address:

Edison Stoccaggio S.p.A.

attenzione Ufficio Commerciale Stoccaggio

ASTA SERVIZIO DI STOCCAGGIO

Via Illica 4 - 20121 Milano.

It's allowed to send the guarantees separately in an envelope on which the following indication must be reported:

“Garanzia bancaria/Polizza assicurativa/Lettera di garanzia societaria per la partecipazione all’ASTA SERVIZIO DI STOCCAGGIO relativa a (*shipper’s name*)”.

The Applicant will notify the email box stoccaggio@edison.it of the third party or the employee entrusted with delivery in advance will sent the name of the courier.

A receipt will be issue at the delivery. The receipt is the only document valid for certifying the date and time of delivery of the envelope. Therefore, envelopes for which the aforesaid receipt has not been issued will be considered as undelivered.

Delivery after the deadline above mentioned shall be considered in violation of the rules of this procedure and the relevant envelope will be rejected, without any responsibility being attributed to Edison Stoccaggio; those who use the Italian postal system, carriers or other intermediaries for the delivery may not justify the delay in delivery with reference to poor services or problems encountered by said intermediaries.

Edison Stoccaggio will consider as valid the last package sent in temporal order and will not open packages with an earlier date of dispatch, which will be considered as not submitted (these packages, not opened, will be in any case kept).

Edison Stoccaggio will not admit in the auction the Purchase Request confirmed in Escomas in case the documentation:

- has been received after the maximum deadline indicated above, or was not delivered or is incomplete or non-compliant with the documentation present in Escomas;
- there is some dissimilarity between the documents in Escomas and those delivered in original form shall be excluded.

4. Purchase request of capacity of storage (Purchase Request)

Pursuant to Art. 13.8 of RAST, all purchase requests may contain up to 5 (five) offers at the most. Pursuant to Art. 13.9 of RAST, Edison Stoccaggio has set 2,000,000 kWh as the value of the minimum quantity to which each offer must refer.

The quantity requested in each offer must be stated in kilowatts per hour [kWh] without decimal figures. Pursuant to Art. 13.9 of RAST, every single bid must be no less than 0 (zero). Every single bid must be stated in Eurocents/kilowatt per hour [c€/kWh] with eight decimal figures at the most.

Within 2 p.m. CET of April, 4th 2024, the Applicant can enter, save and confirm the Purchase Request in Escomas. The Purchase Request confirmed can be replaced by a new Purchase Request. **After the above deadline the Purchase Request shall not be revocable.** No conditions are possible for the Purchase Request.

The filling in, saving and confirming in Escomas will be only the Purchase Request will be considered for the auction.

The Purchase Request saved but not confirmed in Escomas will not be considered for the auction, because it will cancel the last Purchase Request confirmed.

5. Assignment

Once the deadline for prompt submission of the requests has passed, Edison Stoccaggio will check that all requisites set forth in this procedure are met, that the documents are consistent with the documents in Escomas - on pain of in admissibility of the dissimilar requests - and shall tabulate the offers according to the provisions of Resolution and then establish the results by running a specific function on Escomas.

Notification of the award made, as well as of any exclusion and its grounds, will be made pursuant to Art. 13.10 of RAST within the auction date, with notification given in advance by email to the address of Admin Aste and providing each Applicant access to its own data on Escomas.

Furthermore, pursuant to Art. 13.10 of RAST, Edison Stoccaggio shall publish the aggregate results of the award procedure and the average weighted award price.

The award of the space capacity referred to in the purchase requests received pursuant to what is set out in this procedure shall be made in agreement with the provisions of Art. 15 of RAST. Based on the space awarded, the withdrawal and injection capacities shall be awarded pursuant to Art. 10 of RAST.

Only in case of space awarded the “Contratto di Stoccaggio per l’anno termico 2024-2025” will be in force between the assignee party (hereinafter: “Assignee”) and Edison Stoccaggio.

6. Guarantees after assignment (Garanzie post-conferimento)

No later than **April, 24th 2024**, the Assignee who does not have the minimum rating as indicated in point 3.3 must present to Edison Stoccaggio the Guarantees according to par. 5.2.1.1.2 of Code of Storage of Edison Stoccaggio (hereinafter: **Code of Storage**). Considering the amount of Art. 23 of RAST, **the Guarantee will not have to be less for an amount than indicated in the letter c) of the 5.2.1.1.2 of Code of Storage.**

The Bank Guarantee post-conferimento can be transmitted using the **swift code MT760**.

Edison Stoccaggio allows the extension of the validity of the bank guarantee related to the Contratto di stoccaggio 2023-2024 (hereinafter **Addendum**). When the bank releases the Addendum, the bank shall have the minimum rating as described in the point 3.3. The bank can transmit the Addendum using the **swift code MT767**.

Before the emission of the Addendum to the guarantee, every change of wording of the version must be approved by Edison Stoccaggio.

Each document uploaded in Escomas by the Assignee will be verified by Edison Stoccaggio and approved or rejected with motivation.

If the Assignee fails or refuses to present the above Guarantee, not only will Edison Stoccaggio declare the Assignee having forfeited the award attained, the termination of the Contract of Storage for thermal year 2024-2025, but it will be entitled to receive from the defaulting party, also by partial enforcement of the guarantee submitted at the time of offer, **25% (twenty-five percent)** of the economic commitments that the defaulting party assumed for the Space capacity in agreement with Art. 5.3 of the Storage Code.

7. Annexes

The following annexes, available on [link](#), are part of the Procedure.

Annex 1 – Facsimile Contratto di Stoccaggio per l'anno termico 2024-2025 e relativi Annex A e Annex B.

Annexes 2a and 2b – Dichiarazioni di accesso informatico.

Annex 3 – Dichiarazione sostitutiva di certificazione attestante la titolarità dei poteri di rappresentanza per asta.

Annex 4a – Dichiarazione sostitutiva di certificazione attestante la titolarità dei poteri di firma per lettera di garanzia asta.

Annex 4b – Lettera garanzia asta.

Annex 5 – Garanzia bancaria asta.

Annex 6 – Polizza assicurativa asta.

Annex 7a – Dichiarazione sostitutiva di certificazione attestante la titolarità dei poteri di firma per lettera di garanzia post-conferimento.

Annex 7b – Lettera garanzia post-conferimento.

Annex 8 – Garanzia bancaria post-conferimento.

Annex 9 – Polizza assicurativa post-conferimento.

Annex 10 – Addendum Estensione Garanzia bancaria post-conferimento