

SPREAD BASED STORAGE / SBS

CONDITIONS OF THE ELECTRONIC TENDER HELD ON DECEMBER 18, 2024 11:00

A. Offered storage capacity			
Storage period		1. 4. 2026 - 31. 3. 2029 (3 storage years)	
Working gas volume		1 000 000 MWh	
Maximum withdrawal capacity	9 100 MWh/day (110 days ¹)	Maximum injection capacity	8 300 MWh/day (120 days ²)
Capacity type	Yearly	Product	Spread Based Storage
B. Financial indicators			
Starting price for add-on (D)		1 CZK/MWh/storage year	
Price change between tender rounds		2 CZK/MWh	
Maximum amount of the financial security; type - none		0 CZK	
C. Price indicators			
Minimum price of Partial Fixation (P _D)		51 CZK/MWh	
Maximum price of Partial Fixation (P _D)		128 CZK/MWh	
Minimum WGV of Partial Fixation		4 % of total reserved volume in given SY	
Maximum WGV of Partial Fixation		20 % of total reserved volume in given SY	
Minimum WGV		70 % of total reserved volume in given SY	
Maximum WGV		120 % of total reserved volume in given SY	
Fixation period		SY 2026: 1.1.2025 – 31.1.2026 SY 2027: 1.1.2025 – 31.1.2027 SY 2028: 1.1.2025 – 31.1.2028	
Automatic fixation period		SY 2026: 1.2.2026 – 28.2.2026 SY 2027: 1.2.2027 – 28.2.2027 SY 2028: 1.2.2028 – 28.2.2028	
Deadline for sending the partial fixation decision		until 2 p.m of the following business day	
Rate EUR/CZK		exchange rates published on the CNB website for the given day partial fixation	
D. Auction parameters			
Auction type	Ascending	Minimal request	0 MWh
Number of requests per round	1	Maximum amount of additional storage capacity	300%
Increasing demand between rounds	Yes		
E. Attachments			
General tender conditions (valid from July 1, 2024)		Attachment No. 1	
Contract template		Attachment No. 2	

¹ Time necessary for withdrawing 100% of the working gas volume at the given maximum withdrawal rate.

² Time necessary for injecting 100% of the working gas volume at the given maximum injection rate.

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IČO: 27892077, DIČ: CZ27892077, Datová schránka: ufxyjs2

Zápis do obchodního rejstříku: Městský soud v Praze, oddíl B, vložka 28939, dne 1. 5. 2007

Certificate of incorporation: Municipal Court in Prague, Part B, Insert 28939, on 1 May 2007

Bankovní spojení: ČSOB, a. s., Praha, číslo účtu: 17805243/0300, IBAN: CZ90 0300 0000 0000 1780 5243, SWIFT: CEKOCZPP

1. General product description and method of price calculation

The subject of the auction is the reservation of storage capacity for a three-year storage period, with the resulting price to be determined separately for each storage year as follows:

The partial price for storage capacity for a given storage year SY will be determined for each fixation date according to the following **Formula 1**:

$$P_{D,SY} = SW_D + D$$

where:

$P_{D,SY}$ is the partial price for storage capacity in each storage year SY for a given fixation date

SW_D is the value of the SW spread for that fixation day

D is the price add-on that will be the only one a result of the auction

The final annual price for storage capacity for each storage year SY shall be calculated after the completion of the partial fixation in accordance with these conditions and shall be determined by the average of the partial fixation prices weighted by their working gas volumes. The final unit annual price for storage capacity $P_{F,SY}$ for each SY is calculated according to **Formula 2**:

$$P_{F,SY} = \frac{\sum_{i=1}^k P_{Di} V_i}{\sum_{i=1}^k V_i} = \frac{P_{D1}V_1 + P_{D2}V_2 + \dots + P_{Dk}V_k}{V_1 + V_2 + \dots + V_k}$$

where:

V_i is the partial working gas volume for a given fixation day i .

P_{Di} is the partial price for a given fixation day i calculated according to Formula 1.

The final annual price $P_{F,SY}$ will be rounded to two decimal places and is quoted net of VAT, which will be added according to the applicable regulations in the Czech Republic.

The partial working gas volumes of the reserved storage capacity together with the partial price are referred to as the **Partial Fixation**.

The injection and withdrawal capacity $RD_{W,I}$ will be subsequently added to the total fixed working gas volume according to **Formula 3**:

$$RD_{W,I} = RD_{W,I Total} * \frac{\sum V_i}{V_{Total}}$$

where:

V_i is the partial working gas volume for a given fixation day i

V_{Total} is the total offered working gas volume according to point A.

$RD_{W,I Total}$ are the total offered withdrawal and injection capacities according to point A.

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2. Period and method of fixation

Storage User may make Partial Fixations at its discretion within the time-limited Fixation period as set out in these Auction Terms and Conditions in point C. Price indicators. In case that the Storage User decides to make a Partial Fixation for a given Storage Year SY, shall inform the Storage Operator of the size of the Partial Fixation in accordance with the rules set out in point C. Price indicators.

Storage User is required to have made Partial Fixations on the last day of the Fixation period for a given SY that in aggregate are greater than or equal to the **Minimum Working Gas Volume (WGV)**. In case that the sum of all Partial WGV from executed Partial Fixations for a given SY is not greater than or equal to the **Minimum WGV** for each year, an **Automatic Fixation** shall be triggered. In the case of **Automatic Fixation**, the difference between the Minimum WGV and the sum of all Partial WGV shall be automatically fixed at the price calculated in the **Automatic Fixation Period** referred to in point C. Price indicators as the arithmetic average of the price P_D calculated for all Partial Fixation Days within the Automatic Fixation Period.

The Minimum WGV of the Partial Fixation and the **Maximum WGV of the Partial Fixation** are set out in point C. Price indicators.

The Minimum price of the Partial Fixation and the **Maximum price of the Partial Fixation** are set out in point C. Price indicators and also apply to the Automatic Fixation Period. If the Maximum price is exceeded ($P_D > \text{Maximum price}$), the P_D price will not be calculated but the specified Maximum price. If the P_D price is below the Minimum price ($P_D < \text{Minimum Price}$), the P_D price will not be calculated but the set Minimum price.

Partial Fixations shall be terminated if a) the entire WGV of the Reserved Storage Capacity is fixed before the end of the Fixation Period, or b) the last specified day of the Partial Fixation within the Fixation Period or Automatic Fixation Period, as applicable. In case that the entire WGV of the reserved storage capacity is not fixed, the Storage User shall be allocated storage capacity (i.e. including the corresponding withdrawal and injection capacity) up to the amount of the Partial Fixations made.

Storage User undertakes to provide information on the execution of the Partial fixation by the time specified in point C. Price indicators. Information on individual partial WGV will be sent by the Storage User to the e-mail of the Storage Operator specified in these Conditions.

The final price for a given SY for all executed Partial Fixations is calculated according to Formula 2. The remaining WGV (and the corresponding withdrawal and injection capacity) for which no Partial Fixation (including Automatic Fixation) has been made shall no longer be reserved by the Storage User and shall become the Storage Operator's available storage capacity.

3. SW Spread

The value of the relevant SW spread entering into the formula for the Partial Fixation (see Formula 1) will be calculated for each Partial Fixation as the positive difference (Winter-

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Summer) of the closing prices (Settlement price) of the Summer and Winter seasonal futures contracts for the respective SY.

The reference market for the determination of the fixation prices will be the Title Transfer Facility ("TTF"), specifically the data on the website eex.com/en/market-data/natural-gas/futures in the section "EEX TTF NATURAL GAS FUTURES", column "Settlement Price".

If the price is not available on that website, the Storage Operator undertakes to submit, without undue delay after becoming aware of that fact, to the Storage User for consideration an appropriate adjustment or substitution of those prices so that the adjustment or substitution best reflects the relationship between the closing prices (Settlement price) of the Summer and Winter seasonal futures contracts for that storage year.

4. Exchange rates

As all published prices on the TTF are quoted in EUR/MWh and storage capacity is offered in CZK/MWh, a conversion from EUR to CZK will be made to determine the SW spread. For the conversion, the official exchange rates published by the Czech National Bank (<http://www.cnb.cz>) for each day of the Partial Fixation will be used. In the event of unavailability of such data, the exchange rate published by the European Central Bank (<https://www.ecb.europa.eu/>) will be used.

5. Exchange of information

Any further communication, including information on the execution of the Automatic Partial Fixation and the calculation of the resulting unit price, shall also be made by e-mail to the e-mail address of the Storage User under which he is registered in the Auction System and, in the case of the Storage Operator, to the e-mail address specified in these Conditions, unless otherwise agreed.