



# INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY FOR STORAGE PERIOD 2024/2025



## INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY

AT NATURAL GAS STORAGE FACILITY INZENHAM-WEST OF NAFTA SPEICHER INZENHAM GMBH

### I. OFFER

NAFTA Speicher Inzenham GmbH (hereinafter referred to as "NAFTA Inzenham"), as an operator of the storage system, invites for application for access to and use of the Flexible Storage Capacity.

**Flexible Storage Capacity** service enables the Storage Customer to inject and withdraw natural gas to/from the Natural Gas Storage Facility all year round with a 2-hour re-nomination lead time. The only exception is the period from 1 April 2025 6:00 HRS CET until 7 April 2025 6:00 HRS CET when only withdrawal is allowed. The applicable legislation on mandatory filing levels shall be applied during the whole Booking Period.

The Storage Capacity will be tendered among all interested gas market participants (hereinafter referred to as the "Participants").

**Agreement on Storage Facility Access**, under which the Flexible Storage Capacity shall be allocated, will be concluded with the successful Participant(s).

Please see **the Draft of Agreement on Storage Facility Access including all appendices** where the terms and conditions pertaining to this storage service are stipulated.

## II. FLEXIBLE STORAGE CAPACITY

Flexible Storage Capacity is offered in the amount of **up to 497,200 MWh in 44 Standard Bundled Units**. Storage services are provided for the period from **1 April 2024 6:00 HRS CET until 7 April 2025 6:00 HRS CET**.

### A. STANDARD BUNDLED UNIT (SBU)

#### PARAMETERS OF 1 BASIC SBU (44 IN TOTAL)

Working Gas Capacity	11,300 MWh
Maximum Injection Rate	4.250 MW
Maximum Withdrawal Rate	5.000 MW

The Injection and Withdrawal Rates will be available throughout the whole period on declining curves – except for the period from 1 April 2025 6:00 HRS CET until 7 April 2025 6:00 HRS CET when only withdrawal is allowed.

**The Injection Rate** will be provided at the maximum level as long as the storage account fullness is within the range of 0% – 80% (including) of Working Gas Capacity. Between 80% - 100% fullness of the storage account the Injection Rate linearly decreases down to the level of 1.594 MW at 100% fullness of the storage account.

The Injection Rate shall be interruptible in the period from 1 April 2024 6:00 HRS CET until 16 April 2024 6:00 HRS CET and firm in the period from 16 April 2024 6:00 HRS CET until 1 April 2025 6:00 HRS CET.

**The Withdrawal Rate** will be provided at the maximum level as long as the storage account fullness is within the range of 100% – 38% (including) of Working Gas Capacity. Between 38% - 0% fullness of the storage account the Withdrawal Rate linearly decreases down to the level of 1.467 MW at 0% fullness of the storage account.

The Withdrawal Rate shall be firm in the period from 1 April 2024 6:00 HRS CET until 7 April 2025 6:00 HRS CET.

### B. POINT OF TRANSFER FOR INJECTION AND WITHDRAWAL

The natural gas storage facility Inzenham-West is allocated to the Trading Hub Europe virtual trading point.

The Point Of Transfer For Injection and Withdrawal shall be the network connection point "Inzenham-West USP" of the Transmission System Operator bayernets.

Ensuring access to/from the Storage Facility, including the access to the Point of Transfer for Injection and Withdrawal with the Transmission System Operator bayernets, is the sole responsibility of the successful Participant. The successful Participant shall also bear all fees incurred in this regard.

### C. MANDATORY FILLING LEVELS

The successful Participant shall be aware of the legislation on filling requirements for gas storage facilities. According to the sections 35a et seqq. of the Energy Industry Act (EnWG), gas storages shall reach certain filling levels on 1 October, 1 November and 1 February of each calendar year. The operators of gas storage facilities shall offer firm storage capacities to Trading Hub Europe GmbH ("THE") if one or more of the storage users do not use their booked (firm) working gas volume to the extent required to reach the relevant filling levels. This may require excluding storage users who do not sufficiently use their capacity rights from (further) using (part of) their booked (firm) capacity rights for the remaining part of the relevant storage year. These statutory requirements shall be addressed in the storage contracts, therefore the Agreement on Storage Facility Access which shall be concluded with the successful Participant already contains the respective provisions and these shall be accepted by successful Participants.

(For more details, please see the Annex No. 1: Draft of the Agreement on Storage Facility Access.)

### D. STORAGE FEES

The storage fees shall include Fixed Storage Fee and Variable Storage Fee and shall be payable by the Storage Customer to the SSO for

the provision of Storage Capacities which include the Working Gas Capacity, Injection and Withdrawal Rate.

**The Fixed Storage Fee** shall be calculated as the unit Fixed Storage Fee (EUR/MWh) (hereinafter referred to as the "Unit Fixed Storage Fee") multiplied by the Working Gas Capacity (MWh).

The Unit Fixed Storage Fee shall be calculated as a weighted average of individual unit fixed storage fees (hereinafter referred to as the "Individual Unit Fixed Storage Fee") determined and applied during the Call Period separately for each relevant part of the Working Gas Capacity according to the following formula:

Individual Unit Fixed Storage Fee (EUR/MWh) = Spread + X

Where:

Spread (EUR/MWh) shall be calculated as a difference between the arithmetic average of Bid and Offer quotes for 1Q25 and 3Q24 forward contracts, published in the ICIS European Spot Gas Markets, table "THE Price Assessment", after business hours on the day when the Spread Locking Mechanism as defined below has been executed or Fall-back Spread Locking Mechanism as defined below has been applied. The Contractual Partners are obliged to accept such Spread for the requested portion of the Working Gas Capacity.

X (EUR/MWh) shall be specified by the Participant in the Application Form.

The Call Period shall be the period starting on the day of execution of this Agreement and ending on 28 June 2024 (including).

The Contractual Partners agree that:

- For the purposes of Individual Unit Fixed Storage Fee calculation, each Spread for the relevant part of the Working Gas Capacity shall be determined based on the Spread Locking Mechanism or based on the Fall-back Spread Locking Mechanism.
- In case the Individual Unit Fixed Storage Fee calculated based on the formula above is negative, then for the purposes of the Unit Fixed Storage Fee calculation, the Individual Unit Fixed Storage Fee shall be deemed zero.

#### Spread Locking Mechanism

The SSO shall request the Storage Customer via e-mail prior to 14:00 CET on any Banking Day during the Call Period to lock a binding Spread for respective part of the Working Gas Capacity (hereinafter referred to as the "Call"). The maximum locking quantity per the Call shall be equal to 25% of the Working Gas Capacity unless agreed otherwise via email between the Contractual Partners.

#### Fall-back Spread Locking Mechanism

100% of the Working Gas Capacity shall be locked for Spread by 28 June 2024 (including). In case the SSO does not make the Call for 100% of the Working Gas Capacity by 21 June 2024 (including), then the fall-back Spread for such remaining part of the Working Gas Capacity shall be locked automatically using an arithmetic average of Spreads during the last 5 Banking Days of June 2024.

**The Variable Storage Fee** shall be paid for injected Working Gas volumes that are, in aggregate, in excess of the volume corresponding to 100% Working Gas Capacity and/or for withdrawn Working Gas volumes that are, in aggregate, in excess of the volume corresponding to 100% Working Gas Capacity. For avoidance of doubt, the storage account level cannot at any point in time exceed the allocated Working Gas Capacity.

The Variable Storage Fee will be calculated pursuant to the following formula:

$$VSF_M = (WG_I + WG_W) * (0.012 * MI_{THE} + CO_2 + 0.054)$$

Where:

$VSF_M$  (EUR) is Variable Storage Fee calculated for the calendar month M.

$WG_I$  (MWh) is that amount of Working Gas injected into the Storage Facility in the calendar month M, to which the Variable Storage Fee applies.  $WG_I$  shall be calculated based on the Allocation and Actual Storage Level Protocol values for the month M. For avoidance of doubt, all Working Gas transfers onto the Storage Account associated with the Agreement pertaining to this product shall be, for the purposes of this calculation, considered injected Working Gas unless this Working Gas is transferred from the Storage Customer's other Storage Account on the last Gas Day of the Booking Period of the storage agreement associated with this other Storage Account.

$WG_W$  (MWh) is that amount of Working Gas withdrawn from the Storage Facility in the calendar month M, to which the Variable Storage Fee applies.  $WG_W$  shall be calculated based on the Allocation and Actual Storage Level Protocol values for the month M. For avoidance of

doubt, all Working Gas transfers from the Storage Account associated with the Agreement pertaining to this product shall be, for the purposes of this calculation, considered withdrawn Working Gas unless this Working Gas is transferred to the Storage Customer's other Storage Account on the last Gas Day of the Booking Period of the Agreement pertaining to this product.

$MI_{THE}$  (EUR/MWh) is the value of the Monthly Index for the calendar month M at Trading Hub Europe (THE) 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.

When calculating the value of  $MI_{THE}$ , the following shall apply:

- In case the published value of  $MI_{THE}$  is from the range between 20 EUR/MWh (including) and 60 EUR/MWh (including), then the value of 40 EUR/MWh shall be used for the purposes of  $VSF_M$  calculation.
- In case the published value of  $MI_{THE}$  is lower than 20 EUR/MWh or higher than 60 EUR/MWh, then the value as published by ICIS European Spot Gas Markets shall be used for the purposes of  $VSF_M$  calculation.
- In case the published value of  $MI_{THE}$  is negative, then it shall be deemed zero for the purposes of  $VSF_M$  calculation.

$CO_2$  (EUR/MWh) is the 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 0.002.

When calculating the value of  $CO_2$ , the following shall apply:

- In case the published value of  $CO_2$  in EUR/t (i.e. the value before multiplication by the coefficient 0.002) is from the range between 50 EUR/t (including) and 100 EUR/t (including), then the value of 75 EUR/t multiplied by the coefficient 0.002 shall be used for the purposes of  $VSF_M$  calculation.
- In case the published value of  $CO_2$  in EUR/t (i.e. the value before multiplication by the coefficient 0.002) is lower than 50 EUR/t or higher than 100 EUR/t, then the value as published by ICE Endex in EUA Daily Future multiplied by the coefficient 0.002 shall be used for the purposes of  $VSF_M$  calculation.
- In case the published value of  $CO_2$  is negative, then it shall be deemed zero for the purposes of  $VSF_M$  calculation.

### III. TENDER INFORMATION

#### A. REGISTRATION

All Participants are asked to register for this Tender by sending an e-mail expressing interest to participate in this Tender. The e-mail shall be sent to **[storage@nafta-speicher.de](mailto:storage@nafta-speicher.de)**.

NAFTA Inzenham sales team will confirm the delivery of registration.

The Participants that have not yet been evaluated under the due diligence procedure based on the KYC Questionnaire "know your customer" within any company belonging to the Energetický a průmyslový holding, a.s. Group shall undergo this procedure with NAFTA Inzenham prior to the application.

Based on the creditworthiness assessment of the registered Participants, NAFTA Inzenham shall be entitled to request from the successful Participants a Parent Company Guarantee or a Bank Guarantee. For avoidance of doubt, it is in sole discretion of NAFTA Inzenham to accept either a Parent Company Guarantee and/or a Bank Guarantee. The selected security instrument should comply with all the requirements stated in the Draft of the Agreement on Storage Facility Access.

(For more details, please see the Annex No. 1: Draft of the Agreement on Storage Facility Access.)

#### B. APPLICATION PERIOD

The Application Period will be published on the website of NAFTA Inzenham and will last at least three (3) hours during which the Participants may submit their bids using the Application Form. The Participant may submit a maximum of two binding, irrevocable and duly signed Application Forms by e-mail.

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

- The number of Standard Bundled Units requested by the Participant complying with the minimum booking requirement of 1 SBU;
- The value of X in EUR/MWh to be used in the formula to calculate the Fixed Storage Fee. The value of X shall be rounded to 2 decimal places.

## C. AFTER THE APPLICATION PERIOD

### I. THE EVALUATION OF APPLICATIONS

NAFTA Inzenham shall prioritize the Applications based on the proposed value of X to be used in the Fixed Storage Fee formula. 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 Participants shall be informed on **the outcome of their Application(s) within 30 minutes** according to the non-discriminatory internal rules, which are set out by NAFTA Inzenham for all Participants before the Application Period (hereinafter referred to as the "Internal Rules").

### II. THE SUCCESSFUL PARTICIPANT(S)

The Participant, to whom the Flexible Storage Capacity has been allocated, shall enter into the Agreement on Storage Facility Access with NAFTA Inzenham at the latest within 10 days after the day of receipt of the notification of Flexible Storage Capacity allocation to the Participant. If an Agreement on Storage Facility Access with the successful Participant is not concluded within 10 days after the notification of Flexible Storage Capacity allocation to the Participant, the received Application together with the notification of the SSO of Flexible Storage Capacity allocation shall be considered the Agreement on Storage Facility Access as stipulated in Annex No. 1 to this Invitation.

## IV. TEMPORARY AND CLOSING PROVISIONS

### A. RESERVED RIGHTS OF NAFTA INZENHAM

- a) NAFTA Inzenham reserves the right to alter the overall allocated volume or to not allocate any volume at all based on total volume requested by Participants and the parameters of their individual bids;
- b) NAFTA Inzenham has the right to reject an Application if it fails to comply with any of the requirements set out in the Appendix D: General Terms and Conditions for Storage Facility Access - of the Agreement on Storage Facility Access, this Invitation, or other applicable legal regulations or if the value of X proposed in the Application for the offered storage capacity is lower than the minimum value of X set out in the Internal Rules;
- c) NAFTA Inzenham has the right to request additional information or documentation from the Participant and to check whether the information about the Participant is accurate, using third-party sources in the public domain;
- d) NAFTA Inzenham 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 Appendix G: Definitions of the Agreement on Storage Facility Access.

### C. LANGUAGE

This Invitation is published in English version only.

## V. CONTACT DETAILS

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## **VI. ANNEXES**

**Annex No. 1** – Draft of the Agreement on Storage Facility Access including all appendices