Storage capacity auctions 2026

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Jānis Akmens
Kaspars Skrābāns
Commercial division

conexus
BALTIC GRID

AGENDA

EVENT WILL BE RECORDED

https://www.conexus.lv/presentations

- Amendments to Inčukalns UGS Regulation
- Amendments to Inčukalns UGS Auction regulation
- Amendments to Inčukalns UGS Service agreement
- Storage products 2026 / 2027
- Q & A
- Auction calendar 2026
- Available capacity
- Auction process
- Q & A
- Other information

Amendments to Inčukalns UGS Regulation

- Changes submitted to NRA
- To be publicly consulted and approved by NRA https://www.sprk.gov.lv/en

  - Solidarity product definition
  - Trade notification → Nomination
  - Review of documents to apply for service 5 → 10 business days
  - No requirement to coordinate auction calendar and regulation with PUC
  - Premium → Fee
  - Cost of storing Gas w/o capacity after end of cycle – 2.00EUR/MWh + 0.11EUR/MWh after day 21
  - Harmonized fuel gas withholding conditions
  - Conditions of return of booked capacity to operator

Amendments to Inčukalns UGS Auction regulation 1

- No requirement to coordinate with NRA (Energy Law)
- Tariff (previously approved by NRA) → Minimum Bid cost; applies to BCP and Interruptible capacity product
- Minimum bid costs:
  - <u>5-year bundled capacity product</u>: **EUR 2.00** per MWh/**<u>one storage cycle</u>**.
  - <u>Bundled capacity product</u>: **EUR 2.13** per MWh/storage cycle.
  - <u>Interruptible capacity product</u>: **EUR 1.11** per MWh/storage cycle.
- Minimum bid cost of I**nterruptible capacity product** may change between auctions, in case market situation significantly changes

https://www.conexus.lv/storage-service-costs-20262027-storage-cycle

Amendments to Inčukalns UGS Auction regulation 2

- **Introduction of bid size limits for 5YBCP**
  - Applies to participants who has insufficient credit rating
  - Total offer can not exceed **bid size limit**
- **Bid size limit = Bid Security x 5**
  - The Bid Security must be submitted at least one working day before the Auction Day,
  - Cash deposit, bank guarantee or related merchant guarantee.
  - Validity of Bid security: from Auction Day to July 31, 2026.
  - Operator uses Bid Security:
    - If there are grounds to believe that Participant partly or in full will be unable cover costs related to the booked capacity
    - If collateral is not submitted according to Storage Rules
  - Bid security return on demand within 5 working days, if no capacity is booked

Amendments to Inčukalns UGS Service agreement

- Tariffs → Payment
- Payment for stock transfers in one invoice when stock is transferred
- Monthly invoices for stock storage without capacity products by the 12th of each month
- Agreement can be terminated if the user breaches terms and does not correct the issue within the given time

Storage products for booking for the cycle 2026/2027

STORAGE PRODUCTS	1 YEAR PRODUCT 26/27	5 YEAR PRODUCT 26/31	INTERRUPTIBLE PRODUCT 26/27
START DATE	01.05.2026	01.05.2026	01.05.2026
END DATE	30.04.2027	30.04.2031	30.04.2027
TRANSFER OF STOCKS BETWEEN PRODUCTS	BCP 1YP	BCP 1YP	INTERRUPTIBLE PRODUCT
	BCP 5YP	BCP 5YP	
PRODUCT PRICE	AUCTION FEE - NEW	AUCTION FEE	AUCTION FEE - NEW
AUCTION PREMIUM	for 12 Months	for 12 Months	for 12 Months
MINIMUM BID	2.13 EUR/MWh storage cycle	2.00 EUR/MWh one storage cycle	1.11 EUR/MWh storage cycle

At end of current cycle

- 2 year BCP -> Stock transfer product or new product
- Stock transfer product (INTP) cost **4.1246 EUR/MWh**
- Stock transfer product last allocation 1.05.2026
- Stock can be transferred to any product booked in Auctions 2026
- Virtual reverse flow **0.4381 EUR/kWh**

AVAILABLE CAPACITY FOR AUCTION

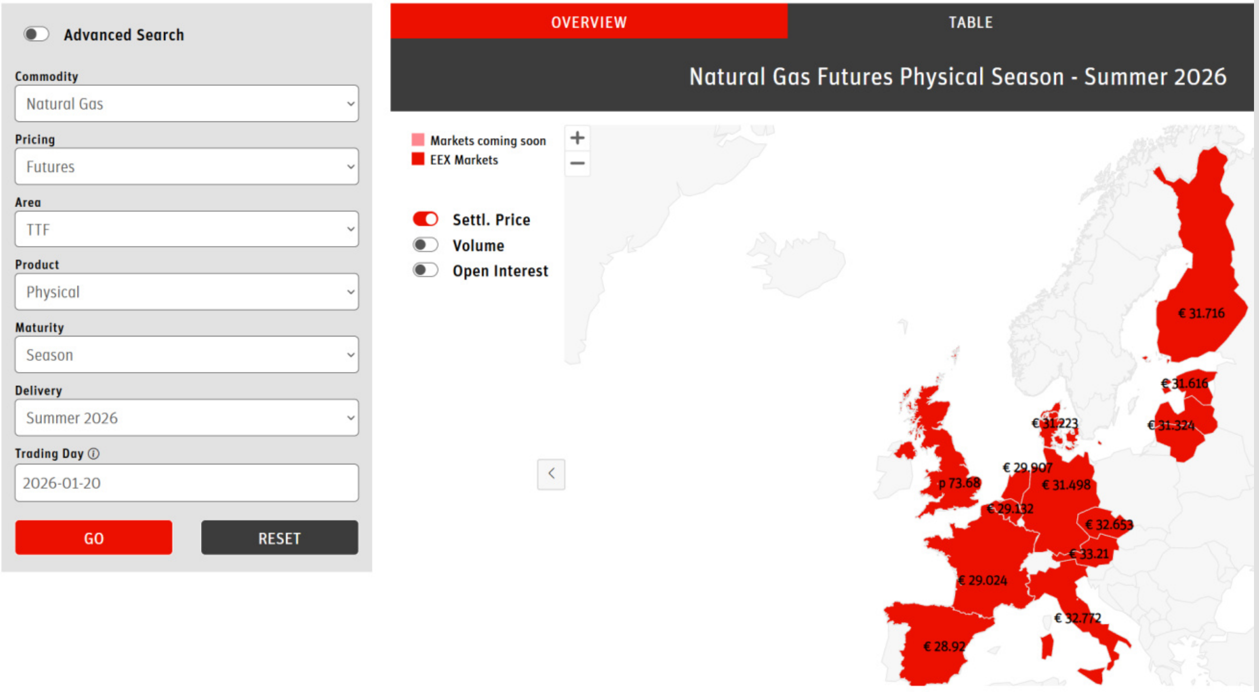
5 YEAR PRODUCT	1 YEAR PRODUCT	INTERRUPTIBLE PRODUCT
≈ 1.56 TWh	Technical capacity - Booked capacity - 5Y BCP offered - 4TWh can create Transfer product (≈5.6 TWh for first auction)	All what is left after 5Y BCP and 1Y BCP auctions

Technical capacity update no later than May 21, 2026

Min available capacity for auction at least 5% from technical capacity (=1,243 TWh)

Stock Transfer cost 5Y BCP and 1Y BCP

5Y BCP	1Y BCP
1.00 EUR/MWh	2.00 EUR/MWh
or 4 W/S season spread average x 0.75	or next W/S spread x 1.25
Largest value applies	



Year	Season	Settlement price EUR/MWh	Winter / Summer spread 5Y BCP	Winter / Summer spread 1Y BCP
2026	Summer	29.907		
2026	Winter	29.581	-0.33	-0.33
2027	Summer	24.712		
2027	Winter	25.748	1.04	
2028	Summer	22.625		
2028	Winter	23.925	1.30	
2029	Summer	21.221		
2029	Winter	22.877	1.66	
		Average	**0.92**	
		Factor	0.75	1.25
		Transfer cost	**0.69**	**-0.41**

Example EEX 20.01.2026

https://www.eex.com/en/market-data/market-data-hub/natural-gas/futures#%7B%22snippetpicker%22%3A%22292%22%7D

Q & A

AUCTION CALENDAR 2026

Five year bundled capacity product:
Tuesday, 10 February 2026
Tuesday, 24 February 2026
Tuesday, 10 March 2026
Tuesday, 24 March 2026 *

Bundled capacity product:
Thursday, 26 February 2026
Thursday, 12 March 2026
Thursday, 26 March 2026
Thursday, 9 April 2026
Thursday, 23 April 2026
Thursday, 7 May 2026 *

Interruptible capacity product:
Tuesday, 19 May 2026
Tuesday, 2 June 2026
Tuesday, 16 June 2026
Tuesday, 30 June 2026
Tuesday, 14 July 2026
Tuesday, 28 July 2026
Tuesday, 11 August 2026
Tuesday, 25 August 2026
Tuesday, 8 September 2026
Tuesday, 29 September 2026 *

https://www.conexus.lv/year-2026-incukalns-ugs-capacity-auctions

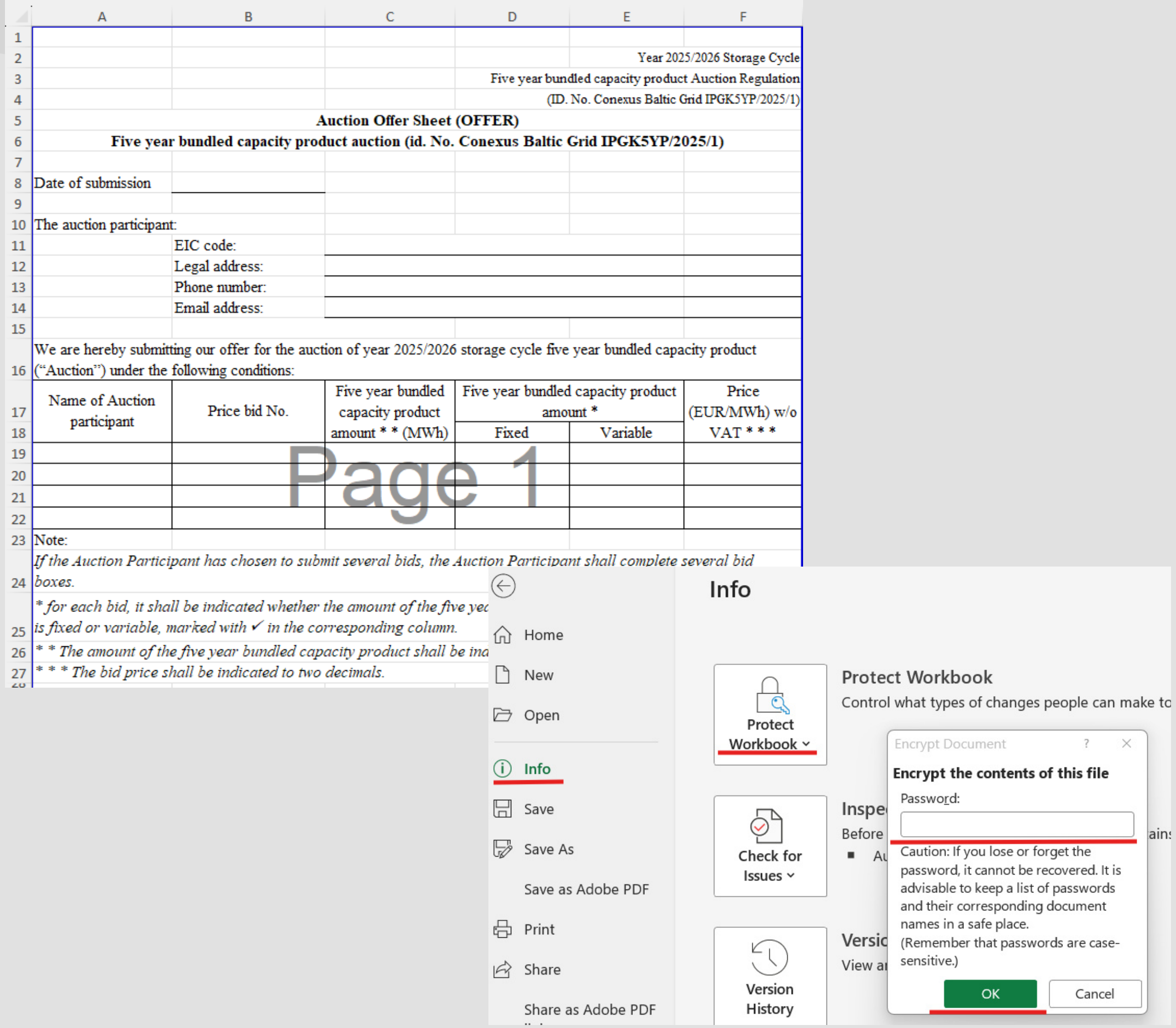
Auction regulation including available capacity to be published 5 business days before auction

* No later than one month before the start date of the auction for additional storage capacity, the system operator may publish information on its website about the auction for additional storage capacity.

OFFER SUBMISSION

- Upload to IT Platform no later than 11:00 Latvian time on Auction day
  - **<u>11:00 Latvian</u>** time = Finland, Estonia, Lithuania
  - 10:00 Poland, Germany, Denmark, Switzerland, Norway, etc
  - 9:00 UTC, United Kingdom
  - Offer can be submitted any time, but it does not give any benefits
- Offers received after this time will not be accepted
- Minimum Bid size - 1 MWh
- Available capacity – published on Conexus web
- One Offer sheet with one upload
- Fixed or variable

OFFER SHEET AND PASSWORD



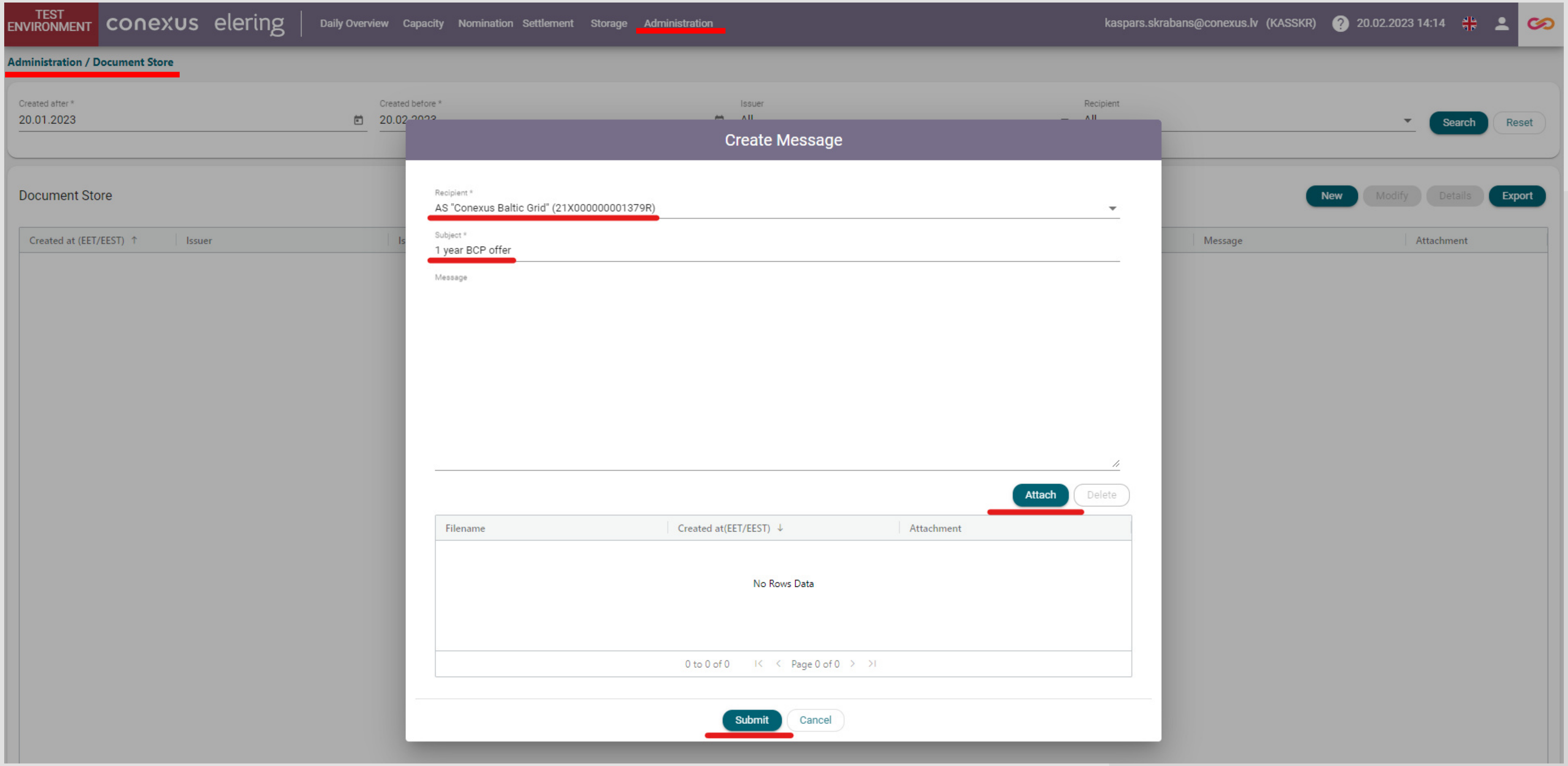
.xls or .ods offer sheet must be password protected

Password sent in separate email to auction@conexus.lv from 11:00 to 12:00 (Latvian time) on the Auction day

Password received outside this time will not be accepted
Offer will not be considered if the Offer is not protected by password, password is incorrect, not submitted or the offer cannot be opened

File name example: ***Participant name 5year BCP Feb 10***

OFFER UPLOAD



Recipient - Conexus Baltic Grid AS [21X000000001379R]

ALLOCATIONS – PAY AS CLEARED

Maximum available capacity	2000

User	Bid amount	Price
1	**100**	**0.25**
2	450	0.50
3	600	1.50
4	900	0.20
1	**50**	**2.00**
Total	**2100**	

User	Bid amount	Prices sorted largest to smallest	Cumulative bid amount
1	**50**	**2.00**	50
3	600	1.50	650
2	450	0.50	1100
1	**100**	**0.25**	1200
4	900	**0.20**	**2100**
Total	**2100**		

User	Allocations	Price pay-as-cleared
1	**50**	**0.20**
3	600	0.20
2	450	0.20
1	**100**	**0.20**
4	**800**	0.20
Total	**2000**	

If amount is fixed and it must be confirmed less than in bid then it shall be excluded from calculation and following bid will be included in calculation

If there are 2 identical closing bids that must be reduced, then it is done proportionally

All bids above clearing price are allocated.

Example, Dummy numbers

Q & A

CONGESTION MANAGEMENT WITHDRAWAL SEASON

- **D-1 before 15:00 EET**
- The system operator allocates natural gas withdrawal capacity among system users,
  - prioritizing bundled capacity products, including the Solidarity product and
  - proportionally based on booked storage capacity.
- **D-1 after 15:00 EET**
- The system operator allocates natural gas withdrawal capacity to system users
  - according to the order in which trade notifications are received,
  - prioritizing bundled capacity products, including the Solidarity product, as specified in the trade notifications (FCFS).

Each bundled product has its own proportion in the calculation

Market Total BCP booked, TWh	Booked BCP by User, TWh	User share of booked BCP, %		Total daily withdrawal capacity, GWh	Guaranteed withdrawal capacity, GWh
17	1	5.88%		167	9.82

REVIEW OF WITHDRAWAL CAPACITY

- Influencing factors for review initiation:
  - Withdrawal intensity
  - Inventory level
  - Pressure in the layer

- Possible compressor driven withdrawal at the end of withdrawal season.

- Communication of changes – UMM
  - ENTSOG Transparency Platform https://transparency.entsog.eu/#/umm/othermarketinformation
  - GIE AGSI https://iip.gie.eu/

REMAINDER - PURCHASE OF CO_2 EMISSION ALLOWANCES

- Conexus is responsible for offsetting CO_2 emissions generated by its operations.
- Current projections indicate that the available CO_2 allowances will be depleted by 2027.
- System users are required to cover the cost of CO_2 allowances corresponding to their fuel gas consumption.
- Conexus will provide system users with information regarding the procedure for settling CO_2 emissions related to services such as storage and withdrawal of natural gas from Inčukalns UGS.

Indicative calculation:

- The CO_2 emission factor is 0.2 tons per MWh.
- The current price for one CO_2 emission allowance is approximately EUR 90, EUR 80 year ago.
- Injecting 1 MWh into Inčukalns UGS results in about 0.00234 tons of CO_2 emissions, incurring a cost of EUR 0.211 per MWh.

THANK YOU!

capacity@conexus.lv

auction@conexus.lv