

Regulation on use of the solidarity section of the Inčukalns underground gas storage facility

*Issued pursuant to
Section 44 Paragraph 8¹ of the Energy Law*

I. General provisions

1. The Regulation shall determine the procedure for receiving the solidarity storage service (hereinafter - the solidarity product) at the Inčukalns underground gas storage facility (hereinafter - the storage) and the rules for determining the fee for the solidarity product.
2. The terms used in this Regulation shall have the meaning as set in Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply, repealing Regulation (EU) No 994/2010 (hereinafter - Regulation 2017/1938), the Energy Law, and the storage facility operation regulations approved under Section 15, Paragraph seven of the Energy Law (hereinafter - storage access regulation).

II. Procedure for concluding a Solidarity Product Agreement

3. A system user that has concluded a storage service agreement with the system operator shall submit an application for a solidarity product agreement to the system operator, which is accompanied by an approval from the competent authority of the Member State indicating the required amount of the solidarity product.
4. The system operator shall evaluate the application referred to in clause 3 of this Regulation within five working days of receipt and, if necessary, shall be entitled to require the system user to provide additional information.
5. Where the system operator has requested the system user to submit additional information, the system user shall submit it within 10 working days from the date of the request. If the system user fails to submit the requested additional information within the specified time limit, the system user shall be deemed to have withdrawn its application.
6. Where a system user has submitted additional information described in clauses 3 and 5, the system operator shall, within five working days of receipt of the application and additional information, prepare a solidarity product agreement and send it to the system user. The system operator shall publish a standard solidarity product agreement on its website.
7. The system user shall submit a signed solidarity product agreement to the system operator within 10 working days from the date of dispatch of the solidarity product agreement. If the system user has not submitted a signed solidarity product agreement to the system operator within 10 working days from the date of dispatch of the solidarity product agreement, the system user shall be deemed to have withdrawn its application.

8. The system operator shall sign the solidarity product agreement and send one mutually signed version of the solidarity product agreement to the system user within three working days of receipt of the solidarity product agreement signed by the system user.

III. Procedure for booking the Solidarity Product

9. The amount of storage capacity available for booking of the solidarity product shall be determined by taking into account the maximum amount of storage capacity of the solidarity section of the storage set out in the Section 44, Paragraph 8¹ of the Energy Law.
10. If, during the period from March 1 of the respective year by November 1 of the respective year, system users from the countries of the common natural gas transmission entry-exit system or a European Union member state with which an agreement on solidarity measures for safeguarding gas supply security has been concluded (hereinafter individually - Member State) have requested capacity within the framework of the solidarity product that exceeds the proportionate share of the solidarity product capacity allocated to the number of Member States, this share shall initially be allocated proportionally to the system users of the respective Member State based on their requested volume within the said capacity share.
11. If the entire amount of the solidarity product available for reservation is not booked from March 1 of the respective year by November 1 of the respective year, system users mentioned in clause 10, until December 1 have the right to additionally book the available capacity of the solidarity product in proportion to the amount of available capacity of the solidarity product.
12. The system operator shall publish on its website, no later than 1 March each year, information on the amount of solidarity product, that is available for booking.
13. A system user is entitled to book a solidarity product if it has concluded a solidarity product agreement.
14. Solidarity product is booked by the system user:
 - 14.1. by submitting an application to the system operator in accordance with the solidarity product application form published on the system operator's website;
 - 14.2. subject to confirmation by the competent authority of the relevant Member State of the amount of solidarity product required.
15. The system operator shall inform the system user of the amount of storage capacity allocated under the solidarity product no later than one business day after the Ministry of Climate and Energy confirms that, in accordance with clause 14 of this Regulation, the amount of capacity of the solidarity product requested by the system user is necessary for security of supply reasons as set out in Regulation 2017/1938, by sending an electronic notification to the system user.
16. After receiving the notification of the solidarity product allocation, the system user is obliged to settle with the system operator for the allocated solidarity product in accordance with the procedure set out in this Regulation and in the solidarity product agreement according to the fee for the use of the solidarity product as foreseen in Section 44, Paragraph 8¹) of the Energy Law and in accordance with clause 97 of the transitional provisions of the Energy Law. The fee for the use of the solidarity product for each storage cycle after the end of the period referred to in clause 97 of

the Transitional Provisions of the Energy Law shall be determined and applied by the system operator on the basis of an assessment of the long-term operating costs of the storage and published on the website of the system operator before the start of the respective solidarity product booking period.

17. The system user shall be obliged to inform the system operator by 1 March of the storage cycle in which the solidarity product use period ends of its planned activities after the end of the solidarity product use period.

IV. Procedure for using the Solidarity Product

18. The solidarity product includes:
 - 18.1. Injection of natural gas into the storage: not possible;
 - 18.2. natural gas withdrawal from storage: firm capacity product;
 - 18.3. Withdrawal of natural gas from storage: the quantity of natural gas stored with the solidarity product, subject to its storage purpose.
19. The duration of the solidarity product is five consecutive storage cycles.
20. A system user that has booked a solidarity product and wishes to withdraw a certain quantity of natural gas from storage during the current storage cycle shall submit a trade notification to the system operator and the system operator shall process and approve it in accordance with the procedure for the submission and approval of trade notifications set out in the storage access regulation.
21. Once the solidarity product has been allocated, the system operator is not obliged to cancel booking of storage capacity .
22. Natural gas quantity transfers:
 - 22.1. During the use of the solidarity product between storage cycles, the amount of natural gas is transferred to the next consecutive storage cycle of the solidarity product;
 - 22.2. If the system user has not booked a solidarity product for the next period at the end of the fifth storage cycle of the solidarity product, the corresponding amount of solidarity product shall be transferred at the end of the period of use of the capacity product in accordance with the procedure set out in the storage access regulation.

V. Procedure for the transfer of natural gas and solidarity product stored in storage

23. A system user may transfer a quantity of natural gas from a solidarity product to another capacity product specified in the storage access regulation in accordance with the conditions of use of the capacity product.
24. A system user may only receive a quantity of natural gas under a solidarity product from another system user again if, after the withdrawal of the quantity of natural gas from storage or transfer to another system user, the system operator has received approval from the competent authority of the Member State and the Ministry of Climate and Energy as described in clause 14.2 of this Regulation for the purpose of re-obtaining the quantity of natural gas under the solidarity product.

25. The transfer of a solidarity product to another system user shall only be carried out after the system operator has received the approval of the competent authority of the Member State and the Ministry of Climate and Energy.

VI. Congestion Management of the Storage Facility

26. If the system operator detects a capacity physical congestion, the solidarity product shall be subject to the same conditions as other firm capacity products, in accordance with the storage congestion management procedures set out in the storage access regulation.

VII. Suspension or limitation of the Solidarity Product service

27. The system operator shall have the right to restrict or suspend the provision of the solidarity product service under the same conditions as set out in Chapter IX "Suspension or Restriction of the Provision of the Storage Service" of the storage access regulation.

VIII. Closing provisions

28. Where a system user has booked a stock transfer product for the 2024/2025 storage cycle and books a solidarity product in the relevant storage capacity volume in accordance with clause 29 of this regulation, the stock transfer product for the 2024/2025 storage cycle shall be deemed to have become a solidarity product in the amount of relevant storage capacity as from 30 September 2024, for which the system user is obliged to settle with the system operator for the allocated solidarity product in accordance with the procedures specified in these regulations and the solidarity product contract. The system user is obliged to settle with the system operator for the use of the stock transfer product in the period until 30 September 2024, in accordance with the procedure specified in the storage access regulation and the storage service agreement.
29. If a system user has booked a solidarity product with a start of use period of the 2024/2025 storage cycle, the start of use of the solidarity product shall be deemed to be 1 October 2024. The fee for the booked solidarity product, with start date on 1 October 2024, shall be charged pro rata only for the remaining months of the storage cycle from the full storage cycle until the end date of the withdrawal season of the 2024/2025 storage cycle.
30. The Regulation shall enter into force on 10 October 2024.