



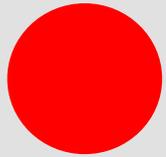
Inčukalns UGS capacity auction process 2022

conexus
B A L T I C G R I D

January 21, 2022

Kaspars Skrābāns, Deputy Head of Commercial division

AGENDA



SEMINAR WILL BE RECORDED

- Amendments to Inčukalns storage regulation
- Auction calendar 2022
- Deadlines 2022
- Authorizations
- Offer submission
- Passwords
- Allocations
- Information publication
- Payments and Tariffs
- Q&A

AMENDMENTS TO INČUKALNS STORAGE REGULATION

- By 10 January of each calendar year, the system operator shall publish on its website information agreed upon with the Regulator regarding all storage capacity auctions for capacity products
- Auctions for the booking of storage capacity shall take place, unless:
 - Available capacity of the storage facility for the next storage cycle is less than 5% (1.015 TWh) of the technical capacity forecast published by November 4 prior year;
 - Tariffs for storage capacity products for the next storage cycle have not been approved or set;
 - Amount of storage capacity available for the booking of the capacity product is 0 kWh.
- Submitting a new trade notification no later than 30 minutes before the end of the gas day, during the gas day the system user may adjust the amount of natural gas indicated in the trade notification for placement into or withdrawal from the storage facility for the remaining hours of the gas day starting from the hour during which the new trade notification is submitted.
- The system user's credit rating shall be deemed appropriate if it complies with at least one of the following criteria (effective May 1, 2022):
 - Long-term rating of BBB- or higher under Standard & Poor's;
 - Long-term rating of BBB- or higher under Fitch Ratings;
 - Long-term rating of Baa3 or higher under Moody's
- Two year Bundled capacity product - capacity available for booking: 4 000 000 000 (four billion) kWh for two consecutive storage cycles.

COMPRESSION WITHDRAWAL

- No additional direct costs for system users in 2021/2022 cycle
- Costs related to compression withdrawal will be included in cost required for provision of effective storage service
- Technical withdrawal capacity is calculated on regular basis and updated if necessary
- Compression withdrawal will be applied when:
 - Technical withdrawal capacity without compressor is below capacity of the compressor (max 85 GWh/day)
 - Dependant from inventory in storage, layer pressure and pressure in transmission system
- Compression withdrawal can be started any time when required
- Estimated amount of fuel gas for compression withdrawal is to be 0.3-0.5%
- Exact amount of fuel gas for the next cycle will depend from parameters how current season ends

AUCTION CALENDAR 2022

Bundled capacity product
Tuesday, February 01, 2022
Tuesday, February 08, 2022
Tuesday, February 15, 2022
Tuesday, February 22, 2022
Tuesday, March 01, 2022
Tuesday, March 08, 2022
Tuesday, March 15, 2022
Tuesday, March 22, 2022
Tuesday, March 29, 2022
Tuesday, April 05, 2022
Tuesday, April 12, 2022
Tuesday, April 19, 2022
Tuesday, April 26, 2022
Tuesday, May 03, 2022
Tuesday, May 10, 2022
Tuesday, May 17, 2022
Tuesday, May 24, 2022
Tuesday, May 31, 2022
Tuesday, June 07, 2022
Tuesday, June 14, 2022

Two year Bundled capacity product
Tuesday, February 01, 2022
Tuesday, February 08, 2022
Tuesday, February 15, 2022
Tuesday, February 22, 2022
Tuesday, March 01, 2022
Tuesday, March 08, 2022
Tuesday, March 15, 2022
Tuesday, March 22, 2022
Tuesday, March 29, 2022
Tuesday, April 05, 2022
Tuesday, April 12, 2022
Tuesday, April 19, 2022
Tuesday, April 26, 2022
Tuesday, May 03, 2022
Tuesday, May 10, 2022
Tuesday, May 17, 2022
Tuesday, May 24, 2022

Interruptible capacity product
Tuesday, June 28, 2022
Tuesday, July 05, 2022
Tuesday, July 12, 2022
Tuesday, July 19, 2022
Tuesday, July 26, 2022
Tuesday, August 02, 2022
Tuesday, August 09, 2022
Tuesday, August 16, 2022
Tuesday, August 23, 2022
Tuesday, August 30, 2022
Tuesday, September 06, 2022
Tuesday, September 13, 2022
Tuesday, September 20, 2022
Tuesday, September 27, 2022

<https://www.conexus.lv/storage-capacity-auctions>

DEADLINES 2022

- January 10 Auction calendar publication
- January 25 1st auction regulation publication
- February 1 1st auctions BCP and 2YBCP
- -----
- April 30 End of withdrawal season
- May 1 Start of injection season
- May 21 Technical capacity publication for 2022
- May 24 Last 2YBCP auction
- June 14 Last BCP auction
- June 28 1st ICP auction
- September 27 Last ICP auction
- October 14 End of injection season
- October 15 Start of withdrawal season
- November 4 Technical capacity forecast publication for 2023

AVAILABLE CAPACITY FOR AUCTION

- Before the end of current cycle
 - Technical Capacity 20,3 TWh
 - - 2YPCP 2,0 TWh
 - - Storage inventory on publishing day
 - - Booked Capacity at prior Auctions
 - = Available Capacity for Auction

- After the end of current cycle
 - Updated (no later than 21.05.2022) Technical Capacity
 - - Booked Capacity at prior Auctions

If available capacity is calculated today:

20,3	Technical
- 2,0	2YBCP
- 9,3	Inventory
- 0,0	Previously booked
= 9,0	Available

2021/2022 STORAGE CYCLE INČUKALNS UGS CAPACITIES

Injection season	2021-05-01 - 2021-10-14	kWh
Withdrawal season	2021-10-15 - 2022-04-30	
Technical capacity		21 800 000 000
Booked products for 2021/2022 storage cycle at the end of gas day 2022-01-19		18 902 447 675
1 year bundled product (IPGK1YP)		12 433 701 231
2 year bundled product (IPGK2YP)		4 000 000 001
Interruptible capacity product (IPGKAP)		260 000 000
Transfer product (INTP)		2 208 746 443
Current stock in 2021/2022 at the end of gas day 2022-01-19		9 323 586 214
Available capacity for booking		0
Unused capacity 2021/2022 from booked		9 578 861 461

AUTHORIZATIONS

General information			
User			
EIC			
Legal address			
Bank			
Account			
Phone			
Email			
Authorised signatory / authorised person, position			
Do you use digital signature Y/N			
Type of digital signature			
Users of IT platform			
Name	Last name	Phone	Email
Persons authorised to submit auction offers			
Name	Last name	Phone	Email

Not required for each auction

- Auction offer is submitted by System user’s authorised person with signature rights, i.e. Board member, Procurator
- Authorised persons to be verified online or Commercial register extract to be submitted by Conexus request
- Or Auction offer is submitted by holder of POA
- One POA for all auctions according to published calendar for 2022

OFFER SUBMISSION

- Send to auction@conexus.lv on Auction day 12:00 – 13:00 Latvian time
- Offers received outside this time will not be accepted
- Signed by authorized person
- Microsoft Excel or Open Document Sheet digitally signed in .edoc, .asice or pdf format by qualified electronic signature
- Digitally signed by other signatures in .pdf format if separate agreement is concluded with Conexus
- Preferred way to export Excel to PDF via Export functionality
- Minimum bid size - 1 MWh
- Maximum each bid size for Auction – published on <https://www.conexus.lv/storage-capacity-auctions>
- One Offer with one e-mail
- Fixed or variable
- Conexus confirms receipt immediately, but not later than 13:05 same day
- Many offers can be submitted but last one will be evaluated
- Minimum Bid price for Capacity product is 0 EUR/MWh w/o VAT

OFFER SHEET

Year 2022/2023 Storage Cycle

Bundled capacity product Auction Regulation
(ID. No. Conexus Baltic Grid IPGK1YP/2022/1)

Auction Offer Sheet (OFFER)

Bundled capacity product auction (id. No. Conexus Baltic Grid IPGK1YP/2022/1)

Digital timestamp

The auction participant:

EIC code: _____

Legal address: _____

Phone number: _____

Email address: _____

We are hereby submitting our offer for the auction of year 2022/2023 storage cycle Bundled capacity product ("Auction") under the following conditions:

Price bid No.	Bundled capacity product amount * * (MWh)	Bundled capacity product amount *		Price (EUR/MWh) w/o VAT * * *
		Fixed	Variable	

Electronically signed by authorised person
(MOB, holder of POA, Procurator, etc.)

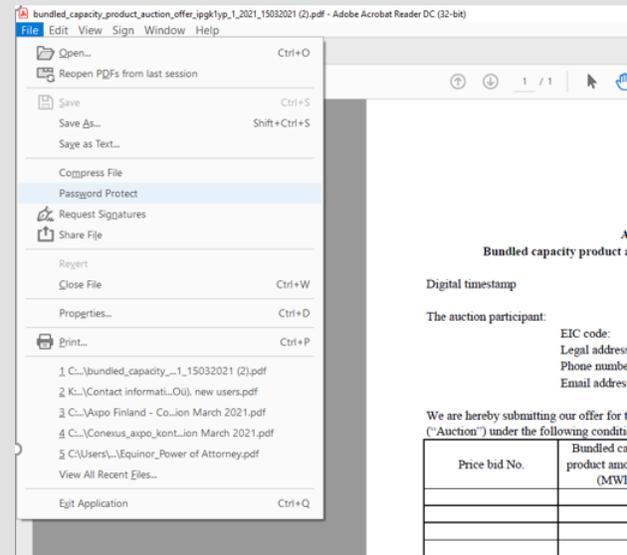
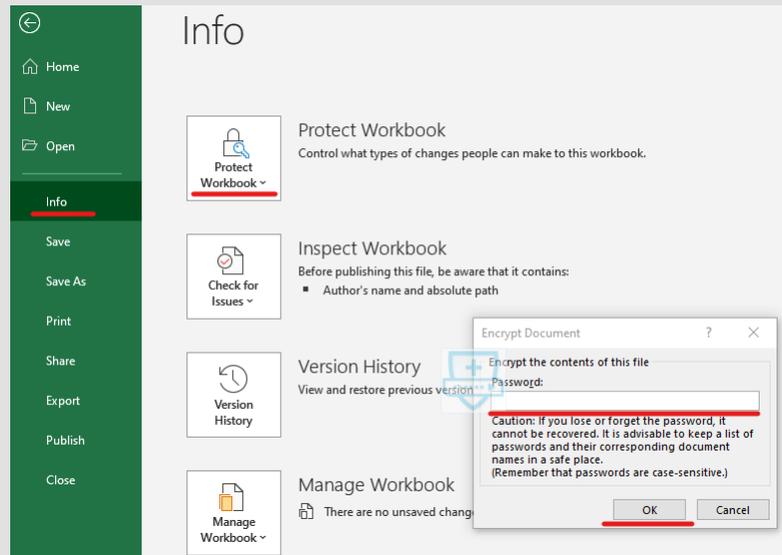
Password protected

Password sent in separate email to
auction@conexus.lv

Unlimited number of bids (rows in Auction Offer Sheet)

PASSWORDS

- Auction Offer sheet shall be protected with password!
- Send password to auction@conexus.lv on Auction day 13:00 – 14:00 Latvian time
- Conexus confirms receipt immediately, but not later than 14:05 same 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



PDF application may need to be upgraded to ensure password protection

ALLOCATIONS – PAY AS CLEARED

Maximum available capacity	2000
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User	Bid amount	Price
1	100	1.00
2	200	0.50
3	100	1.50
4	600	2.00
5	1000	0.20
6	50	1.20
Total	2050	

User	Bid amount	Prices sorted largest to smallest	Cumulative bid amount
4	600	2.00	600
3	100	1.50	700
6	50	1.20	750
1	100	1.00	850
2	200	0.50	1050
5	1000	0.20	2050
Total	2050		

User	Allocations	Price pay-as-cleared
4	600	0.20
3	100	0.20
6	50	0.20
1	100	0.20
2	200	0.20
5	950	0.20
Total	2000	

Example
Dummy numbers

Price (premium) is fee on top of the tariff approved by PUC

Minimum price – 0 EUR/MWh

Minimum bid size – 1 MWh

If amount is fixed and it has to 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 has to be reduced, then it is done proportionally

INFORMATION PUBLICATION

- Auction result publication no later than next day after Auction before 11:00 Latvian time (EET)
- Auction results information on IT Platform first page (after login) and on Conexus web site <https://www.conexus.lv/storage-capacity-auctions>
- Information regarding the results of the Auction to the respective of Auction Participant - electronically only in the part attributable to the Offer submitted by the respective Auction Participant.

Storage capacity auctions

Inčukalns underground gas storage capacity product auction calendar 2022 is available [HERE](#)

Information about auction process will be updated.

Auction date	Auction ID	Auction status Y / N	Capacity available for booking MWh	Auction regulation, link	Offer sheet, link	Total requested amount of storage capacity MWh	Applicable premium EUR/MWh
Bundled capacity product							
Two year bundled capacity product							
Interruptible capacity product							

PAYMENTS AND TARIFFS

- Base tariff according to PUC + Premium according to Auction outcome
- Both in one invoice
- Monthly invoices throughout the storage cycle
- Total invoice including Premium is basis of setting required collateral according to Storage regulation

Types of tariffs	Approved tariffs (EUR/MWh) for the storage cycle
Bundled capacity product	1,0226
Two-year bundled capacity product*	1,0865
Interruptible capacity product	0,8148
Stock transfer product	1,8081 ↑
Virtual reverse -flow product	0,3471

* Tariff is set for one storage cycle



THANK YOU!
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auction@conexus.lv
platform@conexus.lv