

RWE

OPTION



**TERMS AND CONDITIONS OF ELECTRONIC TENDER
HELD BY RWE GAS STORAGE CZ, S.R.O.
FOR YEARLY GAS STORAGE CAPACITY**

AUCTION DATE: January 28, 2021
OFFERED CAPACITY: 1 000 000 MWh
STORAGE PERIOD: April 1, 2022 - March 31, 2023

A. Minimum unit price for storage capacity¹

59 CZK / MWh of working gas volume / year

This price is same for each of the offered storage years and does not include VAT which will be added to the storage price in the amount applicable according to valid regulations in the Czech Republic

Storage capacity will be booked for successful applicants according to the auction results. In the event that the Storage User decides to transfer any amount of the booked storage capacity to fixed storage capacity (hereinafter referred to as Fixed storage capacity), the Fixed storage capacity shall be notified by the Storage User to the Storage Operator via e-mail from an address under which the Storage User is registered in the Storage Operator's Auction System (or as per different arrangement) to an e-mail address specified in the *Auction Parameters Table* at the end of this item A. In the e-mail the Storage User specifies company, date of the auction and amount of the working gas volume of the Fixed storage capacity. The Storage User may request the transfer of the booked storage capacity to Fixed storage capacity in full or in part, even repeatedly, but up to the amount of booked storage capacity and no later than by the date specified in the *Auction Parameters Table*.

If the Storage User does not inform the Storage Operator about the amount of Fixed storage capacity by the date specified in the *Auction Parameters Table*, then entire storage capacity will no longer be booked for the Storage User and becomes available storage capacity.

The difference between amount of Fixed storage Capacity and amount of booked storage capacity is Non-fixed storage capacity for which the contractual fee specified in the *Auction Parameters Table* is applied. This fee will be invoiced as a one-time payment based on the invoice issued by the Storage Operator no later than 10 days from the date specified in the *Auction Parameters Table* with a maturity of 14 days.

Auction Parameters Table

Contractual fee for each MWh of Non-fixed storage capacity	3 CZK
The Storage User shall notify the Storage Operator of the amount of Storage capacity fixed at the latest:	August 2 ,2021
E-mail address of the Storage Operater	gs.aukce@rwe.com

¹ This price can be changed according to Decree No. 349/2015 Coll. (Gas Market Rules)

B. Auction date and time and auction round duration

January 28, 2021, start at **10:00 AM** CET.

Length of the auction round is **5 minutes**. Length of the break between rounds is **2 minutes**.

Timetable

	Deadline
Registration in the Auction system	by January 26, 2021
Payment of financial security or presentation of bank guarantee	by January 27, 2021
Electronic affirmation of the fulfillment of requirements for participation in the auction	by January 28, 2021
Auction	January 28, 2021
Confirmation of auction results	by January 29, 2021

C. Total offered storage capacity

Working gas volume: **1 000 000 MWh**

Maximum withdrawal rate: **13 200 MWh/day**

Maximum injection rate: **10 800 MWh/day**

In case that Storage user will book lower than total offered storage capacity, injection and withdrawal rates will be booked proportionally.

D. Price increment per unit of storage capacity between tender rounds and method of storage capacity allocation

2 CZK/MWh

The storage capacity allocation method is laid down in Regulation No. 349/2015 Coll. on the Gas Market Rules.

E. Storage capacity booking duration

The storage capacity booking duration is set to:

1 storage year (from April 1, 2022, 6:00 CET until April 1, 2023, 6:00 CET)

F. The amount of additional storage capacity² which can be activated

At maximum 25% from total storage capacity on offer.

G. Sample of gas storage contract

A binding sample contract is enclosed under **Annex No. 1** and constitutes an integral part of these Auction Terms and Conditions.

H. Procedure for depositing the financial security

- The Applicant may fill in the request for storage capacity at most up to the amount of the deposited financial security.
- The maximum amount of the financial security (if the Applicant decides to request 100% of the offered storage capacity) is **3 000 000 CZK**.
- If the Applicant deposits a lower amount, he will be able to request corresponding proportion of the offered storage capacity in the first round (if he deposits 50% of the maximum amount of financial security, will be able to submit a request for up to 50% offered storage capacity).
- The Applicant deposits a financial security in the Storage Operator's account by the term set in item B. of this Tender Conditions.
- Numbers of accounts in which the financial security will be deposited are (BIC/Swift code CEKOCZPP):
 - a. **in CZK: 17805243/0300, IBAN: CZ 90 0300 0000 0000 1780 5243** or
 - b. **in EUR: 1752810017805243/0300, IBAN: CZ 63 0300 1752 8100 1780 5243**, the accounts have been opened at ČSOB, a.s., Radlická 333/150, 150 57 Praha 5.

In order to identify the payment the Applicants complete the **variable symbol** box with their **identification number** (IC), provided they have been assigned one; otherwise they indicate the last 9 digits of their telephone number stated in the Auction system.

- **The exchange rate used for conversion of EUR into CZK** shall be the average exchange rate for IV.Q 2020 officially published by the Czech National Bank on its website³, i.e. **26,663** CZK/EUR.
- Based on the financial security deposited in the Storage Operator's account the Applicant will receive confirmation (to their email address stated in the Auction system) of the amount of the deposited financial security.
- By duly depositing the financial security the registered Applicant becomes an active applicant / participant in the tender.
- Applicant cannot participate in the tender, if there is an insolvency proceedings against him according to the Act No. 182/2006 Coll. (Insolvency Act), and if the Storage Operator decides otherwise.

² According to Decree No. 349/2015 Coll. (Gas Market Rules) Section 52(6)(b)

³ http://www.cnb.cz/en/financial_markets/foreign_exchange_market/exchange_rate_fixing/currency_average.jsp?code=EUR

- If the financial security is returned pursuant to the Storage Code, it will be credited to the Applicant's account from which it had been paid and that in the same amount as deposited before the tender.
- The obligation to provide financial security may be also fulfilled by submitting an irrevocable and unconditional bank guarantee issued in accordance with Storage Code and in the case that the issuing bank complies to the terms of financial credibility as specified in Annex No. 1 of the Storage Code.

I. Electronic Communication and Alternative Communication Method during the Auction

- The auction will be held on a secure Internet interface accessible from the website of RWE Gas Storage CZ, s.r.o at www.rwe-gasstorage.com.
- An applicant interested in taking part in the auction must no later than by the date specified in the Timetable in Section B. of these Auction Terms and Conditions register in the Storage Operator's Auction system and no later than prior to the beginning of the auction declare compliance with the requirements for participating in the auction by granting electronic consent through the Storage Operator's auction system.
- The Storage Operator will send information on access to the Auction system and the auction system to applicants that are not registered in the Storage Operator's Auction system and fill out the registration form posted on the Storage Operator's website by the deadline specified in Section B. of these Auction Terms and Conditions.
- An applicant may take part in the electronic auction only based on registration approved by the Storage Operator following the delivery of financial security (see Section H. of these Auction Terms and Conditions).
- In the event of a failure of the applicant's electronic communication in the course of the auction, requests may be alternatively submitted by e-mail (e-mail: gs.aukce@rwe.com). An e-mail message must contain:
 - a. the applicant's identification (business name / first name and surname, Identification Number, registered office or permanent address, and telephone number and e-mail address of contact person),
 - b. an exact identification of the auction and the number of the auction round for which a request is submitted,
 - c. the requested value of storage capacity for every offered year in the foregoing auction round having the form of a value in MWh rounded off to the nearest integer.

The use of alternative communication must be reported by telephone to the Storage Operator at **+420 267 974 444**. In case that the applicant uses an alternative communication method, the Storage Operator may interrupt the auction round for a time necessary to enter a request submitted by such alternative means into the application.



These Auction Terms and Conditions have been compiled based on the ERO regulation laying down the Gas Market Rules. The Gas Market Rules and the current version of the Storage Operator's Code also define the organization of the auction. The foregoing documents are available via the Storage Operator's website (www.rwe-gasstorage.com).

Should the Storage Operator publish more than one language version of these conditions, the Czech version shall be the governing version and should a conflict between the Czech and foreign language version arise, the Czech version shall supersede the foreign language versions which are only informative.