

# **Tender Specification Document**

**Tender for Firm Volume Capacity to  
store CO<sub>2</sub> at the Stenlille Facility**

14 November 2023

Version 2.0

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## 1. Introduction

This tender specification document (**Tender Specification Document**) provides information about Gas Storage Denmark A/S' (**GSD**) tender for Firm Volume Capacity to store CO<sub>2</sub> at the Stenlille Facility (**Tender**).

This Tender is for the Total Firm Volume Capacity that will be made available to the market through CO<sub>2</sub>RYLUS, GSD's onshore underground CO<sub>2</sub> storage project in Denmark. This is a commercial, fast-track project to support the development of a CCS value chain in Denmark. Additionally, the project aims to build knowledge and support Danish political ambitions within the CCS sector.

GSD aims to start injecting and permanently storing biogenic and fossil CO<sub>2</sub> by 1<sup>st</sup> April 2026. The project will involve converting one of GSD's existing observation wells into one that will be used for CO<sub>2</sub> injection. The project will also deliver the appropriate top site that will enable GSD's future storage customers to deliver CO<sub>2</sub> to the Stenlille Facility by road transport.

The capacity and Storage Period offered in this Tender is:

<b>Total Firm Volume Capacity</b>	2,000,000 tonnes CO <sub>2</sub>
<b>Firm Volume Capacity on a yearly basis</b>	200,000 tonnes CO <sub>2</sub>
<b>Total Firm Injection Capacity</b>	100 tonnes CO <sub>2</sub> /Hour assuming that it takes one (1) Hour to unload a 25 tonnes load at four (4) unloading stations. For details on Firm Injection Capacity, see Appendix B
<b>Maximum duration of Storage Period</b>	10 years

The Bidder is responsible for establishing and ensuring its own CO<sub>2</sub> value chain and that the CO<sub>2</sub> is delivered in accordance with the specification enclosed to the General Terms and Conditions for Carbon Storage (GTCCS).

Capitalised terms used in this Tender Specification Document shall have the meaning ascribed to them in Appendix A of this document and clause 1 of the GTCCS.

## 2. Overview of GSD's objectives

GSD's primary objectives with the CO<sub>2</sub>RYLUS project and the Tender is to support rapid knowledge creation within the emerging Danish CO<sub>2</sub> sector, with an aim to inject and store the first CO<sub>2</sub> by 1<sup>st</sup> April 2026.

The project should be commercially viable and result in a net positive business case for GSD. The Bids should cover the costs associated with building and operating the Stenlille Facility. In addition, GSD places importance on minimising financial risk to ensure these primary objectives can be met.

The primary objectives form the basis of the Minimum Requirements and Evaluation Criteria as laid out in Sections 3 and 8 respectively.

In addition to the primary objectives, the project should also aim to maximise the utilisation of the storage capacity, price and contract length to deliver maximum value to GSD. The Bidder can support effective allocation of the storage capacity by introducing flexibility (MIN and MAX Firm Volume Capacity in the Bidder Template) in the Bids. This will enable GSD to ensure the best overall use of the Stenlille Facility and achieve final investment decision. The secondary objectives also form the basis of the Evaluation Criteria, as laid out in Section 8.

### 3. Minimum Requirements for the Bidder

Minimum Requirements must be complied with by the Bidder.

The following table outlines the Minimum Requirements:

#	Minimum Requirement	Description
<b>MR 1</b>	<b>Financial robustness</b>	<p>The Bidder must demonstrate financial robustness through one of the following options:</p> <p>a. A credit rating of at least BBB- from S&amp;P, Fitch or Creditreform, or Baa3 from Moody's.</p> <p>OR</p> <p>b. A declaration of intent from a financial institution that has a credit rating of at least BBB- from S&amp;P, Fitch or Creditreform, or Baa3 from Moody's, for the provision of the demand guarantee in the Bid for the larger of:</p> <ul style="list-style-type: none"> <li>i. 25% of the Total Contract Value provided in a Bid; or</li> <li>ii. 12 months payment based on the monthly average of the Total Contract Value</li> </ul> <p>OR</p> <p>c. A declaration of intent by the parent company that has a credit rating of at least BBB- from S&amp;P, Fitch or Creditreform, or Baa3 from Moody's, for the provision of the parent company guarantee in the Bid for the larger of:</p> <ul style="list-style-type: none"> <li>i. 25% of the Total Contract Value provided in a Bid; or</li> <li>ii. 12 months payment based on the monthly average of the Total Contract Value</li> </ul>
<b>MR 2</b>	<b>Bid start date</b>	The Firm Volume Capacity provided in the Bid must start no later than the end of 2026.
<b>MR 3</b>	<b>Bid Price &gt; = Reservation Price</b>	Bidders must provide a price in the Bid ( <b>Bid Price</b> ) that is equal to or higher than the Reservation Price of DKK 294 per tonne of CO <sub>2</sub> .
<b>MR 4</b>	<b>Reservation</b>	GSD acknowledges that CCS is an emerging market and that the Bidder on the capacity offered through this

		Tender will likely be in the developing stages of their CCS project(s). Therefore, GSD enables the Bidder to Bid on this tender with Reservations associated to the Bidder's CCS-projects. However, no Reservations must be made against the Minimum Requirements, the Storage Agreement nor the GTCCS.
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#### 4. GSD's condition precedent

GSD shall not be obliged to fulfil its obligations under the Storage Agreement, unless the condition precedent included in the Storage Agreement are satisfied (or waived by GSD).

#### 5. Price setting mechanism

The price for the Firm Volume Capacity will be determined by a Pay as Bid mechanism.

The Storage Customers will be required to pay for the Firm Volume Capacity awarded to them as defined in the Storage Agreement(s), independent of whether or not the Firm Volume Capacity is utilised.

#### 6. Tender structure

##### 6.1 *Tender Documents*

Documents relevant to this Tender are listed below:

- Submission Letter
- Bidder Template
- Q&A-list
- Storage Agreement
- General Terms and Conditions for Carbon Storage (GTCCS)

##### 6.2 *Tender time schedule*

Date	Activity	Description
<b>25 October 2023</b>	Tender launch	Publication of Tender Documents
<b>2 November 2023</b>	Feedback deadline	Deadline for feedback to the Storage Agreement and the GTCCS
<b>10 November 2023</b>	Deadline for publication of revised legal documents	GSD deadline for the publication of the revised Storage Agreement and GTCCS (if relevant)

<b>24 November 2023 14:00 CET</b>	Bid Deadline ( <b>Bid Deadline</b> )	Bid submission deadline
<b>5 December 2023</b>	Awarding of Storage Agreement(s) ( <b>Award Date</b> )	All Bidders are informed of the outcome of the Tender
<b>8 December 2023</b>	Signature of Storage Agreement(s)	Successful Bidders have returned a signed and completed copy of their Storage Agreement(s)

GSD reserves the right to change the time schedule for the Tender.

### **6.3 Questions and communication**

From the launch of the Tender and until the Bid Deadline, the Bidder is invited to submit questions to facilitate a Bid. All questions must be submitted in an e-mail to the following e-mail address: [CO2rylus@gasstorage.dk](mailto:CO2rylus@gasstorage.dk). Written questions received through any other channel will not be answered.

GSD will strive to answer any questions received within three (3) Business Days. GSD cannot commit to provide answers to questions received later than five (5) Business Days before the Bid Deadline.

All questions and answers will be anonymised and added to a publicly available Q&A list that will be hosted on GSD’s website. Duplicate or similar questions will be grouped together, and a single answer will be provided. The Q&A list will be updated on an ongoing basis, and it is the Bidder’s responsibility to check for answers to their questions. The Bidder will not receive a notification when the questions have been answered.

#### Option to provide feedback on the Storage Agreement and the GTCCS

The Bidder will have the opportunity to provide feedback on the Storage Agreement and the GTCCS during the first phase of the Tender, as outlined in Section 6.2. Based on the received feedback, GSD reserves the right to release revised versions of the Storage Agreement and the GTCCS.

### **6.4 Changes to the Tender Documents**

GSD reserves the right to make changes to the Tender Documents, the Storage Agreement and the GTCCS throughout the Tender. No changes will be made one (1) week before the Bid Deadline.

If any changes to the above documents are made, any Bids submitted before this point will no longer be considered binding and must be resubmitted. GSD will notify the affected Bidders on the same day as the revised documents are released.

When GSD deems that a change is required, GSD will mark the change with tracked changes and the document will be re-published on GSD’s website. The Bidder may be notified of these changes by subscribing to our news service for ‘future storage

news' on the GSD website via this [link](#). It is the Bidder's responsibility to ensure they have signed up to the mailing list.

## **6.5 Submission of Bids**

The Bids must be submitted no later than the Bid Deadline. Bids received after the Bid Deadline will be rejected.

Submitted Bids that are not withdrawn or superseded by a later version before the Bid Deadline are binding and remain valid up to one (1) month after the Bid Deadline.

The Bids should be drafted so that the Storage Agreement may be entered into without prior negotiations.

All Bids must be sent via e-mail to the following e-mail: [CO2rylus@gasstorage.dk](mailto:CO2rylus@gasstorage.dk)

Once a Bid has been received by GSD, the Bidder will receive a confirmation of receipt within one (1) Business Day of submission. If the Bid is received on the Bid Deadline date, the confirmation of receipt will be sent no later than one (1) hour after the Bid Deadline.

A Bid is not confirmed until GSD has sent a confirmation by e-mail that the Bid has been received.

If the Bidder decides to submit multiple Bids, please ensure to use clear naming conventions on the relevant Bidder Templates, as outlined in the Bidder Template. The Bidder should attach one (1) Bid per e-mail.

All Bids must be in English.

## **7. Content of a Bid**

The Bidder must submit a signed Submission Letter, evidence of financial robustness and at least one (1) Bidder Template in order for the Bid to qualify as a complete Bid.

### **7.1 Submission Letter**

The Bidder shall enclose in its submission a signed copy of the Submission Letter. The Submission Letter will cover all Bids provided by a Bidder.

### **7.2 Evidence of financial robustness**

The Bidder shall provide evidence of financial robustness as a separate document.

If a Bidder chooses to demonstrate financial robustness using option b or c from MR1, the demand guarantee/parent company guarantee should be based on the Bid (or combined Bids) with the highest contract value, and cover the larger of;

- i. 25% of the Total Contract Value provided in the Bid(s); or

- ii. 12 months payment based on the monthly average of the Total Contract Value

In case option b is chosen, the Bidder must include a declaration of intent from a financial institution for the provision of the demand guarantee in the Bid (see Appendix C).

In case option c is chosen, the Bidder must include a declaration of intent by the parent company to provide the parent company guarantee in the Bid (see Appendix D).

### **7.3 Bidder Template**

When submitting a Bid, the Bidder must complete the information requested in the Bidder Template in order to support an effective and fair evaluation of the Bid.

The Bidder Template has four sections:

#### **A - Identity of the Bidder:**

The Bidder should provide information about their organisation and the relevant CO<sub>2</sub> project(s).

#### **B – Reservation(s):**

The Bidder may include Reservation(s) to their Bid(s) in section B of the Bidder Template. However, such Reservations must be in compliance with the Minimum Requirements set out in Section 3 (MR 4).

#### **C – Firm Capacity Volume & Bid Price:**

The Bidder should provide a Firm Volume Capacity and associated Bid Price in section C of the Bidder Template. The Bidder must provide a MIN and MAX Firm Volume Capacity for each calendar year. The Bidder is able to provide more than one Bid Price (**Price Steps**) for different ranges of Firm Volume Capacity. The Firm Volume Capacity maximum indicated by the Bidder under Price Step 1 of each Bid will be used to rank the Bid as part of the evaluation process.

Detailed instructions for the Bidder Template are provided within it.

The Total Firm Injection Capacity allocated to each Storage Customer will be pro-rated based on the amount of Firm Volume Capacity awarded to them as part of the Tender. Please note, it is the Bidder's responsibility to ensure that the Firm Volume Capacity can be delivered based on the Firm Injection Capacity (for a detailed description of the Firm Injection Capacity, see Appendix B).

#### **D – Expected delivery profile**

The Bidder is encouraged to state the expected delivery profile of CO<sub>2</sub> in Section D of the Bidder Template. The delivery profile is to be expressed as a percentage of Firm Volume Capacity in each month during a full average year of operations.



#### **7.4 Multiple bids**

Although Section C of the Bidder Template enables Bidders to submit multiple Firm Volume Capacities and associated Bid Prices (i.e. Price Steps), they must all have the same Reservation(s), if any.

If the Bidder wishes to submit a Bid for Firm Volume Capacity and associated Bid Price/ Price Steps under a different set of Reservation(s), separate Bidder Templates must be submitted. This is considered to be a separate Bid.

A Bidder can submit up to three (3) Bids and each Bid will be ranked separately as part of the evaluation process. If a Bidder submits multiple Bids, they must specify in section A of the Bidder Template whether these Bids can be combined or if they should be considered as separate, standalone Bids.

If the Bidder wishes to submit multiple Bids, the Bidder is only required to submit one (1) Submission Letter and evidence for financial robustness.

## **8. Evaluation and allocation process**

The awarding of storage capacity will be based on two (2) Evaluation Criteria with which each Bid will be ranked.

### **8.1 Evaluation**

Bids will be evaluated based on two (2) criteria: Reservation score and Total Contract Value.

#### **8.1.1 Reservation score**

Reservation(s), if any, provided in the Bidder Template will be assessed by GSD and provided a score between 1-10. For the avoidance of doubt, a higher score is better than a lower score.

The scoring between 1 and 10 will be based on an assessment regarding the impact of the Bidder's Reservation(s) on GSD's business model and the level of CAPEX risk the Reservation(s) poses to GSD. Bids with no reservations will be given a score of 10. A higher number of Reservations is likely to lead to a lower reservation score. Likewise, Reservations with longer rather than shorter deadlines for when they can be satisfied by the Bidder will likely lead to a lower reservation score.

The Reservation(s) must be provided in a concise and easily interpretable manner to allow for an accurate reservation score. Furthermore, the Reservation(s) must be worded in a way that allows for the inclusion of the Reservation(s) in the Storage Agreement as conditions precedent so it can be awarded and signed without negotiation.

### 8.1.2 Total Contract Value

The Total Contract Value of the Bid will be evaluated based on the maximum Firm Volume Capacity in Price Step 1 of Section C of the Bidder Template, using the following formula:

$$\text{Total Contract Value} = \text{sum of max Firm Volume Capacity in Price Step 1 for all years} \times \text{Bid Price in Price Step 1}$$

#### Example:

A Bidder has provided the following information for Firm Volume Capacity in a Bid.

Price Step	Price per tonnes of CO <sub>2</sub> (DKK)		2026 Ton. CO <sub>2</sub>	2027 Ton. CO <sub>2</sub>	2028 Ton. CO <sub>2</sub>	2029 Ton. CO <sub>2</sub>	2030 Ton. CO <sub>2</sub>	2031 Ton. CO <sub>2</sub>	2032 Ton. CO <sub>2</sub>	2033 Ton. CO <sub>2</sub>	2034 Ton. CO <sub>2</sub>	2035 Ton. CO <sub>2</sub>	2036 Ton. CO <sub>2</sub>	Contract value ('000 DKK)	
1	320	Max	150,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	50,000	640,000	
		Min	90,001	90,001	90,001	90,001	90,001	90,001	90,001	90,001	90,001	90,001	90,001	40,001	300,803
2	294	Max	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	40,000	276,360
		Min	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	40,000	158,760

The maximum Firm Volume Capacity in Price Step 1 (highlighted in yellow) across all years is 2,000,000 tonnes. The Total Contract Value is therefore calculated as:

$$2,000,000 \text{ tonnes of CO}_2 \times 320 \text{ DKK per tonne of CO}_2 = 640,000,000 \text{ DKK}$$

### 8.1.3 Ranking process

Bids will first be ranked on the basis of their reservation score. Where two or more Bids have the same reservation score, they will be ranked by Total Contract Value.

#### Example

Step 1: Reservation score	Step 2: Total Contract Value	Final Rank
10	700,000,000	1
10	576,000,000	2
5	800,000,000	3
5	320,000,000	4
5	270,000,000	5
5	72,000,000	6
4	360,000,000	7
3	70,000,000	8

## 8.2 Allocation

The Firm Volume Capacity will be allocated to the highest ranked Bid(s) that provide(s) the best overall use of the Total Firm Volume Capacity. In this context, 'best overall use' is measured by the degree to which a combination of Bids from one or more Bidders best supports GSD's objective of mitigating risks to the business case of the Stenlille Facility and/or provides the most viable business case for GSD.

**Example 1:**

*Please note, this is a simplified example for a full 1-year period only. Assumption: all Bids have the same reservation score and Bid Price.*

Final Rank	Minimum Firm Volume Capacity	Maximum Firm Volume Capacity	Capacity allocated	Allocation justification
1	175,000	175,000	-	No capacity allocated as the Bid does not maximise the overall value for the Stenlille Facility, as no other Bid(s) can fill the remaining Firm Volume Capacity (25,000 tonnes)
2	100,000	150,000	150,000	Capacity allocated as the combined capacity of the Bids provides the best value for the Stenlille Facility (Total Contract Value)
3	50,000	100,000	50,000	
4	50,000	50,000	-	Not allocated as all capacity is filled with higher ranking Bids

**Example 2:**

*Please note, this is a simplified example for a full 1-year period only. Assumption: all Bids bid the Reservation Price and all Bids are from separate Bidders.*

Final Rank	Reservation score	Minimum Firm Volume Capacity	Maximum Firm Volume Capacity	Capacity allocated	Allocation justification
1	10	50,000	60,000	50,000	Allocated minimum Firm Volume Capacity as the maximum Firm Volume Capacity would not allow for Bid ranked #6 to be included to support a viable business case for the Stenlille Facility
2	10	12,000	15,000	-	No capacity is allocated to these Bids as they cannot be paired with other Bids to support a viable business case for the Stenlille Facility
3	10	11,500	11,500	-	
4	10	7,500	7,500	-	
5	10	1,250	1,250	-	
6	9	150,000	200,000	150,000	Allocated minimum Firm Volume Capacity due to lower reservation score than Bid ranked #1
7	7	25,000	50,000	-	Not allocated as all capacity is filled with higher ranking Bids
8	5	200,000	200,000	-	Not allocated as all capacity is filled with higher ranking Bids

Moreover, GSD will aim to allocate Firm Volume Capacity on a flat profile throughout the term of the Storage Agreement within the MIN and MAX firm capacities provided in a Bid. GSD will ensure that the allocated capacity each calendar year will always be equal to or larger than the previous year, unless a bid profile indicates a ramp down of Firm Volume Capacity.

**Example:**

	Firm Volume Capacity										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Maximum	25,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	30,000	30,000
Minimum	10,000	30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	15,000	15,000
Allocated capacity	20,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	20,000	20,000

**9. Award and signature of the Storage Agreement(s)**

The Storage Agreement(s) will be awarded on the Award Date.

All Bidders will be informed about the outcome of the Tender via e-mail. Storage Agreement(s) will be enclosed in the e-mail(s) to the successful Bidder(s).

The Successful Bidder(s) must return signed Storage Agreement(s) for counter-signature no later than three (3) Business Days after the Award Date.

**10. Terms and conditions for the Tender**

- GSD reserves the right to cancel and change the Tender at any time.
- GSD is not obliged to award any Storage Agreement(s).
- GSD shall have no obligation or liability to any party in connection with this Tender. Only the conclusion of a Storage Agreement will obligate GSD in accordance with the agreed-on terms and conditions contained in such Storage Agreement.
- The Bidder is responsible for all costs associated with its Bid(s).
- The Bidder is bound by its Bid(s) until one (1) month after the Bid Deadline.
- Information provided in the Bid must be complete, accurate and final as the Storage Agreement will be awarded and signed without prior negotiation.
- GSD reserves the right to share the Bids with chosen consultants and advisers. Any data shared with such consultants and advisers will be subject to confidentiality.

## Appendix A: Defined terms

**Award Date** has the meaning set forth in Section 6.2 of this Tender Specification Document.

**Bid** means the Bidder's offer for Firm Volume Capacity at the Stenlille Facility submitted to GSD through the completion and submission of the Tender Documents.

**Bidder** means an entity that has submitted a Bid for Firm Volume Capacity at the Stenlille Facility.

**Bid Deadline** has the meaning set forth in Section 6.2 of this Tender Specification Document.

**Bidder Template** forms part of the Tender Documents and must be completed by Bidders to make a Bid.

**Bid Price** is the price provided by Bidders in Section C of the Bidder Template. The Bid Price is equal to the price per ton of CO<sub>2</sub> that the Bidder is willing to pay for the Firm Volume Capacity. The Bid Price shall not include VAT.

**Evaluation Criteria** has the meaning set forth in Section 8 of this Tender Specification Document.

**Minimum Requirements** has the meaning set forth in Section 3 of this Tender Specification Document.

**Pay as Bid** means in the case of a successful Bid, the resulting price stated in the Storage Agreement will be the Bidder's Bid Price. In case the Bidder has more than one successful Bid, separate Storage Agreements will be signed for each Bid.

**Price Steps** refers to the different Firm Volume Capacities and associated Bid Prices that Bidders may provide, as outlined in Section C of the Bidder Template.

**Reservation** means a condition precedent that needs to be satisfied (or waived) by the Bidder, before the Bidder shall be obliged to fulfil its obligations under the Storage Agreement.

**Reservation Price** means the price of Firm Volume Capacity that will cover GSD's investment and operation costs in relation to the Stenlille Facility. This is the minimum Bid Price that the Bidder can include in their Bid(s). The Reservation Price does not include the costs related to injecting the CO<sub>2</sub>.

**Total Firm Volume Capacity** means the total marketable Firm Volume Capacity offered by GSD under the Tender, as outlined in Section 1.

**Submission Letter** forms part of the Bid submitted by the Bidder, formally confirming the participation in the Tender.

**Tender** means GSD's tender process for Firm Volume Capacity to store CO<sub>2</sub> at the Stenlille Facility.

**Tender Specification Document** means this document setting out the scope of the Tender and provides Bidders with the information required to participate in the Tender and submit Bid(s).

**Tender Documents** has the meaning set forth in Section 6.1 of the Tender Specification Document.

**Total Contract Value** has the meaning set forth in Section 8.1.2 of the Tender Specification Document.

**Total Firm Injection Capacity** means the total marketable Firm Injection Capacity offered by GSD per hour, as outlined in Section 1.

## Appendix B: Firm Injection Capacity

The Total Firm Injection Capacity (100 tonnes of CO<sub>2</sub>/Hour) is based on the availability of four (4) out of a total of six (6) unloading stations, that are open for 200 Business Days between 7:00-18:00. Each unloading station has a capacity to unload 25 tonnes of CO<sub>2</sub>/Hour. Based on these assumptions, the Storage Operator will provide a total of 44 one-hour time slots each Business Day.

The number of time slots allocated to the Storage Customer(s) will be pro-rata distributed based on their Firm Volume Capacity in the relevant calendar year. The Storage Operator will distribute the daily time slots across the Storage Customer(s) evenly throughout the Business Day. The timetable of allocated time slots will be included in the Storage Agreement and will be open for negotiation after the Storage Agreement has been signed.

### Example:

A Storage Customer is awarded a Firm Volume Capacity of 120,000 tonnes of CO<sub>2</sub> in a given calendar year.

The number of one-hour time slots that the Storage Customer will need in order to utilize its Firm Volume Capacity in the given calendar year is then calculated using the following formula:

$$\frac{\text{Firm Volume Capacity in a given calendar year}}{\text{Capacity at each unloading station per Hour} \times \text{Business Days}} = \text{time slots needed}$$

For the Storage Customer in the example above, the daily number of time slots would be calculated as follows and included in the Storage Agreement:

$$\frac{120,000 \text{ tonnes of CO}_2}{25 \text{ tonnes of CO}_2 \text{ per Hour} \times 200 \text{ Business Days}} = 24 \text{ one hour time slots per day}$$

## Appendix C: Template for a declaration of intent concerning a demand guarantee

### 1. Declaration of intent to provide a demand guarantee

In connection with the Bidder *[insert name of Bidder]* submitting its Bid pursuant to the Tender for Firm Volume Capacity to store CO<sub>2</sub> at Stenlille Facility, *[insert name of financial institution, insurance company or similar]* declares that *[insert name of Bidder]* is our client and currently has the financial capacity to issue a demand guarantee of minimum DKK *[amount]*.

The final issue of a demand guarantee will be determined by *[insert name of financial institution, insurance company or similar]*'s assessment of the financial capacity of *[insert name of Bidder]* at the time of the request from *[insert name of Bidder]* for final issue of the demand guarantee.

The guarantee must be secured on demand for payment under the Storage Agreement and the GTCCS (General Terms and Conditions for Carbon Storage).

### 2. Credit rating

*[Insert name of financial institution, insurance company or similar]* hereby declares by signature on this declaration that *[insert name of financial institution, insurance company or similar]* has had a long-term credit rating of at least BBB- from S&P, Fitch or Creditreform, or Baa3 from Moody's or equivalent rating from another recognised rating agency.

Date: .....

.....

Signature - *[Insert name of financial institution, insurance company or similar]*

Name:

Title:



## Appendix D: Template for a declaration of intent concerning a parent company guarantee

### 1. Declaration of intent to provide parent company guarantee

In connection with the Bidder *[insert name of Bidder]* submitting its Bid pursuant to the Tender for Firm Volume Capacity to store CO<sub>2</sub> at Stenlille Facility, the parent company *[insert name, address, postal code, city]* national registration number [XXX] hereby declares, that *[insert name of parent company]* has the intention of issuing a parent company guarantee towards the Storage Operator for an amount of DKK [amount] in the situation where *[insert name of Bidder]* is awarded Firm Volume Capacity to store CO<sub>2</sub> at Stenlille Facility in accordance with the Storage Agreement, which is valid at the time of submitting this declaration.

The guarantee shall provide security for the payment under the Storage Agreement and the GTCCS (General Terms and Conditions for Carbon Storage).

### 2. Credit rating

*[Insert name of parent company]* hereby declares by signature on this declaration that the company group (parent/holding company and subsidiary companies) has had a long-term credit rating of at least BBB- from S&P, Fitch or Creditreform, or Baa3 from Moody's or equivalent rating from another recognised rating agency.

Date: .....

.....

Signature - *[parent company]*

Name:

Title: