

Auction Rules Daily Auctioning of SY23 capacity (ROY) October 2023 Gas Storage Denmark A/S

1. INTRODUCTION

These rules govern the qualification for participation, the conduct, and the outcome of the Daily Auctioning of storage capacity in the Danish storage facilities operated by Gas Storage Denmark.

The Daily Auctioning is scheduled to start on the **11th of October 2023** and ends on the day announced by GSD at a later stage.

The deadline for submission of Daily Bids is at **14.00 Danish time**.

Successful participants may start injection
at 6.00 a.m. next Gas Day

Successful Bid(s) in the Auction will result in the conclusion of one
Standard Storage Agreement
between the Storage Customer and Gas Storage Denmark
shortly after the Daily Auctioning ends,
**on the total amount of the successful Bids accumulated during
the Daily Auctioning**

2. DEFINITIONS

2.1. Definitions

Auction Date(s) shall have the meaning specified in clause 4.

Auction Rules shall mean these auction rules, including appendixes.

Bid(s) shall mean the submission by the Storage Customer of demand for storage capacity and the corresponding price, which the Storage Customer is willing to pay. The Storage Customer submits the required Bid(s) in a bidding sheet sent by email to contact@gasstorage.dk.

Bidder shall mean a Storage Customer submitting a Bid in one or more Daily Auctions.

Business Day is any day between Monday to Friday between 9.00 and 16.00 Danish time. Exceptions are the holidays specified in the calendar found on GSD's website <https://gasstorage.dk/Contact-and-communication>.

Credit Limit is the maximum credit limit in DKK up to which a Storage Customer may enter into storage agreements. The maximum credit limit is specified in the Storage Customer Agreement concluded between GSD and the Storage Customer.

Daily Auctioning shall mean the daily auctions scheduled to start on the 11th of October 2023 and end on the day announced by GSD at a later stage according to these Auction Rules.

Daily Auction shall mean the auction held by GSD on a specific Auction Date.

Daily Bid(s) shall mean the Bid(s) submitted by the Storage Customer for the participation in the Daily Auction held on the specific Auction Date.

Danish Gas System is the collective designation of the Transmission System, the Distribution Network and the Storage Facilities in Denmark.

DKK shall mean Danish kroner.

Energinet System Operator means the Energinet System Operator, CVR number 39315084, responsible for managing the transmission function, security of supply, market facilitation and the overall physical balance in the Danish Gas System in pursuance of the Danish Act on Energinet. In addition, the Energinet System Operator is responsible for the Register of Players.

Exceeding Bid shall have the meaning specified in clause 6.7.

Firm Storage Capacity means Capacity made available to the Storage Customers by GSD. GSD can only demand that Firm Storage Capacity is reduced or interrupted if (1) required due to technical or IT-related circumstances originating from the System Operator, (2) too high or too low pressure in the Transmission System, (3) repair or maintenance, cf. clause 10 in GTCGS, (4) if Natural Gas allocated in the Storage Point does not comply with the Quality and Delivery Specifications, cf. clause 11 in GTCGS, (5) due to a Reduced Capacity Notice, cf. clause 13 in GTCGS, (6) Force Majeure, cf. clause 14 in GTCGS, or (7) in case of Emergency, cf. clause 15 in GTCGS.

Group shall have the meaning defined in the Danish Companies Act.

GSD is Gas Storage Denmark A/S, CVR number 29851247, operating the Danish storage facilities and caretaking the relations to all Storage Customers under the GTCGS.

GTCGS means General Terms and Conditions Gas Storage in the version applicable at any time.

Maximum Quantity shall mean the maximum number of SBUs offered accumulated in the Daily Auctioning and specified in clause 5.2.

Maximum Daily Quantity shall mean the maximum number of SBUs offered in one Daily Auction and specified in clause 5.2.

Reservation Price shall have the meaning specified in clause 5.3.

Sale means GSD's offering of Firm Capacity to the Storage Customers by using auctions.

Standard Storage Agreement is the agreement concluded between GSD and a Storage Customer, cf. APPENDIX I to this Auction Rules.

SBU (standard bundled unit) is Firm Capacity sold bundled with a fixed ratio between Firm Injection Capacity, Firm Withdrawal Capacity and Firm Volume Capacity.

Storage Customer means any natural or legal person who has access to GSD's storage facilities under a Storage Customer Agreement and who is registered as a Storage Customer in the Register of Players.

Storage Customer Agreement means an agreement concluded between GSD and a Storage Customer allowing the Storage Customer to act as such.

Storage Customer Framework Agreement means an agreement concluded between Energinet System Operator (Gas TSO) and the Storage Customer allowing the Storage Customer to act as a registered storage customer in the Danish Gas System.

Storage Period shall have the meaning specified in clause 5.1.

2.2. Use of singular and plural and of definite and indefinite forms

Unless otherwise indicated by the context, the terms used in these Auction Rules shall be as defined in clause 2.1, whether used in the singular or the plural or the definite or indefinite forms.

2.3. Reference to clauses

All references to clauses are, unless otherwise expressly stated, references to the clauses of these Auction Rules.

3. QUALIFICATIONS

3.1. Qualification for participation in the Auction

Any natural or legal person wishing to qualify for participation in the Auction must:

- i. satisfy the conditions stated in Energinet System Operator’s General Terms and Conditions for Gas Transport (BfG, “Betingelser for Gastransport”) including conclusion of a Storage Customer Framework Agreement with Energinet System Operator and registration as a Storage Customer in the Register of Players; and
- ii. satisfy the conditions stated in GTCGS, including conclusion of a Storage Customer Agreement with GSD and testing of IT systems for communication of nominations etc.; and
- iii. provide GSD with all necessary authorized contact information prior to the Daily Auctioning; and
- iv. To receive GSD’s information about the Daily Auctioning, the Storage Customer will need to subscribe to news from GSD by using the link: <https://gasstorage.dk/newsletter/sign-up/>.

3.2. Acceptance of the Auction Rules

Any Storage Customer wishing to participate in the Daily Auctioning as a Bidder accepts and agrees to these Auction Rules.

4. DEADLINE FOR THE DAILY AUCTIONING

The Daily Auctioning is scheduled to start on the **11th of October 2023**.

The deadline for submitting Bids for the participation in the Daily Auction on one specific date (“Auction Date”) is on the same date at **14.00 Danish time** at the latest.

5. THE AUCTION OFFERING

5.1. The product and the Storage Period

GSD offers SBUs with the characteristics stated in *Table 1* for the Storage Period from **1 November 2023 06.00** to **1 April 2024 06.00** (5 months).

SBU Characteristics	Firm Volume Capacity	Firm Injection Capacity	Firm Withdrawal Capacity
# days			
Firm Injection Capacity/ Firm Withdrawal Capacity	kWh	kWh/Hour	kWh/Hour
60/30	1,000	0.694	1.389

Table 1

In addition, GSD offers free Firm Injection Capacity to each successful Bidder corresponding to the injection of the successfully bidden capacity, evenly distributed over all hours of the Gas Day after each Daily Action. For the avoidance of doubt, the injection will still be subject to Variable Injection Fee.

Further, GSD offers free Firm Withdrawal Capacity corresponding to the successfully bided capacity, product 60/30 and free Firm Volume Capacity to each successful Bidder until 1 November 2023 6.00 a.m., from which date the SBU in *Table 1* takes effect instead.

An example:

A Storage Customer wins 1 SBU on the 11th of October. The storage services made available to the Storage Customer will be the following:

- Firm Volume Capacity:
 - o 1 MWh Firm Volume Capacity, rest-of-year, starting on the 12th of October 2023 at 6.00 a.m. until the 1st of April 2024 at 6.00 a.m. (the usage is free of charge from the 12th of October 2023 at 6.00 a.m. until the 1st of November 2023 at 6.00 a.m.)
- Firm Withdrawal Capacity:
 - o 1.389 kWh/hour withdrawal capacity rest-of-year starting 12th of October 2023 at 6.00 a.m. until 1st April 2024 at 6.00 a.m. (the usage is free of charge from 12th of October 2023 at 6.00 a.m. until 1st November 2023 at 6.00 a.m.)
- Firm Injection Capacity:
 - o 41.667 kWh/hour injection capacity for free (subject to variable injection fee), but only usable from the 12th of October 2023 at 6.00 a.m. until the 13th of October 2023 at 6.00 a.m. (so that 1 MWh can be injected within the Gas Day of the 12th of October 2023).
 - o 0 kWh/hour injection capacity from the 13th of October 2023 at 6.00 a.m. until 1st of November 2023 at 6.00 a.m.
 - o 694.444 kWh/hour injection capacity from 1st of November 2023 at 6.00 a.m. until 1st April 2024 at 6.00 a.m.

Successful Bidder may accumulate the successfully bided capacity throughout the Daily Auctioning, day by day.

The accumulated successfully bided capacity during the Daily Auctioning will result in the conclusion of one Standard Storage Agreement between the Storage Customer and GSD shortly after GSD has announced the end of the Daily Auctioning.

For the avoidance of doubt, the Standard Storage Agreement will be issued for the Storage Period said in this clause 5.1.

5.2. Maximum Quantity and Maximum Daily Quantity

The Maximum Total Number of SBUs offered in the Daily Auctioning throughout the Auction Period ("Maximum Quantity") will be: **80,000 SBUs**

GSD shall announce the Maximum Daily Number of SBUs ("Maximum Daily Quantity") to be auctioned on the next day together with the result for each Daily Auctioning at 15.00 Danish time at the latest.

The Maximum Daily Quantity to be auctioned on the 11th of October 2023 will be announced on the 10th of October 2023 at 15.00 Danish time at the latest.

To receive GSD's information about the Daily Auctioning, the Storage Customer will need to subscribe to news from GSD by using the link: <https://gasstorage.dk/news-letter/sign-up/>.

5.3. Reservation Price

GSD's Reservation price is **6.34 €/MWh/Storage Period**

5.4. GSD's rights to cancel, postpone or interrupt the Daily Auctioning

GSD reserves the rights to cancel, postpone or interrupt the Daily Auctioning at any time due to unexpected technical circumstances, limited remaining capacity or unfavorable market conditions. In such case, GSD shall inform the marked in due time before the deadline for submitting Bids to the next Daily Auction.

No Storage Customer shall have any claim for damage or losses in the event of cancellation, postponement, or interruption of the Daily Auctioning.

5.5. Injection and Withdrawal Restrictions

The offered SBUs may be subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions for the Storage Period are stated in APPENDIX II to these Auction Rules.

6. THE AUCTION PROCESS

6.1. Each Daily Auction is a **pay-as-bid** auction.

In case of a successful Bid, the resulting price stated in the Standard Storage Agreement, cf. APPENDIX I to this Auction Rules, will be the bidding price the Storage Customer has submitted in the Daily Auction. In case the Storage Customer has successful Bids in more than one Daily Auction, the resulting price will be the volume weighted price for all successful Bids submitted by the Storage Customer during the Daily Auctioning.

- 6.2. One single Bid cannot be less than 1 SBU (1 MWh) or more than the Maximum Daily Number of SBUs to be auctioned as announced by GSD, cf. clause 5.2.
- 6.3. Each Daily Auction shall be conducted over one (1) round.
 - a. The round will close at 14.00 Danish time. Bids received on the Auction Date after this time will be rejected.
 - b. GSD shall confirm the receipt of Bid(s) with an email sent to the Bidder. The Bid(s) will not be regarded as received by GSD until the Bidder has received a confirmation from GSD. A confirmation of receipt does not constitute confirmation that any or all Bids received are valid Bids.
 - c. GSD will use reasonable efforts to notify by email any Bidder that has submitted an invalid Bid that the Bid in question has been rejected, stating the reason for the rejection.
- 6.4. All communication between the Bidder and GSD shall be made via email sent to contact@gasstorage.dk.
- 6.5. GSD shall publish a bidding sheet (an excel sheet) on GSD's website together with this Auction Rules. Bid(s) shall be submitted by sending a completed bidding sheet by email to contact@gasstorage.dk. The completed bidding sheet shall contain the following information:
 - a. the identity of the Bidder (company name and contact information, such as the name, email and phone number of the contact person); and
 - b. the quantity expressed as a non-negative whole number representing the total quantity the Bidder requests, in the unit "MWh"; and
 - c. the price expressed as a non-negative number with up to three decimals, in the unit "€/MWh"; and
 - d. the type of the bidding specified either as "fixed volume bid" or "fill bid", cf. clause 6.7.
- 6.6. On an Auction Date, the Bidder may change already submitted Bid(s) by submitting a new bidding sheet containing new Bid(s). The content of the new bidding sheet submitted by the Bidder will replace any previously submitted bidding sheet in its entirety regardless, whether the number of Bids in such later bidding sheet is higher or lower.

- 6.7. At the end of a Daily Auction, the storage capacity will be allocated to the Bidders, as follows:
- a. a Bid with a price lower than the Reservation Price as specified in clause 5.3, will not be considered; and
 - b. no more than the relevant Maximum Daily Quantity as specified in clause 5.2 will be allocated; and
 - c. GSD shall sort all Bids from the highest to the lowest price and allocate the offered number of SBUs from the top until no more SBUs are available or no more SBUs are demanded:
 - i. If the total of all received valid Bids exceeds the Maximum Daily Quantity offered in the Daily Auction, cf. clause 5.2, the Quantity of the first Bid that causes the Maximum Daily Quantity to be exceeded (the "Exceeding Bid") will be reduced to a Quantity whereby the Maximum Daily Quantity is no longer exceeded.
 - ii. The reduction of Quantity will be performed only if a "fill bid" has been declared by the Bidder, who submitted the Exceeding Bid. In case of "fixed volume bid" has been declared for the Exceeding Bid, the Bid will be automatically withdrawn rather than reduced. This is to avoid that the Bidder, who submitted the Exceeding Bid receives only a minor quantity of capacity.
 - iii. If there are identical Bids in price, declared as "fill bid", which also happened to be Exceeding Bids, GSD shall choose the Bid with the highest Quantity. If both Price and Quantity are identical, the Exceeding Bids will be reduced pro rata their Quantity, rounded to the nearest whole number.
- 6.8. Each successful Bidder will be notified about the outcome of the Daily Auction at 15.00 Danish time on the Auction Date: allocated SBUs and the volume weighted price for all successful Bids submitted on the Daily Auction. In addition, GSD shall inform about the free Firm Injection Capacity, free Firm Withdrawal Capacity and free Firm Volume Capacity allocated to the successful Bidder, cf. clause 5.1.
- 6.9. The unit price in the Standard Storage Agreement concluded between the Storage Customer and GSD, will be expressed in €/MWh with three decimals. The total price for the allocated capacity will be expressed in DKK with two decimals.

For the price conversion from € to DKK, GSD shall use the official exchange rate €/DKK with four decimals as published by the Danish Central Bank (Danmarks Nationalbank) on the 11th of October 2023.

7. MISCELLANEOUS

- 7.1. The Storage Customer may not place Bid(s) exceeding the Storage Customers' Credit Limit. If GSD observes that the Storage Customer's Credit Limit has been exceeded, the Bid(s)

submitted by the Storage Customer will be reduced accordingly unless the Storage Customer provides adequate additional security. For the avoidance of doubt, it should be mentioned that this principle applies during as well as after any successful bidding in the Daily Auctioning.

- 7.2. GSD shall in its sole discretion decide whether Bid(s) have been received in due time and fulfil the terms set out in these Auction Rules.
- 7.3. GSD is entitled to make decisions at its sole discretion on any matter regarding the conduction of the Daily Auctioning, including whether or not to cancel, postpone, suspend or restart a Daily Auction due to technical or operational reasons or in the event of obvious market errors regarding the bidding. In such case, GSD shall promptly inform the Storage Customers and the market.
- 7.4. No Storage Customer shall have any claim for damage or losses or any right for conduction of the Daily Auctioning in the event of cancellation, postponement, or suspension.
- 7.5. GSD shall protect the confidentiality of the content of bids submitted during the Daily Auctioning.
- 7.6. If Storage Customers are part of same Group, such Storage Customers shall in connection to a Daily Auction be regarded as one single entity in respect of the Maximum Daily Quantity. Furthermore, GSD reserves the right to cancel a Standard Storage Agreement either in full or in part, if GSD observes that companies within the same Group have placed bids, equal in pricing, constituting more than the Maximum Daily Quantity.
- 7.7. GSD has the right to supply the Danish Utility Regulator (DUR) or other competent authorities with all data and information of the bidding activities carried out by the Storage Customer under a Daily Auction, the provision of which is necessary to comply with GSD's obligations towards those authorities or where disclosure is required by applicable law.
- 7.8. When a Daily Auction is closed, each Storage Customer having successfully participated in the Daily Auction shall be informed about allocated SBUs and the volume weighted price for all successful Bids submitted on the Daily Auction. The remaining participants will be informed about the total number of SBUs allocated in the Auction and the volume weighted price of the Daily Auction.
- 7.9. The closing of a Daily Auction shall be announced on GSD's website and by direct mailing to all Storage Customers.
- 7.10. GSD shall forward the Standard Storage Agreement to the Storage Customer successfully participated in the Daily Auctioning not later than 3 Business Days after GSD has announced the end of the Daily Auctioning.
- 7.11. These Auction Rules in addition with (1) the Standard Storage Agreement (APPENDIX I); (2) the description of restrictions, maintenance, and other payments during the Storage

Period (APPENDIX II); and (3) the GTCGS in the version applying at any time; form the full contractual basis for the Sale.

In case of any discrepancy between these Auction Rules and the documents listed above, priority shall be given to the documents in the following order:

1. APPENDIX I;
2. APPENDIX II;
3. This Auction Rules;
4. GTCGS in the version applying at any time.

8. CONTACT

If you have any questions, GSD can be contacted as follows:

Iliana Nygaard: +45 61243403
Email: iny@gasstorage.dk

Marni Jacobsen: +45 30594137
Email: mjq@gasstorage.dk

APPENDIX I

to the Auction Rules
Daily Auctioning October 2023

Standard Storage Agreement
between
[Storage Customer]
and
Gas Storage Denmark A/S

Agreement ID: [XXX]

This Standard Storage Agreement has been entered between:

Gas Storage Denmark

Name: Gas Storage Denmark A/S
Address: Tonne Kjaersvej 65
Postcode and town: DK-7000 Fredericia
Relevant contact: Rune H. Gjermundbo
Telephone: +45 61240214
Email: rhg@gasstorage.dk
CVR no.: 29851247
(hereinafter referred to as "GSD")

and

Storage Customer

Name: [XXX]
Address: [XXX]
Postcode and town: [XXX]
Relevant contact: [XXX]
Telephone: [XXX]
Email: [XXX]
CVR no.: [XXX]
VAT no.: [XXX]
(hereinafter referred to as "Storage Customer")

1. Definitions

Unless otherwise expressly stated, capitalized words shall have the meaning defined in the General Terms and Conditions for Gas storage ("GTCGS") in the version applying at any time.

2. Storage Period

This Standard Storage Agreement has the following Storage Period:

01-NOV-2023 at 06:00 hours to 1-APR-2024 at 06:00 hours.

3. Capacities

The Storage Customer's Firm Capacities are as follows:

Maximum Firm Volume Capacity: [XXX] kWh
Maximum Firm Injection Capacity: [XXX] kWh/Hour
Maximum Firm Withdrawal Capacity: [XXX] kWh/Hour

4. Injection Restrictions and Withdrawal Restrictions

The Standard Storage Agreement may be subject to Injection and Withdrawal Restrictions pursuant to clause 5.6 of GTCGS. Prior to conclusion of the Storage Agreement, the Injection and Withdrawal Restrictions in force for the Storage Period concerned was announced on GSD's website.

5. Payments

The Storage Customer's purchase and use of Firm Capacity under this Standard Storage Agreement shall be subject to the following charges:

a) Capacity charge for the Firm Capacity amounts to: [X,XXX,XXX.XX] DKK/Storage Period

The capacity charge for the Firm Capacity is calculated based on a unit price of [X.XXX] €/MWh for the Storage Period and is subsequently converted to Danish Krone by using the exchange rate [X.XXXX] €/DKK of the Danish Central Bank (Danmarks Nationalbank) with four decimals, as published on the 11th of October 2023.

The capacity charge for Firm Capacity is payable 1/5 on monthly basis during the Storage Period.

b) Charge for the injection of Natural Gas is based on the quantities of Natural Gas that the Storage Customer injects into the Storage Facilities.

Relevant taxes and charges must be added to the payment set out above. Further, other charges payable shall be based on clause 9 of GTCGS.

6. Service related to Filling Requirements

GSD offers a service to monitor that the Storage Customer is compliant with an agreement on Filling Requirements concluded between the Storage Customer and the Energinet System Operator, if relevant. The Storage Customer may request GSD to deliver this service pursuant to section 7.5.6 of GTCGS.

7. Contact details

The Storage Customer can contact GSD's control centre round-the-clock concerning operational issues:

GSD's control centre gas

Name:	Control Centre Gas
Address:	Tonne Kjærvej 65
Postcode and town:	DK-7000 Fredericia
Telephone:	+45 7070 1961
Telefax:	+45 7022 0328
Email:	kontrolcentergas@energinet.dk
Relevant contact:	Dispatcher on duty

If GSD round-the-clock has a need to get in contact with the Storage Customer concerning operational issues, GSD will contact the contact for operations as specified below:

Storage Customer (within Business Hours):

Name:	[XXX]
Email:	[XXX]
Telephone:	[XXX]

Storage Customer (outside Business Hours)

Name:	[XXX]
Email:	[XXX]
Telephone:	[XXX]

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Unless otherwise agreed, this Standard Storage Agreement is subject to the version of GTCGS applicable at any time, which the Storage Customer by signing this Standard Storage Agreement accepts to be bound of. In case of conflict between this Standard Storage Agreement and GTCGS, this Standard Storage Agreement shall prevail.

Stenlille, / / 2023

, / / 2023

Gas Storage Denmark A/S:

[name of Storage Customer]:

Rune H. Gjermundbo
Head of Business Operations

[Name and title of employee]

APPENDIX II

to the Auction Rules
Daily Auctioning October 2023

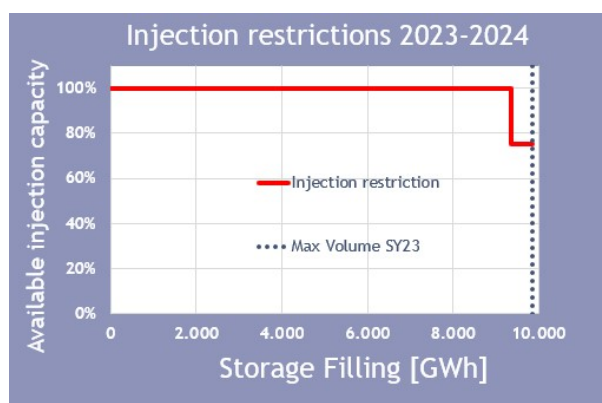
Description of restrictions, maintenance, and other payments during the Storage Period

The Standard Storage Agreement, cf. Appendix I, is subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions are set in accordance with GTCGS applicable at any time.

A. Injection Restrictions

- 75% of the injection capacity is available when the storage filling is 9,353 GWh (95% full) or more.
- All injection capacity is available when the storage filling is below 9,353 GWh (95% full)

The Injection Restrictions in SY2023 are shown on the diagram below:

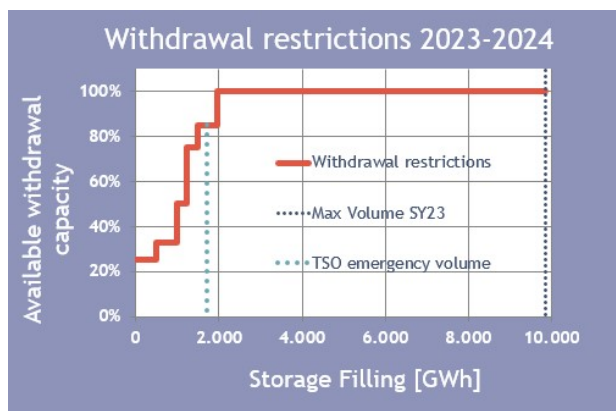


B. Withdrawal Restrictions

The withdrawal restrictions in SY2023 are as follow:

- 85% of the withdrawal capacity is available when the storage filling is at or below 1,969 GWh (20% full),
- 75% of the withdrawal capacity is available when the storage filling is at or below 1,477 GWh (15% full),
- 50% of the withdrawal capacity is available when the storage filling is at or below 1,231 GWh (12.5% full),
- 33% of the withdrawal capacity is available when the storage filling is at or below 985 GWh (10% full),
- 25% of the withdrawal capacity is available when the storage filling is at or below 492 GWh (5% full).

The Withdrawal Restrictions for SY2023 are illustrated in the following figure:



C. Restrictions on storage access due to maintenance

There are no planned restrictions on storage access due to maintenance during the Storage Period, cf. clause 5.1 in the Auction Rules.

D. Variable charge

i) Variable charge for injection

In accordance with GTCGS, a variable charge for injection of Natural Gas into the storage facility will be applied, unless otherwise informed by GSD. The variable charge reflects the expected costs associated with the gas being injected into and withdrawn from the storage facility.

The variable charge for injection in SY2023 is 0.004393 DKK/kWh (approx. 0.59 €/MWh).

ii) Flat-rate product

With this product the payment of the variable charge for injection (i) above, can be replaced by an upfront fixed payment.

The charge for flat rate in SY2023 is 0.004393 DKK/kWh (approx. 0.59 €/MWh) times the Maximum Firm Volume Capacity booked by the Storage Customer.

Please note that according to section 9.1 d of GTCGS in the version applicable at any time, GSD is entitled to adjust tariffs incl. the charge for variable injection (i) and the Flat rate payment (ii), on an on-going basis.