

Edison Stoccaggio Spa

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20121 Milano
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PROCEDURE FOR AWARDING STORAGE CAPACITY FOR PEAK SERVICE WITH SEASONAL INJECTION CAPACITY FOR THERMAL YEAR 2019-2020, PURSUANT TO ART. 1 OF MINISTER FOR ECONOMIC DEVELOPMENT DECREE OF 15 FEBRUARY 2019 (hereinafter “MD 15 February 2019”).

1. Introduction

This document describes the methods and terms for booking by way of competitive auction of the peak storage service with seasonal injection capacity (hereinafter "**Seasonal Peak Service**") for thermal year (Thermal Year) 2019-2020 pursuant to Art. 1 of MD 15 February 2019 and as established in Resolution 67/2019/R/gas issued by the Autorità di Regolazione per Energia Reti e Ambiente (hereinafter "Authority") and in ANNEX A “Regolazione in materia di garanzia di libero accesso al servizio di stoccaggio del gas naturale” (hereinafter "**RAST**").

2. Purpose

The booking of space capacity of 8,725,000,000 kWh (equal to about 825 MSm³ with PCS 10.57275 kWh/Sm³) regarding the Seasonal Peak Service pursuant to Art. 10 of RAST to be assigned according to competitive auction procedures, as laid-down by Art. 15 of RAST, is the purpose of the procedure governed herein (hereinafter the "**Procedure**").

Based on the space booked, a maximum withdrawal capacity of 87,250,000 kWh/d and an injection capacity of 68,530,000 kWh/d will be awarded pursuant to Art. 10 of RAST.

The booking of capacities regarding the Seasonal Peak Service that is the subject of this Procedure contemplates the injection of gas quantities equivalent to the capacity book from the month of April 2019 until the end of the injection phase.

Società soggetta all'attività di direzione
e coordinamento di Edison Spa

Società a socio unico
Capitale Soc. 90.000.000,00 euro. i.v.
Reg. Imprese di Milano e C.F. 04501620969
Partita IVA 04501620969 - REA di Milano 1752213

3. Requisites

Participation in the Procedure is impartially allowed with conditions being equal for all parties that jointly have the requisites specified below. The Procedure is participated in by using the Edison Stoccaggio IT Platform (hereinafter "**Escomas**"), according to the methods specified hereunder. Access to Escomas is provided to certified parties having IT access credentials issued by Edison Stoccaggio.

If a company interested in participating in the Procedure is not certified for accessing Escomas, it must request said certification as soon as possible and however in time sufficient in order to deliver the documents as specified hereunder, using the registration procedure set out in the "**Escomas access request manual**" (Annex M1). The Escomas access request manual is available on the Edison Stoccaggio website in the Escomas section, or by accessing the following link: <http://www.edisonstoccaggio.it/en/escomas>

Requisites:

- ownership of a transmission service contract with effect from the date of 1 April 2019;
- payment of all amounts that have been billed and have expired on the date of the request, the total of which exceeds the value of the guarantees given to cover the obligations deriving from contracts previously entered into with Edison Stoccaggio;
- successful entry in Escomas and address according to the methods established by this Procedure under point 5 of the documents certifying possession of the "minimum rating" covering the obligations arising from the booking as provided for in paragraph 5.2.1.1.1 of the Edison Stoccaggio Storage Code (approved by the Authority with Resolution no. 116/07 of 15 May 2007 and published on the Edison Stoccaggio website, hereinafter "**Code**"), or a letter of guarantee and/or bank guarantee and/or insurance policy covering the obligations arising from the booking, whose amount should be consistent with the provisions of the annex to this Procedure entitled "Determining the amounts of the letters of guarantee and bank guarantees" (Annex 5); uploading in Escomas - and delivering as established under point 5 of this Procedure- of "Contratto di Stoccaggio per l'anno termico 2019-2020" (Storage Contract for Thermal Year 2019-2020) initialed on every page and signed by the legal representative (or by a proxy having the appropriate powers).

The "minimum rating" criterion is considered met by having a credit rating provided by primary international organizations with reference to the medium/long-term debt, equal to at least:

- Baa2 if provided by Moody's Investor Services, or;

- BBB if provided by Standard & Poor's Corporation, or;
- BBB if provided by Fitch Ratings

The letter of guarantee should be supplemented with:

- a) the documents certifying possession of the "**minimum rating**" of the **Guarantor**;
- b) **the self-certification of powers of representation of the entity** (i.e. the legal representative of the Guarantor or the proxy having the appropriate powers) **signing the Letter of Guarantee** and relevant documents (**Annex 3a**).

The lack of such integrations will result in being excluded from this Procedure.

The bank guarantee and/or insurance policy must be issued by one or more parties that have the same "minimum rating" mentioned above. The lack of this "minimum rating" for the issuing parties will result in being excluded from this assignment procedure.

In order to enable a broader participation in the Procedure, please note that Edison Stoccaggio consents to the documents showing proof of the completed bank transfer with the following reason stated - to the Edison Stoccaggio current account indicated below - **being entered into Escomas with the originals delivered** in place of what is described above: "Security Deposit for participating in Seasonal Peak Service of **11 March 2019** auction" with value date prior or equal to **7 March 2019** for an amount equal to the one specified in Annex 5.

The applicant that will make use of the Security Deposit via bank transfer accepts, at the time the banking transaction is carried out, that Edison Stoccaggio uses said deposit for the purposes and according to the methods specified under point 6 of the Procedure.

Società Edison Stoccaggio Spa

Banca nazionale del Lavoro

Dipendenza di Milano

Via Deruta 19, 20132 Milano

Coordinate Bancarie:

IBAN: IT45F010050160000000006335

SWIFT: BNLIITRR

Failure to present the original bank guarantee, insurance policy or letter of guarantee, or a security deposit for an amount equal to the amount requested, in application of the rules set forth in Annex 5, just like presenting the original bank guarantee, insurance policy or letter of guarantee, or security deposit for an amount less than the amount requested in application of the rules set forth in Annex 5, **shall result in being excluded from this Procedure.**

After executing the contract, the assignee parties must present to Edison Stoccaggio the Guarantees for correct fulfilment of the contract described in paragraph 5.2.1.1.2 of the Code, according to this Procedure.

Merely by way of information aid provided for this Procedure, the specimens of the letter of guarantee (**Annex 3**), of the bank guarantee (**Annex 4a**) and/or the insurance policy (**Annex 4b**) are annexed to this Procedure and are available on the Edison Stoccaggio website on the page Business and Services /Forms.

Where required, filling in the necessary forms, entering and issuing all the documents requested will be done through Escomas according to the provisions of the Capacity Request Manual (**Annex M2**).

4. Request to Purchase Storage Capacity (Purchase Request)

Pursuant to Art. 13.8 of RAST, all purchase requests may contain up to 5 (five) offers at the most. Pursuant to Art. 13.9 of RAST, Edison Stoccaggio has set 5,000,000 kWh as the value of the minimum quantity to which each offer must refer.

The quantity requested in each offer must be stated in kilowatts per hour [kWh] without decimal figures. Pursuant to Art. 13.9 of RAST, every single bid must be no less than 0 (zero). Every single bid must be stated in Eurocents/kilowatt per hour [c€/kWh] with eight decimal figures at the most.

The Purchase Request will be entered into Escomas according to the entry methods described in the "Capacity Request Manual" (Annex M2).

It will be possible to enter and confirm the Purchase Request on Escomas starting from **2 p.m. of 4 March 2019** until, and no later than, **11 a.m. of 11 March 2019**.

Merely by way of information aid provided for this Procedure, the specimen of the Purchase Request is annexed to this Procedure (**Annex 1**).

Filling in the Request, entry and issue will all be done only via Escomas.

In case it is needed to indicate in the Purchase Request more than a single **legal representative or a single proxy having the appropriate powers**, it will be possible to integrate the Purchase Request with the needed information and then enter it into Escomas as so integrated (a single pdf, see "Capacity Request Manual" - Annex M2).

The Purchase Request that will be considered for auction purposes will be the one confirmed and in Escomas. **It must be initialed on all pages and signed by the legal representative (or more if needed) of the offering company (or by the proxy/ies having the appropriate powers) and must not be put inside the envelope.**

The request is irrevocable without the possibility of being changed by the Owner and cannot be subject to any conditions.

5. Delivery of the Requests

The parties in possession of the requisites listed under foregoing point 3 (Owner/Owners) that plan to participate in this procedure are required **to present the original copies** of the information and documents stated below after first filling them in, entering them and issuing them on Escomas **on pain of exclusion from the Procedure:**

- a) **Self-certification of powers of representation for the auction procedure, initialed on every page and signed**, and relevant documents (**Annex 2**);
- b) **documents certifying the minimum rating of the Owner or letter of guarantee or bank guarantee or insurance policy** or the documents showing proof of the completed bank transfer forming **the security deposit** for a minimum amount equal to that determined in **Annex 5**. It's not required to attach any documentation to show the "minimum rating" of bank.
- c) If applicable, **the self-certification of powers of representation of the entity** (i.e. the legal representative of the Guarantor or the proxy having the appropriate powers) initialed on every page and signed and relevant documents (**Annex 3 a**); the letter of guarantee, the minimum rating of the Guarantor, the self-certification and relevant documents should be entered into Escomas as a single pdf;

- d)** Two copies of “Contratto di Stoccaggio per l’ anno termico 2019-2020” (Storage Contract for Thermal Year 2019-2020) initialed on every page and signed by the legal representative (or by a proxy having the appropriate powers).

The forms and documents described above under letters a), b), c) and d) must be placed inside an envelope, perfectly sealed (**initialed on the closure by the legal representative or by a proxy having the appropriate powers**) bearing the wording “ASTA SERVIZIO DI PUNTA STAGIONALE” (“SEASONAL PEAK SERVICE AUCTION”) and indication of the company name, address and email address of the reference indicated in the Purchase Request by the Owner.

The envelope will also a photocopy of front and back of the currently valid ID document (ID card, driving licence, passport) of the representative/proxy who signs and initials, and a copy of the recent certificate issued by the chamber of commerce or the notarised extract of the minutes of the Board of Directors meeting giving powers or of the proxy granted.

The envelope must be delivered on **11 March 2019 by 11 a.m.** to:

Edison Stoccaggio S.p.A. Foro Buonaparte 31 - 20121 Milan, to the attention of Ufficio Commerciale Stoccaggio (Storage Sales Office). Currier and Pony Express shall deliver the envelopes at the side entrance of Via Illica 4, 20121 Milano.

If delivered by an employee of the participating company, he must have a valid ID document.

If the Italian postal system or a private carrier is used (UPS, DHL or others, for example), the participating Owner shall notify the email box **stoccaggio@edison.it** of the third party entrusted with delivery in advance.

Delivery after 11 a.m. of the day 11 March 2018 shall be considered in violation of the rules of this procedure and the relevant envelope will be rejected, without any responsibility being attributed to Edison Stoccaggio; those who use the Italian postal system, carriers or other intermediaries for the delivery may not justify the delay in delivery with reference to poor services or problems encountered by said intermediaries.

Upon delivery of the envelope, the staff of the Storage Sales Office taking delivery of that envelope:

- (a) if delivered by an employee of the participating company, it will make a photocopy of the ID document of the individual making the delivery and will issue a relevant receipt on Edison Stoccaggio letterhead, signed by the Edison Stoccaggio employee who takes delivery of that envelope;

- (b) if the Italian postal system or private carriers are used, it will check that the data previously notified to the aforesaid email box matches and will issue the relevant receipt.

The receipt is the only document valid for certifying the date and time of delivery of the participation request. Therefore, requests for which the aforesaid receipt has not been issued will be considered as undelivered.

In addition to the requests received after the maximum deadline indicated above, the requests received incomplete or non-compliant with the methods described in this document shall be excluded (some simply explanatory examples, in no way limited, are: unsealed requests, requests not initialed on every page and/or not signed, or requests not accompanied by the photocopy of the ID document of whoever signs them).

Also excluded will be the non-irrevocable requests, requests subject to conditions, or however changed compared to the forms made available by Edison Stoccaggio.

In order to enable the broader participation in the Procedure, Edison Stoccaggio will accept changes to forms provided under Annexes 3, 4 a e 4 b, only if previously agreed. Moreover, but only if previously agreed, Edison Stoccaggio will accept further changes related to all the forms if these changes are strictly needed in order to allow companies under foreign law to participate in the procedure.

Also all requests for which there is some dissimilarity between the documents in Escomas and those delivered in original form shall be excluded.

Edison Stoccaggio specifies that, in order to allow possible integrations or modifications of the documents requested in compliance with the Procedure, in case an Owner sends more than one envelope, only the envelope with the latest mailing date will be considered valid. The envelopes with previous mailing dates will not be opened and will be considered as not received (such envelopes will be in any case conserved). If multiple requests are submitted in original form simultaneously by the same operator (because they were entrusted to the same employee or the same carrier, for example), they will all be excluded.

6. Openings of the request and award

For the purposes of opening requests received and subsequent actions aimed at completing the award procedure, Edison Stoccaggio shall name a Commission whose chairman shall supervise the works of the Commission. The names of the Commission members shall be promptly published on the Edison Stoccaggio website as soon as they become available. Once the deadline for prompt submission of the requests has

passed, the Commission shall meet on **11 March 2019** at the Storage Sales Office of Edison Stoccaggio to open the envelopes, check that all requisites set forth in this procedure are met, that the documents are consistent with the documents in Escomas - on pain of in admissibility of the dissimilar requests and shall tabulate the offers according to the provisions of Resolution and then establish the results by running a specific function on Escomas.

Notification of the award made, as well as of any exclusion and its grounds, will be made pursuant to Art. 13.10 of RAST by the deadline of **11 March 2019**, with notification given in advance by email to the email address given and providing each Owner access to its own data on Escomas.

Furthermore, pursuant to Art. 13.10 of RAST, Edison Stoccaggio shall publish the aggregate results of the award procedure and the average weighted award price.

The award of the space capacity referred to in the purchase requests received pursuant to what is set out in this procedure shall be made in agreement with the provisions of Art. 15 of RAST. Based on the space awarded, the withdrawal and injection capacities shall be awarded pursuant to Art. 10 of RAST.

Only in case of space awarded the “Contratto di Stoccaggio per l’anno termico 2019-2020” will be in force between the assignee party and Edison Stoccaggio.

The assignee parties must present the Guarantees for correct fulfilment of the contract described in paragraph 5.2.1.1.2 of the Code to Edison Stoccaggio by and no later than **21 March 2019** after adjusting calculation of the amount, therein provided for under formula (1), with what is provided in Art. 23 of RAST.

If one of the assignee parties fails or refuses, to present the above Guarantee, not only will Edison Stoccaggio declare said operator having forfeited the award attained, but it will be entitled to receive from the defaulting party, also by partial enforcement of the guarantee submitted at the time of offer, 25% (twenty-five percent) of the economic commitments that the defaulting party assumed for the Space capacity in agreement with Art. 5.3 of the Storage Code.

7. Annexes

The following annexes, made available on the Edison Stoccaggio website in the section:

Business and Services /Forms

form an integral part of this procedure:

Specimen of “Contratto di Stoccaggio per l’anno termico 2019-2020”

Annex 1 - Specimen of Purchase Request TY 19-20

Annex 2 - Self-certification of powers of representation for auction

Annex 3 - Specimen of Letter of Guarantee for auction TY 19-20

Annex 3 a – Self-certification of powers of representation of the entities signing the Letter of Guarantee

Annex 4 a - Specimen of Bank Guarantee for auction TY 19-20

Annex 4 b - Specimen of Insurance Policy for auction TY 19-20

Annex 5 - Determination of the amounts of the letters of guarantee, bank guarantee and insurance policy AT 18-19.

Annex M1: Escomas Access Request Manual TY 19-20

Annex M2: Capacity Request Manual TY 19-20