

**Terms and conditions for electronic auction of the gas storage operator, company MND Energy Storage a.s. (hereinafter the “Storage Operator”), for the reservation of the monthly storage capacity with fixed output and gas lease to be held on 16 March 2023 (hereinafter the “Auction Terms and Conditions”)**

#### **Basic Parameters of Auction Terms and Conditions**

<i>Type of storage capacity reserved:</i>	Monthly storage capacity with fixed output and the gas lease
<i>Date Auction is held:</i>	16 March 2023, 10 a.m. (CET)
<i>Storage period:</i>	22 storage months reserved within the storage period from 1 December 2024, 6 a.m., and ending on 1 October 2026, 6 a.m.
<i>Storage capacity offered:</i>	<b>64 800 MWh</b>
<i>Maximum daily injection output:</i>	<b>2 160 MWh/day</b> (30 days of flat injection)
<i>Maximum daily withdrawal output:</i>	<b>2 160 MWh/day</b> (30 days of flat withdrawal)
<i>Gas Lease:</i>	<b>64 800 MWh</b>

## 1. Opening Unit Price for the Auction

Opening Unit Price for the Auction is set to **555 CZK/MWh**. The Injection Fee for the first cycle is included in the final unit price, and for second and following cycles is stated in the Sample Storage Contract (Annex No. 1 to these Auction Terms and Conditions)

## 2. Auction Date

Auction date has been set for **16 March 2023, at 10:00 a.m. (CET)**. The applicant must register in the information system of the Auction Provider no later than by **16 March 2023, 8:00 a.m.**, to participate in the Auction.

## 3. Progress and Completion of the Auction

Registered participant who provided Financial Security Deposit according to the Section 5 of these Auction Terms and Conditions (hereinafter as "Participant") will be allowed to join the Auction. All the participants will be able to see the opening unit price at the beginning of the auction. Each participant can increase the unit price with their bids by means of a figure with an accuracy of one decimal place expressing the offered total unit price for the service in CZK per MWh and will be able to see the maximum bid. Any new bid cannot equal the current maximum bid. During the Auction there is no limit on the amount of bids inputted by one Participant. Each bid is considered as bid for complete storage service offered in the Auction.

The minimum allowed bid increment is 5 CZK

The maximum allowed bid increment is 10 CZK

Auction will last 20 minutes. The auction will be extended by 5 minutes if any bid changes during last 2 minutes; the same principal applies in last 2 minutes of any extension. The auction will be completed with the selection of the winning bid when the time elapses; the last recorded bid is the winning bid ("Successful Completion").

The auction will be completed without the selection of a winning bid if no bid is submitted in the auction.

The Participant whose bid is selected as winning will be rewarded with a reservation of all of the offered storage capacity with firm outputs and gas lease. The final unit price for storage service will be the last maximum bid and such value will be entered into the Storage Contract.

## 4. Way of Provided Electronic Communications and Alternative Communications

Auction will be organized via the secured Internet interface accessible from <https://aukce.proebiz.com>.

Should Auction Provider's auction system fail, then the Storage Operator shall notify Participants about such situation. During such failure the Auction will remain interrupted, and the Storage Operator will give notice of the resumption of Auction to Participants in the appropriate manner. Auction may continue from the last know value, that Auction Provider managed to record (store) in auction system, or re-started from the beginning again.

In case the electronic communications fail over the course of the Auction on the side of applicant, then the alternative way of communication can be used via email send to [dispatching@mnd-es.cz](mailto:dispatching@mnd-es.cz); with the

following minimum content:

- Applicant's exact identification;
- Auction marking;
- Applicant's bid in the form of a number rounded off one decimal location which expresses total offered unit price for storage service in CZK/MWh;

## 5. Financial Security Deposit

The amount of financial security deposit for participation in the Auction has been set to:

**250 000 CZK or 10 000 EUR**

The applicant may fulfil the duty to provide financial security deposit:

1. **In CZK:** by a wire transfer to the benefit of the account **IBAN: CZ98 0300 0000 0000 1740 2743**, **SWIFT: CEKOCZPP**; provided with a variable number that equals the National ID No. of the company or day, month and year of the birth for physical persons.
2. **In EUR:** by a wire transfer to the benefit of the account **IBAN: CZ28 0100 0000 4382 2770 0227**, **SWIFT: KOMBCZPPXXX**; provided with a variable number that equals the National ID No. of the company or day, month and year of the birth for physical persons.

The financial security deposit must be received by the Storage Operator by **16 March 2023, 8:00 a.m.** In case of irrevocable bank guarantee, the day of receipt is the day at which the original document is received by the Storage Operator. In case of wire transfer, the day of receipt is the day at which the amount is credited to the bank account of the Storage Operator.

## 6. Gas Storage Contract Sample

Sample contract for gas storage is included in Annex No. 1 of these Auction Terms and Conditions, and it will be signed with applicants pursuant to the procedure specified in the Code of the Gas Storage Operator MND Energy Storage a.s. The participants who are successful in reserving storage capacity will be invited to provide proof of meeting financial eligibility criteria pursuant to annex No. 1 of the Code of the Gas Storage Operator MND Energy Storage a.s.

## 7. Additional capacity

The amount of additional storage capacity that can be activated in this auction: 0 GWh

## 8. Duration of Capacity Reservation and Gas Storage Contract

Gas storage contract to reserve monthly storage capacity with fixed output and gas lease will be concluded for the period from 1 December 2024, 6 a.m. and ending on 1 October 2026, 6 a.m.

## 9. Minimal Filling Requirement

This product has Minimal Filling Requirement which is described in Sample Storage Contract (Annex No. 1 to these Auction Terms and Conditions).

## 10. Method of setting a penalty for cancelling the reservation of storage capacity to Participant

Financial security will not be returned to the Participant who has booked storage capacity based on the auction results (hereinafter also as "successful participant") and has not signed the relevant

storage contract within 20 business days of the date of receipt of the contract proposal. The amount of financial security in such a case represents the penalty for cancellation of the reservation of the storage capacity and shall be deemed to have been paid (by way of set-off) on the 21st business day following the date of receipt of the contract proposal to the successful participant.

**11. Time Schedule**

<i>by 16 March 2023, 8:00 a.m.</i>	Financial security deposit to be received
<i>by 16 March 2023, 8:00 p.m.</i>	Applicants to register for participation in the Auction
<i>16 March 2023, from 10:00 a.m.</i>	Beginning of the Auction
<i>Without undue delay after Auction is completed</i>	Successful Participants will receive an electronic confirmation on Auction results, including the value of final unit price
<i>Successful Participant: Within 10 business days from when Participant received electronic confirmation</i>	Storage Provider sends proposal of the gas storage contract
<i>Successful Participant: Within 20 business days after receipt of the storage contract proposal</i>	Participant must accept the proposal by returning the fully signed contract, otherwise capacity booking is cancelled and penalty under point 10 is applicable.
<i>Successful Participant: Within 3 business days from signing of gas storage contract</i>	Storage Provider returns of the financial security deposit, unless agreed otherwise
<i>Unsuccessful Participant: Within 5 business days after Auction is ended</i>	Storage Provider returns the financial security deposit, unless agreed otherwise