

GAS TRANSMISSION CAPACITY FROM ROMANIA TO HUNGARY

**BINDING INCREMENTAL CAPACITY PROCEDURE UNDER
COMMISSION REGULATION (EU) NO. 2017/459**



INCREMENTAL GAS TRANSMISSION CAPACITY FROM ROMANIA TO HUNGARY

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1. Introduction

Transgaz SA (hereinafter referred to as "Transgaz") is a natural gas transmission system operator on the territory of Romania, operating the Romanian section of the Romania-Hungary interconnection. FGSZ Natural Gas Transmission Private Company Limited by Shares ('FGSZ') is a natural gas transmission system operator on the territory of Hungary, operating the Hungarian section of the Romania-Hungary interconnection. FGSZ and Transgaz are conducting a Binding Incremental Capacity Procedure in accordance with European Commission Regulation 2017/459 (CAM NC) to establish firm natural gas transmission capacity at the interconnection point in the following direction:

- Csanádpalota (EIC 21Z000000000236Q), from Romania to Hungary

The capacity levels set out in this Procedure will be offered in separate, interdependent and simultaneous incremental capacity auctions as set out in Article 8(2) of NC CAM. The capacity allocation shall be performed exclusively for the offer level with the highest amount of capacity that had a positive result of the economic test, provided that all the requirements set out in this Procedure are met.

The existing capacity, together with the incremental capacity, will be allocated as annual firm bundled capacity products through incremental capacity auctions at the IP in the direction provided for in the offer at the point of interconnection, starting October 1, 2028, for 11 consecutive years for capacity levels 1 and 2 and starting October 1, 2029 for 10 consecutive years for capacity level 3. All interested Network Users must be aware and agree that all Offers received under this Binding Incremental Capacity Procedure shall be deemed to be a binding request for the capacity booking and as a basis for capacity allocation in accordance with Article 4.7 "Capacity Allocation Concept".

La PI Csanádpalota, TSOs will retain 10% of incremental capacity under the Binding Incremental Capacity Procedure for short-term capacity booking and allocate this capacity on a non-discriminatory basis in accordance with Commission Regulation (EU) No 2017/459.

The Incremental Capacity Procedure reflects the results of the public consultation as carried out in accordance with Article 27 of Commission Regulation (EU) No 2017/459. On the basis of these circumstances, Transgaz formally announces its invitation to participate in the auction related to the Binding Incremental Capacity Procedure.

The Binding Incremental Capacity Allocation Procedure under Commission Regulation (EU) No 2017/459 ("CAM NC") sets out the general rules and conditions that network users have to accept in order to participate and have access to capacity in the binding capacity allocation phase of the Incremental Capacity Allocation Procedure. Transgaz establishes and initiates this Incremental Capacity Allocation

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Procedure on the basis of non-binding demand indications and market demand assessment. Transgaz will end this Incremental Capacity Procedure if the economic test is negative.

2. Definitions

The terms and expressions used in this document have the meanings set out below:

"Offer" means the Bidder's offer of a firm commitment to book capacity in the auction.

" Network User/Capacity Applicant " means a legal entity that is eligible to participate in both Transgaz and FGSZ capacity auctions according to the relevant national regulations.

„Binding incremental capacity procedure" means the Binding Incremental Capacity Procedure under Commission Regulation (EU) No 2017/459 under which Transgaz and FGSZ allocate the Capacity Offered at the IP to successful Network Users/Capacity Applicants on a binding basis.

"Gas day" means a period of 24 hours, starting at 7.00 a.m. EET. On the day of transition to Eastern Daylight-Saving Time, the gas day means a period of 23 hours, and on the day of transition to Eastern Winter Time, the gas day means a period of 25 hours.

"Indicative reserve price (LEI/kWh/h/year)" means the sum of the reference price (the regulated capacity tariff, applicable to available/existing capacity) and the minimum mandatory auction premium (the additional tariff for each offer level) at the IP applicable in the capacity allocation procedure as set out in Article 4.1. The tariffs payable to the TSOs shall be settled in national currencies pursuant to the relevant contracts between the Bidder and the TSOs as annexed hereto.

"Interconnection point" (hereinafter referred to as "IP") means the physical connection between the national gas transmission system of Romania and the national transmission system of Hungary near Csanádpalota near the Romanian-Hungarian state border, where the EIC code of the IP is 21Z000000000236Q.

"Offered Capacity" means the capacity, expressed in energy units, that can be allocated per hour to the IP in the Romania-Hungary direction (IP Csanádpalota, EIC 21Z000000000236Q) under the Incremental Binding Capacity Procedure, starting from the Commercial Operation Target Date. For the avoidance of doubt, the Offered Capacity does not include 10% of the incremental capacity that is dedicated to short-term bookings at IP Csanádpalota (EIC 21Z000000000236Q).

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" **Incremental capacity project (Project)**" means all activities required to be carried out to increase the existing technical capacity of the IP Csanádpalota in accordance with the conditions specified in this Procedure and the Project Proposal. Transgaz shall publish aligned and updated information on the progress of the Project on its website.

"**RBP**" The Regional Booking Platform is a platform solution for natural gas capacity auctions and capacity trading. Network users/capacity applicants and TSOs conduct their trading and Binding Incremental Capacity Procedure transactions in the RBP, which is a web-based client solution accessible to registered network users/capacity applicants.

"**Successful network user/capacity applicant**" means network users/capacity applicants who are allocated capacity in accordance with Article 4.7 of this Regulation.

"**Target date of commercial operation**" for annual standard capacity products is 1 October 2028 for capacity levels 1 and 2 and 1 October 2029 for capacity level 3.

"**Standard annual capacity product**" means a capacity product that may be requested, in a given quantity, by a network user for all Gas Days in a given gas year starting on 1 October of one calendar year and ending on 1 October of the following calendar year.

3. Binding incremental capacity procedure

FGSZ and Transgaz conduct a Binding Incremental Capacity Procedure to determine the binding market interest for the natural gas transmission capacities established by the Incremental Capacity Project at IP. The main objective of the Binding Incremental Capacity Procedure is to assess the binding market interest for natural gas transmission capacity based on the binding offers received from Network Users/Capacity Applicants.

3.1. Information provisions

Transgaz has taken all reasonable steps to ensure that the information relating to the Binding Incremental Capacity Procedure was correct at the time of publication. Transgaz cannot be held liable for any misinterpretation or misuse of the data contained herein and accepts no responsibility for any acts, consequences, losses, etc., arising from the information or from inaccuracies, incompleteness or omissions in the contents of this publication.

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3.2. Binding Incremental Capacity Procedure Overview

Parties shall offer the incremental capacity from Romania to Hungary direction in accordance with Article 29 of Commission Regulation (EU) No. 459/2017 in the annual yearly capacity auction as standard bundled products in ascending clock auctions according to the provisions of Article 8(8) and (9), Article 17 and Article 19 of Commission Regulation (EU) No. 459/2017.

All deadlines shall be deemed to be 23:59 EET of that day unless otherwise indicated.

Milestone	Deadline (dd/mm/yyyy)
Announcement of the Binding Incremental Capacity Procedure	01.05.2024
Network User Registration for Transgaz on RBP	24.06.2024
Provision of the auction security and, where applicable, the submission of the affidavit, drawn up in accordance with the template set out in Annex No 2 to ANRE Order No 130/2020, as subsequently amended and supplemented	25.06.2024 (16:00 EET)
Bid submission starting date: Submission of Bids in RBP according to the Auction calendar	01.07.2024 (10:00 EET)
Publication of the final results of the economic test	within 2 working days of the closing of the auction
In case of a positive economic test, Transgaz sends the confirmation of the allocation result to the Network User/Capacity applicant making a successful bid and the Capacity booking contract concluded under Incremental Capacity Procedure will be entered in writing.	within 10 working days after the closure of the auction
Return of the auction security that did not result in an incremental capacity contract	within 10 working days after the closure of the auction

3.3. Network User registration process

There is no separate registration process associated with this incremental capacity booking procedure, only the standard process for registering Network Users/Capacity Applicants on the RBP (see RBP Operating Rules on the rbp.eu website). As capacities are offered in a bundled incremental capacity allocation process, Network Users are eligible to book annual capacity products in accordance with the rules and regulations in force and in line with the provisions of ANRE Order No 130/2020, as amended. In addition to registration on the RBP, the prerequisite for participation in the auctions is to have concluded the natural gas transmission framework contract for capacity booking at interconnection points, as set out in Annex No 1 to ANRE Order No. 130/2020, as subsequently amended and supplemented, or, if it has not concluded such a contract, to have submitted an affidavit drawn up in

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accordance with the template set out in Annex No 2 to ANRE Order No 130/2020, and to have submitted the auction guarantee by the date and time specified in the timetable set out above (i.e. 25.06.2024, 16:00).

Capacity applicants participating in the auctions on the basis of the affidavit drawn up in accordance with the template set out in Annex No 2 to ANRE Order No 130/2020, will have to go through all the steps set out in the Network Code for the NTS (approved by ANRE Order No 16/2013 as amended) in order to be able to use the capacity allocated in the incremental capacity process (obtaining access to the information platform operated by Transgaz, concluding the balancing and VTP access contract).

3.4. Data protection and privacy

The TSOs acknowledge that any data, information or notification that are prepared and submitted by Applicants and Bidders to the binding Incremental Capacity Procedure shall be considered as confidential. The TSOs declare that such confidential information shall only be used in connection with the evaluation of the binding Incremental Capacity Procedure and shall not be disclosed to any third Party without the prior and written consent of the relevant Applicant / Bidder.

The obligation of non-disclosure shall not apply to information which:

- a) is in the public domain, or – due to a reason other than the act or omission of the receiving party – subsequently becomes publicly known, or
- b) was provably in the possession of the receiving party prior to disclosure by the relevant Applicant/Bidder, or
- c) the receiving party acquired from a third party who is not under a confidentiality obligation vis-à-vis the party concerned by such information, or
- d) is to be made public or disclosed pursuant to the law, stock exchange regulation or authority order, to the extent such disclosure is legally required or
- e) is communicated to the relevant regulatory authorities for the purpose of evaluating the Incremental Capacity Procedure.

The eventual termination of the binding Incremental Capacity Procedure or the Project, for whatever reason, shall not affect the confidentiality obligation, which shall expire 3 years from the date of termination.

4. Allocation of Capacities

According to Regulation (EU) 2017/459:

- incremental capacity is offered together with the corresponding available capacity in the annual capacity auction as standard bundled products in ascending price auctions (Art. 29 para. (1));
- the supplement tariff (mandatory minimum auction premium) is applied to the full volume of capacity offered, consisting of available capacity and incremental capacity (Art. 22(2)(a). (1)), on each offer level, starting in the year of the incremental capacity project.

In IP Csanádpalota, in the direction Romania-Hungary, auctions will be conducted on 4 auction levels:

- level 0, only for the available capacity;
- levels 1, 2, 3, for the available capacity plus the incremental capacity in the three growth scenarios;
- 60 auctions will be generated, 15 auctions for each offer level;
- incremental capacities will be offered on an aggregated basis in the annual capacity auctions to be held through the RBP on 1 July 2024 for 11 consecutive gas years starting 1 October 2028 for Level 1 and 2 capacities and for 10 consecutive gas years starting 1 October 2029 for Level 3 capacities.
- a Network User who wants only existing capacity for which no supplement tariff is applied, regardless of the level in which it is offered, will submit requests for capacity on all 4 offer levels (0, 1, 2, and 3), in order to ensure the allocation of capacity in the level declared the winner; we note that for the first 4 years for levels 1 and 2, and for the first 5 years for level 3, the capacity offer consists only of existing available capacity.
- after completion of the submission of offers by Network Users/Capacity Applicants, the auctions for all 4 levels will enter "approval" mode, during which time Transgaz and FGSZ are conducting the economic tests;
- the results of the level that brings the highest income will be validated, for which the economic test is positive on both sides of the Csanádpalota IP and the others are cancelled. Transgaz will send confirmation of the allocation result to the network user/capacity applicant who submitted a successful offer. The result of the capacity allocation will also be sent by automatic message to the Network Users/Capacity Applicants via the RBP platform.
- if no positive economic test is obtained for any of the offer levels 1, 2 or 3, capacity allocation shall be made for level 0, i.e. available capacity;

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4.1. Capacity products offered, including incremental capacity, and related tariffs on the Romania-Hungary flow direction

Transgaz ⁴				
	Level 0	Level 1	Level 2	Level 3
Yearly Standard Capacity Product on a firm basis	Yes	Yes	Yes	Yes
Number of Offered Gas Years	15	15 (of which 11 years existing capacity together with incremental capacity)	15 (of which 11 years existing capacity together with incremental capacity)	15 (of which 10 years existing capacity together with incremental capacity)
Capacity Type	Firm	Firm	Firm	Firm
First availability for incremental capacity	-	01.10.2028	01.10.2028	01.10.2029
Network Point Name	Csanádpalota	Csanádpalota	Csanádpalota	Csanádpalota
Entry/Exit	Exit	Exit	Exit	Exit
EIC	21Z000000000236Q	21Z000000000236Q	21Z000000000236Q	21Z000000000236Q
Minimum Bookable Capacity Unit (kWh/h/year)	1	1	1	1
Supplement tariff for	-	3.2076 RON/kWh/h/year ³	86.3689 RON/kWh/h/year ³	130.2182 RON/kWh/h/year ³
Capacity tariffs	29.1708 RON/kWh/h/year ^{1,2}	29.1708 RON/kWh/h/year ^{1,2}	29.1708 RON/kWh/h/year ^{1,2}	29.1708 RON/kWh/h/year ^{1,2}
Commodity tariff	0,00163 RON/kWh ^{1,2,5}	0,00163 RON/kWh ^{1,2,5}	0,00163 RON/kWh ^{1,2,5}	0,00163 RON/kWh ^{1,2,5}

Notes on the table:

¹ The tariffs are indicative and the table shows the approved tariffs for the 2023/2024 gas year. The tariffs for each gas year are published by ANRE at least 30 days before the launch of the auction for long-term capacity booking products.

² As the actual tariffs payable (capacity tariffs and commodity tariffs) are variable tariffs, the actual prices payable are always determined on the basis of the actual tariffs in the capacity usage period.

³ The amount is set for the maximum fixed supplement (minimum mandatory premium), which is payable by network users to Transgaz.

⁴ Information on capacity products offered and tariffs on the Hungarian side of the IP is available on the FGSZ website.

⁵ The commodity tariff shall be paid for the quantity of natural gas actually transported at the time the capacity is used.

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4.2. Offer levels – existing capacity and incremental capacity

Offer level 0 (kWh/h/year)

No. of years	Gas year	Available existing capacity offer (kWh/h/year)
1	2024/2025	1.810.213
2	2025/2026	1.915.212
3	2026/2027	2.950.212
4	2027/2028	529.450
5	2028/2029	529.450
6	2029/2030	201.093
7	2030/2031	1.425.333
8	2031/2032	1.425.333
9	2032/2033	2.626.856
10	2033/2034	2.626.856
11	2034/2035	2.626.856
12	2035/2036	2.626.856
13	2036/2037	2.626.856
14	2037/2038	2.626.856
15	2038/2039	2.626.856

Offer level 1 (kWh/h/year)

No. of years	Gas year	Available existing capacity offer (kWh/h/year)	Incremental capacity offer in Scenario 1 (increase by 40.000 Scm/h) (kWh/h/year)	Level of the harmonised offer in the direction RO→HU for existing capacity and incremental capacity - related to Scenario 1 (kWh/h/year)
1	2024/2025	1.810.213		1.810.213
2	2025/2026	1.915.212		1.915.212
3	2026/2027	2.950.212		2.950.212
4	2027/2028	529.450		529.450
5	2028/2029	529.450	394.028	923.478
6	2029/2030	201.093	394.028	595.121
7	2030/2031	1.425.333	394.028	1.819.361
8	2031/2032	1.425.333	394.028	1.819.361
9	2032/2033	2.626.856	394.028	3.020.884
10	2033/2034	2.626.856	394.028	3.020.884

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11	2034/2035	2.626.856	394.028	3.020.884
12	2035/2036	2.626.856	394.028	3.020.884
13	2036/2037	2.626.856	394.028	3.020.884
14	2037/2038	2.626.856	394.028	3.020.884
15	2038/2039	2.626.856	394.028	3.020.884

Offer level 2 (kWh/h/year)

No. of years	Gas year	Available existing capacity offer (kWh/h/year)	Incremental capacity offer in Scenario 2 (increase by 200.000 Scm/h) (kWh/h/year)	Level of the harmonised offer in the direction RO→HU for existing capacity and incremental capacity - related to Scenario 2 (kWh/h/year)
1	2024/2025	1.810.213		1.810.213
2	2025/2026	1.915.212		1.915.212
3	2026/2027	2.950.212		2.950.212
4	2027/2028	529.450		529.450
5	2028/2029	529.450	1.970.142	2.499.592
6	2029/2030	201.093	1.970.142	2.171.235
7	2030/2031	1.425.333	1.970.142	3.395.475
8	2031/2032	1.425.333	1.970.142	3.395.475
9	2032/2033	2.626.856	1.970.142	4.596.998
10	2033/2034	2.626.856	1.970.142	4.596.998
11	2034/2035	2.626.856	1.970.142	4.596.998
12	2035/2036	2.626.856	1.970.142	4.596.998
13	2036/2037	2.626.856	1.970.142	4.596.998
14	2037/2038	2.626.856	1.970.142	4.596.998
15	2038/2039	2.626.856	1.970.142	4.596.998

Offer level 3 (kWh/h/year)

No. of years	Gas year	Available existing capacity offer (kWh/h/year)	Incremental capacity offer in Scenario 3 (increase by 307.000 Scm/h) (kWh/h/year)	Level of the harmonised offer in the direction RO→HU for existing capacity and incremental capacity - related to Scenario 3 (kWh/h/year)
1	2024/2025	1.810.213		1.810.213
2	2025/2026	1.915.212		1.915.212
3	2026/2027	2.950.212		2.950.212
4	2027/2028	529.450		529.450
5	2028/2029	529.450		529.450
6	2029/2030	201.093	3.021.125	3.222.218

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7	2030/2031	1.425.333	3.021.125	4.446.458
8	2031/2032	1.425.333	3.021.125	4.446.458
9	2032/2033	2.626.856	3.021.125	5.647.981
10	2033/2034	2.626.856	3.021.125	5.647.981
11	2034/2035	2.626.856	3.021.125	5.647.981
12	2035/2036	2.626.856	3.021.125	5.647.981
13	2036/2037	2.626.856	3.021.125	5.647.981
14	2037/2038	2.626.856	3.021.125	5.647.981
15	2038/2039	2.626.856	3.021.125	5.647.981

4.3. Bid submission in Incremental Capacity Auction

Network Users/Capacity applicants shall submit their Bid or Bids in the Incremental Capacity Auction in RBP, according to CAM NC Article 29. Network Users/Capacity applicants shall submit the Bid or Bids on the Regional Booking Platform by authorized person(s) within their organization.

By submitting the Bid or Bids, the Network User/Capacity applicant acknowledges, agrees to and accepts the Project proposal for incremental capacity approved by ANRE Decision No. 853/10.05.2024, the contractual terms and conditions of Transgaz as well as the Operational Rules of the Regional Booking Platform.

All Bids submitted by the Network Users/Capacity applicants are legally binding requests for capacity booking in case of a positive economic test. The allocation result by RBP, as a document for the Auction Result Confirmation, is part of the contract concluded by bidder with Transgaz, according to ANRE Order 130/2020. The allocation of capacities shall be subject and limited to the predefined conditionality as stipulated in point 4.4 of this Procedure.

4.4. Determination of Economic Viability

This section provides information on what is the required aggregated level of capacity booking for the Project to be deemed successful for Transgaz.

Base year – 2028 for capacity level 1 and level 2, and 2029 for capacity level 3

Condition of a positive economic test: $PV_{UC} \geq f * PV_{AR}$

- PV_{UC} - present value of the network users'/capacity applicants' binding bids for capacity booking
- PV_{AR} - present value of the transmission system operator's allowed or determined increase in allowed revenue, as a result of the incremental capacity

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- **f** – f-factor

This means that the economic test of a transmission system operator is positive in case the present value of the network users' binding bids equals or exceeds the projected increase of the allowed revenue of the transmission system operator as a result of the incremental capacity project, multiplied by the f factor.

Economic tests are based on allocation results as per point 4.4, which have only limited availability, depending on the predetermined conditions of point 4.5. The Project may only be initiated if the economic test has a positive result on both sides of the Interconnection Point (IP), for both transmission system operators. If the economic test has a positive result on multiple Offer Levels, than the project belonging to the Offer Level with the highest, but still positive economic test, shall be implemented. In case there is no positive result on either Offer Levels 1, 2 or 3, the Incremental Capacity Procedure shall be closed, without a capacity allocation.

4.5. Economic Test of the Incremental Capacity Process in case of Transgaz

The parameters of the economic test of the incremental capacity process at the Csanádpalota IP are the following:

Offer level 1.

$PV_{UC(VZ\ 2028)} \geq 168.70$ million RON

$PV_{AR(VZ\ 2028)} = 198.47$ million RON (allowed revenue)

f (factor) = 0.85

This means that the economic test of the Csanádpalota IP will be positive in case the value of the network users'/capacity applicants' binding bids equals or exceeds 168.70 million RON. Based on Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas (TAR NC), reference prices shall equal the relevant tariffs in force.

Offer level 2.

$PV_{UC(VZ\ 2028)} \geq 3,650.12$ million RON

$PV_{AR(VZ\ 2028)} = 4,294.26$ million RON (allowed revenue)

f (factor) = 0.85

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This means that the economic test of the Csanádpalota IP will be positive in case the value of the network users'/capacity applicants' binding bids equals or exceeds 3,650.12 million RON. In line with TAR NC, reference prices shall equal the relevant tariffs in force.

Offer level 3.

$PV_{UC(VZ\ 2029)} \geq 6,231.49$ million RON

$PV_{AR(VZ\ 2029)} = 7,331.16$ million RON (allowed revenue)

f (factor) = 0.85

This means that the economic test of the Csanádpalota IP will be positive in case the value of the network users'/capacity applicants' binding bids equals or exceeds 6,231.49 million RON. In line with TAR NC, reference prices shall equal the relevant tariffs in force.

4.6. Disclosure of the results of the Economic Test

Following the Economic Test, Transgaz will inform Network Users/Capacity Applicants about the individual and aggregated capacity allocation results, in one working day. Transgaz will accept the successful Bids related to the Offer Level with the highest result following the positive economic test. Following the Economic Test, the transmission system operators will publish the aggregated allocation results on their websites. At the same time, it will be mentioned whether the Incremental Capacity Process closed successfully or not. If the Incremental Capacity Process is successful, meaning that the result of the Economic Test, at least at one of the Levels 1, 2 or 3, is positive on both sides of the IP, the transmission system operator will publish on its website the capacity to be allocated at the IP, the adjoining transmission system operator, the years covered by capacity booking, the flow direction, the adjoining conditionality criteria (such as the value of the mandatory minimum premium related to the winning level), and the successful closure of the Incremental Capacity Process.

4.7 Capacity allocation concept and confirmation of the transmission system operator

Depending on the submitted Bids, the transmission system operators will carry out the Economic Test in line with point 4.4. The incremental capacity auction results in the RBP are contingent on the assessment of the economic test and shall be deemed as preliminary results.

In case of Transgaz, the allocation results (document confirming the auction result) sent by RBP generate a binding contract only upon the condition that the Economic Test yields positive results on both sides of the IP, at least for one of the 3 Offer Levels containing incremental capacity as well, as far as the

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capacity applicants having submitted the statement prepared according to annex no. 2 to ANRE Order no. 130/2020 are concerned, a written contract will be prepared subsequently with the application of the contract template provided for in this Order.

The contract shall be deemed as a valid written contract if – either as a digital document signed electronically or as a paper-based document – it has been properly (as a company) signed by both sides through their authorized representatives. Through the registration for the Incremental Capacity Auction, Network Users accept that – in case of a positive Economic Test – their valid Bids submitted during the auction generate a binding contract in line with the auction confirmation, which brings about rights and obligations according to ANRE Order no. 130/2020, even in case – for whatever reason – the signature of the template contract of ANRE Order no. 130/2020 does not take place subsequently.

In case the economic viability of the project is not corroborated by the results of the Economic Test (the capacity bookings do not reach the success criteria for either bidding round), or, in other words, the Economic Test has a negative result on either side of the IP, then no capacity booking contract will be generated, Transgaz closes the Incremental Capacity Procedure and does not implement the project. Transgaz will not pay compensation for Network Users/Capacity applicants submitting Bids during the incremental capacity auction.

Transgaz will publish information on the results of the Economic Test on its website and the conclusion of the written contracts will take place in ten working days following the closure of the auction.

5. Financial Securities applicable for Transgaz

5.1 Auction Security

The Network User/capacity applicant shall submit the Financial Security in the form of an auction security as detailed herein by not later than 04.00 p.m., Romanian time (EET) on 25.06.2024 in order to be entitled to take part in the auction.

For the annual standard capacity product, the level of the participation financial security is equal to the average monthly value of the requested capacity and is assessed, on its own responsibility, by the Network User/Capacity Applicant, based on its estimates of the auction clearing price to be assumed by the latter. The annual contract value is determined based on the tariffs applicable at the time of the auction and the respective minimum supplement. The auction participation security that did not lead to the conclusion of an incremental capacity booking contract is returned within 10 working days from the end of the respective auction.

6. Other provisions

Transgaz reserves the right to request Network Users/Capacity Applicants to submit additional documents if necessary.

7. Notifications

Unless expressly stated otherwise in this document, notices and other communications under this document shall be sent by email, duly signed electronically, to the email address below. All notifications shall be sent in Romanian or English. The relevant contact information for Transgaz:

FGSZ Natural Gas Transmission Private Company Limited by Shares

e-mail: cabinet@transgaz.ro; demand.assessment@transgaz.ro

8. Annexes

1. Incremental capacity project proposal at the Romanian – Hungarian border between TRANSGAZ and FGSZ
2. The general Terms and Conditions for TRANSGAZ are provided for in ANRE Order no. 130/2020 as amended
3. The gas transmission contract for incremental capacity at IP Csanadapalota (TRANSGAZ) is the framework transmission contract provided for in the annex to ANRE Order no. 130/2020 as amended