

## EnergyStock Auction Procedure – Spring 2016 Auction

### 1. Introduction

EnergyStock B.V. is organising the “Spring 2016 Auction” for the storage year 1 April 2016 up to and including 31 March 2017. This document describes the procedure for the auction.

With this “Spring 2016 Auction” EnergyStock B.V will auction a Volatility Trading Service with delivery point TTF. This fast-cycle trading service has been developed to capture intrinsic value and spot volatility value. This service has a Start Date of 1 April 2016 and an End Date of 31 March 2017.

The auction is scheduled for Tuesday 15 March 2016 from 10:00h LET to 13:30h LET.

This EnergyStock B.V. Auction Procedure describes the procedure that will be applied by EnergyStock B.V. for this specific service. In this document the terms used for *Contracted Working Volume* will be abbreviated to *CWV*, *Contracted Send In Capacity* to  $C_{in}$  and *Contracted Send Out Capacity* to  $C_{out}$ .

The terms and conditions of the *GTC TTF 2015 (GTC TTF)* will be applicable. If a *TTF Customer* wishes to take part in this “Spring 2016 Auction”, the *GTC TTF* will take precedence over this Auction Procedure where there is any conflict. The terms in *Italic* in this Auction Procedure are defined in the *GTC TTF* and have the same meaning as described therein, or are defined in this Auction Procedure. A service arising from this Spring 2016 Auction document will be governed by the *GTC TTF*.

### 2. The Service

The characteristics of the service are:

- A total of **105,000 MWh CWV**, **135 MWh/h  $C_{in}$**  and **270 MWh/h  $C_{out}$**  from the *Start Date* until the *End Date*, divided in 3 equal tranches. This means that a tranche contains **35,000 MWh CWV**, **45 MWh/h  $C_{in}$**  and **90 MWh/h  $C_{out}$**
  - No *Gas* in place at the *Start Date* and at the *End Date*.
  - The point of delivery is TTF.
  - Only flat *Nominations* for a *Gas Day* are permitted. This means that all hours for a *Gas Day* require equal *Nominations*.
  - Only 1 within day *Renomination* per *Gas Day* is allowed.
  - Minimum lead time for a (*Re*)*nomination*: 2 hours 20 minutes (140 minutes) prior to the delivery Hour H.
  - A variable fee is not applicable; energy costs and transport costs to and from the GTS (Gasunie Transport Services) network will not be charged.
  - A withdrawal curve related to the  $C_{out}$  is not applicable. The daily volume that can be withdrawn each *Gas Day* is 24 hours times the contracted  $C_{out}$ .
  - An injection curve related to the  $C_{in}$  is not applicable. The daily volume that can be injected each *Gas Day* is 24 Hours times the contracted  $C_{in}$ .
  - Planned maintenance is scheduled for:
    - Monday 13 June 2016 starting at 06:00h LET until Saturday 18 June 2016 06:00h LET.
    - Monday 5 September 2016 starting at 06:00h LET until Saturday 10 September 2016 06:00h LET.
- During the maintenance period, there will be no service available.
- The *Start Date* is 1 April 2016 06:00h LET; the *End Date* is 1 April 2017 05:59h LET.

- A reserve price is applicable: this is the lowest price for which *EnergyStock B.V.* is willing to sell this service. *EnergyStock B.V.* is not obliged to accept bids below the reserve price. The reserve price for this service in Euro per MWh CWV will be announced on Monday 14 March 2016 before 12:00h LET.
- Bids can only be submitted per tranche, in Euro per MWh CWV (2 decimal places).

The auction and allocation of the service is subject to the availability of GTS Entry-/Exit capacity. If, during or after the auction it becomes clear that no (or insufficient) GTS Entry Capacity and/or Exit Capacity is available, *EnergyStock B.V.* shall not in any way be liable for any losses incurred by a *TTF Customer* as a consequence thereof. In such a case, a *TTF Customer* derives no rights from participating in the auction.

*EnergyStock B.V.* is expecting to have the availability of GTS Entry Capacity and Exit Capacity confirmed before 15 March 2016 13:30h LET

### 3. Participation

1. The *EnergyStock B.V. GTC TTF* apply to the "Spring 2016 Auction". Participation in this auction is limited to parties who have accepted the *GTC TTF*. Acceptance can be done by completing, signing and returning the *Declaration of Acceptance TTF (DoA TTF)*. Registration for this auction implies the acceptance of the *DoA TTF*. The applicable *Declaration of Acceptance TTF (DoA TTF)*, *GTC TTF* and Exhibits are published on the *EnergyStock B.V.* website: <https://www.energystock.com/about-energystock/general-terms-and-conditions>.
2. In addition to the acceptance of the *GTC TTF* parties that wish to participate in the auction will need to submit the required information for the creditworthiness check to *EnergyStock B.V.* (see Exhibit B Credit Control Protocol) and possibly supply additional financial securities.
3. All parties interested in participating in the auction will need to submit the name, telephone number and email address of the person who is authorised to submit the bids.

The request to participate in this auction, including all information mentioned above must be submitted to [info@energystock.com](mailto:info@energystock.com) by Wednesday 9 March 2016 14:00h LET. *EnergyStock B.V.* cannot guarantee that a request to participate in this auction that is received after this time will be accepted.

### 4. Terms and Conditions

The *TTF Customer* accepts that a bid submitted in relation to these services is binding, which means that when the bid is awarded to a *TTF Customer*, the *TTF Customer* automatically enters into an agreement with *EnergyStock B.V.* with regards to the service that has been awarded. Such an agreement shall be formalised in a contract data sheet.

## 5. Auction process

The auction is divided into three tranches on which bids can be submitted. Bidding can be done in two rounds. *EnergyStock B.V.* uses an automated bidding platform (Ariba) provided by Accenture. *EnergyStock B.V.* will supply login details and instructions to *TTF Customers* who have registered at *EnergyStock B.V.* to participate in this auction. Accenture will contact *TTF Customers* to ensure that the auction procedure is clear and the timelines are understood.

The following procedure will be applied in the auction:

### 1<sup>st</sup> Round:

1. *TTF Customers* submit their bids via the online auction platform.
2. A *TTF Customer* can submit only one bid per tranche. A bid is a “price” for the tranche. In total there are **three** tranches. So the *TTF Customer* enters:
  - The **price in Euro per MWh CWV** for one tranche.
  - The offered price must be a positive figure in Euro \*\*.\*\* [2 decimal places].
3. *EnergyStock B.V.* will collect all bids for all tranches and will place the bids in order: the highest price will be ranked 1<sup>st</sup>, the 2<sup>nd</sup> highest price will be ranked 2<sup>nd</sup>, etc.
4. *EnergyStock B.V.* will then determine the End-of-Round 1 price (*EoR1-price*). The *EoR1-price* is:
  - if the cumulative number of bids over all three tranches equals or exceeds the total number of tranches ( i.e. 3) then, after ranking from the highest bid downwards, the *EoR1-price* is the third ranked bid.
  - if the cumulative number of bids over all three tranches is less than the total number of tranches ( i.e. 3), *EoR1-price* is the reserve price.
5. After round 1, *TTF Customers* will only be invited to participate in the 2<sup>nd</sup> round if they have submitted a bid in the 1<sup>st</sup> round. *TTF Customers* will be informed of:
  - *EoR1-price*.
  - Total amount of tranches that have been requested.

### 2<sup>nd</sup> Round:

6. A *TTF Customer* can only submit a number of bids that is equal to the number of bids the *TTF Customer* submitted in round 1.
7. A bid for a tranche submitted in round 1 will become the “initial bid” for the same tranche in round 2.
8. *TTF Customers* will be able to alter their bid in round 2. The bid in round 2 can only be adjusted in an upward direction. Submitting a lower bid than placed in round 1 or a withdrawal of the bid is not possible. So, if no revision of the bid takes place, the bid in round 1 will automatically be the “final bid” in round 2. The “final bid” will be a binding bid on which the allocation rules will apply.

### Allocation rules of tranches:

9. *EnergyStock B.V.* will rank all the bids for all tranches, based on price offered. The highest price offered will be ranked first, the 2<sup>nd</sup> highest price offered will be ranked 2<sup>nd</sup>, etc.
10. *EnergyStock B.V.* operates a reserve price, which means that it is possible that not all tranches will be allocated. Bids lower than the reserve price will not be accepted.
11. Awarding of tranche(s) will be done on “Pay as Bid” basis: *TTF Customers* that are awarded tranche(s) will pay according to their “final bid” in the auction.
12. *EnergyStock B.V.* will allocate the tranches to the *TTF Customer* (or *TTF Customers*) that has (have) the 3 highest “final bids” in the last round.
13. *EnergyStock B.V.* will inform each *TTF Customer* by email of the results of their bids.

Ex Equo: If there are two or more *TTF Customers* offering the same price and the combined number of tranches requested by these *TTF Customers* exceeds the number of tranches that are still available, allocation will be done based on the highest bid in the first round. If these are the same allocation will be done based on the earliest timestamp of the “initial bid” in round 1.

## 6. Auction timetable

The timetable for the auction is as follows:

- The auction will take place on Tuesday 15 March 2016. The following windows will apply:

#	Action	Action By	Due time (LET)
1	Submit bid round 1	<i>TTF Customer</i>	Between 15 March 2016 10:00h LET and 15 March 2016 11:00h LET
2	Collection of bids and feedback of round 1 results	<i>EnergyStock B.V.</i>	Between 15 March 2016 11:00h LET and 15 March 2016 12:00h LET
3	Submit bid round 2	<i>TTF Customer</i>	Between 15 March 2016 12:00h LET and 15 March 2016 12:30h LET
4	Collection of bids and feedback of final results	<i>EnergyStock B.V.</i>	Between 15 March 2016 12:30h LET and 15 March 2016 13:30h LET
5	Make necessary arrangements	<i>EnergyStock B.V. and TTF Customers awarded tranche(s)</i>	Before 31 March 2016

Table 2: Schedule of the auction process

- *EnergyStock B.V.* reserves the right to make the average price public.
- Questions related to the auction process can only be raised via an email to [info@energystock.com](mailto:info@energystock.com). *TTF Customers* must not approach *EnergyStock B.V.* staff directly in any other way about this auction procedure on penalty of exclusion from the auction.
- A *TTF Customer* may only contact Accenture (our platform provider) if the *TTF Customer* experiences technical difficulties in the use of the auction platform . The Accenture contact details will be in the Ariba auction invitation.

## 7. Other services and further information

If you wish further information about other services we provide, please contact our Front Office/Back Office via [info@energystock.com](mailto:info@energystock.com)

## 8. Disclaimer

*EnergyStock B.V.* has taken all reasonable steps to ensure that all of the information in this document was correct at the time of publication. Any possible error or omission in this procedure should be addressed as quickly as possible to *EnergyStock B.V.* Front Office/Back Office via [info@energystock.com](mailto:info@energystock.com). *EnergyStock B.V.* accepts no liability whatsoever for losses of any kind arising out of possible errors or omissions in this procedure nor can *EnergyStock B.V.* be held liable for losses arising out of the use of this information. *EnergyStock B.V.* reserves the right to alter, amend, remove and update the contents of this procedure at any time. The *GTC TTF* apply to this Auction Procedure, or supersedes this Auction Procedure in case of any conflict.