

## CHAPTER II

# TERMINAL SPECIFICATIONS, ACCESS PROCEDURES AND SCHEDULING

## II.1 DESCRIPTION OF THE PLANT AND SYSTEMS

### II.1.1 Terminal specifications

The Terminal through which the Operating Company provides the Service shall have the following specifications:

(a) the ability to receive, berth, and Unload LNG Tankers having the following specifications:

(i) LNG Tanker specifications:

Minimum Capacity:	65,000 cubic metres
Dead-weight:	Maximum 148,000 metric tons
Displacement:	Maximum 170,000 metric tons
Overall length:	Maximum 320 meter
Beam:	Maximum 50 meter
Arrival draft:	Maximum 13.0 meter
Rate of discharge:	12,000 cubic metres per hour against an LNG head of 80 metres at the Delivery Point

(ii) berthing facilities that comply with SIGTTO and OCIMF guidelines (as amended from time to time) at which the LNG Tankers can, when permitted by Maritime Regulations, safely reach, fully laden, and safely depart, and at which the LNG Tankers can lie safely berthed and discharge safely afloat, unless prevented from doing so by bad weather and/or sea conditions. The indication of the berthing facilities for LNG Tankers is given in Annex (n);

(iii) Unloading facilities (including three (3) unloading arms) capable of receiving LNG at a rate of about twelve thousand cubic metres (12,000 m<sup>3</sup>) per hour;

(iv) vapour return facilities (including one (1) vapour return arm) of sufficient capacity to transfer to an LNG Tanker quantities of regasified LNG, necessary for the safe Unloading of LNG at such rates, pressures and temperatures as may be required by the design of the LNG Tanker and good operating practice;

(v) facilities for liquid or gaseous nitrogen adequate to purge the unloading arms;

(b) LNG storage tanks having an aggregate working capacity of at least two hundred fifty thousand cubic metres (250,000 m<sup>3</sup>);

(c) LNG regasification facilities as follows;

i. LNG pressurization units: LNG is pumped from the storage tanks using in-tank pumps which feeds the high pressure (HP) send-out pumps. Boil-off gas from the storage

tanks is compressed and recondensed in the boil-off gas handling system. The condensed liquid will also be fed to the HP send-out pumps. There are 4 (four) in-tank pumps, and 5 (five) HP send-out pumps are installed. Four of the HP pumps will be required under normal operating conditions, while the fifth HP pump will provide spare or capacity for peak send-out;

- ii. LNG vaporization units: The LNG vaporization system vaporizes the discharged LNG from the high pressure send-out pumps and the resulting gas will flow to the natural gas send-out pipeline. The system includes 4 (four) Open Rack Vaporizers (ORVs) and one Waste Heat Recovery (WHR) LNG vaporizer. Three ORVs and one WHR LNG vaporizer are needed to operate in normal operating conditions. The fourth ORV is a spare during maintenance of one of the other vaporizers or to satisfy short-term peak requirements
  - iii. Boil-off gas (BOG) Handling: BOG from the storage tanks together with flash vapor and displaced vapor during a ship unloading operation will be collected in a vapor balance header. Most of the displaced vapor will be sent back to carrier tanks during unloading operation. All the gas from the LNG storage tanks, less the vapor sent back to the LNG Tanker during unloading, will be compressed by two BOG compressors and recondensed in the recondenser.
- (d) appropriate systems for: facsimile, telephone and radio communications with LNG Tankers and, emergency shut downs, in accordance with the SIGTTO recommendations and guidelines (as may from time to time be amended) for linked ship/shore emergency shut down;
  - (e) required utility systems, including 3 (three) gas turbine electric power generators for the operation of the Terminal;
  - (f) control and safety systems for the operation of the Terminal, control and safety systems of the Terminal are composed of two subsystems:
    - Distributed Control System (DCS) whose functions are collecting, processing and adjusting process parameters and the supervision of the Terminal;
    - Instrumental Security System (SIS), whose function is to implement a default auto safety in case of emergency;
  - (g) a thirty inch (30") diameter gas pipeline comprised of an underwater section to the beach landfall and a subsequent onshore section that connects the offshore plant to the Cavarzere Entry Point;
  - (h) a metering station for the Gas, immediately upstream of the Cavarzere Entry Point;
  - (i) the quantity of Gas and/or LNG required to make the Terminal operational; and
  - (j) an Electronic Communication System built and implemented by the Operating Company in a manner designed to fulfil the requirements of this Regasification Code.

The Operating Company will not, as part of the Service, provide or procure the provision of tugs, pilots, escort or watch vessels, ballast, bunkering, mooring, line handling or payment of light dues that may be required by any User or LNG Tanker. The Operating Company may, if so requested by the Users, provide or procure the provision of maritime services as separate services

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to the Users and/or the LNG Tankers in order to allow the LNG Tankers to reach, lie at, and depart from the berthing facilities of the Terminal. The terms and conditions for the provision of such services and how to apply are posted on the Electronic Communication System and addressed separately on the basis of a standard contract, ensuring transparent and non-discriminatory and equal treatment for Users.

The Operating Company will provide and maintain the required quantity of Gas and/or LNG specified in clause II.1.1 (j) of chapter II without any liability to Users.

## **II.2 CAPACITY**

### **II.2.1 Calculation of the Terminal Capacity**

The Terminal Capacity is determined by considering the technical and operational limits of the Terminal, as established by the Operating Company, taking into account the number and duration of Unloading Slots, Storage capacity, send-out capacity, and the available Gas pipeline capacity at the Cavarzere Entry Point.

The Terminal Capacity, authorized by the Competent Authorities, is published by the Operating Company on the Electronic Communication System. This Capacity is the capacity under normal operating conditions and without considering the operational constraints and the limitations imposed by infrastructure it is connected.

In order to achieve this nominal Capacity the Operating Company has a peak capacity that, within the constraints of security and reliability, is the capacity that the Terminal can be reached by using all available equipment (including redundant equipment) within the constraints and operating restrictions imposed by the infrastructure it is connected.

To assess the Terminal Capacity the following values must be considered:

- a. unloading capacity: the unloading capacity within a reference period (e.g.: Thermal Year) of operations at the Terminal is defined taking into account :
  - i maximum number of Unloading Slots
  - ii amount of LNG unloaded by the LNG Tankers in each of the Unloading Slots, also taking into account the quality of the LNG
  
- b. send out capacity: the send out capacity depends, amongst other things on,
  - i the maintenance plan
  - ii the availability of back-up equipment
  - iii the availability of each equipment
  - iv the Terminal Use and Loss Gas
  - v any constraints imposed by the infrastructure that is connected to the Terminal or by the marine conditions
  - vi the LNG quality, as, for example, the pressurization unit capacity depends on the density of the LNG unloaded.

Due to the special technical aspects of the Terminal, the Terminal Capacity will be determined in line with the following articles

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### 2.1.1 Terminal Capacity

The Terminal Capacity must be determined by the Operating Company no later than the 1st of June of each Thermal Year, or within the following Business Day if the 1st (first) of June is not a Business Day, and shall be published on the Electronic Communication System no later than the Business Day after its determination.

### II.2.2 **Spot Capacity**

Once the Operating Company determines that there is Spot Capacity available, i.e. that the following conditions are met:

- (a) the Terminal berth is available to secure berthing of an LNG Tanker for a minimum period defined by the Operating Company;
- (b) there is sufficient available capacity in the storage tanks of the Terminal to Unload the quantities of LNG which are the object of the Spot Capacity;
- (c) the Unloading of such Spot Capacity will not cause any interferences and/or delays or otherwise affect the Unloading of the other LNG Tankers that are scheduled for Unloading on the basis of the Three (3) Month Schedule of any relevant User, unless the relevant Parties agree to an amendment to such Three Month Schedule(s) pursuant to clause II.3.5 of chapter II and
- (d) there is sufficient conferrable transportation capacity downstream of the Terminal to inject the Gas resulting from the LNG which is the object of the Spot Capacity on behalf of the User,

it shall promptly publish such Spot Capacity on the Electronic Communication System.

### II.2.3 **Posting of Terminal Capacity**

The Operating Company shall promptly publish to, and at all times maintain on, the Electronic Communication System, an accurate status of the Terminal Capacity. The information to be published pursuant to this clause III.2.3 shall include:

- (a) the Terminal Capacity;
- (b) Foundation Capacity, subdivided into Foundation Capacity that is available for subscription (comprised of Unsubscribed Foundation Capacity plus Released Foundation Capacity) and Foundation Capacity that is not available for subscription (comprised of Subscribed Foundation Capacity less Released Foundation Capacity);
- (c) Non-Foundation Capacity, subdivided into Available Capacity and Non-Foundation Capacity that is not available for subscription;
- (d) in respect of Foundation Capacity that is available for subscription and Available Capacity, the number of available Unloading Slots in each Month and, if known, the timing of such Unloading Slots;
- (e) the Infra-Annual Capacity available for subscription, that will be published by the Operating Company on the Electronic Communication pursuant to this article II.2.3 in

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accordance with the calendar of the Infra-Annual Subscription Procedure, including the following information:

- (i) the commencement date and duration of the relevant Unloading Slot, related to the Available Capacity in the three Months following publication, and the subscription Month, if available, related to the Capacity Available in the following Months;
  - (ii) the Scheduled Arrival Range, if available;
  - (iii) the maximum volume of LNG which can be Unloaded during the relevant Unloading Slot. In order to maximize the use of the Available Capacity, taking into account the operating conditions of the Terminal:
    - a. the Operating Company, may declare the possibility of berthing, unloading and unmooring a LNG Carrier during periods of time shorter than the maximum thresholds of the respective Unloading Slots defined in art. 1.1 Chapter I; and
    - b. in the processes of allocation for the Available Capacity, the User may, but will not be obliged to, declare his commitment to use only part of the duration of the Unloading Slot of the requested Capacity.
  - (iv) the due date and time for submission of Access Requests for the Infra-Annual Capacity, which shall take into account the timing for the allocation of the necessary transportation capacity by the Transportation Company;
  - (v) the latest date by which any such Access Request shall be Accepted; and
  - (vi) The calendar of the auction Procedure for the subscription of the Infra-Annual Capacity, pursuant to article 2.4.2 b) α) of Chapter II with the detail of the timing and any variation; and
- (f) Available Capacity for which there is an Access Request pending, specifying the Unloading Slots requested and, if known, the timing of such Unloading Slots.

The indicative Redelivery Period and the indicative Redelivery Programme of the Infra-Annual Capacity published for the subscription will be provided upon written request to be sent to the contacts published on the Electronic Communication System.

## **II.2.4 Subscription of the Terminal Capacity**

The Unsubscribed Capacity will be made available for subscription in accordance with this clause II.2.4.

### **2.4.1 Subscription of Unsubscribed Foundation Capacity and Released Foundation Capacity**

- (a) Operating Company may allocate Unsubscribed Foundation Capacity and/or Released Foundation Capacity to one or more Users "**Foundation Capacity User(s)**" (by entering into agreement(s) "**Foundation Capacity Agreement(s)**" with such User(s) with respect to such Foundation Capacity).
- (b) No later than one (1) Business Day after entering into a Foundation Capacity Agreement,

the Operating Company shall update its Electronic Communication System accordingly.

#### 2.4.2 Subscription of Available Capacity

Any person meeting the requirements of the Regasification Code may become an Applicant for Available Capacity for the Continuous or Spot Regasification Service by submitting an Access Request to the Operating Company in accordance with the Annual Subscription Process or the Infra-Annual Subscription Process, as set forth herein.

(a) Annual Subscription Process: Available Capacity both for the next Thermal Year (“TY + 1”) and the following Thermal Years will be awarded through “pay as bid” auctions to the Applicants in accordance with the following process (“**Annual Subscription Process**”):

(i) At least once every Thermal Year and in any case within:

- a. the beginning of the next Thermal Year (TY+1), for the start of the first Annual Subscription Procedure following the compliance clearance by ARERA of the implementation of the Resolution n. 576/2020/R/gas. Considering the timing for carrying out the Annual Subscription Procedure, the Operator may only allocate part of the Available Capacity TY+1 and shall propose all the Available Capacity of the Thermal Years following TY+1. The Available Capacity of TY+1 not offered in the Annual Subscription Procedure will be offered in the Infra-annual Subscription Procedure;
- b. the first (1st) of June, or the following Business Day if the 1st (first) of June is not a Business Day, for following Annual Subscription Procedures.

The Operating Company shall reclassify all Unsubscribed Foundation Capacity and all Released Foundation Capacity for the immediately following Thermal Year as Unsubscribed Non-Foundation Capacity and Released Non-Foundation Capacity, respectively. On such date the Operating Company shall update the Electronic Communication System to publish accordingly the revised Available Capacity, packaged in the form of products (if any), i.e. bundles of several Unloading Slots. Products may start at any time in the 25 (twenty five) year allocation period.

- (ii) together with the publication of the Available Capacity pursuant to point (i) of this article, the Operating Company may, but is not obliged to, publish an investment proposal to increase the Available Capacity subject to financial conditions and the necessary permits pursuant to the Regulations (“Incremental Capacity”). The Incremental Capacity once available becomes Regulated Capacity.
- (iii) Together with the publication of the Available Capacity pursuant to point (i) of this article, the Operating Company shall publish the Implementing Auction Rules for Annual Capacity allocation according to “*pay as bid*” auctions in accordance with subsequent provisions.
- (iv) The allocation process is divided into two phases:

- a. A non-binding phase of a maximum duration up to 3 (three) Months for the verification of the suitability of the Interested Operators according to the criteria set out in the Regasification Code and the Applicable Regulations ("Accreditation Period"), and provision of additional information by the Operating Company related to Available Capacity i.e. the products. Interested Operators shall sign and submit to the Operating Company the Declaration of Interest including a confidentiality agreement;
- b. A binding phase of a maximum duration up to 2 (two) Months starting from the end of the Accreditation Period during which the accredited Interested Operators i.e. those operators complying with the conditions set out in the Rigasification Code, may, but are not obliged to, submit Access Requests.
- c. The Access Request shall include:
  - a price in €/mcl for one or more products. The proposed price may be single and constant over the entire duration of the product(s) requested or it may be modulated and divided into time frames up to and not shorter than a quarter over the overall duration of the product (s) requested.
  - The total net present value of the Access Request in EUR.
- d. Interested Operators are not entitled to modify any duration and volumes of the products, if offered, except for the last 5 (five) years: the Interested Operators can submit Access Requests for a period shorter than the duration of the products only and exclusively for a maximum of 5 (five) years starting from the end of the maximum allocation period set at 25 (twenty-five) years pursuant to the decree of 8 July 2020. In that case, for the purposes of economic valorisation pursuant to point (v) below, and in case of at least one another Access Requests competing for the same Available Capacity and of longer duration, the part of the product (s) not covered by the Access Request will be valued at a price equal to the reserve price multiplied by a uncertainty coefficient between 0 (zero) and 0.5 (zero point five) included.
- e. If the Operating Company does not offer products, the Access Request must indicate a volume for a period of time within the maximum limit of the available Capacity and the maximum allocation period set at 25 (twenty-five) years pursuant to the decree of 8 July 2020.
- f. The Operating Company may, but is not obliged to, carry out several subsequent sessions until the end of the binding phase in which the Interested Operators who participated in the previous sessions will be allowed to formulate new Access Requests. The Access Requests are binding and irrevocable until the end of the binding phase or, if before, upon notification of the notification of the conclusion of the auction by the Operating Company to the Interested Operators who submitted an Access Request;
- g. The reserve price for each of the products and combination of products or the minimum value of the Capacity Agreement (which may include one or more products) as well as the coefficient of uncertainty pursuant to point d) iv above, or if the Operating Company does not propose products for the Available Capacity, the reserve price in EUR/m<sup>3</sup> of LNG, defined

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in accordance with Article 7 of the TIRG, will be delivered to a public Notary before the start of the binding phase.

- (v) Available Capacity will be allocated, on a priority basis to the Access Request higher than or equal to the minimum value of the contract or reserve price as the case may be and:
- in the event that there are only 2 (two) Access Requests for all or part of the same Available Capacity and - if any - the Incremental Capacity: to the Access Request with the highest overall economic value relative to the entire Available Capacity and the potential Incremental Capacity offered pursuant to points (i) and (ii);
  - in the event that more than 2 (two) Access Requests are submitted for all or part of the same Available Capacity and - if any - Incremental Capacity, the same will be allocated to the Access Requests which sum has the highest overall economic value.

The economic assessment of the Access Requests are carried out taking into account the evaluation criteria referred to in the following point (vi) of this article.

- (vi) The economic value of the Access Requests is defined considering the net present value of the Access Request and:
- contractual volumes of LNG; and
  - duration and continuity of the contract as per each Access Request assessed severally from any other Access Request.
  - The methodology for the calculation of the net present value for the allocation are made available to the Interested Operators during the non-binding phase.
- (vii) In the event that a portion of the Available Capacity is the object of two or more Access Requests of equal ranking within one of the categories mentioned under paragraphs vi) above, the Operating Company shall award such portion of the Available Capacity according to the following criteria:
- the availability to invest in the development of new capacity at the Terminal by way of an Access Request for product (s) of Available Capacity and Incremental Capacity; and
  - greater overall volumes of Unloading LNG considering the duration of the Contract for Regulated Capacity;
  - shorter time between the allocation of the Regassification Service and its start;
  - lower number of Unloading Slots;
  - priority access to the Applicant(s) owning when submitting a Long-Term Offer an overall import capacity at the entry points of the national gas pipeline grid, excluding the storage connection points, not exceeding 25 (twenty-five)% as published in latest ARERA annual report available to the public at the time of allocation.

- (viii) Within the 3<sup>rd</sup> (third) Business Day following the closing of each Auction *pay as bid* the Operating Company will issue with respect to each Access Request (i) if the Operating Company organize another session of the same Auction, an invitation to the next session or (ii) if the Operating Company does not organize another session



of the same Auction, an Acceptance, a Modified Acceptance, an Interim Notice, or a notice of rejection, as the case may be, in accordance with the following:

- *Invitation to the next session:* each bidder who has submitted an Access Request will be invited, but is not obliged, to partake the next session of the same auction pursuant to point (f) iv a) *supra*.
  - *Acceptances:* starting from the highest ranking Access Request, proceeding in order of decreasing ranking and only up to the first Access Request that cannot be Accepted without modification, each Access Request will be accepted and the Available Capacity shall be reduced accordingly;
  - *Modified Acceptances:* if, following the procedure described in the above paragraph, there still are pending Access Requests and Available Capacity, the Operating Company may send a Modified Acceptance to Applicant(s) whose Access Request(s) cannot be Accepted without modification. Any such Modified Acceptance shall be irrevocable until the 2<sup>nd</sup> (second) Business Day after its submission. In the case all or part of the Available Capacity which is the object of a Modified Acceptance sent to an Applicant pursuant to this paragraph is also the object of Modified Acceptance(s) sent by the Operating Company to other Applicant(s) with higher ranking Access Request(s), then the Modified Acceptance sent to such Applicant shall provide that, in the case of Acceptance by such Applicant, the resulting Capacity Agreement is subject to the condition precedent that such other Applicant(s) does(do) not Accept its (their) respective Modified Acceptance(s) pursuant to paragraph (xi) below;
  - *Interim Notices:* in the case all or part of the Available Capacity requested by any Applicant is also the object of Modified Acceptance(s) sent by the Operating Company to other Applicant(s) with higher ranking Access Request(s), then the Operating Company shall send such Applicant an Interim Notice; and
  - *notices of rejection:* each Applicant that is not entitled to receive an Acceptance, a Modified Acceptance, or an Interim Notice pursuant to paragraphs above, shall not be awarded Available Capacity and shall accordingly receive a notice of rejection related to the Access Request.
- (ix) Each Applicant receiving a Modified Acceptance shall submit its Acceptance to the Operating Company no later than 17:00 (seventeen) hours, on the 2<sup>nd</sup> (second) Business Day after its submission. If such Acceptance is not received by the Operating Company by such date, the Applicant shall be deemed to have rejected such Modified Acceptance.
- (x) The Operating Company shall award the then current Available Capacity in ranking order to the higher ranking Applicant(s) that have Accepted its (their) Modified Acceptances or have received Interim Notices, and the Available Capacity shall be reduced accordingly.
- (xi) Within the 3<sup>th</sup> (third) Business Day the Operating Company shall (aa) notify each Applicant that has Accepted, pursuant to paragraph (ix) above, a Modified Acceptance that provides for a condition precedent whether such condition precedent has been met; and (bb) send to each Applicant that has received an

Interim Notice the Acceptance or rejection of its Access Request.

(xii) The Terminal Capacity in any given Month that has been subscribed during the Annual Subscription Process shall be deemed to have been subscribed in the following order:

- Terminal Capacity that was, prior to the 1<sup>st</sup> (first) of June, classified as Unsubscribed Non-Foundation Capacity, including Incremental Capacity;
- Terminal Capacity that was, prior to the 1<sup>st</sup> (first) of June, classified as Unsubscribed Foundation Capacity; and
- Terminal Capacity that was, prior to the 1<sup>st</sup> (first) of June, classified as Released Foundation Capacity or Released Non-Foundation Capacity, with such Released Capacity deemed to have been subscribed in the order of the dates of the respective Release Declarations, starting from the earliest.
- Incremental capacity

If, after applying the procedure described in paragraphs (i) through (xi) above, the Available Capacity in any given Month of the immediately following Thermal Year is greater than 0 (zero) and within the period referred to in the previous point (i) the Operating Company had reclassified Unsubscribed Foundation Capacity and/or Released Foundation Capacity in such Month(s) pursuant to paragraph (i) above, then to the maximum extent possible such reclassified capacity shall be converted back to be Unsubscribed Foundation Capacity and/or Released Foundation Capacity, as the case may be, and the Available Capacity shall be reduced accordingly.

xiii Following completion of the Annual Subscription Process and by no later than the first Business Day of the Month following the closing day of the *pay as bid* Auction the Operating Company shall update the Electronic Communication System accordingly.

xiv The results of the Annual Subscription Process shall be communicated to the Regulatory Authority for Energy Networks and Environment within 15 (fifteen) Days from its completion.

(b) Infra-Annual Subscription Process: without prejudice to the provisions of point a) (i) a of article 2.4.2 of Chapter II, the Infra-Annual Capacity within the current Thermal Year (or, if the Infra-Annual procedure takes place after the end of the Annual Procedure of Subscription, even for the Thermal Year immediately following the current one<sup>1</sup>) will be made available by the Operating Company during the Thermal Year in accordance with the subscription rules:

(i) of the Continuous Regasification Service, or the Available Infra-Annual Capacity in the period that starts after the seventh (7) Business Day following the day of closure of each single Infra-annual Auction Procedure and until the end of the current Thermal Year (or, if the Infra-Annual procedure takes place, after the closure of the Annual

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<sup>1</sup> Without prejudice to the Capacity to allocate pursuant to article 2.4.2. (a) (i) a. of Chapter II.

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Procedure of Subscription even for the Thermal Year immediately following the current one); and

- (ii) of the Spot Capacity, or the Available Infra-Annual Capacity available in the Month M or in the Month M+1, that remains following the completion of the process referred to in the previous point (i) as from the publication on the Electronic Communication System.

The Infra-Annual Capacity will be allocated according to the procedure below, the details of which are provided in the Implementing Auction Rules for infra-annual capacity allocation published on the Electronic Communication System.

α ) Auction procedure for the subscription of the Infra-Annual Capacity:

- (i) The Auction *pay as bid* procedure is organized by the Operating Company, according to the terms and procedures defined in the Implementing Auction Rules for infra-annual capacity allocation;
- (ii) Applicants must meet the conditions set forth in the Regasification Code and in the Implementing Auction Rules for infra-annual capacity allocation.
- (iii) In case of capacity allocation as a result of an Auction *pay as bid* procedure and for the purposes of entering into the Capacity Agreement, Applicants are required to present to the Operating Company adequate financial guarantees, in the manner and in the entity provided for in the article 10.1 of chapter III, to cover the obligations arising for them pursuant to this Regasification Code and the Implementing Auction Rules for infra-annual capacity allocation;
- (iv) in case of Available Capacity, auction procedure is organized through a "*pay as bid*" Auctions at least on a monthly basis, corresponding to the subscription period of the Infra-Annual Capacity referred to in article 2.3 letter (e) of chapter II. The auction calendar will be published by the Operating Company on the Electronic Communication System;
- (v) For each auction procedure, one or more reserve prices ("PR") are established pursuant to article 7 of the TIRG for the Infra-Annual Capacity offered in a given period of time (e.g. the Month), under which the Infra-Annual Capacity is not allocated. The Operating Company defines the PR of the Unsubscribed Non-Foundation Capacity and of the Released Foundation Capacity. The PR of the Released Non-Foundation Capacity is determined by the User of that Released Non-Foundation Capacity in accordance with article 2.6 of chapter II;
- (vi) For each auction procedure, the Infra-Annual Capacity to be auctioned, even if composed by several Unloading Slots, has to be considered regardless of the date of the single Unloading. The Unloading dates, where available, are published by the Operating Company on the Electronic Communication System;
- (vii) The Operating Company may propose to allocate the Infra-annual Capacity whose single Unloading Slot date is not available at the date of organization of the auction procedure by way of the purchase of an option granting the Applicant the right to confirm the Access Request no later than 3 (three) Business Days from the date of notification of the Unloading date ("Termine dell'Opzione") to the Applicant by the Operating Company. The Applicant offer, submitted in the form of an Access Request, shall include a premium and a *strike price*. The premium is to be considered *take or pay*, while the *strike price* shall be deemed as *take or pay* in the event (i) the Applicant confirms the exercise of the auction or (ii) in the event that the Applicant does not

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- exercise its right by the expiration date above;
- (viii) For each auction procedure, Operating Company given the PR of the Infra-annual capacity offered defines a single order of merit and allocate the Available Capacity as defined in the Implementing Auction Rules for infra-annual capacity allocation.
  - (ix) For each auction *pay as bid* the Operating Company determines, the related outcomes according to the terms and conditions set forth in the Implementing Auction Rules for infra-annual capacity allocation:
    - aa) giving priority, pursuant to paragraph 5 of the art. 6 of the TIRG, to the award of the Unsubscribed Non-Foundation Capacity, then to the Released Foundation Capacity and finally to the Released Non-Foundation Capacity;
    - bb) if the Operating Company makes available on the Electronic Communication System the scheduling calendar of the Unloading dates, the Applicants must indicate their preferences with respect to the Unloading Slot/s on which they intend to make an Access Request.
    - cc) If the Applicants resulted as a winning bidder of the Unloading Slots do not sign the Capacity Agreement within 2 (two) Business Days from the conclusion of the auction procedure, they will be declared forfeited from the award of the auction procedure and the Operating Company will be able to retain the Bid Bond in accordance with the Implementing Auction Rules.
  - (x) Without prejudice to the provisions of the previous letter (ix), the scheduling of the Unloading Slots occurs within the Annual and the Three Month Schedule processes set out respectively in articles 3.2 and 3.3 of chapter II.

For the definition of the operative organization of the auction procedures as well as all the other related information, reference is made to the Implementing Auction Rules for the allocation of the Infra-Annual Regasification Capacity and to the documentation published on the Electronic Communication System.

*β*) Procedure for the subscription of the Spot Capacity according to the *first come first served* criteria:

The procedure is organized by the Operating Company according to the timing and conditions published on the Electronic Communication System;

The residual Spot Capacity resulting from the auction procedure referred to in article 2.4.2 b) *α*) of chapter II, will remain published on the Electronic Communication System and available for allocation and will be allocated by the Operating Company according to time of receipt of the relevant requests by the Applicants (*first come first served*), until the 5th (fifth) Business Day before the Scheduled Arrival Range of each Unloading Slot for the Spot Capacity.

In case the above-mentioned Spot Capacity has not been allocated within that deadline, this Capacity is recalled on the Operating Company availability, for assessing the existence of possible further Spot Capacity available pursuant to paragraph II.2.2 always within the timescales defined in article II.2.4.2 b).

By 17:00 the Day after receiving an Access Request the Operating Company will issue with respect to each Access Request, an Acceptance or a notice of rejection, as the case may be.

The results of the Infra-Annual Capacity Subscription Process shall be communicated to the Regulatory Authority for Energy Networks and Environment in accordance with the ARERA resolution in force.

#### 2.4.3 Maximisation of Terminal utilization

With the objective of maximising and optimising the utilisation of the Terminal, the Operating Company may, during the Annual Subscription Process and the Infra-Annual Subscription Process, consult with Applicants and Users and seek an agreement between all potentially affected parties in order to accommodate, to the maximum extent possible, all Access Requests. Any agreement so reached between such parties may contain modifications to Access Requests and/or Capacity Agreements of the potentially affected parties. No User or Applicant is under any obligation to enter into any such agreement. If mutual agreement is not reached between all the potentially affected parties, the Operating Company will strictly apply the Annual Subscription Process or the Infra-Annual Subscription Process, as the case may be, to allocate the relevant Available Capacity or Spot Capacity. In no case may any such agreement result in an Applicant or a User that is not party to such agreement being in a less advantageous position with respect to the subscription of capacity or the provision of the Service than that Applicant or User would have been in under the Annual Subscription Process, the Infra-Annual Subscription Process or its Capacity Agreement, as the case may be, in the absence of such agreement.

#### 2.4.4 Access Conditions

Unless the Operating Company has waived or deferred compliance with any one or more of the following conditions (to the extent such waiver or deferment is allowed under the applicable Regulations), each Applicant, throughout the period from the delivery of its Access Request until the Acceptance or rejection of such Access Request, must satisfy and maintain all of the following conditions ("**Access Conditions**"):

- (a) the Applicant will have quantities of LNG that are the subject of the Access Request and such quantities of LNG must meet LNG Quality Specifications;
- (b) as per art. 13 of TIRG the Applicant whether Transportation User or, in the event the Applicant does not meet this requirement, the Applicant indicates one or more Transportation Users, as per article 13.6 of TIRG
- (c) there is available to the Applicant sufficient LNG Tanker capacity to transport to the Delivery Point the quantities of LNG that are the subject of the Access Request, and such LNG Tanker(s), its (their) crew(s) and captain(s), will be in compliance with the Terminal Regulations, Maritime Regulations, the Marine Operations Manual and the LNG Tanker Vetting Procedure;
- (d) the Applicant is in compliance with the provisions of clause III.10 of chapter III. In case of participation to the auction procedure for the subscription of the Infra-Annual Capacity, the Applicant will deliver the Bid Bond referred to in the Implementing Auction Rules for the Infra-annual allocation.

If at any time while the Access Request is pending any Applicant ceases to satisfy or maintain one or more of the Access Conditions, such Applicant must promptly notify the Operating Company.

#### 2.4.5 Access Requests

- (a) Each Access Request for Available Capacity shall include the following information and statements that must remain valid with reference to the Applicant from the date of

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submission of the Access Request to the signing of the Capacity Contract or the refusal of the Access Request, as appropriate, as well as the documentation specified in clause 2.4.7 of chapter II:

- (i) the portion of Available Capacity, expressed in cubic metres, requested for each specific Month. For the Spot Capacity Access Requests this data is only required for the relevant Unloading Slot;
  - (ii) with respect to the requested Available Capacity, the specific number of Unloading Slots for each Month and the quantity of LNG expressed in cubic metres for each such Unloading Slot. For the Spot Capacity Access Requests specify the relevant Unloading Slot and the related LNG quantity;
  - (iii) with respect to the Unloading Slots requested, the loading port(s) of the LNG that will be transported to the Delivery Point;
  - (iv) the technical specifications (including the tonnage, gross loading capacity, and length) of the LNG Tanker(s) that will be used to transport the LNG to the Delivery Point;
  - (v) confirmation of whether the Applicant meets the requirements necessary to be granted any priority in the allocation of Available Capacity established in paragraph (v) of clause 2.4.2 (a) above, specifying the type of priority to which the Applicant is entitled in the case of the Annual Subscription Process;
  - (vi) the arrival date of the LNG Tanker;
- (b) The Applicant for Available Capacity or Spot Capacity intending to submit one or more Access Requests shall provide in advance of such submission:
- (i) evidence satisfactory to the Operating Company that identified representative(s) of such company are duly empowered to execute and submit, in the name and on behalf of such company, such Access Request(s), it being understood that in the case of attorneys in fact (*“rappresentanti negoziali”*), such representatives shall have also been authorised to specifically approve in writing unfair terms (*“clausole vessatorie”*) pursuant to and for the purpose of articles 1341 and 1342 of the Italian civil code and, in particular, the clause derogating the territorial competence referred to under clause I.4.2 of chapter I of this Regasification Code, which provides that *“any and all disputes arising out of or in connection with a Capacity Agreement between the Operating Company and the User which is a Party to such Capacity Agreement and/or in connection with the Regasification Code, other than Technical Disputes referred to in clause I.4.3 of chapter I, shall be subject to the Italian jurisdiction and to the exclusive competence of the Courts of Milan”* and
  - (ii) an undertaking of such company to promptly inform the Operating Company as soon as such identified representative(s) are no longer empowered to execute and submit Access Request(s) in the name and on behalf of such company.

The Operating Company shall review the evidence specified in point (i) above and advise the relevant company whether it accepts such evidence as being satisfactory to it. If the Operating Company so advises such company, then such company, for a period of 14 (fourteen) Months from the submission of such evidence to the Operating Company, will be entitled to submit Access Request(s) executed by the relevant representative(s) .

- (c) Each Access Request shall express unconditional acceptance by the Applicant of the terms and conditions of the Regasification Code, as well as specific acceptance by the Applicant of the relevant clauses of the Regasification Code pursuant to, and for the purposes of, articles 1341 and 1342 of the Italian civil code.

#### 2.4.6 Documentation to accompany Access Requests

Without prejudice to the requirements of clause 2.4.5 of chapter II, each Applicant:

- participating in a subscription procedure pursuant to articles 2.4.2 a), shall submit with its Access Request the documents required pursuant to clause III.10.1 of chapter III in a form and substance satisfactory to the Operating Company;
- participating in a subscription procedure pursuant to articles 2.4.2 b), must present, in good time, the Bid Bond referred to in the Auction Rules.

Furthermore, each Applicant must submit in addition a self-declaration of the import notice or import authorisation required under applicable Regulations for the Applicant to import LNG into Italy.

#### 2.4.7 Execution of Modified Acceptances

The provisions set forth in clauses 2.4.5(b) of chapter II shall apply *mutatis mutandis* to the execution of a Modified Acceptance by any Applicant.

#### 2.4.8 Procedure for notification of Access Requests and Modified Acceptances

Each Access Request and each Modified Acceptance shall be notified by the relevant Applicant to the Operating Company in compliance with the requirements set forth in the relevant section of Annex (a).

### **II.2.5 Access denial**

#### 2.5.1 Rejection of Access Requests

In accordance with the provisions of article 24.2 of the Decree, the Operating Company shall have the right to reject any Access Request, notwithstanding that such Access Request meets the requirements set out in the Regasification Code, in each of the following cases:

- (a) the portion of Available Capacity or Spot Capacity (as the case may be) requested by the relevant Applicant has already been awarded in accordance with the Regasification Code or the facilities for Unloading LNG Tankers and/or Regasification and/or Storage is/are not available to provide the Service; or
- (b) the Acceptance of any such Access Request would impede the Operating Company in meeting its obligations to provide a public service, which obligations the Operating Company is required to fulfil pursuant to the Decree.

#### 2.5.2 Invalid Access Requests

Any Access Request will be considered invalid if:

- (a) such Access Request (i) has not been drafted in compliance with the form of Access Request provided at Annex (a) and/or (ii) does not include all of the information required by clause 2.4.5 of chapter II and/or (iii) is not accompanied by all of the documentation

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required by clause 2.4.6 of chapter II; and/or

- (b) the person that has submitted such Access Request does not satisfy all of the Access Conditions from the date of such Access Request until the resulting Capacity Agreement is entered into and the Operating Company has not waived or deferred fulfilment of any such Access Condition pursuant to clause 2.4.5 of chapter II; and/or
- (c) any of the Representations (i) is not true and accurate with respect to the relevant Applicant on the date of such Access Request, or (ii) ceases to be true and accurate with respect to the relevant Applicant before the resulting Capacity Agreement is entered into; and/or
- (d) such Access Request contains any conditions and/or reservations (i) to the acceptance of the terms and conditions of the Regasification Code; and/or (ii) to the specific acceptance by the relevant Applicant of the relevant clauses of the Regasification Code pursuant to, and for the purposes of, articles 1341 and 1342 of the Italian civil code; and/or
- (e) the relevant Applicant has not fulfilled all of its obligations under any Capacity Agreement which such Applicant may have previously entered into with the Operating Company; and/or
- (f) the relevant Applicant seeks access to any portion of Terminal Capacity or Spot Capacity beyond the portion of Available Capacity or Spot Capacity (as the case may be) offered in the relevant subscription process.

### 2.5.3 Notice of rejection of Access Requests

Any rejection of an Access Request on any of the grounds set out in clauses 2.5.1 or 2.5.2 of chapter II must be notified by the Operating Company to the Applicant in accordance with the timing set out in clauses 2.4.2 and 2.4.3 of chapter II by way of a written statement setting out the reasons for such rejection. As required by article 24, 2nd and 3rd paragraphs of the Decree, the Operating Company shall send a copy of the notice of rejection to the ARERA, the Italian Antitrust Authority (*Autorità garante della concorrenza e del mercato*) and the MSE now MASE at the same time as sending such notice to the Applicant.

### **II.2.6 Released Capacity and Reclaim of the Released Capacity**

- (a) Any User that has Subscribed Foundation Capacity and/or Subscribed Non-Foundation Capacity shall have the right to release all or part of such Subscribed Capacity, by notifying to the Operating Company a Release Declaration. Starting from the date that the Release Declaration is received by the Operating Company, (i) such Subscribed Capacity will become Released Foundation Capacity or Released Non-Foundation Capacity, as the case may be, and will be made available for subscription in accordance with clauses 2.4.1, 2.4.2 or 2.4.3 of chapter II, as applicable, and (ii) the Annual Unloading Schedule and the Three (3) Month Schedule of such User shall be revised accordingly. The Operating Company shall update the Electronic Communication System accordingly no later than the first (1st) Business Day after receipt of the Release Declaration.
- (b) The releasing User of the Regulated Capacity in good time for the performance of the auction procedure for the subscription of the Infra-Annual Capacity will communicate to the Operating Company, according to the provisions of article 7 of TIRG, the PR of its



Released Non-Foundation Capacity. The releasing User shall continue to be liable to pay to the Operating Company the Capacity Charge relating to such Released Capacity. If the Released Capacity is allocated to third parties, the User who made it available receives the revenues deriving from such allocation within the limits of the Regulations, without prejudice to the obligation to pay the Operating Company the amount due for the original contribution of the capacity, as provided for in paragraph 2 of article 7 of the TIRG.

- (c) Any User with outstanding Released Capacity may reclaim all or part of such outstanding Released Capacity, provided that the same has not been reallocated and provided that the relevant request through the Reclaim Declaration is not forwarded between the time of publication on the Electronic Communication System of the Released Capacity and, as appropriate, the deadline of the Annual Subscription Process pursuant to article 2.4.2 of chapter II or the Auction procedures for the subscription of the Infra-Annual Capacity pursuant to article 2.4.2 b) α) of chapter II. In particular, in case of procedures for the subscription of the Infra-annual capacity, Reclaim Declarations are not admissible during the period for the submission of offers, as defined in the calendar for the Infra-annual subscription procedure published and updated by the Operating Company on the Electronic Communication System.

In the case a User has reclaimed Released Capacity pursuant to this clause II.2.6(c), then (i) the relevant Released Capacity shall cease to be Released Foundation Capacity or Released Non-Foundation Capacity, as the case may be, and (ii) the Operating Company shall revise, as applicable, the Annual Unloading Schedule and the Three (3) Month Schedule of such User. The Operating Company shall update the Electronic Communication System accordingly no later than the first (1st) Business Day after receipt of such written notice.

- (d) In the case Released Foundation Capacity or Released Non-Foundation Capacity in any given Month has been released by more than one Foundation Capacity User or Non-Foundation Capacity User, as the case may be, then such Released Capacity shall be subscribed according to the priority criteria set forth in the article 2.4.2(b) of this chapter II. When entering into one or more new Capacity Agreements with respect to any Month's Released Capacity, the Operating Company shall reduce the Subscribed Capacity of User(s) under the relevant Capacity Agreement(s) accordingly and relieve User(s) of its (their) liability towards such Released Capacity.
- (e) With respect to any release of Foundation Capacity, the Operating Company is under no obligation to enter into a new Foundation Capacity Agreement that contains terms different than those contained in Non-Foundation Capacity Agreements.
- (f) The Operating Company shall notify the releasing User no later than the first (1st) Business Day after the Operating Company has entered into any new Capacity Agreements with respect to the Released Capacity released by such User.

#### **II.2.7 Subscribed Non-Foundation Capacity to be made available to the Operating Company for the purpose of allocation under the Infra-annual Subscription Procedure referred to in Article 6 paragraph 1 of the TIRG**

- 2.7.1 In relation to a Continuous User during Thermal Year A, should  $V_{\text{cons}} < 90\% * V_{\text{prio}}$ , such User must make available to the Operating Company for the purpose of allocation of the Infra-annual Subscription Procedure in the following Thermal Year A + 1 in the event that the User is holder

of Subscribed Non-Foundation Capacity an amount of Non-Foundation Capacity quantified by:

- (a) the volume of capacity, equal to:

$$V_{prio} - V_{cons}$$

where:

$V_{prio}$  is the volume of capacity allocated to the relevant Non-Foundation Capacity User for the Thermal Year A;

$V_{cons}$  is the overall volume of LNG Unloaded by the relevant Non-Foundation Capacity User during the Thermal Year A, determined ex post at the end of Thermal Year A as the sum of the volumes that the User Unload during the Months from October to September of the Thermal Year including the volumes of LNG that the User did not Unload:

- i) as a consequence of events which have led to force majeure declarations by the counterparties of import contracts, as specified in clause III.7.7 or to declarations of Force Majeure under the relevant Capacity Agreement. To this end, the User is obliged to promptly report this event to the Operating Company, indicating the estimated range of LNG quantity reduction, the expected duration, as well as actions taken to limit the effects on the LNG Discharges and to make available to other Users the Regulated Capacity which otherwise would remain unused;
- ii) because the corresponding Non-Foundation Capacity of such User has been Released for allocation to third parties in compliance with the provisions of II.2.6, in particular, for each month M of Thermal Year, the volume  $V_{cons}$  includes:
  - the Released Capacity, even if not allocated, if it is made available by the User to the Operating Company by the 16th (sixteenth) Day of the month M-1 to a PR that is, at the User's choice, the minimum of the defined PR by the User of the Released Non-Regulated Capacity and the PR defined pursuant to paragraph 7.1 letter a) of the TIRG and communicated by ARERA to the Operating Company up to an overall quantity in Thermal Year A equal to the greater between the volume of LNG associated with four (4) Unloadings or one third (1/3) of the capacity assigned for the same Thermal Year to the same User, and also in the month M-2 beyond this quantity;
  - the Released Capacity, insofar as it is allocated to third parties and it is made available from the User to the Operating Company after the deadline referred in paragraph (aa) above;
- iii) because the corresponding Non-Foundation Capacity of such User has been exchanged with the Non-Foundation Capacity of another User in a different Thermal Year in compliance with the provisions of III.12.1.

In the event that the User holds both long-term and annual Non-Foundation Capacity

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Agreements, the volume Unloaded shall be allocated, on a priority basis, to the long-term (“*pluriennale*”) Capacity Agreement;

(b) the number of berthings which can be effected at the Terminal, rounded down to the nearest whole number (“*arrotondato all’intero inferiore*”), equal to:

$$Y = \frac{V_{prio} - V_{cons}}{V_{conf}} \cdot N_{conf}$$

where:

$V_{conf}$  is the overall volume of capacity allocated to the User for the Thermal Year;

$N_{conf}$  is the overall number of berthings allocated to the User for the Thermal Year.

2.7.2 The User who makes Subscribed Non-Foundation Capacity available pursuant to this paragraph may participate in the related allocation procedures and, in the event of allocation to third parties, the User receives the income deriving from the allocation only against effective use of the same and within the limits of the consideration due for the same Subscribed Non-Foundation Capacity, pursuant to article 14 paragraph 5 of the TIRG. Should the Subscribed Non-Foundation Capacity made available to the Operating Company for allocation to third parties according to the article 14, paragraph 1 of TIRG not been granted, the User retains the rights and obligations related to its Capacity Agreement.

## **II.2.8 Subscribed Foundation Capacity to be made available to the Operating Company for allocation to third parties pursuant to article 6, sub-section 3, of the MAP decree of 11 April 2006**

2.8.1 Should the Subscribed Foundation Capacity of a User not be entirely and constantly used for causes that are dependent on the will of the relevant Foundation Capacity User, the Operating Company shall reallocate to third parties Subscribed Foundation Capacity of such User to the extent required, and in compliance with, article 6, sub-section 3, of the MAP decree of 11 April 2006 and any implementing Regulation, after having notified in advance the MSE now MASE and the Italian Regulatory Authority for Energy Networks and Environment of such reallocations.

2.8.2 In calculating the Subscribed Foundation Capacity which has not been used for the purposes of clause 2.8.1 above, the Operating Company shall (i) take into account the start-up period of the Terminal and the flexibilities envisaged by the relevant import contracts, provided that the unused capacity is made available to third parties in accordance with the provisions of regulation n. 715/2009 of the European Parliament and Council of 13<sup>th</sup> July 2009 and (ii) not consider (“*computare*”) Subscribed Foundation Capacity which has been Released in accordance with the provisions of clause II.2.6 and/or transferred in accordance with the provisions of clause III.12.2.

2.8.3 The Operating Company shall provide to the Ministry of Economic Development and to the Regulatory Authority for Energy Networks and Environment every year by the month of February the data on the utilization rate of Foundation Capacity and on releases, swaps or transfers of the latter by reference to the Annual Unloading Schedule.

## **II.2.9 Allocation Priority**

Pursuant to and for the effects of paragraph 5 of article 6 of the TIRG the Capacity Subscribed during the Infra-Annual Subscription Process will be considered as allocated in respect of Month according to the following priority order:

- a) Unsubscribed Regulated Capacity;
- b) Released Foundation Capacity including the capacity reclassified as Released Non-Foundation Capacity according to the article 2.4.2 (a) of chapter II;
- c) Released Non-Foundation Capacity according to articles II.2.6, II.2.7 and II.2.8 of the Regasification Code provided that in case of multiple releases from Users such Capacity will be considered as allocated according to the criteria set forth in the article 2.4.2(b) of this chapter II.

## **II.3 SCHEDULING OF UNLOADING SLOTS**

### **II.3.1 General principles**

Subject to the provisions of the Regasification Code, all scheduling of LNG quantities to be Unloaded at the Terminal shall take into account the operational and maintenance activities of the Terminal (and, to the extent reasonably practicable, the operational and maintenance activities of the Grid), and shall cause, as far as reasonably practicable, a regular and even Unloading sequence that shall be co-ordinated by way of a regular and mutual exchange of information between the Operating Company and each of the Users.

In accordance with the provisions of article 16, sub-section 1, of TIRG, and without prejudice to the provision of clause II.3.5 below, the Operating Company and the Transportation Company shall co-ordinate with each other in relation to technical and commercial matters, such as:

- (a) the monthly/weekly/daily programming of Gas to be injected into the Grid;
- (b) the allocation of the Gas injected into the Grid among the various Users;
- (c) the managing of emergencies; and
- (d) the establishment of good practice rules to be adopted for the management of the metering station located immediately upstream of the Cavarzere Entry Point.

In order to reduce the periods of Service disruptions for the Users, the Operating Company and the Transportation Company shall jointly define, in so far as reasonably possible, the scheduling of the maintenance activities on their respective facilities.

The Operating Company shall schedule Unloading Slots in accordance with the procedures set forth herein.

### **II.3.2 Annual Scheduling**

#### **3.2.1 Annual notification by Operating Company**

In each Year, by not later than the 15<sup>th</sup> (fifteenth) of November, or the following Business Day if the 15<sup>th</sup> (fifteenth) of November is not a Business Day, the Operating Company shall post on the Electronic Communication System the number of and the tentative dates for all Unloading Slots for the coming Year.

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### 3.2.2 Notification by Users of preferred Annual Unloading Schedule

- a) Each Foundation Capacity User and each Non-Foundation Capacity User must submit in writing to the Operating Company by the first (1st) of January of each Year its preferences with respect to the scheduling of Unloading Slots to which such User has subscribed for the Months of April through December of the same Year ("**Annual Schedule Preferences**"), specifying the following:
- (i) its preferred scheduling of Unloading Slots for each Month, corresponding to such User's Subscribed Capacity for each such Month;
  - (ii) for each Unloading Slot, the quantity of LNG that the User intends to Unload at the Terminal expressed in cubic metres and GJ and/or kWh and/or equivalent unit of measure;
  - (iii) in the event that the User is awardee of more Unloading Slots in the same quarter of the Year or Year, with the same Subscribed Capacity, the distribution of LNG volumes for each Unloading Slot, within the same period of subscription (i.e. quarter of the Year or Year);
  - (iv) the tentative identity, tonnage, gross loading capacity and length of the LNG Tankers to be used for each Unloading Slot; and
  - (v) the tentative port of origin of the LNG for each Unloading Slot.

Any Subscribed Capacity for which the relevant User has not submitted in writing to the Operating Company by the 1<sup>st</sup> (first) of January of the relevant Year its preferences with respect to the scheduling of Unloading Slots shall be deemed to be Released Capacity as if the User had notified on the 11<sup>th</sup> (eleventh) of January a Release Declaration to the Operating Company pursuant to clause II.2.6. It is understood that in the event the User schedules a quantity lower than the Subscribed Capacity, the unscheduled Capacity will not automatically be considered Released Capacity.

- b) If Capacity without indication of the initial date and of the duration of the relevant Unloading Slot and/or the Scheduled Arrival Range is (i) allocated after the 1<sup>st</sup> (first) of January, and (ii) following the Infra-Annual Subscription Process, the new User shall communicate to the Operating Company in writing and within the 1<sup>st</sup> (first) Business Day of the 1<sup>st</sup> (first) Month after closing of the Infra-Annual Subscription Process the preferences related to the Unloading Schedule of the Slots that the User has subscribed with reference to the months from April or the 1<sup>st</sup> (first) month after the month of April in which Capacity has been allocated until September of that year.

### 3.2.3 Notification by the Operating Company of Annual Unloading Schedules

By not later than the 12<sup>th</sup> (twelfth) of January of each Year, or the following Business Day if the 12<sup>th</sup> (twelfth) of January is not a Business Day, the Operating Company shall notify each Foundation Capacity User and each Non-Foundation Capacity User of its Annual Unloading Schedule and shall update the Electronic Communication System, showing which Unloading Slots are assigned and which Unloading Slots have not been assigned.

If the preferences related to the Unloading Slots schedule have been submitted to the Operating Company pursuant to paragraph b) of Article 3.2.2, the Operating Company shall communicate

the Annual Unloading Schedule to the User within the first (1st) Business Day of the Month following the Month of communication of the Unloading Slots schedule preferences.

Each Annual Unloading Schedule for the Months of April through December is indicative only, and subject to modification pursuant to clause II.3.3. The indication of the Unloading Slot duration, is binding for the User, without prejudice to the provisions of article 2.3.3 below. In developing each Annual Unloading Schedule, the Operating Company shall endeavour to schedule the Unloading Slots in a fair manner, taking into account the then current Three (3) Month Schedule and the Annual Schedule Preferences of the relevant User.

Where two or more Users, who have not been allocated capacity according to the Infra-Annual Subscription Procedure, have expressed conflicting preferences with respect to the scheduling of Unloading Slots and such Users are unable to resolve such conflict by way of the regular and mutual exchange of information between the Operating Company and such Users, then the Operating Company, to ensure also regular deliveries and maximum use of the Terminal, shall schedule the relevant Unloading Slots giving priority to the User which is receiving the Service for the largest aggregate quantity, expressed in cubic metres, of LNG over the term of its Capacity Agreement, subject to such User expressing preferences for Unloading Slots in a manner that allows scheduling of Unloading Slots for use by Foundation Capacity Users and Non-Foundation Capacity Users other than such User. In the event that the Users who have expressed irreconcilable preferences with respect to the scheduling of the Unloading Slots use the Service for the same total quantity of LNG, expressed in cubic meters, with reference to the entire duration of the relevant Capacity Contract, the Operating Company will schedule the Unloading Slot giving priority to the Users who have been allocated capacity through an Annual Subscription Procedure by draw.

The Operating Company will subsequently schedule the remaining Unloading Slots to the Users who have been allocated capacity through the Infra-Annual Subscription Procedure giving priority in choosing the Unloading Slots to the Users with the highest price and proceeding in descending order of price. In the event that the Users have been allocated Infra-Annual Capacity with the same price, the Operating Company will schedule these Unloading Slots priority to the User by draw.

### **II.3.3 Three (3) Month Scheduling**

#### **3.3.1 Notification by Users of preferred Three (3) Month Schedules**

- a) Each Foundation Capacity User and each Non-Foundation Capacity User must submit in writing to the Operating Company by 17:00 hours on the sixteenth (16<sup>th</sup>) Day of each Month its preferences with respect to the scheduling of Unloading Slots to which such User has subscribed for the three (3) Months following the then current Month ("**Three (3) Month Schedule Preferences**"), specifying the following:
  - (i) its preferred scheduling of Unloading Slots for each Month, corresponding to such User's Subscribed Capacity for each such Month; in doing so, each User shall follow the then current Three (3) Month Schedule and the Annual Unloading Schedule as nearly as practicable. The Operating Company will make reasonable effort in order to satisfy as far as possible, any request for modification by a User of the Unloading Slot duration communicated pursuant to the previous article 3.2.3 of Chapter II, provided that such modifications do not have an impact for other Users and/or for the Annual or Infra-Annual Capacity subscription on-going procedures;

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- (ii) for each Unloading Slot, the quantity of LNG that the User intends to Unload at the Terminal expressed in cubic metres and GJ and/or kWh and/or equivalent unit of measure. Without prejudice to the User's obligations pursuant to article 8 of Chapter III, the Operating Company will make reasonable efforts in order to satisfy as far as possible, any request for modification, by a User, of the quantity of LNG that the User intends to Unload within the planned unloading slot, in accordance with article 3.2.3 of Chapter II above, provided that these changes have no impact on other Users and/or on Annual or Infra-Annual Capacity subscription ongoing procedures;
- (iii) if available and not beyond the timing indicated at Chapter IV.1.2 to allow the Vetting Procedure of the LNG Tanker: for each Unloading Slot, the identity and tonnage, gross loading capacity, and length of LNG Tanker to be used; and
- (iv) the port of origin of the LNG for each LNG Tanker expected for each Unloading Slot;
- (v) the User or Transportation Users between whom the Gas quantities are fully or partially divided;
- (vi) Its preferences with respect to the Bimonthly Redelivery Period, in that case the User will also communicate to the Operating Company the total indicative quantities of Gas to be Redelivered during each of the two Months of the Bimonthly Redelivery Period.

The User who obtains the capacity as a result of the auction procedure communicates its Three Month Schedule Preferences within the terms and according to the procedures set forth-in this article.

For the purposes of the Redelivery of Gas in advance of the Scheduled Arrival Range, the User, to become a Compensated User, shall provide, within the deadline for the communication of the Three-Months Schedule, an adequate guarantee referred to in article III.10.5, for the recording of transactions therein mentioned.

If the User, according to its Three-Months Schedule preferences, is not compensated for at least one Day D of the first Month of the Three-Months Schedule, because he doesn't have the required financial guarantees as mentioned at article III.10.5, the Gas Redelivery Period for the User will start from the completion of the Discharge.

Any Subscribed Capacity during Month  $M+1$  as defined on Annual Schedule communicated by the Operating Company, as set forth on article II.3.2.3 or as allocated according to article II.2.4.2 (b), as the case may be, for which the relevant User has not submitted in writing to the Operating Company by 17:00 hours on the 16<sup>th</sup> (sixteenth) Day of Month  $M$  its preferences with respect to the scheduling of relevant Unloading Slots shall be deemed to be Released Capacity as if the User had notified on the 16<sup>th</sup> (sixteenth) Day of Month  $M-2$  a Release Declaration to the Operating Company pursuant to clause II.2.6. The User as Reasonable and Prudent Operator, in order to minimize any impact, during the month  $M+1$ , on the schedule approved amongst Parties, is required to indicate, as set forth on (ii) point, for each slot under scheduling process a quantity greater than zero and that represents the best forecast of the volume to be discharged. It is understood that in the event that the User schedules a quantity lower than the Subscribed Capacity, the unscheduled Capacity will not automatically be considered Released Capacity.

- b) User's requests to swap Unloading Slots with unallocated Slots must be sent by written request to the Operating Company by Day 16 (sixteen) of the Month  $M$  for the Unloading Slots of the Month  $M+1$ ,  $M+2$  and  $M+3$ . The Operating Company will make reasonable

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effort in order to satisfy any User's swap request concerning Unloading Slots of different duration, provided that such request do not impact on the other Users and/or on Annual or Infra-Annual Capacity subscription ongoing procedures.

### 3.3.2 Notification by the Operating Company of Three (3) Month Schedules

By no later than the 23<sup>rd</sup> twenty third of each Month, or the following Business Day if the 23<sup>rd</sup> twenty third of the Month is not a Business Day, the Operating Company shall notify each Foundation Capacity User and each Non-Foundation Capacity User of its Three (3) Month Schedule and shall update the Electronic Communication System, showing which Unloading Slots are assigned and which Unloading Slots have not been assigned. The Three (3) Month Schedule shall indicate, for each Month, the number and the duration of Unloading Slots allocated to each User, together with the volume of LNG expected to be Unloaded, and the date of each Unloading Slot scheduled.

In developing each Three (3) Month Schedule, the Operating Company shall endeavour to schedule the Unloading Slots in a fair manner, taking into account:

- (i) the then current Three (3) Month Schedule;
- (ii) the Three (3) Month Schedule Preferences of the relevant User; and
- (iii) the criteria set forth in paragraphs (a) and (b) below of this clause 3.3.2.

Where two or more Users have expressed conflicting preferences with respect to the scheduling of Unloading Slots and such Users are unable to resolve such conflict by way of the regular and mutual exchange of information between the Operating Company and such Users, then the Operating Company shall schedule the relevant Unloading Slots based upon the following criteria:

- (a) no modifications will be made to the allocation of Unloading Slots from the then current Three (3) Month Schedule; and
- (b) if the criteria in paragraph (a) above is not applicable, then priority will be given to the User which is receiving the Service for the largest aggregate quantity, expressed in cubic metres, of LNG over the term of its Capacity Agreement, subject to such User expressing preferences for Unloading Slots in a manner that allows scheduling of Unloading Slots for use by Foundation Capacity Users and Non-Foundation Capacity Users other than such User. In the event that the Users who have expressed irreconcilable preferences with respect to the scheduling of the Unloading Slots use the Service for the same total quantity of LNG, expressed in cubic meters, with reference to the entire duration of the relevant Capacity Contract, the Operating Company will schedule the Unloading Slot giving priority to the Users who have been allocated capacity through an Annual Subscription Procedure by draw. The Operating Company will subsequently schedule the remaining Unloading Slots to the Users who have been allocated capacity through the Infra-Annual Subscription Procedure giving priority in choosing the Unloading Slots to the Users with the highest price and proceeding in descending order of price. In the event that the Users have been allocated Infra-Annual Capacity with the same price, the Operating Company will schedule these Unloading Slots priority to the User by draw.



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In the event that the Peak Shaving service is provided in accordance with article II.3.7 and the Ministerial Decree of 18 October 2013, the Operating Company may, limited to the period in which the service is offered, change the scheduling of the Unloading Slots as anticipated in the Three-Months Schedule of each User, and move one or more Unloading Slots from Month to Month M + 1 with a new date determined by the Operating Company.

Subject to the terms of the Gas Redelivery Procedure, the Operating Company must include in the Three (3) Month Schedule an estimate of the Gas to be Redelivered to the relevant User and/or to the Transportation Users indicated by the User for own Gas division as per art.13.6 of TIRG, during the following three (3) Month period.

### 3.3.3 Three (3) Month Schedules are binding

The Three (3) Months Schedule established pursuant to clause 3.3.2 of chapter II, as may be modified from time-to-time pursuant to clause II.3.5, shall be binding upon the Operating Company, with particular regard to the incoming Month (M+1) as set forth by the TIRG at article 11.1, the Users and the Transportation Users indicated by the User for own Gas division as per art.13.6 of TIRG.

### 3.3.4 Spot Cargo scheduling

The Spot Unloading Schedule will be determined by the Operating Company on a case-by-case basis and published in accordance with clause II.2.3 (e).

## **II.3.4 Planning and management of maintenance and inspections**

The objective of the planning and management of maintenance and inspections is to ensure all the actions and measures necessary are implemented to maintain the smooth operation and good condition of facilities, services and equipment and ensure the proper and efficient availability of human and material resources.

This chapter describes the ways in which the Operating Company plans maintenance and inspections, manages spare parts and notifies the Users via the Electronic Communication System of maintenance and inspections of the Terminal.

### 3.4.1 General Aspects

- (i) The maintenance of the equipment of the Terminal is an activity that the Operating Company has established with reference to the classification of the criticality of each individual piece of equipment;
- (ii) This activity is described in a five-year maintenance plan (Five-Year Maintenance Plan) which is updated on an annual basis and uses techniques and instrumentation to carry out preventive maintenance and to predict issues and take corrective action to ensure the maximum safety and functionality of the Terminal;
- (iii) The procurement and availability of the main and most critical parts are ensured by a system of stock control to minimize delays in the execution of scheduled or unscheduled maintenance;
- (iv) The main equipment items have been designed to be removed from service for maintenance or replacement (utilizing back up) to avoid system shutdowns during the life

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of the Terminal. However, some maintenance and checks will require the whole plant shutdown.

When these activities will be necessary, they will be incorporated into the annual update of the Five-Year Plan

#### 3.4.2 Additional maintenance actions

When such actions are needed and when they involve equipment and / or processes and connections, in order to ensure safe operations, it may be necessary to empty the pipelines for their remediation and / or whole plant shutdown.

The restart of sections of the process systems can involve prolonged periods of cooling of the lines. The maximum duration of these measures is estimated from 2 (two) to 5 (five) days.

#### 3.4.3 Impacts of the maintenance on Capacity Charge

With regard to the maintenance actions, the Operating Company shall schedule a maximum number of days for the plant maintenance amounting to 70 (seventy) for each five-year period (days equivalent to full Terminal Capacity), calculated from the Thermal Year 2010 - 2011, with a maximum number of days scheduled for each Thermal Year of the five-year period of 30 (thirty) (days equivalent to full Terminal Capacity), these values include any additional activities referred in the above paragraph 3.4.2.

In the event these limits are exceeded, Users of Non Foundation Capacity will be entitled to a reduction of the Capacity Charge in proportion to the actual reduction of the regasified quantities.

Without prejudice to the above, the Operating Company, taking into account both the rate of use of the plant and its obsolescence, may plan and carry out maintenance activities for some plant equipments critical for integrity and safety (by way of example but not limited to: gas turbines, LNG vaporizers, intank pumps, heat recovery exchangers). For such activities, the number of equivalent days for a maximum of 5 (five) per year or 15 (fifteen) in the five-year period, must not be considered in the calculation of the maximum number of maintenance days either for each five-year period or for each Thermal Year. The Operating Company pursuant to the following article 3.4.4 will inform the Users, at the latest, when defining the Annual Schedule, indicating the additional number of days expected for maintenance activities. The additional maintenance days will be considered for the purposes of determining the Available Capacity offered in the annual and/or intra-annual allocation procedures so as not to result in a reduction in the Subscribed Capacity.

#### 3.4.4 Communication to Users and co-ordination of inspections

Not later than ninety (90) Days prior to the beginning of each Year, the Operating Company shall discuss with all Users the anticipated scheduled maintenance and/or inspection of the Terminal in order to minimize the negative impact of any resulting downtime on the Unloading of LNG or reduction in the Redelivery of Gas. The Operating Company shall use all reasonable endeavours to avoid scheduling maintenance activities and/or inspection during the period starting on the fifteenth (15th) of October of any Year and ending on the thirty-first (31st) of March of the following Year. Provided the provisions of article 6.1.4 letter 0 in chapter III and of Annex (k), any maintenance and/or inspection work not subject to programming must be promptly communicated to Users.

Likewise, Users are required to promptly inform the Operating Company if maintenance

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activities are planned in the loading plant to which they are bound, and this has an impact on their ability to guarantee maximum regularity in deliveries.

### **II.3.5 Amendments to schedules**

Either Party may at any time request changes to the relevant Annual Unloading Schedule, to the relevant Three (3) Month Schedule or to the Spot Unloading Schedule, as the case may be. Should either Party make such request:

- (i) the Operating Company shall implement such requested changes only in the case that the Operating Company reaches an agreement with each User that would be affected by such changes; and
- (ii) each Party will use all reasonable endeavours to agree upon any requested change pursuant to and for the purposes of paragraph (i) above.

### **II.3.6 Unloading Slot unavailability**

3.6.1 Without prejudice to the liability of the Operating Company under clause III.14.1, the following shall apply with respect to any period during which one or more of the scheduled Unloading Slots becomes unavailable or, in the Operating Company's reasonable judgement, is likely to become unavailable for any reason ("**Unloading Slot Unavailability Period**"):

- (a) the Operating Company shall promptly give notice to all affected Users of any Unloading Slot Unavailability Period, and shall state in such notice:
  - (i) the dates and times on which such Unloading Slot Unavailability Period has begun or is expected to begin, and is expected to end, respectively;
  - (ii) a detailed description of the reason(s) for the occurrence or expected occurrence of such Unloading Slot Unavailability Period; and
  - (iii) the programme that the Operating Company intends to implement to resume normal performance of the Service to all Users,

it being noted that the information required to be given to the affected Users pursuant to this paragraph (a) may be included in any notice that the Operating Company is required to send to any such affected User pursuant to clause III.7.4;

- (b) the Operating Company shall promptly notify to all affected Users (i) any update to the information indicated in paragraph (a) above; and (ii) the end of such Unloading Slot Unavailability Period;
- (c) the Operating Company and all the affected Users will use all reasonable endeavours to agree on the rescheduling of Unloading Slots that would avoid or reduce to the maximum extent possible cancellation of Unloading Slots during such Unloading Slot Unavailability Period;
- (d) the Operating Company shall determine the number of Unloading Slots within such Unloading Slot Unavailability Period (if any) for which the Operating Company,

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notwithstanding any rescheduling of the Unloading Slots pursuant to paragraph (c) above, will not be able to provide the Service and will therefore need to be cancelled;

- (e) the Operating Company shall cancel as many Unloading Slots as determined in accordance with paragraph (d) above in the following order:
- (i) Unloading Slot(s) of User(s) that has (have) tendered a Notice of Readiness after the end of the corresponding Scheduled Arrival Range(s);
  - (ii) Unloading Slot(s) of Spot User(s) that has (have) not yet tendered a departure notice pursuant to clause IV.2.1;
  - (iii) Unloading Slot(s) of Spot User(s) that has (have) tendered a departure notice pursuant to clause IV.2.1 but that has (have) not yet tendered a Notice of Readiness;
  - (iv) Unloading Slot(s) of Spot User(s) that has (have) tendered a Notice of Readiness;
  - (v) Unloading Slot(s) of Non-Foundation Capacity User(s) that has (have) not yet tendered a departure notice pursuant to clause IV.2.1;
  - (vi) Unloading Slot(s) of Foundation Capacity User(s) that has (have) not yet tendered a departure notice pursuant to clause IV.2.1;
  - (vii) Unloading Slot(s) of Non-Foundation Capacity User(s) that has (have) tendered a departure notice pursuant to clause IV.2.1 but that has (have) not yet tendered a Notice of Readiness;
  - (viii) Unloading Slot(s) of Foundation Capacity User(s) that has (have) tendered a departure notice pursuant to clause IV.2.1 but that has (have) not yet tendered a Notice of Readiness;
  - (ix) Unloading Slot(s) of Non-Foundation Capacity User(s) that has (have) tendered a Notice of Readiness;
  - (x) Unloading Slot(s) of Foundation Capacity User(s) that has (have) tendered a Notice of Readiness.

When applying the provision under any one of the paragraphs (i) through (x) above, the Operating Company shall cancel such Unloading Slot(s) starting from the User whose Capacity Agreement is for the smallest aggregate volume of LNG, proceeding in order of increasing volume and up to the User whose Capacity Agreement is for the largest aggregate volume of LNG; and

- (f) the Operating Company shall promptly notify each affected User regarding any rescheduling and/or cancellation of its Unloading Slots during the Unloading Slot Unavailability Period.

3.6.2 Following the end of the Unloading Slot Unavailability Period, the Operating Company will reinstate the Three (3) Month Schedules of all Users, effective with the first Unloading Slot following the end of such Unloading Slot Unavailability Period.

3.6.3 In the event that any one or more LNG Tankers of a User:

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- (a) were scheduled to Unload during the Unloading Slot Unavailability Period but (i) could not Unload or (ii) Unloaded during an Unloading Slot rescheduled in accordance with clause 3.7.1 (c) of chapter II; and
- (b) are unable to Unload during any Unloading Slot of such User which is scheduled within six (6) weeks after the end of the Unloading Slot Unavailability Period,

then

- (c) such User shall have the right to cancel one Unloading Slot for each such LNG Tanker by giving notice to the Operating Company within five (5) Business Days following the end of the Unloading Slot Unavailability Period; and
- (d) such User shall not have any liability whatsoever to the Operating Company with respect to any Unloading Slot cancelled pursuant to this clause 3.7.3, including any liability to pay any Capacity Charge with respect thereto. Notwithstanding the above, such User shall remain obliged to pay the applicable Grid Capacity Charge with respect to such Unloading Slot unless the relevant Unloading Slot Unavailability Period has been caused by a grossly negligent or wilful act or omission of the Operating Company or its employees, contractors, agents and/or other third parties acting for it or on its behalf (it being understood that in no event shall the Transportation Company be considered a “contractor” or a “third party” acting for, or on behalf of, the Operating Company).

The Operating Company may award to other Users any Unloading Slot that has been cancelled pursuant to this clause 3.7.3.

### **II.3.7 Additional Services**

Without jeopardizing the Redelivery operating flexibility regulated by articles 6.1.3 and 6.1.4 letter (a) in chapter III, the Operating Company may, subject to the technical-operating conditions of the Terminal and rate of use of Terminal Capacity, offer the Additional Services indicated in this article, according to the methods indicated in Annex (o), applying the relevant fees defined in chapter III, article 8, paragraph 1 and published in the Electronic Communication System.

#### **3.7.1 Flexibility Service**

Without jeopardising Redelivery operating flexibility regulated by articles 6.1.3 and 6.1.4 letter (a) in chapter III, the Operating Company may offer to the Flexibility Users on Day D the possibility to (i) increase or decrease the quantities of Gas to be redelivered on the Day D and on the following Day D+1 as per the Redelivery Program/Adjusted Redelivery Program/Adjusted Redelivery Program following requests for Additional Services, Spot Redelivery Program/Adjusted Spot Redelivery Program/Adjusted Spot Redelivery Programme following requests for Additional Services or (ii) exchange quantities of Gas at the PSV on Day D or on the following Day D + 1 .

The Flexibility Service offer and allocation methods are defined in Annex (o).

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### 3.7.2 Temporary Storage Service

The Operating Company may offer to its Users Temporary Storage of LNG and subsequent Redelivery service.

The Temporary Storage Service offer and allocation methods are defined in Annex (o).

### 3.7.3 Peak Shaving Service

In compliance with the operational constraints and restrictions imposed by the infrastructure to which it is connected, the Operating Company provides the Peak Shaving Service from time to time as required by Legislation.

The Gas Redelivery principles related to the Peak Shaving Service are defined at article 6.1.5 of chapter III.

### 3.7.4 Virtual Liquefaction Service

The Operating Company may offer its Users and Transportation Service Users on day D the possibility of delivering to the Operating Company a quantity of Gas at the PSV on day D or on day D+1 and at the same time receiving the availability of an equivalent quantity of LNG in the storage facilities of the Terminal with subsequent Redelivery.

The Redelivery must begin no later than the 90th Day from the end of the delivery of the Gas to the Operating Company at the PSV by the User of the Virtual Liquefaction Service.

The methods of offering and assigning the Virtual Liquefaction Service are defined in the Attachment (o)

### 3.7.5 **Supplementary Slot Service**

It is a service that the Operating Company offers upon request of the regasification User. The User will have the right to submit a request for a Supplementary Slot Service to the Operating Company and the Operating Company, having assessed the feasibility, will confirm its feasibility or not, notifying the User the changes to the timing and how to progress each of the discharge relevant for the Service.

If the User decides to accept the Operating Company's feedback, the Parties will sign the Supplementary Slot Service contract.

Following the stipulation of the Supplementary Slot Service Contract, the Operating Company will provide evidence of this by publishing the supplementary slot on its electronic system.

Except for what is provided in this article II.3.7.5, with regard to the provision of the Supplementary Slot Service, the terms and conditions referred to in point d) of Annex (o) will be applied.

The characteristics and methods of submitting the Supplementary Slot Service Request are published on the Operating Company's Electronic Communication System, including the relevant forms for the Supplementary Slot Service Request and the Supplementary Slot Service contract.