

Annex 8 – Competing Procedure

The incremental Capacity process related to the TAP Expansion foresees the application of an alternative allocation mechanism in substitution of the regular auctions foreseen by CAM NC at art.29. In particular, the mechanism establishes that the Binding Phase starts on the 17th of July with a submission window for the binding bids that lasts 3 days (17th-20th July).

Considering that the Interconnection Point (IP) of Melendugno, subject of the expansion process, is in competing with the IPs of Mazara and Gela on the offer levels 1 and 2 of the incremental capacity, it is necessary to manage the multi-yearly capacity bids, after gas year 2026/2027, on this IPs outside the regular auction procedure foreseen in par. 3.2.3 of Chapter 5 of the Network Code, as hereunder described.

The rules to participate to the Incremental Capacity process on the entry point of Melendugno are defined in the Binding Phase Notice.

The users interested in buying multi-yearly capacity on Gela and Mazara IPs will need to satisfy the following requirements:

- possess a signed Transportation Contract with SRG
- have submitted the appropriate guarantees, or updated the same, as provided in paragraphs 1.1.2 and 1.1.3 of Chapter V of the Network Code. In particular, these guarantees will have to be submitted within 14:00 of the second business day before the starting date of the booking process (1st July)
- possess the requirements in letters c), d) and e) of paragraph 1.1.1 of Chapter V of the Network Code
- comply with the conditions referred to in paragraphs 1.4 and 9.1 of Chapter V of the Network Code

Bids on Gela and Mazara will be submitted on PRISMA through the specific functionality of Bid Collector within the deadlines foreseen for the annual auctions (5th July 9:00-12:00 CET). The reserve price is equal to the value approved by the Italian Regulatory Authority for Energy, Networks and Environment with the Resolution 180/2020/R/GAS.

The outcome of the auction will be communicated within the next day (6th July), with the exception of the cases in which the capacity requested is higher than the competing constraint. In this case, at the end of the bid submission window, i.e. 21th July, an ascending clock auction will be launched as defined in Annex 5/U of the Network Code, to which only the users who previously bade on the IPs of Mazara, Gela and Melendugno can participate.

The new requests of capacity will have to be submitted, for each round, on PRISMA through the same functionality already used in the first submission phase for the requests of Gela and Mazara, and with the same modality described in the Binding Phase Notice for Melendugno. The price of each round will be defined from SRG following the logical defined in art.2 of Annex 5/U.

In case the reached auction premium covers the costs necessary to overcome the competing constraint and to allocate the capacity requested by the users on the involved IPs of Mazara, Gela and Melendugno, SRG will realize the infrastructures foreseen in Offer Level 3 of the Incremental Capacity process.

In this case, failing the competing constraint, the capacity requested will be totally allocated to the users.