

Technical rule no. 08 rev1 PB-GAS

(under article 4 of the Regulations of the Gas Balancing Platform, approved by “Autorità per l’Energia Elettrica e il gas” with its Decision ARG/gas 145/11 of 28 October 2011, as subsequently amended and supplemented)

<p>Title</p>	<p>Validation and Technical Adequacy Verification of Bids/Offers</p>
<p>Reference legislation</p>	<p>Article 21; Article 31, para. 31.3; Article 33, paras. 33.1, 33.2 and 33.3; Article 38, para. 38.3; Article 40, para. 40.2; and Article 41, paras. 41.1 and 41.2 - Regulations of the Gas Balancing Platform</p>

entered into force on 14 November 2013

1. Foreword

Article 21 of the Regulations provides that: i) on a daily basis and for each balancing user, GME shall - under the procedures and within the time limits identified by GME and Snam Rete Gas in an appropriate agreement - acquire from Snam Rete Gas at least the identification data, the PSV code, the identification code of the offer points to which the user is authorised to refer bids/offers, the value of the maximum exposure, as well as any additional data as per Article 33 (para. 21.1); and ii) such data shall take effect on the dates indicated in the Technical Rules (para. 21.3).

Article 21 of the Regulations provides that: i) on a daily basis and for each authorised user/Participant, GME shall - under the procedures and within the time limits identified by GME and Snam Rete Gas in an appropriate agreement - acquire from Snam Rete Gas at least the identification data, the PSV code, the identification code of the storage company, the minimum and maximum limits and the maximum value of purchases (para. 21.2); and ii) such data shall take effect on the dates indicated in the Technical Rules (para. 21.3).

Articles 31, para. 31.3, and 38, para. 38.3 of the Regulations stipulate that GME shall validate the received bids/offers within the time limit specified in the Technical Rules.

Article 33, para. 33.1 a) of the Regulations provides that, for the purposes of the adequacy verification of bids/offers entered into the G-1 Segment of the PB-GAS, GME shall – under the modalities and within the time limits established in the Technical Rules - acquire from Snam Rete Gas the following data for each balancing user: the value of the maximum exposure that the same user may take on towards Snam Rete Gas and the estimated imbalance price, as determined by Snam Rete Gas itself.

Article 33, para. 33.2 of the Regulations provides that, in accordance with the procedures established in the Technical Rules, a supply offer entered into the G-1 Segment of the PB-GAS shall be considered to be fully or partially guaranteed if its volume does not exceed the maximum volume given by the ratio of the value of the maximum exposure that the same user may take on towards Snam Rete Gas to the estimated imbalance price, decreased by the volume covered by supply offers having higher priority and already verified to be valid.

Article 33, paras. 33.1 b) and 33.3 of the Regulations provide that GME shall verify the adequacy of demand bids entered into the G-1 Segment of the PB-GAS only if Snam Rete Gas provides GME with the data and information that GME requires for such verification. Therefore, GME shall issue provisions on the above verifications within this Technical Rule only when Snam Rete Gas identifies the data and information referred to in Article 33, para. 33.1 b) of the Regulations.

Article 40, para. 40.2 of the Regulations provides that, if Snam Rete Gas fails to transmit the overall daily maximum and minimum limits of gas that each authorised user/Participant is required to bid on the G+1 Segment of the PB-GAS within the time limits specified therein, GME shall postpone the closing of the sitting of the G+1 Segment of the PB-GAS by a maximum period to be defined in the Technical Rules, notifying Participants thereof.

Article 41, para. 41.1 of the Regulations provides that, with a view to verifying the adequacy of bids/offers entered into the G+1 Segment of the PB-GAS, GME shall acquire from Snam Rete Gas – under the procedures and within the time limits established in the Technical Rules – the following data for each authorised user/Participant: the maximum value of purchases that the same user/Participant may make on the same Segment of the PB-GAS, as determined by Snam Rete Gas itself under AEEG's Decision ARG/GAS 45/11.

Article 41, para. 41.2 of the Regulations stipulates that, under the modalities established in the Technical Rules, a demand bid entered into the G+1 Segment of the PB-GAS shall be considered to be fully or partially guaranteed, if its amount does not exceed the maximum value of purchases that the Participant may make on the G+1 Segment of the PB-GAS, decreased by the value of demand bids having higher priority and already verified to be technically adequate.

2. Time limits for transmission of data about PB-GAS Participants

On a daily basis, Snam Rete Gas will transmit to GME the data concerning the fulfilment of the authorisation requirements by each PB-GAS Participant as per Article 21, paras. 21.1 and 21.2 of

the Regulations. The data will have effect for the session pertaining to the gas-day to which such data refer.

3. Validation of bids/offers

GME will verify the validity of bids/offers within 10 minutes of receipt thereof and, within the same time limit, it will notify the proposing Participant of the outcome of the verification.

4. Sale limits

Before the end of the sitting of the G-1 Segment of the PB-GAS, GME will receive from Snam Rete Gas the value of the maximum exposure that the user may take on towards Snam Rete Gas and the estimated imbalance price, as determined by Snam Rete Gas itself.

Based on these data, GME will determine the maximum volume that may be offered for sale (Sale Limit) by each balancing user, by calculating the ratio between the above two values.

Failing the above data, GME will – for the purposes of technical adequacy verifications - take as Sale Limit the limit determined on the basis of the latest data received from SRG - decreased by the volumes pertaining to supply offers accepted in the sessions following receipt of such data; failing such a limit, GME shall assume a Sale Limit equal to zero.

Starting from the supply offer with the highest priority, GME will verify, for each Participant, whether the volume of each offer is lower than or equal to the Sale Limit - decreased by the volumes of the other supply offers submitted in the same sitting, having higher priority and already verified to be technically adequate. If the verification is not successful, GME will consider the offer to be partially adequate until full utilisation of the Sale Limit or it will consider such offer to be technically inadequate if the Sale Limit is equal to zero.

4. Maximum and minimum gas limits

Under Article 40.1 of the Regulations, before the closing of each sitting of the G+1 Segment of the PB-GAS, GME will receive from Snam Rete Gas the minimum and maximum limits for each Participant.

If Snam Rete Gas does not provide the overall daily maximum and minimum limits of gas that each Participant is required to bid on the G+1 Segment of the PB-GAS, GME will postpone the closing of the sitting of the G+1 Segment of the PB-GAS, notifying Participants thereof.

If, within the new time limit, GME does not receive the minimum and maximum limits from Snam Rete Gas, GME will – under Article 40.2 of the Regulations – notify Participants thereof and hold the session of the G+1 Segment of the PB-GAS with the latest acquired values or, failing such values, considering the minimum and maximum values to be equal to zero.

5. Available amount of guarantees

Before the end of the sitting of the G+1 Segment of the PB-GAS, GME will acquire from Snam Rete Gas the maximum value of purchases that each Participant is allowed to make and with respect to which the adequacy verifications will be carried out.

If Snam Rete Gas fails to transmit the above data, GME will carry out the adequacy verifications by considering an amount equal to the latest maximum value of admissible purchases that it has received from Snam Rete Gas, decreased by the value of bids/offers accepted in the sessions following receipt of the above data. If GME has never received such data from Snam Rete Gas, it will consider the maximum value of admissible purchases to be equal to zero.

Starting from the demand bid with the highest price priority, GME will - for each Participant - check whether the value of each bid (calculated on the basis of the quoted price) is lower than or equal to the available amount of guarantees, calculated as the difference between the maximum value of admissible purchases that it has received from Snam Rete Gas and the value of the other demand bids submitted in the same sitting, having higher priority and already verified to be adequate. If the verification is not successful, GME will consider the bid to be partially adequate until full utilisation of the available amount of guarantees, or it will consider such bid to be inadequate if the available amount of guarantees is equal to zero.