

GUIDELINES FOR PARTICIPATION IN INCREMENTAL CAPACITY ALLOCATION PROCEDURES

I. INCREMENTAL CAPACITY PROCEDURES

BULGARTRANGAZ carries out incremental capacity procedure in accordance with Regulation (EU) 2017/459 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems (CAM NC) at the following interconnection points (IP):

- IP Negru Voda 1/Kardam - for allocation of the incremental capacity at the point, the gas transmission operators (Bulgartransgaz EAD and TRANSGAZ S.A.) apply a standard tender procedure on the RBP platform in accordance with CAM NC, with a supply horizon of 15 years after commencement of project operation.
- IP Stara Zagora and IP Kulata/Sidirokastro - for allocation of the incremental capacity at the point, gas transmission operators apply an Alternative Allocation Mechanism (AAM) in accordance with CAM NC, with a supply horizon of 20 years after the start of project operation. The detailed conditions for participation in the binding phase for IP Stara Zagora and IP Kulata/Sidirokastro, including those for request and allocation of capacity, are presented in the respective announcements for binding phase of the incremental capacity procedure.

II. ADDITIONAL INFORMATION AND GUIDELINES FOR PARTICIPATION IN THE INCREMENTAL CAPACITY ALLOCATION PROCEDURE AT IP NEGRU VODA 1/KARDAM

As per CAM NC requirements, the incremental capacity shall be offered together with the existing available capacity. In this regard, in the tender procedure for IP Negru Voda 1/Kardam, tenders are held with 2 levels of offering capacity – Level 0 and Level 1, during which it can be booked by submitting capacity booking requests (bids).

Level 0 includes only the existing available capacity for the relevant gas years. Level 1 includes the sum of the existing available capacity and the offered incremental capacity for the relevant gas years.

After completion of the tender procedure for incremental capacity, only one of the two levels will be successful and the capacities requested in that level will be allocated to the participants with ranked bids.

In case Level 1 is the successful one, all existing available capacity shall be allocated first according to the CAM NC.

In relation to the above, if a user participates in only one level of the tender procedure for incremental capacity allocation at IP Negru Voda 1/Kardam, it is possible not to be allocated capacity if the other level is successful, as capacity will be allocated only to participants with ranked bids in the successful bid level.

In order to guarantee to the maximum extent booking of the needed capacity, the participants in the tender procedure should participate simultaneously in both tender levels.

It should be noted that a separate financial collateral is required for each level, and when submitting applications in both levels, the platform will accordingly independently lock funds from the financial collateral provided by the participant.

In order to facilitate users, and not require from the participants to provide greater financial collaterals, when submitting capacity booking bids at IP Negru Voda 1/Kardam, Bulgartransgaz EAD will block from

the provided financial collateral **5% of the value of the requested capacity for each level, instead of the stipulated 10%.**

After the end of the tender procedure, the participants with allocated capacity for the successful level of offering will be withheld funds from the financial collateral: 7.2% for the pro-rata allocated existing available capacity in accordance with the provisions of the access and transport contract and (if applicable) 10% of the pro-rata allocated incremental capacity according to the provisions of the incremental capacity procedure.

If, based on tender results, additional collateral is required from a User and he does not provide it, the contract will not be concluded and the booked capacities will not be provided.