



*TERMS AND CONDITIONS OF THE
SECONDARY MARKET FOR CAPACITY
CONTRACTED AT FACILITIES OPERATED BY
ENAGAS S.A.*

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ARTICLE 1. General

- 1.1 *REGULATION (EC) No 715/2009 of the European Parliament and of the Council* states that each transmission, storage and LNG system operator shall take reasonable steps to allow capacity rights to be freely tradable and to facilitate such trade in a transparent and non-discriminatory manner.
- 1.2 In accordance with this Regulation and bearing in mind the existing regulatory framework for third-party access to Spanish gas system facilities, ENAGAS S.A. provides users with a tool to help them trade capacity contracted at their facilities.
- 1.3 This document sets out the terms and conditions for participating in the Secondary Market for Capacity and instructions on how to use the Secondary Market Bulletin Board, where Enagás S.A. posts offers to sell and requests to buy capacity contracted at the facilities it operates.
- 1.4 The Secondary Market Bulletin Board is the only place where authorised users can post bids for and offers of capacity contracted at the facilities operated by ENAGAS, S.A.
- 1.5 ENAGAS, S.A. owns and operates the Secondary Market Bulletin Board.
- 1.6 Trades arising on this market shall be subject to prevailing regulations, a feasibility study by the Technical System Operator and Transmission System Operator, agreements signed by the parties, and instructions issued by the Technical System Operator in the discharge of its duties.

ARTICLE 2. Scope of application of the Secondary Market for Capacity

2.1 This document applies to contracts for the following services

- Regasification access contract
- Transmission and distribution system entry point access contract
- Cistern loading regasification access contract
- International transport contract

2.2 Within the scope of underground storage contracts, *ORDER ITC/3862/2007, of 28 December, which establishes the mechanism for the allocation of underground natural gas storage capacity and creates a capacity market*, shall be applied. Trading of storage capacity usage rights and/or withdrawal and/or injection rights is carried out through the platform set up for this. Therefore, this document is not applicable to that service.

ARTICLE 3. Secondary Market for Capacity Application Models

3.1. Distributors may use one of the following types of secondary market for capacity application models.

- **Sublet of capacity.** This model does not imply assigning any rights or obligations; i.e. Enagás, S.A.'s counterparty, for all effects and purposes, is still the first contractor.

Enagás, S.A.'s relationship with the first contractor shall not change because of any allocations of capacity on the secondary market. All rights and obligations acquired between Enagás, S.A. and the user contracting capacity in the primary market as set out in prevailing regulations shall be maintained.

- **Re-sale of capacity.** In this case, the capacity contract is assigned, with all the rights and obligations to capacity transferred to the second contractor.

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- 3.2. The platform used to manage this market shall be a type of "Bulletin Board", based on the one currently in place for the OSP Larrau secondary market. Enagás will continue to develop this secondary market platform, adapting it to potential regulatory developments and market requirements.
 - 3.3. Publication of this regulation cancels the current OSP Larrau secondary market, whose products will be covered by this.

ARTICLE 4. Contractual features

- 4.1. Where users opt to "sublet" their contracted capacities, the rights to use the capacity of the facilities may be assigned, in full or in part, to other users through a bilateral contract.

Where contracted capacities are sublet, the contractual relationship between the owner of the facility and the user contracting the capacity on the primary market is not changed. All rights and obligations acquired between the owner and the user contracting capacity in the primary market as laid down in prevailing regulations shall be maintained.

- 4.2. Where users "resell" their capacity, a contract may be assigned to another user, with all the rights and obligations to capacity transferred to the second contractor.

The transfer will be managed as an assignment of the contract. A new contract is created for the second contractor, allowing the transfer of any amount and maintaining the rest of the terms and conditions for the provision of the service, including the duration of the contract. Guarantees required by prevailing regulations must be substituted.

The facility owner and the Technical System Operator must be notified by remote means of an application for a change of title to a facility access contract, indicating the contract assigned, the start date of the assigned contract and the new holder of the contract, so that the Technical System Operator may perform the feasibility study established in prevailing regulations.

Once the application for the change of title of an access contract is accepted, the assignment of the contract between the new user, the first contractor and the facility owner is made as laid down in prevailing regulations.

ARTICLE 5. Rights and obligations of the Bulletin Board Administrator

5.1 Enagás S.A. shall be the Secondary Market Bulletin Board Administrator.

The framework of the Secondary Market for Capacity allows postings and communications between users for capacity trading. It is not an automatic matching system, but rather the market administrator facilitates contact, under the terms and conditions described herein, between users posting offers of and bids for capacity through the Secondary Market Bulletin Board.

5.2 Enagás S.A. may modify or suspend the Bulletin Board for the benefit or to safeguard the interests of the System or as required by the pertinent regulatory authority. Any such amendment or suspension shall be notified to all parties involved.

5.3 Enagás S.A. accepts no responsibility for bids or offers, or for the specific content of applications. Applications shall be posted on the first business day following receipt.

5.4 Enagás S.A. shall not be responsible for the conduct of users.

5.5 The Bulletin Board Administrator only brings interested parties in contact where offers to sell and requests to buy match.

ARTICLE 6. Users

6.1 Any agent with access to Spain's basic natural gas network facilities as laid down in prevailing regulations may use the Bulletin Board.

6.2 Specifically:

a) Offers of capacity shall be limited to market distributors or direct consumers with a facility access contract for the capacity offered.

b) All eligible market distributors or direct consumers in accordance with Law 34/1998 may request capacity.

ARTICLE 7. Activity of the Bulletin Board

- 7.1 Bids and offers must be sent to dgia.gestionatr@enagas.es, in accordance with the format provided on Enagás' website, specifying the following:
- a) Whether the application is new, replaces a previous application or cancels an application previously sent.
 - b) Whether the application is an offer of or a bid for capacity.
 - c) The installation and service referred to in the application.
 - d) The capacity to be traded: expressed in terms of power (MWh/day).
 - e) Whether partial placement of the capacity offered or requested is acceptable.
 - f) The contract on which capacity is offered, indicating the reference number.
 - g) Start date of the capacity offer of bid trade, along with the end date of the contract or, as appropriate, of the capacity demanded.
 - h) Whether the applicant wishes to remain anonymous or not.
 - i) Whether the applicant wishes to indicate a capacity bid/offer price.
 - j) The name of the company, a contact person, email and telephone number.
- 7.2 Once the application is accepted by the Bulletin Board Administrator and a code is assigned, the capacity offered is posted to the Bulletin Board.
- 7.3 When an authorised user submits an offer or bid relating to a previously posted offer or bid, they should indicate the application code to be matched.
- 7.4 When the Bulletin Board Administrator detects two matching applications, it shall:
- a) Sub-let of capacity alternative: Place the two users in contact to reach a bilateral agreement as appropriate.
 - a) Re-sale of capacity alternative: Confirm the interest of the parties in order to conduct the feasibility study as laid down in

Article 5 of RD 949/2001 and, once this study is complete, match the contracts and register them in the TPA logistics management system.

- 7.5 Applications may be cancelled by the bidder or offeror between 9:00am and 5:00pm, Monday to Friday. Once the start date of the offer or bid application is reached, the Bulletin Board Administrator may remove it.
- 7.6 Closed (matched) bid and offer applications will be removed from the Bulletin Board.
- 7.7 Users must inform Enagás S.A., at dgja.gestionatr@enagas.es, of the results of the trades carried out, and when they decide to withdraw an offer or a bid submitted.
- 7.8 APPENDIX 1 provides a model of the Bulletin Board.

ARTICLE 8. Commissions

- 8.1 The services covered in this procedure are not subject to the payment of any economic consideration when the user has an access contract to facilities in Spain's gas system.
- 8.2 However, if regulations establish a price for the provision of all or part of the services covered in this agreement, this price will be applied automatically to the User.

ARTICLE 9. Confidentiality and publication of statistics

- 9.1 The Bulletin Board Administrator shall maintain the confidentiality of all actions by users until it matches bids and offers.
- 9.2 When a user decides to submit a bid or offer anonymously, Enagás S.A. will not post the name of the company or its contact data on the Bulletin Board, nor will it reveal the identity of the offeror or bidder until it receives express authorisation from them.
- 9.3 The Secondary Market for Capacity Bulletin Board shall provide access to this information transparently to all users without discrimination.

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- 9.4 The Bulletin Board Administrator shall report all trades carried out to the pertinent regulatory authorities and to the Technical System Operator.
 - 9.5 In case of emergencies or acts of God, the Bulletin Board Administrator may reject or take down postings of bids or offers by one or more users from the Bulletin Board.

ARTICLE 10. Applicable regulation and jurisdiction

- 10.1 The procedure of the Bulletin Board shall be governed and interpreted in accordance with the third-party access regime laid down in prevailing regulations.
- 10.2 The National Energy Commission shall arbitrate in any discrepancies arising in respect of applying this procedure.
- 10.3 Any amount required of Enagás S.A. as income to be settled with the gas system from operations of this Bulletin Board not previously paid by the offeror or bidder for the related capacity shall be billed automatically by Enagás S.A. and paid by the user to Enagás S.A. under the terms and conditions laid down in the related clause of the access contract.

