



Inčukalns UGS capacity auction process 2024

conexus
B A L T I C G R I D

January 16, 2024

Kaspars Skrābāns
Deputy Head of Commercial division

AGENDA

- Auction calendar 2024
- Deadlines 2024
- Authorizations
- Offer submission
- Passwords
- Allocations
- Information publication
- Payments and Tariffs
- Collateral
- Inčukalns UGS regulation survey update
- Q&A

<https://www.conexus.lv/presentations>

NO AMENDMENTS TO INČUKALNS STORAGE REGULATION

- The market participants had a chance to express their opinion during Inčukalns UGS regulation survey in November 2023.
- Market views are available [HERE](#)
- Key proposals:
 - No need to introduce injection curves
 - Introduction of 3-5 year Bundled capacity product
 - Certain % of BCP rolls over as BCP
 - Modifications in congestion management during injection
 - in proportion to total booked storage capacity instead of booked unused storage capacity
 - To publish amount of state reserves
 - Auctions in IT Platform
- Conexus will consider to implement proposals and further discussion may take place

AUCTION CALENDAR 2024

Two year bundled capacity product:
Tuesday, January 30, 2024
Tuesday, February 13, 2024
Tuesday, February 27, 2024
Tuesday, March 12, 2024
Tuesday, March 26, 2024
Tuesday, April 9, 2024
Tuesday, April 23, 2024
Tuesday, May 7, 2024
Tuesday, May 21, 2024

Bundled capacity product:
Thursday, February 1, 2024
Thursday, February 15, 2024
Thursday, February 29, 2024
Thursday, March 14, 2024
Thursday, March 28, 2024
Thursday, April 11, 2024
Thursday, April 25, 2024
Thursday, May 9, 2024
Thursday, May 23, 2024
Thursday, June 6, 2024

Interruptible capacity product:
Thursday, June 20, 2024
Thursday, July 4, 2024
Thursday, July 18, 2024
Thursday, August 1, 2024
Thursday, August 15, 2024
Thursday, August 29, 2024
Thursday, September 12, 2024
Thursday, September 26, 2024

Available capacity and auction status Y / N to be announced five working days (one week) before auction date

https://www.conexus.lv/uploads/filedir/Komercdala/2024_izsoles/Auction_calendar_2024_ENG.pdf

DEADLINES 2024

- January 10 Auction calendar publication, published on December 22, 2023
- January 22 1st auction regulation publication
- January 30 1st auction 2-year BCP
- February 1 1st auction BCP
- -----
- April 30 End of withdrawal season
- May 1 Start of injection season
- May 21 Deadline for Technical capacity publication for 2024
- May 21 Last 2-year BCP auction
- June 6 Last BCP auction
- June 20 1st ICP auction
- September 26 Last ICP auction
- October 14 End of injection season
- October 15 Start of withdrawal season
- November 4 Deadline for Technical capacity forecast publication for 2025

AVAILABLE CAPACITY FOR AUCTION

- Before the end of current cycle
 - Technical Capacity 22,6 TWh
 - - 2-year BCP 4,0 TWh from prior cycle
 - - Storage inventory on publishing day
 - - Possible injection before April 30
 - = Available Capacity for Auction
- After the end of current cycle
 - Updated (no later than 21.05.2024) Technical Capacity
 - - Booked Capacity at prior Auctions
- Storage regulation – auction takes place if available capacity is at least 5% from technical capacity (1 130 000 MWh)

22 600 000
 -4 000 000
 -13 280 000 (estimate Jan 23)
 -51 000 x X days
 = **322 000 MWh**

2023/2024 STORAGE CYCLE INČUKALNS UGS CAPACITIES		
Injection season	2023-05-01 - 2023-10-14	kWh
Withdrawal season	2023-10-15 - 2024-04-30	
Technical capacity		<u>22 600 000 000</u>
Booked products for 2023/2024 storage cycle at the end of gas day 2024-01-14		22 600 000 000
1 year bundled product (IPGK1YP)		9 399 780 063
2 year bundled product (IPGK2YP)		8 000 000 000
Interruptible capacity product (IPGKAP)		0
Transfer product (INTP)		5 200 219 937
Storage user stock in 2023/2024 at the end of gas day 2024-01-14 (not including energy supply security reserve)		<u>14 103 254 637</u>
Storage current physical stock in 2023/2024 at the end of gas day 2024-01-14		15 829 178 752
Unused capacity 2023/2024 from booked		8 496 745 363

<https://www.conexus.lv/incukalns-ugs-storage-cycle-data>

AUTHORIZATIONS

General information	
User	
EIC	
Legal address	
Bank	
Account	
Phone	
Email	
Authorised signatory / authorised person, position	
Do you use digital signature Y/N	
Type of digital signature	

Users of IT Platform			
Name	Last name	Phone	Email

Persons authorised to submit auction offers			
Name	Last name	Phone	Email

Not required for each auction

- Digital signature is not required
- Auction offer is submitted by System user's authorised persons via uploading Excel offer sheet in the Common zone IT Platform
- <https://platform.conexus.lv/sign-in>

OFFER SUBMISSION

- Upload to IT Platform before Auction day **11:00 Latvian** time (10:00 CET)
 - There is no point to submit offer too early or at the last moment
- Offers received after this time will not be accepted
- Minimum bid size - 1 MWh
- Maximum each bid size for Auction – published on <https://www.conexus.lv/storage-capacity-auctions>
- One Offer sheet with one upload
- Fixed or variable
- Many offers can be submitted but last one will be evaluated
- Minimum Bid price for Capacity product is 0 EUR/MWh w/o VAT

OFFER SHEET

Year 2024/2025 Storage Cycle					
Bundled capacity product Auction Regulation					
(ID. No. Conexus Baltic Grid IPGK1YP/2024/1)					
Auction Offer Sheet (OFFER)					
Bundled capacity product auction (id. No. Conexus Baltic Grid IPGK1YP/2024/1)					
Date of submission					
The auction participant:					
	EIC code:				
	Legal address:				
	Phone number:				
	Email address:				
We are hereby submitting our offer for the auction of year 2024/2025 storage cycle Bundled capacity product ("Auction") under the following conditions:					
Name of Auction participant	Price bid No.	Bundled capacity product amount * * (MWh)	Bundled capacity product amount *		Price (EUR/MWh) w/o VAT * * *
			Fixed	Variable	
Note:					

Page 1

.xls or .ods offer sheet must be password protected

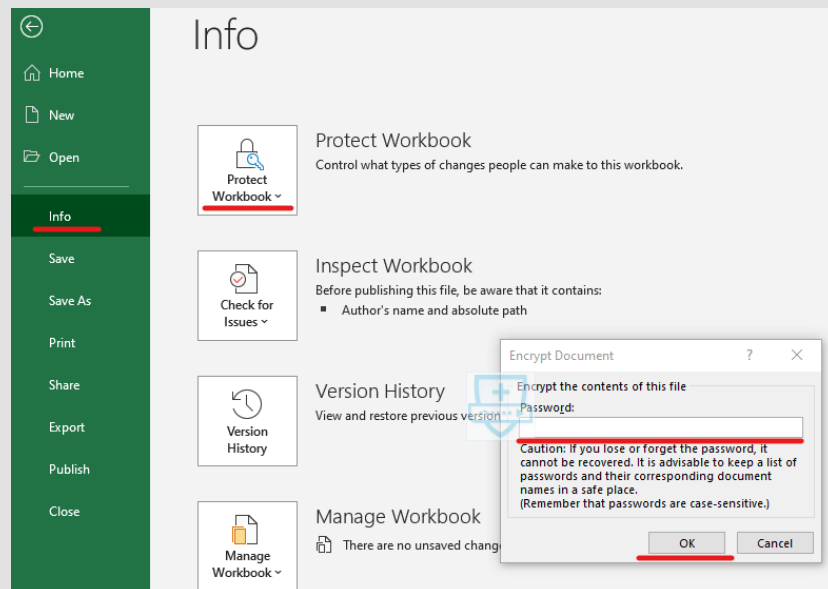
Password sent in separate email to auction@conexus.lv from 11:00 to 12:00 (Latvian time)

Unlimited number of bids (rows in Auction Offer Sheet)

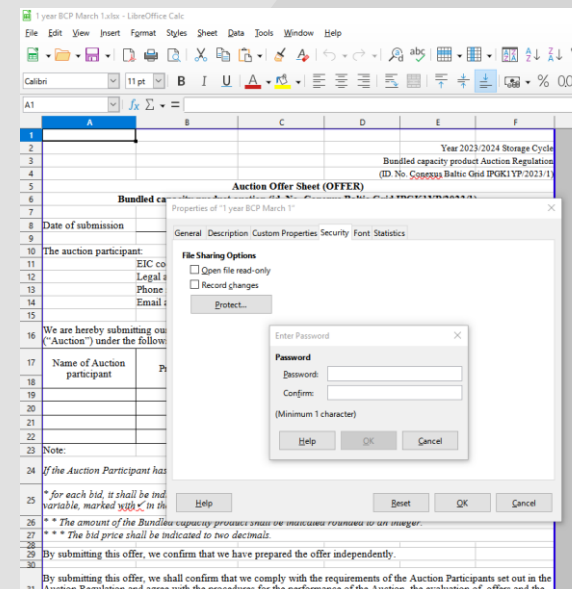
File name example: **Participant name 1 year BCP March 1**

PASSWORDS

- Auction Offer sheet (.xls or .osd) shall be protected with password!
- No requirements for the strength of password
- Send password to auction@conexus.lv on Auction day 11:00 – 12:00 Latvian time, 10:00 – 11:00 CET
- Conexus confirms receipt immediately, but not later than 12:10 same day Latvian time, 11:10 CET
- Password received outside this time will not be accepted
- Offer will not be considered if the Offer is not protected by password, password is incorrect, not submitted or the offer cannot be opened



File / Info / Protect workbook / Encrypt document



File / Properties / Security / Protect

OFFER UPLOAD

Administration / Document Store / New

TEST ENVIRONMENT | conexus elering | Daily Overview | Capacity | Nomination | Settlement | Storage | Administration | kaspars.skrabans@conexus.lv (KASSKR) | 20.02.2023 14:19

Administration / Document Store

Created after * 20.01.2023 | Created before * 20.02.2023 | Issuer All | Recipient All | Search | Reset

Document Store | New | Modify | Details | Export

Created at (EET/EEST) ↑	Issuer	Issuer EIC	Recipient	Recipient EIC	Subject	Message	Attachment
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Recipient - Conexus Baltic Grid AS [21X000000001379R]

OFFER UPLOAD

TEST ENVIRONMENT conexus elering | Daily Overview Capacity Nomination Settlement Storage Administration | kaspars.skrabans@conexus.lv (KASSKR) 20.02.2023 14:14

Administration / Document Store

Created after * 20.01.2023 | Created before * 20.02.2023 | Issuer All | Recipient All | Search | Reset

Document Store

Created at (EET/EEST) ↑ | Issuer | Is

Create Message

Recipient *
AS "Conexus Baltic Grid" (21X000000001379R)

Subject *
1 year BCP offer

Message

Attach | Delete

Filename	Created at(EET/EEST) ↓	Attachment
No Rows Data		

0 to 0 of 0 | < > Page 0 of 0 | > >|

Submit | Cancel

ALLOCATIONS – PAY AS CLEARED

Maximum available capacity	2000
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Example
Dummy numbers

User	Bid amount	Price
1	100	1.00
2	200	0.50
3	100	1.50
4	600	2.00
5	1000	0.20
6	50	1.20
Total	2050	

User	Bid amount	Prices sorted largest to smallest	Cumulative bid amount
4	600	2.00	600
3	100	1.50	700
6	50	1.20	750
1	100	1.00	850
2	200	0.50	1050
5	1000	0.20	2050
Total	2050		

User	Allocations	Price pay-as-cleared
4	600	0.20
3	100	0.20
6	50	0.20
1	100	0.20
2	200	0.20
5	950	0.20
Total	2000	

Price (premium) is fee on top of the tariff approved by PUC

Minimum price – 0 EUR/MWh

Minimum bid size – 1 MWh

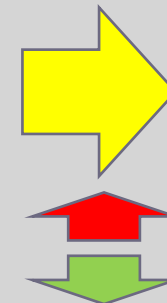
If amount is fixed and it has to be confirmed less than in bid then it shall be excluded from calculation and following bid will be included in calculation

If there are 2 identical closing bids that has to be reduced, then it is done proportionally

PAYMENTS AND TARIFFS

- PUC may reject before January 21
- Base tariff according to PUC + Premium according to Auction outcome
- Both in one invoice
- Monthly invoices throughout the storage cycle, possible to pay lump sum
- Total monthly invoice including Premium x 2 is basis of setting required collateral according to Storage regulation

Capacity product	Tariff for period EUR/MWh/storage cycle (excl. VAT) from 01.05.2024. to 30.04.2025.	Change vs storage cycle year ago
Bundled capacity	0,8761	0%
Two year bundled capacity product booked in 2023/2024 storage cycle	0,9308	0%
Two year bundled capacity product	0,9308	0%
Interruptible capacity product	0,6981	0%
Transfer product	3,2260	+138%
Virtual reverse product (R)	0,4381	-14%



<https://www.vestnesis.lv/op/2024/2.DA5>

TRANSFER PRODUCT TARIFF

- Formula set according to storage tariff methodology point 43

Revenue in EUR from 2YBCP in last tariff cycle (tariff + Auction premium)

Coefficient set by SSO to ensure effective use of storage

$$\frac{4\,000\,000\text{ MWh} * 0.9308\text{ EUR/MWh} * 2 + 13\,200\,000\text{ EUR}}{4\,000\,000\text{ MWh} * 2} * 1.25 = \underline{\underline{3.226\text{ EUR/MWh}}}$$

2YBCP Booked Capacity in last tariff cycle MWh

<https://www.vestnesis.lv/op/2024/2.DA5>

Storage website schedule update

Inčukalns UGS schedule

IUGS INJECTION AND WITHDRAWAL SCHEDULE

2024-01-05

2024-03-05

GENERATE

(R) - Virtual reverse counterflow, flow opposite to physical flow of Inčukalns UGS season.

(IPGK1YP) - 1 year bundled product

(IPGK2YP) - 2 year bundled product

(IPGKAP) - Interruptible capacity product

(INTP) - Transfer product

Status at: 05.01.2024. 10:26:07. Displayed: 05.01.2024. 10:36:48.

 Excel file

INJECTION

WITHDRAWAL

Gas day	Maximum, kWh	Nominated, kWh	Not nominated, kWh	Available, kWh	Maximum, kWh	Nominated, kWh	Not nominated, kWh	Available, kWh
2024-01-05	51 000 000 / 104 809 408 R	8 284 420 (IPGK1YP) 0 (IPGK2YP) 0 (IPGKAP) 0 (INTP)	<u>147 524 988</u>	129 274 583	253 000 000 / 0 R	53 529 774 (IPGK1YP) 89 281 634 (IPGK2YP) 0 (IPGKAP) 12 998 000 (INTP)	97 190 592	84 851 536



THANK YOU!
capacity@conexus.lv
auction@conexus.lv
platform@conexus.lv