

Fosmax LNG offers for subscription a **capacity of 1 000 GWh** at the Fos Cavaou LNG terminal with a **Window of Arrival on 13<sup>th</sup> March 2023** ('Capacity').

As per Public Decision 2022-252 from CRE dated 07 October 2022, this capacity is offered according to an auction mechanism.

The auction ('**Auction**') will start on Thursday **26<sup>th</sup> January 2023** ('**day D**') at 10.00 am (Paris time), on the PRISMA platform, via an ascending clock mechanism.

## 1.1 Registration

In order to participate, shippers must register until the day before day D (day D-1) at 10.00 am (Paris time), i.e. **Wednesday 25<sup>th</sup> January before 10.00 am**:

- With Fosmax LNG by returning the duly completed and signed Registration Form downloadable at the following address: <https://www.elengy.com/en/media/news>, by e-mail to the following address: [Foscavaou-Development@fosmax-lng.com](mailto:Foscavaou-Development@fosmax-lng.com)
- With PRISMA platform to the following address: <https://app.prisma-capacity.eu/platform/#/start>

Once their registration has been validated by Fosmax LNG, the shipper has the status of Participant.

## 1.2 Process of auction

The Auction consists of a phase of one or more rounds ('**Round**') of successive bids ('**Ascending Phase**') followed, if necessary, by a phase of a Round in Pay-as-Bid ('**Pay-as-Bid Phase**').

Whatever the phase, any request registered at the end of each Round is binding and the Participant cannot withdraw his request.

The parameters of the Auction (Large Price Step, Small Price Step, duration of Rounds) will be communicated to Participants only, no later than the day before the Auction (day D-1).

The sale price of the Capacity is expressed in Euros.

### 1.2.1 Process of the Ascending Phase

During each Round of the Ascending Phase, the Participant is asked to confirm or not his request to acquire the Capacity at the price of the Round ( $P_T$ ). The absence of a response from the Participant within the time limits results in the waiver of its request for Capacity at the  $P_T$  price. A Participant who has waived his Capacity request during a given Round is not authorized to participate in the following Round.

During the first Round (Round 1), the sale price  $P_{T1}$  of the Capacity is its regulated price, i.e. 1 390 000 Euros.

After the first Round, the price of the Capacity increases in successive increments, if applicable.

- '**Large Price Step**': price increase level set by the Operator.
- '**Small Price Step**': Large Price Step divided by 'N', N being defined by the Operator. The number of Small Price Step may not exceed (N-1).

'**Demand**' is the number of Participants requesting the Capacity at the price of the Round in force.

'**Offer**' is the proposed Capacity, i.e. one (1) non-divisible lot.

The Ascending Phase proceeds as follows:

- In case Demand is strictly lower than the Offer in Round 1:
  - The Ascending Phase stops.
  - The Auction ends and is declared unsuccessful. Capacity is not allocated.
- In case Demand equals the Offer for a Round T ( $T \geq 1$ ):
  - The cleared price is the price of that Round  $P_T$ .
  - The Ascending Phase stops.
  - The Auction stops and the Operator proceeds with the allocation of the Capacity to the Participant having confirmed its acquisition request during Round T.
- In case Demand is higher than the Offer for a Round T ( $T \geq 1$ ):
  - There is no allocation.
  - The Ascending Phase goes to another Round T+1 whose price  $P_{T+1}$  is equal to:  
 $P_T + \text{Large Price Step}$ .
  - And so on.
- In case Demand is strictly lower than the Offer after a given Round T ( $T > 1$ ):
  - There is no allocation
  - The Ascending Phase goes to another Round T+1 whose price  $P_{T+1}$  is equal to  $P_{T-1} + \text{Small Price Step}$ . Then, if the Demand is greater than the Offer during Round T+1, with Round T+2 whose price  $P_{T+2}$  is equal to  $P_{T+1} + \text{Small Price Step}$ , and so on until that, during a Round K ( $T+1 \leq K \leq T+N-1$ ):
    - The Demand equals the Offer:
      - In this case, the Ascending Phase stops.
      - The Auction stops and the Operator proceeds with the allocation of the Capacity at the price of Round K ( $P_K$ ) to the Participant having confirmed its acquisition request during the said Round.
    - The Demand is strictly lower than the Offer
      - In this case, the Ascending Phase stops.
      - The Auction goes to the Pay-as-Bid Phase.
    - $K=T+N-1$  and during this one the Demand is always strictly Superior to the Offer:
      - In this case, the Ascending Phase stops.
      - The Auction goes to the Pay-as-Bid Phase.

## 1.2.2 Process of the Pay-as-Bid Phase

During the Pay-as-Bid Phase, a final bidding Round is organized during which the Participant is asked to indicate an acquisition price for the Capacity.

To be authorized to participate in the Pay-as-Bid Phase, the Participant must have confirmed their acquisition request in the last Round of the Ascendant Phase for which a Demand has been expressed.

The price offered by the Participant must be greater than or equal to the price of the last Round of the Ascending Phase for which a Demand has been expressed.

Capacity is allocated to the Participant who submits the highest price, at that price.

In the event that several Participants submit the same price, the Operator shall conduct a random draw to decide between the said Participants.

If no Demand is expressed during the Pay-as-Bid Phase, the Operator shall proceed to a random draw to decide between the Participants of the last Round of the Ascending Phase for which the Demand expressed was higher than the Offer, the Capacity being allocated at the price of the said Round.

## 1.3 Capacity allocation

If the Auction is still in progress on **Thursday 26<sup>th</sup> January** (day D) at 6.00 pm, the process will stop and resume the next day, i.e. Friday 27<sup>th</sup> January from 10.00 am (day D+1) and so on for the following working days.

Capacity allocation by Fosmax LNG is binding for both parties.

The results will be transmitted to the Participants, as soon as possible, at the end of the process on PRISMA.

If no Demand is expressed within the framework of this procedure for this Capacity, it will be published by Fosmax LNG and accessible on a first-come/first-served basis, according to the usual procedures.

## 1.4 Precisions on the contractual modalities

The Uniform Send-out Option is not available for this Capacity.

The principle of minimum payment obligation defined in paragraph 11.2 of Appendix 2 of the access contract to Fos Cavaou LNG Terminal shall apply to the price at which the Capacity is allocated.

A Payment Guarantee as defined in paragraph 12.1 of Appendix 2 of the access contract to Fos Cavaou LNG Terminal must be put in place as soon as possible after the allocation of the Capacity and in any case before Unloading.