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**Implementing Auction Rules for annual Capacity allocation in accordance with the Regasification Code cleared by ARERA resolution No. 355/2021R/Gas - Open Season 2021.**

**1. Recitals and definitions**

**Whereas:**

- a) The Regulatory Authority for Energy, Networks and Environment ("**ARERA**") adopted Resolution No. 660/2017/R/Gas "*Regulatory reform regarding the allocation of the LNG regasification capacity on the basis of market mechanisms (Auctions)*" and relative Annex A "*Integrated text of the provisions concerning guarantees of free access to the liquefied natural gas regasification service (**TIRG**)*" on 28 September 2017 and Resolution No. 474/2019/R/Gas "*Tariff regulation criteria for the liquefied natural gas regasification service for the fifth regulatory period (2020-2023)*" on 19 November 2019;
- b) the Ministry for Economic Development adopted the decree of 8 July 2020, "*Criteria on the basis of which the Regulatory Authority for Energy Networks and Environment defines the procedures for assigning the quota of capacity not subject to exemption for interconnectors to and from countries outside the European Union and regasification terminals and repeal of the decree of 28 April 2006*" ("**MiSE Decree**"), which sets out the criteria for allocating regasification capacity not subject to exemption.
- c) by Resolution No. 576/2020/R/Gas, ARERA amended and updated the TIRG in order to incorporate the provisions of the MiSE Decree.
- d) during the period from 2 February to 22 March 2021, the Operating Company submitted for public consultation an illustrative document relating to the possible products and the main characteristics of the mechanisms and rules of the "Open Season", or Annual Allocation, procedure for the allocation of the portion of Annual regasification Capacity not subject to exemption in compliance with the MiSE Decree and ARERA Resolution No. 576/2020/R/Gas, together with a proposal to update the Regasification Code. As a result of the public consultation, these proposals were substantially

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amended, also to take into account ARERA's findings. The amended Regasification Code was subsequently cleared by ARERA with Resolution No. 355/2021/R/Gas of 3 August 2021;

- e) the new Annual Subscription Process is aimed at offering the Italian gas market an instrument that enables the allocation of Available Capacity for up to a period of 25 years, also guaranteeing the allocation of capacity in accordance with criteria of efficiency, cost-effectiveness and safety of the gas system, as well as meeting the need to protect competition, as required by the MiSE Decree and the principle of maximising the utilization of the Terminal pursuant to Chapter II Article 2.4.3 of the Regasification Code;
- f) the Operating Company is required to publish and constantly update the status of the Terminal Capacity in its Electronic Communication System;
- g) in particular, the Regasification Code cleared by means of the ARERA Resolution referred to in letter d) above requires the Operating Company, at least once every Thermal Year, and in any case by (i) the beginning of the next Thermal Year ("TY +1") for the start of the first Annual Subscription Process or (ii) the first of June (or the following Business Day, if 1 June is not a Business Day) for subsequent Annual Subscription Process, to reclassify all the Unsubscribed Foundation Capacity and all the Released Foundation Capacity relating to the Thermal Year immediately following the current Thermal Year as Unsubscribed Non-Foundation Capacity and Released Non-Foundation Capacity, respectively, updating the Electronic Communication System and indicating the updated data on Available Capacity;
- h) in compliance with the Regasification Code (which provides that, concurrent with the publication of Available Capacity referred to in point g) above, the Operating Company must publish the Implementing Auction Rules for annual Capacity allocation through "pay-as-bid" auctions), by means of these Implementing Auction Rules for annual Capacity allocation, the Operating Company intends to regulate the procedures for allocating Available Capacity for periods equal to or greater than the Thermal Year by means of competitive auctions in accordance with the procedures and terms described below.

## **Definitions**

Capitalised terms refer to the definitions set out in the Regasification Code and, where not defined therein, shall have the meanings set out below:

- (i) **"Bid Bond"** ["Bid Bond" in the Italian text] has the meaning assigned to it in Article 4.7;
- (ii) **"Binding Phase"** ["Fase Vincolante" in the Italian text] has the meaning assigned to it in point iv) of Article 2.4.2 of Chapter II of the Regasification Code as described in greater detail in Article 4.10 of these Implementing Auction Rules for annual Capacity allocation. The Binding Phase starts on November 26<sup>th</sup>, 2021 and will end on December 23<sup>rd</sup>, 2021– 5 P.M. CET;
- (iii) **"Combination of Products"** ["Combinazione di Prodotti" in the Italian text] means the combination or sum of one or more Products;

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- (iv) **"Declaration of Interest"** ["Dichiarazione di interesse" in the Italian text] has the meaning assigned to it in Article 4;
- (v) **"Non-Binding Phase"** ["Fase Non Vincolante" in the Italian text] has the meaning assigned to it in point iv) of Article 2.4.2 of Chapter II of the Regasification Code where, with the exception of the confidentiality obligation, neither the Interested Operator nor the Operating Company undertakes binding commitments as described in greater detail in Article 4.10 of the Implementing Auction Rules for annual Capacity allocation. The Non-Binding Phase starts on September 24th, 2021 and will end on November 25<sup>th</sup>, 2021 – 5 P.M. CET;
- (vi) **"Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase)"** ["Avviso di avvio della Procedura Annuale di Sottoscrizione (Fase Non Vincolante – Fase Vincolante)" in the Italian text] has the meaning assigned to it in Article 4.1;
- (vii) **"Product"** ["Prodotto" in the Italian text] means each of the products, including TBB Products unless specified otherwise, published by the Operating Company concurrent with the publication in the Electronic Communication System of the Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase);
- (viii) **"Shipping Optimisation Percentage"** ["Percentuale di Ottimizzazione dello Shipping" in the Italian text] is the maximum allowed limit, as a percentage, of reduction in the annual volume of a Product to take into account the various volumes of LNG to be transported by LNG tankers that Operating Company accepted or may accepted. The percentage is published in the Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase);
- (ix) **"To Be Built Product or TBB Product"** ["Prodotto To Be Built" o "Prodotto TBB" in the Italian text] means *product 3* and/or *product 6* and/or *product 16* referred to in the Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase) concerning the quantity of Incremental Capacity, provided that the financial conditions are met and the necessary permits are obtained in accordance with the Regulations;
- (x) **"Unit Charge"** ["Corrispettivo Unitario" in the Italian text] means the amount expressed in €/lcm that the Applicant undertakes to pay for (a) the Product requested, if the Operating Company offers Products or (b) the Available Capacity, if the Operating Company does not offer Products. The Unit Charge does not include VAT.

## **2. Subject**

- 2.1 The subject matter of these Implementing Auction Rules for annual Capacity allocation is the allocation of Available Capacity, also through the allocation of Products and/or a Combination of Products, when offered by the Operating Company.
- 2.2 The allocation of Available Capacity carried out by means of the Annual Subscription Process is performed on an annual basis and in accordance with the criteria defined in the Regasification Code as adopted in these Implementing Auction Rules for annual Capacity allocation.

### **3. Participation procedure**

- 3.1 Participation in the Annual Subscription Process shall be permitted on an impartial basis and under equal conditions to all parties meeting the requirements set forth in Article 4 below. Participation in the Binding Phase is permitted for accredited Interested Operators.
- 3.2 The allocation process has two phases: (i) an initial non-binding phase ("**Non-Binding Phase**"), and (ii) a second binding phase ("**Binding Phase**"), as described in greater detail below.

### **4. Performance of the allocation process**

#### **Phase 1: Non-binding Phase - Duration and Procedures**

- 4.1 The Non-binding Phase is opened by the Operating Company by publishing it on the Electronic Communication System ("Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase)").
- 4.2 The Operating Company publishes in its Electronic Communication System the updated data on Available Capacity and the Products.
- 4.3 Each interested party shall declare to the Operating Company, by completing the Declaration of Interest which includes a confidentiality obligation, in the form published in the Electronic Communication System and included here in Annex 1 ("**Declaration of Interest**"), no later than five o'clock (5:00 p.m.) on November 23<sup>rd</sup>, 2021:
  - i. that it meets all the Access Conditions set out in Article 2.4.4 of Chapter II of the Regasification Code;
  - ii. its express and full acceptance of the provisions set out in the Regasification Code and in these Implementing Auction Rules for annual Capacity allocation;
  - iii. that it is not subject to bankruptcy proceedings or not subject to debt recovery actions by the Operating Company;
  - iv. Elected signatory has, pursuant to and for the effects of Italian President Decree no. 445/2000 the necessary powers of representation, and provide adequate documentation to support this declaration.
- 4.4 The party that signs a Declaration of Interest becomes an Interested Operator.

Interested Operators must obtain a Qualified Electronic Signature (QES) certificate in PAdES format in the name of the person vested with adequate powers of representation who will sign the documentation relating to the Annual Subscription Process and contractual documentation, provided by an authorised provider included on the official EU list (<https://webgate.ec.europa.eu/tl-browser/#/>) or, alternatively,

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another similar and suitable means to meet the same requirements that will be evaluated by the Operating Company at its sole discretion.

4.5 Even when accredited, the Interested Operator is not obliged to make an Access Request. The Interested Party that makes an Access Request becomes an Applicant.

4.6 All documentation must be sent by Interested Operators to the Operating Company at the following certified email address [[terminale.gnl.adriatico\\_mercato@pec.it](mailto:terminale.gnl.adriatico_mercato@pec.it)] and digitally signed using a Qualified Electronic Signature (QES) certificate in PAdES format or, alternatively, another similar and suitable means to meet the same requirements that will be evaluated by the Operating Company at its sole discretion.

4.7 Bid Bond:

- a) To partake the Annual Subscription Process, the Interested Operator must submit to the Operating Company no later than the same deadline as per article 4.3 above, a guarantee issued by an Approved Guarantor in the original and in the form available in the Electronic Communication System or, alternatively, a non-interest bearing security deposit in the amount of Euro 250,000.00 (two hundred and fifty thousand) (the "**Bid Bond**"). A copy of the guarantee must be sent in advance to the certified email address [[terminale.gnl.adriatico\\_mercato@pec.it](mailto:terminale.gnl.adriatico_mercato@pec.it)] and then sent in the original.
- b) The Bid Bond guarantees the signing of the relative Capacity Contract and the delivery of the guarantees referred to in Article 10 of Chapter III of the Regasification Code by the Interested Operator (then the Applicant) to which the Available Capacity is allocated following the Annual Subscription Process, in compliance with the provisions of Article 2.4.2.(a) of Chapter II of the Regasification Code. If the User is found to be in compliance with such signing and delivery obligations, the Bid Bond shall be returned at the request of the successful Applicant within a reasonable period of time.
- c) If the Applicant to which regasification capacity Available Capacity is allocated as a result of the Annual Subscription Process does not sign the Capacity Agreement and/or does not provide the guarantees referred to in Article 10 of Chapter III of the Regasification Code for any reason whatsoever, the Applicant shall be declared disqualified from the assignment in accordance with the Implementing Auction Rules for annual Capacity allocation and the Operating Company may, at its complete discretion, call on the Bid Bond. ARERA will be informed promptly.
- d) If at the conclusion of the Annual Subscription Process no Available Capacity is allocated to the Applicant, it may ask for the Bid Bond to be returned, which will be returned by the Operating Company within a reasonable period of time.
- e) The Bid Bond shall remain in force until at least eight (8) Business Days after the close of the Annual Subscription Process.
- f) The Interested Operator which has submitted the Bid Bond is entitled to submit to the Operating Company, no later than at the time of delivery of the Access Request, a single overall documentary

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guarantee in lieu of the Bid Bond and covering the Capacity Agreement, in the form available in the Regasification Code published in the Electronic Communication System.

- 4.8 Parties cannot become Interested Operators and/or Applicants, or they will lose this status, if they have not made at the date of submission of the Declaration of Interest or they do not make at any time during the Annual Subscription Process the payments due to the Operating Company on the basis of any obligation whatsoever (e.g. Capacity Agreements), for amounts invoiced and already due. The Operating Company shall promptly inform ARERA of this circumstance so that it may adopt the appropriate measures.
- 4.9 Accreditation and information:
- a) If the above-mentioned documentation, Bid Bond included, and the verification of eligibility in accordance with the criteria set out in the Regasification Code and Regulations are satisfactory, the Operating Company will notify the relative Interested Operator within five (5) Business Days of its accreditation that it may participate in the Binding Phase of the Annual Subscription Process and make one or more Access Request(s).
  - b) During the Non-Binding Phase, the Operating Company may provide accredited Interested Operators as per letter a) above with further information relating to the Available Capacity and/or the Products and/or the Annual Subscription Process.

**Phase 2: Submission of the Access Request - Reserve Price.**

4.10 *Timing and procedures for submitting the Access Request.*

- a) At the end of the Non-binding Phase, the Operating Company will initiate and carry out the Binding Phase, setting out the time windows or sessions in which the accredited Interested Operators may submit Access Requests that must comply with the provisions of Article 2.4.5 of the Regasification Code.
- b) During the Binding Phase, the Operating Company may organise, at its discretion, multiple sessions spaced at least 5 (five) Business Days apart. In this case, only Interested Operators that have submitted Access Requests during the first session may participate in subsequent sessions.
- c) The period of time for the submission of Access Request during the first session shall start on November 26<sup>th</sup>, 2021 – 9.00 A.M. CET and shall end on December 2<sup>nd</sup>, 2021, under penalty of exclusion. As for December 2<sup>nd</sup>, 2021, the submission of Access Requests is admitted until to and no later than 2 P.M. CET. Should the Operating Company organize an additional second session within the terms of the Binding Phase, the participants to the first session will be informed promptly as per the Regasification Code.
- d) The Applicant may make a maximum of 10 (ten) Access Requests per session.

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- e) If the Operating Company does not offer Products or, although it offered Products during the first session, it organises one or more additional sessions and does not offer such Products again, each accredited Interested Operator may submit Access Requests for quantities and the duration of its interest within the maximum limit of the Available Capacity and/or, if proposed, the TBB Capacity and the maximum allocation period set at 25 (twenty-five) years pursuant to the Decree of 8 July 2020.
- f) The Applicant shall transmit the Access Request using the Access Request form attached to the Regasification Code published in the Electronic Communication System, and set forth herein in Annex 4. The Access Request must be signed by the legal representative indicating:

- the proposed **Unit Charge** which it irrevocably undertakes to offer

for (i) the Product and/or Combination of Products published in the Electronic Communication System of interest to the Applicant, or where the Operating Company does not offer such Products, for (ii) the LNG volumes expressed in lcm for a period of time within the maximum Available Capacity limit and the maximum allocation period established as 25 (twenty-five) years. The proposed fee may be single and constant for the entire duration of the Product(s) requested or may be modulated and divided into time periods of up to three-month period within the total duration of the Product(s) requested or the Available Capacity if the Operating Company does not offer Products; and

- the **net present value** of the Access Request in euros as per the modality pursuant to Article 5 of these Implementing Auction Rules for annual Capacity allocation

- g) any Access Request shall be delivered to:

Notaio Alfonso Colombo

Via Borgogna, 5

20122, Milano (MI) – Italia

Under penalty of exclusion, the sealed envelop containing one or more Access Requests shall include the following words: "*Richiesta di Accesso - Adriatic LNG, Open Season 2021*".

In the event that delivery of Access Request by way of electronic tools will be allowed, Interested Operators will be informed promptly.

- h) The duration and volumes of the Products, when offered by the Operating Company, may not be modified except in accordance with the provisions of Article 2.4.2 a) iv. d) of Chapter II of the Regasification Code and the Shipping Optimisation Percentage referred to in the Non-binding Prequalification Notice. Access Requests subject to conditions or submitted in a manner that does not comply with the conditions set out in the Regasification Code and the Implementing Auction Rules for annual Capacity allocation shall not be admitted to the Annual Subscription Process and shall therefore be considered invalid, without any liability being borne by the Operating Company.

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- i) The accepted Access Request shall be considered binding, unconditional, irrevocable and valid **(i)** until the expiry of the Binding Phase, even if subsequent sessions are carried out for the same Product or Combinations of Products and the Applicant does not submit any Access Request for such sessions, or if earlier **(ii)** until the Operating Company notifies the Applicant that the auction has ended. No justification or reason shall entitle the Applicant to declare its Access Request ineffective, invalid or otherwise revoked. Should the Access Request be accepted by the Operating Company, the Applicant irrevocably undertakes to sign the Capacity Agreement annexed to the Regasification Code.

#### 4.11 Reserve Price - minimum Capacity Contract value

- a) The reserve price ("RP") in €/lcm referred to in point (vi) of Article 2.4.2(a) of Chapter II of the Regasification Code for each Product and Combination of Products or, if no Product is offered by the Operating Company, for Available Capacity, shall be defined by the Operating Company.
- b) The RP shall be submitted to the notary public prior to the commencement of the Binding Phase and shall not be made public.
- c) Access Requests made below each RP per Product or, if no Product is offered by the Operating Company, for Available Capacity, will not be considered. The Applicant who has made an Access Request below the RP has access to subsequent sessions, if any.

### **5. Allocation criteria and communication of results and signing of the Capacity Agreement**

5.1 The allocation criteria are set out in Article 2.4.2 a) of Chapter II of the Regasification Code and implemented in these Implementing Auction Rules for annual Capacity allocation.

5.2 The methods for calculating the net present value (also, "NPV" ["VAN" in the Italian text]) of the Access Request are:

- **in the event that the Operating Company offers Products:** the NPV of any and each Access request relating to:
  - i.* **a Product** shall be calculated as the sum for all the duration of the Product, excepted for the possible reductions requested by the Applicant in compliance with these Implementing Auction Rules for annual Capacity allocation, of the real price(s) offered in €2021/lcm for the relevant volumes of LNG in relation to which such real price(s) is(are) offered and discounted of the Discount Rate defined by the Operating Company;
  - ii.* **a Combination of Products** shall be calculated as the summation of the single NPV of any and each Product, calculated as above.

By way of example only, a simulation of modality of NPV calculation is proposed here below under attachment 5.

- **in the event that the Operating Company does not offer Products:** the NPV of any and each Access request relating to the Available Capacity requested by an Applicant shall be calculated as the sum for all the duration in the Access Request of the real price(s) offered in €2021/lcm for the relevant



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volumes in relation to which such real price(s) is(are) offered and discounted of the Discount Rate defined by the Operating Company.

- 5.3 The allocation of the TBB Product may take place only on the condition that: (i) the TBB Product is allocated together with another Product relating to existing Available Capacity; and (ii) the existing Available Capacity for the period in which the TBB Product is requested is already fully allocated.
- 5.4 The methods for communicating the outcome of each session of the auction and the auction are set out in point viii) of Article 2.4.2 a) of Chapter II of the Regasification Code.

**6. Miscellaneous**

- a) Communications: The certified email address for any communication pursuant to the Implementing Auction Rules for annual Capacity allocation unless otherwise expressed by Operating Company is: [terminale.gnl.adriatico\\_mercato@pec.it](mailto:terminale.gnl.adriatico_mercato@pec.it)
- b) For the purposes of these Implementing Auction Rules for annual Capacity allocation, to determine the date and time of the actual delivery of documentation to the Operating Company, including by way of example the Access Request or the Capacity Agreement, the date and time specified on the certified email platform of the Operating Company or, in the case of Access Requests, the notary public, shall be deemed valid.
- c) Consistent with the provisions of the TIRG and the provisions adopted by the Operating Company in implementation thereof, the Operating Company reserves the right to amend, cancel, withdraw, suspend or terminate the Annual Subscription Process, at its sole discretion, by giving notice in the Electronic Communication System, by the deadline established for determining and announcing the allocation(s) of Available Capacity. Adriatic LNG assumes no liability whatsoever deriving from any amendment, suspension, cancellation or termination of the Annual Subscription Process, the rejection of any Access Request or the acceptance of another Access Request. Interested Operators, Applicants and any other party having an interest in the Annual Subscription Process may not, individually or collectively, claim against the Operating Company, in respect of the aspects for which it is responsible, any expectation whatsoever in relation to the award and signing of contracts and/or the allocation subject to the allocation procedure or any right to compensation, reimbursement or indemnities whatsoever.
- d) The Operating Company shall not be held liable for and shall not pay the charges and expenses incurred by Interested Operators, Applicants or any other party participating in any capacity in any phase of the Annual Subscription Process, regardless of whether the Annual Subscription Process is amended, cancelled, revoked, suspended or discontinued and/or their Access Request is accepted or rejected for any reason.
- e) The Implementing Auction Rules for annual Capacity allocation shall be interpreted and governed by the laws of the Italian Republic. The Italian version of the Implementing Auction Rules for annual Capacity allocation is the only binding version.

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- f) In addition to what is set forth in the Regasification Code relating to liability, the Operating Company shall not, in any way, be held liable for information provided over the telephone. Recording on any media whatsoever, including electronically, of telephone calls, video calls, meetings or the like is not permitted.
- g) Interested Operators, Applicants or any other party participating in any capacity in any phase of the Annual Subscription Process are reminded of the commercially sensitive nature of the Annual Subscription Process and that the existence and content of subsequent discussions and communications shall be confidential and must not be disclosed to third parties without the express written consent of Adriatic LNG. Information, provided in any manner and in any media, received from Interested Operators, Applicants and any other party with an interest in the Annual Subscription Process is to be treated as strictly confidential and may not be used for any purpose other than to participate in the Annual Subscription Process pursuant to the Implementing Auction Rules for annual Capacity allocation.
- h) In the event of a conflicting interpretation between the Implementing Auction Rules for annual Capacity allocation and the Regasification Code, the latter shall prevail.
- i) For all matters not expressly governed by these Implementing Auction Rules for annual Capacity allocation, reference shall be made to the provisions set forth in the Regasification Code.

## **7. Annexes**

The following annexes made available in the Electronic Communications System of the Operating Company ([www.adriaticlng.it](http://www.adriaticlng.it)) constitute an integral part of these Implementing Auction Rules for annual Capacity allocation:

Annex 1 - Declaration of Interest Form

Annex 2 – Bid Bond - guarantee

Annex 3 - Guarantee in lieu of Bid Bond and covering the Capacity Contract

Annex 4 - Access Request Form referred to in the Regasification Code

Annex 5 - Conventional parameters for calculation of Net Present Value and examples

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## Annex 5 to implementing Auction Rules for Annual Capacity Allocation Conventional parameters for calculation of Net Present Value and examples

Conventional parameters for calculation of Net Present Value for 2021 Annual Capacity Allocation:

- Conversion rate from standard cubic meter of natural gas into liquid cubic meter (lcm) of LNG is: 611
- Discount rate: 6.8% real<sup>1</sup>

### Examples:

The following examples regarding only two different Access Requests are proposed to illustrate how NPVs are calculated.

#### Example 1 – Product 1

Access Request for Product 1: the Applicant varies the Unit Charge (“Corrispettivo Unitario”) over the duration of the Product:

- From April 2022 to December 2024: real 2021 prices on a yearly basis equal to 10€/lcm
- From January 2025 to December 2038: real 2021 prices on a yearly basis equal to 12€/lcm
- From January 2039 to December 2046: real 2021 prices on a yearly basis equal to 14€/lcm

Based on the assumptions above the Net Present Value is calculated as follows:

$$NPV_{\text{€},2021} = 10 \cdot (1.000.000.000 \cdot \alpha / 611) \cdot D1 + 10 \cdot (1.000.000.000 / 611) \cdot D2 + 10 \cdot (1.000.000.000 / 611) \cdot D3 + 12 \cdot (1.000.000.000 / 611) \cdot D4 + [\dots] + 12 \cdot (1.000.000.000 / 611) \cdot D17 + 14 \cdot (1.000.000.000 / 611) \cdot D18 + [\dots] + 14 \cdot (1.000.000.000 / 611) \cdot D25$$

with:

- $\alpha$  equal to 0.75 to calculate annual pro quota Available Capacity for year 2022
- $D_i = 1 / (1 + 6.8\%)^i$
- $i = 1-25$

Net Present Value of the Access Request would be **Euros 227.043.772.**

#### Example 2

Access Request for the combination- i.e. the sum - of Products 5, 8, 9 and 10, the Applicant modulates the Unit Charge (“Corrispettivo Unitario”) over the duration of the Product:

- From April 2022 to December 2024: real 2021 prices on a yearly basis equal to 8.5€/lcm
- From January 2025 to December 2034: real 2021 prices on a yearly basis equal to 11€/lcm
- From January 2035 to December 2046: real 2021 prices on a yearly basis equal to 9€/lcm

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<sup>1</sup> WACC as per ARERA regasification tariff for 2021 [Resolution No. 474/2029/R/Gas].

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Based on the assumptions above the Net Present Value is calculated as follows:

$$\text{NPV}_{\text{€},2021} = 8.5 * (1.600.000.000 * \alpha / 611) * D1 + 8.5 * (1.600.000.000 / 611) * D2 + 8.5 * (1.600.000.000 / 611) * D3 + 11 * (1.600.000.000 / 611) * D4 + [...] + 11 * (1.600.000.000 / 611) * D13 + 9 * (3.000.000.000 / 611) * D14 + [...] + 9 * (3.000.000.000 / 611) * D25$$

with:

- $\alpha$  equal to 0.75 to calculate annual pro quota Available Capacity for year 2022
- $D_i = 1 / (1 + 6.8\%)^i$
- $i = 1-25$

Net Present Value of the Access Request would be Euros **371.879.604.**

For the sake of clarity, Standard parameters above are meant as reference for the purpose of calculating NPVs for the allocation only, it being understood that Charges applicable to the Capacity Agreements shall be adjusted on a yearly basis considering the actual inflation rates provided by the Italian Institute for Statistics (ISTAT) in the following index: "*indice nazionale dei prezzi al consumo per le famiglie di operai e impiegati, al netto dei tabacchi*".

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