Criteria for the calculation of the reserve price for the allocation of the continuous regasification capacity, with relation to annual and multi-year allocation.

1. The reserve price for continuous regasification capacity procedures is equal to:

$$PR_p = max \begin{cases} \alpha * min[PSV_p - NEU_p; PSV_p - C_T - DeIT_p - RCI] \\ min[T; P * \beta] \end{cases}$$

where:

PR_p is the reserve price for regasification capacity related to the LNG delivery period p, expressed in €/MWh per energy unit of the delivered LNG;

p is the delivery period of LNG and it can be equal to one gas year in case of annual allocation procedure, and in such case it is referred to A+a where a is the sequential index of years; a may take values equal to 1 and 2, and it is equal to 1 for the first gas year following the one in which the allocation procedure is held;

α is a multiplier equal to 0,9 in case the last month of the year is preceding to month M^* and 0 in the other cases;

PSV_p is the average of the quotation registered in the last 10 gas-day available immediately before the term for the presentation of the offer for the product with delivery in the period p at PSV, registered by ICIS-Heren; in case there is no listed product for period p, the listed product for the shortest period which includes period p should be taken as reference, namely the weighted average for the duration which includes period p of contiguous products;

NEU_p is the higher among:

- The average of registered quotation of the last 10 gas-day which are available immediately before the term for the presentation of the offer for the product with delivery in the period p at TTF, registered by ICIS-Heren;
- The average of registered quotation of the last 10 gas-day which are available immediately before the term for the presentation of the offer for the product with delivery in the period p at NBP, registered by ICIS-Heren;

in case there is no listed product for period p, the listed product for the shortest period which includes period p should be taken as reference, namely the weighted average for the duration which include period p of contiguous products;

C_T is the estimation of the unitary cost associated to the allocation and to the use of regasification capacity which is paid by the user, expressed in €/MWh, calculated assuming a void allocation price and considering:

- The fixed cost for transport capacity at the entry point with the terminal;
- The variable costs for transport, including the additional components with respect to the transport tariff and the costs recognised in kind to cover consumptions for the transport companies;
- Tariff to cover dismantling cost *Crs* as per paragraph 7.2 of the RTRG;
- The compensation recognized in kind to the regasification company to cover losses and consumptions of the terminal.

The quantities of gas accepted in kind shall be valued at the price PSV_p.

$DeIT_p$ is the average of the quotations registered in the last 10 gas-days immediately preceding the deadline for the submission of the offers of the product *des Spot LNG Italy, offer*, published by Argus and relating to the period p in which delivery is expected; in the case that products are not listed in relation to the period p, the value of DeLT p is calculated as:

a) for the period when quotations are available for the US Gulf Coast fob LNG product, published by Argus

$$DeIT_p = DeIT_k \left(1 + \frac{USGC_p - USGC_k}{USGC_k}\right), \text{ where:}$$

$DeIT_k$ indicates the average of the last five available quotation of product *des Spot LNG Italy LNG*, published by Argus, and related to period k;

$USGC_p$ indicates the average of the last five available quotations of the product *US Gulf Coast fob LNG*, published by Argus, and related to the period p;

$USGC_k$ indicates the average of the last five available quotations of the product *US Gulf Coast fob LNG*, published by Argus, and relating to the period k;

k indicates the month or fraction of month, later in time, for which is available the quotation of the product *des Spot LNG Italy LNG*, published by Argus;

b) for the period following that referred to in a) above, for which quotations are available for *LNG Des North East Asia (ANEA)*, published by Argus:

$$DeIT_p = ANEA_p - L, \text{ where:}$$

$ANEA_p$ is the average of the available gas quotations registered in the last 10 days of the product *LNG Des North East Asia (ANEA)* expressed in €/MWh;

L is a parameter equal to 1,45 €/MWh;

M^* is the last month of the period later in the period for which the product quotation *Des North East Asia (ANEA)* is available;

RCI is a parameter, equal to 0,34 €/MWh;

P is a parameter, equal to 0,54 €/MWh;

β is a multiplier equal to:

- 1   if $p = A + 1$ and $C_o \leq C_1$;
- 2   if $p = A + 1$ and $C_1 < C_o \leq 2C_1$;
- 3   if $p = A + 1$ and $2C_1 < C_o \leq C_t$
- 2   if $p = A + 2$ and $C_o \leq C_1$;
- 4   if $p = A + 2$ and $C_1 < C_o \leq 2C_1$;
- 6   if $p = A + 2$ and $2C_1 < C_o \leq C_t$
- 3   if $p \geq A + 3$ and $C_o \leq C_1$;
- 6   if $p = A + 3$ and $C_1 < C_o \leq 2C_1$;
- 8   if $p = A + 3$ and $2C_1 < C_o \leq C_t$;
- 8   if $p \geq A + 4$ and $C_1 < C_o \leq C_t$;

C_o is the regasification capacity unit to be allocated;

C_t is the regasification capacity of the terminal[*];

C_1 is the capacity corresponding to one discharge per month at the terminal[*];

T is the *Cqs* as per paragraph 7.1 of the RTRG.

2. For the purpose of the calculation of the reserve price, the energy content of:
   a. LNG is assumed equal to 6700 kWh/mcl;
   b. gas is assumed equal to 10,98 kWh/Smc.

Pursuant to resolution 157/2020/R/gas OLT defines a multiplier β=8 for $p \geq A + 4$ and $0 < C_o \leq C_t$. The reserve price for all capacity offered from the gas year A+4 is therefore equal to the regulated tariff approved by Resolution 43/2020/R/Gas.

[*]In case of regasification capacity offered by OLT in slots with a size of 180,000 mcliq, the regasification capacity of the terminal C_t and the parameter C_1 are to be understood as the following values respectively: C_t =6 ; C_1 =2 .