

REGULATION 8/2019 (“CIRCULAR”) OF 12 DECEMBER OF THE NATIONAL COMMISSION OF MARKETS AND COMPETITION (CNMC) ESTABLISHING THE METHODOLOGY AND CONDITIONS FOR ACCESS AND CAPACITY ALLOCATION IN THE NATURAL GAS SYSTEM (modified by Circular 9/2021, CONSOLIDATED TEXT).

Law 34/1998 of 7 October on the hydrocarbons sector outlined the operation of the current gas sector in Spain by liberalising procurement and supply and regulating natural gas transmission, distribution and storage activities, including, *inter alia*, the general principles of the regulated third-party access regime for gas facilities. These principles were implemented through Royal Decree 949/2001 of 3 August, which regulates third-party access to gas facilities and establishes an integrated economic system for the natural gas sector.

Subsequently, Royal Decree 984/2015 of 30 October regulating the organised gas market and third-party access to natural gas facilities amended the regime for capacity contracting established by Royal Decree 949/2001 by introducing the following principles: independent booking at transmission and distribution network entry and exit points (with the latter constituting a virtual balancing point or 'hub' for unrestricted trading of gas input); simplified and streamlined procurement procedures (by applying framework agreements and setting up an electronic capacity trading platform); and the establishment of market mechanisms for capacity allocation. Royal Decree 335/2018 of 25 May amended several previous royal decrees regulating the natural gas sector.

On 11 January 2019, the Spanish government enacted Royal Decree-Law 1/2019 on urgent measures to adapt the competences of the National Commission of Markets and Competition to the requirements arising from Community law relating to Directive 2009/72/EC and Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and natural gas, respectively. This Royal Decree-Law amended article 7.1 of Law 3/2013 of 4 June on the creation of the National Commission of Markets and Competition, assigning to this Commission the function of establishing, via a circular, the methodologies for calculating the conditions for connection and access to gas and electricity networks.

Moreover, Royal Decree-Law 1/2019 amends article 70.2 of Law 34/1998 on the hydrocarbons sector regarding access to regasification, basic storage and transmission facilities and article 76.3 of that Law regarding access to distribution networks, attributing to the National Commission of Markets and Competition the authority to approve the methodology and conditions for access and connection.

The review of the existing regulation on access, services offered, and capacity allocation mechanisms is based on the need to adapt it to the current situation of the gas sector. The review pursues several objectives, namely: to foster and facilitate competition; to promote increased usage of gas infrastructures; to harmonise, simplify and establish a transparent and competitive capacity allocation and usage mechanism; to make agents' operations more flexible; and

to address situations of congestion in regasification terminals, which are occurring despite the availability of excess capacity in the system as a whole.

This circular replaces the provisions prior to Royal Decree-Law 1/2019 of 11 January, which regulated the methodology and conditions for access and capacity allocation in the natural gas system. In the matters regulated in this circular, those provisions no longer apply under the Royal Decree-Law. Since the National Commission of Markets and Competition is exercising this competence for the first time, the circular does not include a repealing provision. This is notwithstanding the possibility of drawing up an effective date schedule, through cooperation mechanisms, to foster knowledge of the applicable regulations in these matters, and publicising, through appropriate websites, the set of applicable regulations, organised by topic.

By addressing the principles of necessity and efficiency, the circular is aligned with the principles of good regulation set out in article 129 of Law 39/2015 of 1 October on the Common Administrative Procedure of the Public Administrations. The best way to ensure achievement of the objectives pursued is this proposed circular.

Specifically, the circular is justified on the need to standardise the access model for all gas system infrastructures and the capacity allocation and contracting procedures in these infrastructures. This forms part of the process for creating a competitive gas market that guarantees security of supply in the European Union as defined by Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas.

The National Commission of Markets and Competition has put forward many proposals over the past few years to modify the regime for access to gas facilities, all in line with the access model outlined in this circular. Firstly, the capacity allocation methodology must be unified for all infrastructures. At present, approaches differ from one infrastructure to another (i.e., market mechanisms for underground storage facilities and interconnectors with Europe and chronological or first-come, first-served allocation for all other infrastructures). Secondly, the model for accessing regasification terminals must be changed to address several problems that have arisen in recent years.

Overall, contracting and usage of regasification terminals have been less than desirable. Meanwhile, different and independent contracting of all access services in each facility is causing several kinds of inefficiencies. It reduces liquidity in this market considerably and, accordingly, the level of competition. Thirdly, the access model must be modified due to the opportunities of Spain's gas system to develop a LNG hub or LNG reference market at European level. Nevertheless, capacity contracting in Spain's terminals differs considerably from the model in place at other European plants. This could undermine the competitiveness of the Spanish market. Therefore, the access model must be modified so that certain services (e.g. ship unloading or LNG storage) can be

contracted independently to deliver new services demanded by the market, such as those related to the use of LNG as a fuel.

Based on all of the above and in keeping with functions attributed in article 7.1 f) of Law 3/2013 of 4 June and articles 70 and 76 of Law 34/1998 of 7 October, and following a hearing, and in accordance with the energy policy guidelines set out in Ministerial Order TEC/406/2019 of 5 April, the Board of the Spanish National Commission of Markets and Competition, at its meeting of 12 December 2019, resolved, in agreement with Spain's Council of State (Consejo de Estado), to issue this circular:

CHAPTER I. GENERAL PROVISIONS

Article 1. Purpose

The purpose of this circular is to regulate the procedure and conditions for third-party access and connection to the gas system's transmission and distribution facilities. This includes the capacity allocation procedures, the general technical criteria applicable to access to system facilities, the basis for establishing guarantees relating to capacity contracting, and the congestion management mechanisms.

Article 2. Scope

1. This circular applies to facilities subject to third-party access as provided for in article 60 of Law 34/1998 of 7 October on the hydrocarbons sector.
2. Regarding capacity allocation mechanisms, it does not apply to international pipeline connections with Europe, facilities granted an exemption of access and underground storage capacity allocated via the primary allocation procedure under current legislation.

Article 3. Definitions

The following definitions shall apply to this circular:

- a) Virtual Balancing Storage - AVB: Virtual Balancing Storage shall be understood as defined in the National Commission of Markets and Competition circular establishing the natural gas balancing rules;
- b) Balancing: balancing shall be understood as defined in the National Commission of Markets and Competition circular establishing the natural gas balancing rules;
- c) Capacity: utility provided by facilities that can be contracted by users;

- d) Contractual congestion: a situation where capacity demand exceeds a facility's or group of facilities' technical capacity at a given time and not all capacity contracted is used;
- e) Physical congestion: a situation where capacity demand exceeds the technical capacity of the facility or group of facilities at a given time;
- f) Gas day: gas day shall be understood as defined in the National Commission of Markets and Competition circular establishing the natural gas balancing rules;
- g) Congestion management: procedures and mechanisms for alleviating situations of congestion;
- h) Nomination: information provided by users on the use of their contracted capacity, specifically on gas quantities to be injected, withdrawn, supplied and consumed, relative to gas day d;
- i) Renomination: information provided by users on the use of their contracted capacity, specifically on gas to be injected, withdrawn, supplied and consumed after the deadline for submitting nominations;
- j) Programming: information provided by users on the use of their contracted capacity regarding estimated gas to be injected, withdrawn, supplied and consumed for a specific period of time longer than a gas day;
- k) Virtual Balancing Point - PVB: Virtual Balancing Point shall be understood as defined in the National Commission of Markets and Competition circular establishing the natural gas balancing rules;
- l) Virtual Balancing Tank – TVB: Virtual Balancing Tank shall be understood as defined in the National Commission of Markets and Competition circular establishing the natural gas balancing rules.

Article 4. Parties with access rights

1. Under the terms and conditions established in this circular, the parties listed in article 61 of Law 34/1998 of 7 October shall have right of access to gas system facilities.
2. To be eligible for participation in capacity allocation procedures, parties with access rights, including those requiring access to facilities for supplying gas to end consumers, must first sign, through the capacity application and trading platform managed by the Technical System Manager, a valid framework agreement on access. They must also have provided in full the guarantees required for capacity contracting.

Article 5. Refusal of access

1. Access to facilities may only be refused if there is a lack of available capacity during the contractual period applied for, non-payment of imbalance tariffs, charges or surcharges, insufficient guarantees provided or a manifest inability to operate in the gas system that has caused, or may cause, considerable technical or economic damage to the gas system or in the event of congestion in any of the infrastructures needed to fully provide a specific service that puts the operation of the system at risk. In the latter case, the Ministry for Ecological Transition and Demographic Challenge and to the National Commission of Markets and Competition must be previously informed.
2. Access to an exit point to a consumer may not be refused due to lack of capacity where it relates to an existing supply being consuming or that has been consumed during the last natural gas year in the quantities applied for.
3. On request by any party involved, the National Commission of Markets and Competition shall resolve any disputes over access to facilities, including any related to refusal of access.

Article 6. Rights and obligations of facility owners with respect to third-party access

1. Owners of facilities where access rights may be exercised shall have the following rights:
 - a) To receive the economic remuneration established.
 - b) To require that owners of facilities connected to their facility comply with the technical security and control requirements in place to ensure a reliable and efficient system.
 - c) To require that the natural gas entering their facilities from agents feeding gas to the system through their facilities meet certain quality specifications.
 - d) To require parties with access rights to disclose their consumption and infrastructure usage programmes and to communicate any incidents that could substantially change their forecasts.
 - e) To have access to, and be present during checks on the accuracy of, the metering equipment used to determine the quantity and quality of gas entering their facilities.
 - f) To access and verify the meters of all customers connected to their facilities.
 - g) To receive the information necessary for the exercise of their functions from other parties of the system.
2. Owners of facilities where access rights may be exercised shall have the following obligations:

- a) To manage and operate their facilities in accordance with the system technical code, in coordination with other facility owners and following the instructions of the Technical System Manager to ensure the facilities meet the required level of quality and adequate maintenance.
- b) To enter into access agreements with parties with rights of access under the terms set out in this circular in accordance with transparent, consistent and non-discriminatory conditions.
- c) To provide the services contracted for the agreed quantities and conditions in accordance with the guidelines provided by the Technical System Manager.
- d) To bill the access tariffs and charges under their remit.
- e) To have gas metering equipment at intermediate points of the gas system where necessary to ensure its proper functioning from a technical and economic point of view. Unless agreed otherwise, this equipment shall be owned by the company delivering the gas to another facility.
- f) To provide the Technical System Manager, parties with access rights and other owners of facilities with the structural and operational information necessary, in order for the system to be operated correctly and to assess available capacity.
- g) To report data on consumption, procurement, stocks and contracted and available capacities, along with any other information required, to the National Commission on Markets and Competition, the Directorate General for Energy Policy and Mines, and the Technical System Manager.
- h) To notify the Technical System Manager of any maintenance plans and incidents at their facilities sufficiently in advance in cases where the gas system may be affected, and to modify them in accordance with the Technical System Manager's guidelines. Such incidents must also be disclosed to parties operating in the system and any consumers affected.
- i) To have, install and maintain the necessary metering equipment for lease to consumers connected to their facilities requesting it provided that the consumers are connected to a pipeline with a design pressure equal to or lower than 4 bar.
- j) To read, themselves or via third parties, the meters of all consumers connected to their facilities and disclose the details of these readings to the related suppliers. Moreover, readings aggregated by type of tariffs or charges and suppliers shall be disclosed to the Technical System Manager and the transmission company supplying the gas with sufficient detail to apply the tariffs and charges and undertake the network balancing.
- k) To ensure that the metering systems they own for gas supplied meet the required accuracy. To this end, they shall oversee regular verification of their equipment for measuring gas volume and characteristics, and of the installation of supply points connected to their networks, under certain terms and conditions, engaging an accredited entity for this purpose.
- l) To calculate the physical balancing of gas flowing through their facilities in the required manner and with the determined frequency.
- m) To disclose, upon request, the scope and economic conditions applicable to any specific services they provide other than regulated services.

- n) To guarantee the secrecy of confidential information provided to them.
- o) To take out and main sufficient insurance policies to cover the risks the activities they undertake may pose to people or property.
- p) To facilitate connection by consumers or other owners of facilities to their facilities.

Article 7. Rights and obligations of parties with access rights

1. Parties with access rights shall have the following rights:

- a) To contract access services to the gas system facilities they consider appropriate for their interests under the terms regulated in this circular and applicable legislation.
- b) To receive gas under the established conditions of regularity and the quality and pressure dictated by prevailing legislation.
- c) To request connection via direct line to the nearest gas pipeline network that meets the appropriate technical conditions or request connection from the owner of the transmission or distribution facilities in accordance with prevailing legislation.
- d) To receive, sufficiently in advance, any information on gas system operation that may affect the regularity and quality of supply included in the access contracts signed.
- e) To have timely and appropriate access to meter readings of the end customers they supply, in the case of suppliers, or their own meters, in the case of direct consumers in the market.
- f) To access, and request verification of meters associated with supplies made under the access contracts.

2. Parties with access rights shall have the following obligations:

- a) To have sufficient technical and human resources available, at all times, as provided for in prevailing legislation.
- b) To disclose their gas procurement, consumption and infrastructure usage programmes and any incidents that could substantially change their forecasts to owners of the facilities with which they have entered access contracts and to the Technical System Manager.
- c) To ensure that consumers have the necessary metering equipment and allow owners of the facilities to which they are connected the access to it and keep them within the established accuracy limits set when they own the equipment.
- d) To report data on consumption, gas procurement and stocks to the National Commission on Markets and Competition and the Directorate General for Energy Policy and Mines.
- e) To guarantee that the natural gas entering the gas system meets certain quality specifications.
- f) To provide the system with the gas necessary to ensure supply to customers and own consumption.
- g) To guarantee the secrecy of confidential information provided to them.

- h) To take out and main sufficient insurance policies to cover the risks the activities they undertake may pose to people or property.
- i) To enter into valid framework agreement on access and provide and maintain the required guarantees.
- j) To pay, on time, the access tariffs and charges corresponding to the capacity contracted and imbalance charges.

CHAPTER II. SERVICES OFFERED AND CONTRACTED PRODUCTS

Article 8. Unbundled services

1. Only the following services may be offered with the products defined in this circular:
 - a) Ship unloading: service that gives the right to use the facilities required to unload LNG from a ship at a regasification terminal.
 - b) Regasification: service that gives the right to use the facilities required for LNG regasification from the Virtual Balancing Tank of regasification terminals.
 - c) LNG storage: service that gives the right to use the necessary facilities to store LNG in the Virtual Balancing Tank of the regasification terminals.
 - d) Truck loading: service that gives the right to use the facilities required to load LNG trucks at a regasification terminal.
 - e) Terminal-to-ship LNG loading: service that gives the right to use the facilities required to transfer LNG from a regasification terminal to a ship. Users of this service must inform the operators of the regasification terminals and the Technical System Manager about the use of the loaded LNG for the purposes considered in article 18.1 of Circular 9/2019, of the National Commission of Markets and Competition, which establishes the methodology to determine the remuneration of natural gas transmission facilities and liquefied natural gas regasification plants.
 - f) Ship-to-ship LNG transfer: service that gives the right to use the facilities required to transfer LNG from one ship to another.
 - g) Ship cooling down: service that gives the right to use the facilities required to purge inert gas (i.e. gassing up) from a ship or to receive LNG from liquefaction or regasification terminals, in the appropriate safety conditions. The load volume of the cooling down service may not exceed the ship's cushion or minimum fill level.

- h) Virtual liquefaction: service that gives the right to transfer gas as LNG from the Virtual Balancing Point to the Virtual Balance Tank.
 - i) Entry to the Virtual Balancing Point: service that gives the right to use the facilities required to transfer gas from an entry point to the transmission and distribution networks to the Virtual Balancing Point.
 - j) Storage in the Virtual Balancing Point: service that gives the right to use the facilities required to store gas in the Virtual Balancing Point.
 - k) Exit from the Virtual Balancing Point: service that gives the right to use the facilities required to transfer gas from the Virtual Balancing Point to an exit point from the transmission network, except regasification terminals.
 - l) Exit from the Virtual Balancing Point to a consumer: service that gives the right to use the facilities required to transfer gas from the Virtual Balancing Point to an end consumer or, where appropriate, to a connection line from a direct line to a consumer.
 - m) Natural gas storage in basic underground storage facilities: service that gives the right to use the facilities required to store gas in basic underground storage facilities.
 - n) Injection: service that gives the right to use the facilities required to introduce gas from the exit point from the transmission network to the basic underground storage facility.
 - o) Withdrawal: service that gives the right to use the facilities required to withdraw gas from the basic underground storage facility to the entry point to the transmission network.
2. These services may be offered or contracted individually and independently.
3. Capacity allocation for regasification, LNG storage, truck loading, virtual liquefaction, entry to the Virtual Balancing Point, storage in the Virtual Balancing Point, exit from the Virtual Balancing Point, exit from the Virtual Balancing Point to a consumer, natural gas storage in basic underground storage facilities, injection and withdrawal services gives the right to use the capacity throughout the period contracted.
4. For ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down, capacity allocation gives the right to use the facilities required to provide the services during the periods (i.e. slots) reserved.

Contracting a slot gives the right to undertake full loading or unloading of a methane ship at the regasification terminal requested, including the period available for the ship to enter into the plant, during the time allocated to that slot for providing that service.

The Technical System Manager, together with regasification terminal operators, shall define the duration of standard slots, which may vary depending on the related LNG services, infrastructures, and volumes.

Article 9. Bundled services

1. In addition to unbundled services, bundled services may be offered by combining more than one unbundled service. Bundled services give the right to use the facilities required to provide the unbundled services comprising the bundled service under the terms defined for each bundled service.
2. Only the following bundled services may be offered:
 - a) Ship unloading, LNG storage and regasification: gives the right to use the facilities required to unload LNG from a ship at a regasification terminal, store all or part of the unloaded LNG for the time necessary for its full regasification and the regasification of the LNG at a flat flow rate for a user-defined period between the minimum and maximum duration established via resolution of the National Commission of Markets and Competition.
 - b) Ship unloading, LNG storage, regasification and entry to the Virtual Balancing Point: gives the right to use the facilities mentioned in the preceding paragraph and to transport the regasified gas to the Virtual Balancing Point.
 - c) LNG storage and regasification: gives the right to use the facilities required to store the LNG for the time necessary for its full regasification, and the regasification of the LNG at a flat flow rate for a user-defined period between the minimum and maximum duration established via resolution of the National Commission of Markets and Competition.
 - d) LNG storage, regasification and entry to the Virtual Balancing Point: service that gives the right to use the facilities mentioned in the previous paragraph and to transport the regasified gas to the Virtual Balancing Point.
 - e) Ship unloading, LNG storage and terminal-to-ship LNG loading: service that gives the right to use the facilities required to unload LNG from ships at a regasification terminal and store LNG in the terminal up to a predefined maximum amount and to use the facilities required to load LNG on ships from that regasification terminal, for a specific period of time.
 - f) Underground natural gas storage, injection and withdrawal: service that gives the right use the facilities required to store natural gas in basic underground storage facilities, inject it from the exit point of the transmission network and withdraw it to the entry point to the transmission network.

3. Capacity allocation for bundled services that include regasification give the right to use:
 - a) A daily regasification capacity equal to the total kWh to be regasified divided by the number of days of the regasification period requested from the starting date of that period.
 - b) The LNG storage capacity required to provide the bundled service. Initially, this shall be the total kWh to be regasified, which will be reduced daily by an amount equal to the daily regasification capacity calculated as explained in the preceding paragraph.
4. Capacity allocation for bundled services that include entry to the Virtual Balancing Point will give the right to use, in addition to the regasification and LNG storage capacities described in the previous point, a daily entry capacity to the Virtual Balancing Point equal to the regasification capacity allocated, from the starting date of the regasification period.
5. Each day from the starting date of the regasification period, a flat daily regasification nomination and, where applicable, a flat nomination of entry to the Virtual Balancing Point, calculated as defined in this article, shall be considered. However, this circular does allow for flexibility of use, provided the user has stocks available according to the latest information available on its balance in the Virtual Balancing Tank.
6. For bundled services including ship unloading, the starting date of the regasification period shall be deemed to be no later than the gas day following the day on which the unloading of the ship begins.
7. Each year, the Technical System Manager, together with the regasification terminal operators, shall draw up a proposal for offering bundled unloading, storage and loading services always based on the regasification terminals' utilisation and prioritising security of supply. This proposal shall include:
 - a) The conditions for using the bundled service, including deadlines for reporting ships LNG unloading and loading operations, and notifications among the user, the terminal operators, and the Technical System Manager.
 - b) The complete definition of products eligible for offer during the subsequent gas year, including the various possible combinations, with different time horizons.

Article 10. Contracting of unbundled firm capacity products at regasification terminals and the transmission and distribution network

1. Available capacity to provide unbundled regasification, LNG storage, truck loading, virtual liquefaction, entry to the Virtual Balancing Point, storage in the Virtual Balancing Point and exit from the Virtual Balancing Point services shall be offered in the form of the following unbundled standard firm capacity products:
 - a) Annual products: Capacity products with a duration of twelve calendar months starting on 1 October, 1 January, 1 April and 1 July.
 - b) Quarterly products. Capacity products with a duration of three calendar months starting on 1 October, 1 January, 1 April and 1 July.
 - c) Monthly products. Capacity products with a duration of one calendar month starting on the 1st day of each month.
 - d) Daily products. Capacity products with a duration of one gas day.
 - e) Within-day products. Capacity products within a gas day, which cover from a start time within that gas day until the end of the same gas day.

Allocation of products with daily or longer duration shall give the right to use the capacity contracted throughout all the days of the annual, quarterly, monthly or daily period in accordance with the product's duration.

Allocation of within-day products shall give right to use the capacity contracted from the effective start time of the service until the end of the gas day.

2. Capacity available for ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down services shall be offered in slots, which may be booked through the various allocation procedures without any restrictions on the maximum or minimum number of offered slots to be requested.
3. In addition to the standard products defined in section 1 of this article, instead of the annual product, indefinite duration contracts may be chosen for contracting exit capacity from the Virtual Balancing Point to end consumers. These are not linked to any starting date or standard contracting periods. The contract remains in force until the supply is transferred to another supplier, the contracted capacity is modified, or the supply is cancelled. Indefinite contracts may not overlap with annual contracts or more than one indefinite contract with the same supplier.

Contract capacity cannot be reduced until at least one year has elapsed since the latest modification unless supply is cancelled.

4. Where the end consumer is connected to a distribution network fed by a satellite station and switches supplier, ownership of the truck loading capacity associated with that consumer shall be passed to the new supplier.

5. For regasification, virtual liquefaction and entry to or exit from the Virtual Balancing Point to any point services, except exit from the Virtual Balancing Point to a consumer, a flat gas flow rate shall be considered throughout the gas day. For within-day products, the flat gas flow rate shall be considered from the effective start time of the service until the end of the same gas day.

Article 11. Contracting of firm capacity products in underground storage facilities

1. Natural gas storage, injection and withdrawal services in basic underground storage facilities shall initially be offered as a bundled service in the form of the following standard firm capacity products:
 - a) Annual products. Capacity products with a duration of twelve calendar months starting on 1 April.
 - b) Quarterly products. Capacity products with a duration of three calendar months starting on 1 April, 1 July, 1 October and 1 January.
 - c) Monthly products. Capacity products with a duration of one calendar month starting on the 1st day of each month.
2. Moreover, natural gas storage, injection and withdrawal capacity can be booked in basic underground storage facilities to provide unbundled services in the form of the following unbundled standard firm capacity products:
 - a) Daily products. Capacity products with a duration of one gas day.
 - b) Within-day products. Capacity products within a gas day which cover from a start time within that gas day until the end of the same gas day.

The allocation of products shall give the right to use the contracted capacity every day of the annual, quarterly, monthly or daily periods, based on the product's duration. For within-day products, the right to use the contracted capacity will be valid from the effective start time of the service until the end of the same gas day.

Article 12. Unbundled interruptible capacity products

1. Interruptible capacities may be offered only for unbundled regasification, virtual liquefaction, truck loading, entry to and exit from the Virtual Balancing Points, injection and withdrawal services.
2. Interruptible capacity products offered shall have the same time horizon as the annual, quarterly, monthly, daily or within-day unbundled firm capacity products. If interruptible capacity is offered, this shall not be detrimental to the

amount of firm capacity on offer. Capacity that can be offered as firm capacity shall not be side aside for sale as interruptible.

3. At least daily interruptible capacity products shall be offered where all firm day-ahead capacity is sold.
4. Interruptible products of a duration longer than one day may only be offered if for the corresponding firm monthly, quarterly or yearly product, the entire capacity was sold at a premium, was sold out, or was not offered, subject to prior justification by the Technical System Manager.
5. Unbundled interruptible capacity products shall be allocated via similar processes to those for unbundled firm capacity products. Allocation shall be carried out after allocation of the unbundled firm capacity products of equal duration, but before the procedure for allocating unbundled firm capacity products of shorter duration starts.
6. Interruption of interruptible capacity shall be determined based on the reverse chronological order of acquiring capacity. Where two or more direct market suppliers or consumers are ranked at the same position and all of the interruptible capacity contracted by them does not need to be interrupted, a pro rata reduction shall apply.
7. The interruption lead time for a given hour shall be notified as soon as possible and at least 25 minutes after the start of the re-nomination cycle for the gas hour that will be interrupted. Approval via resolution of the National Commission of Markets and Competition is required to shorten the lead time.
8. The Technical System Manager, in cooperation with the gas infrastructure operators, shall propose the procedure for offering interruptible capacity that shall include the conditions for the interruption. The proposal shall be submitted to the National Commission of Markets and Competition, together with feedback received during the public consultation and its assessment. The Commission may make any changes to the proposal if considered as appropriate before issuing its approval via resolution. Once approved, the conditions for interruption of interruptible capacity shall be included in the framework agreement on access to gas system facilities.

CHAPTER III. ACCESS CONTRACT

Article 13. Contracting access to regasification terminals

1. Parties with access rights shall independently contract unbundled and bundled access services to the regasification terminals covered by this circular. Capacity shall be contracted on a single electronic platform for requesting and contracting capacity managed by the Technical System Manager after

validation by the Technical System Manager that the party has provided sufficient guarantees.

2. The services provided at regasification terminals are distinguished between:
 - a) Localised services: those for which users must indicate the terminal where they request the service to be provided. Localised services shall include ship unloading, truck loading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down. Localised services shall be provided to users at the terminal applied for.
 - b) Non-localised services: those for which users need not indicate the terminal where they request the service to be provided. Non-localised services shall include regasification, LNG storage and virtual liquefaction.

Users may decide how they wish to use non-localised services under the terms contracted. However, provision of such services is not associated with any specific terminal or infrastructure. To provide non-localised services, the Technical System Manager shall issue the operating instructions it considers appropriate to the regasification terminal operators based on criteria of efficient use of the gas system, optimisation of available capacity and prioritisation of security of supply at all times.

3. All LNG input into a regasification terminal shall be considered located in the gas system's Virtual Balancing Tank.
4. In the Virtual Balancing Tank business transactions involving change of LNG ownership, may be performed, being the LNG freely interchangeable, subject to compliance with natural gas balancing rules.

Article 14. Contracting access to the Virtual Balancing Point

1. Parties with access rights shall independently contract the services of entry to or exit from the Virtual Balancing Point covered by this circular. Capacity shall be contracted on the electronic platform for requesting and contracting capacity managed by the Technical System Manager after validation by the Technical System Manager that the party has provided sufficient guarantees.
2. All gas input into the transmission and distribution systems shall be considered located in the gas system's Virtual Balancing Point.
3. In the Virtual Balancing Point, business transactions involving change of gas ownership may be performed, irrespective of the entry or exit point. All gas input in the Virtual Balancing System is freely interchangeable subject to compliance with the natural gas balancing rules.
4. In accordance with article 13.3, section 2 of this article, and article 15.2, a contract to access the Virtual Balancing Point is required to supply gas to an

end consumer. An exception is made for trucks not used to supply distribution networks.

Article 15. Contracting access to basic underground storage facilities

1. Parties with access rights shall independently contract unbundled and bundled access services to the basic underground storage facilities covered by this circular. Capacity shall be contracted on the electronic platform for requesting and contracting capacity managed by the Technical System Manager after validation by the Technical System Manager that the party has provided sufficient guarantees.
2. All gas injected into the basic underground storage facilities shall be considered located in the gas system's Virtual Balancing Storage.
3. In the Virtual Balancing Storage business transactions involving change of gas ownership may be performed subject to compliance with natural gas balancing rules.

Article 16. Contracting exit capacity from the Virtual Balancing Point to a consumer

1. Exit capacity for supplying gas to an end consumer is contracted on the relevant platform. Contracting shall be subject to validation by the Technical System Manager that the supplier has provided sufficient guarantees in accordance with the procedure outlined in this circular.
2. In the specific case of contracting exit capacity for supplying gas to an end consumer in distribution networks, this shall be carried out through a single access portal connected to distribution network operators' platforms. Contracting shall be subject to validation by the Technical System Manager that the supplier has provided sufficient guarantees in accordance with the procedure outlined in this circular.
3. The National Commission of Markets and Competition may, via a resolution, establish requirements for the platforms and the portal for requesting and contracting capacity and their relationship.
4. Access requests that entail a change of supplier shall automatically entail the transfer of the related exit capacity contract from the Virtual Balancing Point to the end consumer from the outgoing supplier to the incoming supplier as of the effective date of change.
5. Access requests that do not entail a change of supplier, including registrations of new supplies and modifications to the contracted capacity of existing supplies, shall also require prior verification by the infrastructure operator that there is sufficient capacity. The distributor or transmission operator shall issue a response within five days from receipt of the request. For contracting monthly

products, this prior verification shall be conducted within two days, and for day-ahead or within-day products, within one hour.

6. For access requests by future consumers not previously connected to the network, the procedure for requesting network connections provided for in applicable legislation shall apply.
7. Consumers entering contracts with a duration of less than one year must possess an operational telemetering device.

Article 17. Contracting parties

Contracts for ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer, ships cooling down, entry to and exit from the Virtual Balancing Point from any location (except entry to and exit from regasification terminals and basic underground storage facilities) and exit from the Virtual Balancing Point to a consumer service shall be entered into between parties with access rights and the operators of the infrastructures where the service is provided. Contracts for all other services shall be entered into between parties with access rights, the operators of the infrastructures and the Technical System Manager.

Article 18. Platform for requesting and contracting capacity managed by the Technical System Manager

1. The Technical System Manager shall activate and operate, by itself or through a third party, an electronic platform for requesting and contracting capacity at facilities included in the regulated third-party access regime, except pipeline connections with other European Union countries and exit capacity from the Virtual Balancing Point to end consumers.
2. The operators of the terminals must offer their available capacity and recognise the capacity rights contracted on this platform.
3. Each bid for capacity submitted shall constitute a firm and binding commitment for the parties to acquire the product applied for.
4. For each capacity bid submitted to the platform, the Technical System Manager shall perform an immediate validation to check whether sufficient guarantees have been provided.
5. The contract shall enter into force when capacity is allocated, or a bid is successfully matched in the cases for which capacity allocation is allocated through market procedures.
6. The platform shall enable trading sufficiently in advance considering each product's time horizon.

7. Contracts shall be considered firm and binding for the parties for the entire contracted period. The owner of the contracted capacity shall pay the related tariffs and charges.

Article 19. Platforms for requesting and contracting exit capacity to a consumer

1. Transmission and distribution network operators shall activate and operate, by themselves or through a third party, electronic platforms for requesting and contracting exit capacity from the Virtual Balancing Point to end consumers. Moreover, distribution network operators shall enable a single access portal for contracting exit capacity in their distribution networks.
2. Each bid for capacity submitted shall constitute a firm and binding commitment for the parties to acquire the capacity requested.
3. Bids for capacity introduced shall be subject to a validation process by the Technical System Manager to verify that the guarantees provided by the supplier are sufficient in accordance with the procedure established in this circular.
4. Contracts shall be concluded at the time the capacity is allocated and shall be considered firm and binding for the parties for the entire contracted period. The owner of the contracted capacity shall pay the related tariffs under the terms set out in this circular.

Article 20. Terminal access contracts

1. The National Commission of Markets and Competition shall approve via resolution, the framework or standard model contract for access to gas system facilities and any necessary addenda to include the contracted capacities. This model shall be integrated in the corresponding electronic platforms for requesting and contracting capacity and into the single access portal for contracting exit capacity from the distribution networks and shall be signed electronically by the parties.
2. The operator of the terminal may not impose additional conditions for access or require the inclusion of additional clauses that are not covered by the standard contracts.
3. Access contracts entered with the operators of the related facilities shall contain at least the following terms:
 - a) The party obliged to pay the access tariffs and charges:

The party obliged to pay the access tariffs and charges shall be the party with the access right entitled to the capacity right during the specified

period through acquisition on the primary market or on the secondary market.

Operators of the facilities failing to pay the tariffs or charges may not require payment from consumers unless the consumer exercises their right of access acting as a direct consumer in the market.

Non-payment of the signed supply contract between the consumer and the supplier does not exempt the supplier from the payment obligations arising from the infrastructure access contract.

- b) Payment period: 10 business days from the date of invoicing by the operator of the terminal.
- c) Non-compliance: failure by users to meet their obligations to pay tariffs or charges shall result in the full or partial suspension of access to facilities.

For non-localised services, where the contract is signed by the user, the infrastructure operators and the Technical System Manager, the terminal operator is not liable for breach of contract related to fulfilment of an instruction or order issued by the Technical System Manager, but rather the Technical System Manager must assume the consequences.

- 4. For disagreements over application of standard model contracts, any of the parties may bring a dispute before the National Commission of Markets and Competition, which shall solve it in accordance with article 12 of Law 3/2013 of 4 June.

CHAPTER IV. CAPACITY ALLOCATION PROCEDURES

Article 21. Determining the capacity to be offered

- 1. The Technical System Manager, together with the gas infrastructure operators, shall develop a procedure for determining the amount of firm capacity to be offered at the terminals. The objective is to maximise available capacity and optimise the technical management of the system, prioritising security of supply at all times.
- 2. The procedure for calculating the capacity to be offered at regasification terminals shall also include the determination of the possible minimum capacity contracting conditions for the ship unloading services (slots), which may be required to minimise restrictions from occurring in the transmission network and to ensure the loading of trucks at LNG satellite stations connected to a distribution network. Meanwhile, the Technical System Manager will make its best efforts to meet the minimum technical utilisation of all regasification terminals.

3. The procedure for calculating the capacity to be offered shall consider the nominal capacity of the infrastructures, previously contracted capacity, forecast demand, user programmes and any additional information deemed relevant.
4. The Technical System Manager shall determine the capacity to be offered for each product and the possible conditions for minimum contracting for the ship unloading service in accordance with the procedure published for this service by the Technical System Manager.

Article 22. Procedure for allocating unbundled firm capacity in the transmission network and regasification terminals that does not involve slots.

1. The general procedure for allocating capacity for regasification, LNG storage, truck loading, virtual liquefaction, entry to the Virtual Balancing Point, storage in the Virtual Balancing Point and exit from the Virtual Balancing Point services shall be auctions. The capacity at each service auction shall be offered in the form of the products defined in this circular. Each auction shall allocate a single product type and capacity shall be allocated independently for each service.

The unbundled firm capacity products to be offered shall be as follows:

- a) At auctions for yearly products starting on 1 October, fifteen yearly products shall be auctioned, all with a starting date of 1 October, for the fifteen yearly products following the gas year in which the auction is held. Only one yearly product shall be auctioned for the rest of the yearly product auctions. Four yearly product auctions shall be held each year:
 - i. In March, the yearly product starting in April shall be auctioned.
 - ii. In June, the yearly product starting in July shall be auctioned.
 - iii. In September, the fifteen yearly products starting in October shall be auctioned.
 - iv. In December, the yearly product starting in January shall be auctioned.
- b) At quarterly product auctions, four quarterly products following the month in which the auction is held shall be auctioned. Four quarterly product auctions shall be held each year, in March, June, September and December.
- c) The three, monthly, products following the month in which the auction is held shall be auctioned in the monthly product auctions. A total of twelve, monthly, auctions shall be held each year.
- d) Daily products between the gas day following the auction and the last gas day of the month, both inclusive, shall be auctioned at the day-ahead product auctions.

- e) In within-day product auctions, from three hours before the start of the gas day and until 01:00 on the gas day, the effective existing capacity from the fourth hour after the auction is held until the end of the gas day shall be offered. A within-day product auction shall also be held the day before the gas day, after the closure of the day-ahead product auction at which capacity for the entire gas day shall be allocated.

Remaining unallocated capacity after an auction of a specific product is included in the auction of firm capacity with the next shortest duration.

2. For yearly, quarter and monthly products, auctions shall be solved by an ascending-clock auction algorithm, with multiple bidding rounds, , and for day-ahead and within-day products , auctions shall be solved by a uniform-price auction algorithm, with a single round. If several products are offered during an auction, the respective allocation algorithm shall be applied separately for each product auctioned.
3. The opening or minimum bid price in auctions shall be the value of the tariffs in force for each product auctioned, applying the related multiplier coefficient in each case.
4. Capacity allocation shall take place on the platform for requesting and contracting capacity managed by the Technical System Manager, which shall automatically generate a binding contractual obligation between the infrastructure operator, the Technical System Manager and the party with the access right in respect of the capacity allocated on that platform.
5. For each product, an initial period shall be established during which capacity bids may be received. If more than one product is auctioned, the parties shall submit separate bids for each of them.
6. In accordance with article 10.4 of this circular, requests for capacity shall not be necessary for trucks supplying distribution networks. The capacity contracted by each user to supply these customers shall be determined once the data on the average daily matching of LNG loaded by the user in the month are available and it will be updated with the best information available on the matching. Infrastructure operators, together with the Technical System Manager, shall develop a procedure for programming and nomination of truck loading.
7. The Technical System Manager, in cooperation with the gas infrastructure operators, shall be responsible for developing a proposal to order LNG truck loads at each regasification plant, whose objective shall be to establish the criteria for organizing and distributing the said loads among the different users throughout the gas day. The proposal shall be submitted to the National Commission of Markets and Competition, attaching the responses received during the public consultation and their assessment. The National Commission

of Markets and Competition may make changes to the proposal if appropriate prior to its approval by a resolution.

8. Market participants must provide the related guarantees for the capacity requested. The Technical System Manager shall require the release of guarantees corresponding to the capacity requested and unallocated, once the definitive allocation of the auction process has been communicated.
9. The detailed auction processes and market mechanisms, and the information to be included in the capacity requests shall be approved by the National Commission of Markets and Competition, via a resolution. The Technical System Manager shall determine the allocation process calendar.
10. The provisions of this article do not apply to contracting exit capacity from the Virtual Balancing Point to end consumers.

Article 23. Procedure for the allocation of unbundled firm capacity products at regasification terminals that involves slots

1. For ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down, capacity shall be auctioned in the form of slots separately for each service through the following allocation procedures:
 - a) Yearly periodicity procedure, in which slots shall be auctioned for the following fifteen gas years. There will be one periodicity allocation procedure per year, in the month of July, for the ship unloading service and in the month of September for the rest of the services.
 - b) Monthly periodicity procedure, in which slots shall be auctioned for the following twelve calendar months. Twelve monthly periodicity allocation procedures shall be carried out per year.
2. For each yearly or monthly periodicity procedure, an initial period of time shall be established during which bids for slots may be received. Bids for slots for which a specific starting date is indicated shall have priority in the allocation of the slot over those requests for slots for which only the month of the slot is indicated.

In both yearly and monthly periodicity procedures, when the sum of the bids received for all the terminals is greater than the number of total slots offered in the system as a whole, a market mechanism (auction) that allows to adjust slots demand to slots offered shall be applied. When the sum of the bids received for all the terminals is less than or equal to the number of total slots offered in the system as a whole, slots shall be allocated directly to those for which demand does not exceed supply at a given terminal and a specific month, and to those for which there is no more than one bid. For the remaining slots, the users concerned shall be offered the possibility of voluntarily modifying their bids. If, afterwards, demand for slots still exceeds the supply

for a specific month at a given terminal or there was still more than one bid for the same slot, a market mechanism (auction) shall be applied to solve these situations.

3. In the procedures for the monthly periodicity allocation of ship unloading slots, where the slots allocated in any of the first two months offered is less than the minimum slot contracting requirements, users shall be offered the possibility of voluntarily modifying the location of the slots booked for the terminals for which minimum contracting requirements are established, at no additional cost. If, after applying this procedure, the minimum slot contracting requirements are not met yet, a market mechanism (auction) shall be applied to reach the minimum contracting level in which all users with slots booked during the months affected will participate.

The price for booked slots will be increased gradually as a result of applying this market mechanism, with the exception of the price of available slots and the price of booked slots at terminals for which minimum contracting requirements are established, enabling users to modify the location of slots booked at other terminals to those for which minimum contracting requirements are established.

4. Slots that remain unallocated for the first month offered in the monthly periodicity procedure shall be offered through market mechanisms when slots demand has been higher than slots offered and on a first come first served basis otherwise.
5. To maximise the capacity offered and optimise the use of the gas system, the dates, location and number of slots offered may vary daily and from one allocation procedure to another, in accordance with the level of contracting and use of the infrastructures.
6. The market mechanisms (auctions) applied to solve situations in which demand exceeds supply of slots to meet minimum contracting requirements shall be approved via a resolution of the National Commission of Markets and Competition. The Technical System Manager shall determine the auction calendar.
7. Slots shall be allocated on the platform for requesting and contracting capacity managed by the Technical System Manager, which automatically will generate a binding contractual obligation between the infrastructure operator and the party with the access right in respect of the slot allocated on that platform.
8. Market participants must provide the corresponding guarantees for the capacity requested. The Technical System Manager shall require the release of guarantees for requested and unallocated slots, once the definitive allocation of the procedure has been communicated.

Article 24. Procedure for the allocation of bundled services that include regasification

1. This article shall apply exclusively to the bundled services defined in this circular that include regasification.
2. Users wishing to request bundled services that include ship unloading slots shall communicate it when bidding for the ship unloading slot concerned. Several users may share a ship and unload gas for bundled and unbundled services.
3. Users wishing to request bundled services that do not include ship unloading slots shall communicate this when bidding for the LNG storage capacity associated to the service, which shall also be considered as the requested kWh to be regasified.

The starting date for providing the service, which shall be considered as the starting date of the regasification period, shall fall within the time horizon offered in the allocation procedure in which the service is requested, and the service shall be provided along the regasification period allocated.

4. After the request for bundled services in accordance with the two preceding points, capacity for the rest of the unbundled services comprising the bundled services shall be considered as requested, so no additional bids need to be made.
5. When available capacity is sufficient, capacity for all the services comprising the bundled service shall be implicitly allocated.
6. When there is insufficient capacity, bidders shall be offered the possibility of modifying the starting date of the bundled service or the amount requested. If there is still insufficient capacity, requests for bundled services shall be rejected and the users concerned shall have the option of requesting unbundled services, competing with other requests.

Article 25. Allocation procedure at basic underground storage facilities

1. For the bundled natural gas underground storage, injection and withdrawal service, the general capacity allocation procedure shall be auctions. The capacity at these auctions shall be offered in the form the products defined in this circular, so each auction shall allocate a single product type.

The capacity products to be offered shall be as follows:

- a) A single yearly product for the yearly products auctions. One yearly product auction shall be held each year, in March.

- b) In the quarterly product auctions, four, three, two or one quarter, as appropriate, shall be auctioned.

Four quarterly auctions shall be held during the year. In the first quarter, the four quarters of the period comprising from April of one year to March of the next one shall be auctioned. In the second quarter, the remaining three quarters shall be auctioned. In the third auction, the remaining two quarters shall be auctioned and in the fourth auction the last quarter of the period shall be auctioned.

- c) In the monthly products auction, three monthly products shall be offered for the following three calendar months, except for the auction held in January, in which only the two monthly products for the following two calendar months shall be auctioned, and in the February auction, in which only the monthly product for the following calendar month shall be auctioned. A total of twelve, monthly auctions shall be held each year.

An ascending-clock auction algorithm, with multiple bidding rounds, shall be applied for the auctions. The reference price in the auctions shall be the value of the tariffs in force for each product auctioned.

For the bundled natural gas underground storage, injection and withdrawal services, users shall bid exclusively for natural gas storage capacity. Once this capacity is allocated, each user will be allocated injection or withdrawal capacity on a daily basis, along with the corresponding entry and exit capacities to/from the Virtual Balancing Point. Each user's injection and withdrawal capacities shall be calculated considering available technical capacity, once capacity reserved for short-term products is discounted, proportionally to the storage capacity contracted by each party, excluding their storage capacity to keep strategic stocks.

A specific injection and withdrawal capacity procedure shall be put in place for minimum strategic stocks. For these purposes, each year the Technical System Manager, subject to notification to the National Commission of Markets and Competition and the Directorate General of Energy Policy and Mines, shall develop the allocation procedure for injection and withdrawal rights associated to minimum strategic stocks.

Rules related to injection and withdrawal capacity allocation as are follows:

- i. The Technical System Manager, considering market needs and capacity utilisation of facilities, shall determine the duration of the injection and withdrawal cycles. There may be more than one injection and withdrawal cycle each year and the duration may be modified according to the system's need. Any modifications shall be published on its website sufficiently in advance.

- ii. During injection cycles, injection capacity and withdrawal capacity of infrastructures that can reverse their operating cycle for the gas day shall be allocated to users.
 - iii. During withdrawal cycles, withdrawal capacity and injection capacity of infrastructures that can reverse their operating cycle for the gas day shall be allocated to users.
 - iv. After the first nomination, in the previous gas day, the following capacity shall be offered as an unbundled daily and within-day interruptible product:
 - a) Injection capacity, calculated as the not nominated injection capacity plus nominated withdrawal capacities.
 - b) Withdrawal capacity, calculated as the not nominated withdrawal capacity plus nominated injection capacities.
2. For unbundled natural gas storage, injection and withdrawal services in basic underground storage facilities, the general capacity allocation procedure shall be auctions. The capacity at auctions of each service shall be offered in the form of the products defined in this circular. Each auction shall relate to a single product type and capacity shall be allocated independently for each service.

The unbundled firm capacity products to be offered shall be as follows:

- a) In the day-ahead auction, only the daily product for the next gas day shall be auctioned.
- b) In within-day product auctions, each hour, starting three hours before the beginning of the gas day and until 01:00 on the gas day, effective capacity existing from the fourth hour after the hour the auction is held until the end of the gas day shall be auctioned. A within-day product auction shall also be held the day before the gas day, after the closure of the day-ahead product auction, at which capacity for the entire gas day shall be allocated.

For each product, an initial period of time shall be established during which bids may be received. If more than one product is auctioned, the parties shall submit separate bids for each. Auctions shall commence at the same time and a uniform-price algorithm, with a single round, shall be applied. The minimum bid price in the auctions shall be the value of the tariffs in force for each product auctioned.

3. Remaining unallocated capacities for both bundled and unbundled services after the auction of a specific product shall be included in the next auction of a capacity product with shorter duration. Bundled capacity service not contracted after the auction of monthly products shall be auctioned as unbundled daily products. Moreover, the allocation of injection or withdrawal products shall entail the implicit allocation of the corresponding exit or entry capacities to/from

the Virtual Balancing Point.

4. Capacity in basic underground storage facilities shall be allocated using the platform for requesting and contracting capacity managed by the Technical System Manager. This platform will automatically generate a binding contractual obligation between the infrastructure operator, the Technical System Manager and the party with the access right of access in respect of the capacity allocated.
5. Market participants must provide the related guarantees for the capacity applied for. The Technical System Manager will request the release of guarantees for unallocated requested capacity capacity, once the definitive allocation of the auction process has been communicated.
6. The National Commission of Markets and Competition shall approve, via resolution, the detailed auction procedures. The Technical System Manager shall determine the allocation process calendar.

Article 26. Minimum content of bids for unbundled capacity

1. Bids for capacity shall contain all the information necessary for the correct identification, contracting and billing of the product bid for.
2. Bids for unbundled capacity offered at regasification terminals shall contain, at least, the following information:
 - a) LNG storage: LNG storage capacity requested (in kWh) along the product's duration.
 - b) Regasification: capacity of regasification requested (in kWh/d) along the product's duration (or in kWh for within-day products). Bids must also state whether the bidder wishes to contract entry capacity to the Virtual Balancing Point corresponding to the requested regasification capacity.
 - c) Truck loading: facility which the capacity is requested for, number of trucks to load and daily loading capacity (in kWh/d) requested. When the time horizon of the requested product is quarterly or yearly, the number of trucks to be loaded shall be expressed per month.
 - d) Virtual liquefaction: capacity requested to move gas (in kWh/d) from the Virtual Balancing Point to the Virtual Balancing Tank in the form of LNG along the product's duration (or in kWh for within-day products.).
 - e) Slots for ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down services: terminal for which the product is requested, estimate of kWh to be unloaded or loaded and number of slots requested for each month. Optionally, bidders may state the specific

starting date of the slot. For the cooling down service, the type of ship and the ship atmosphere must also be included.

In monthly allocation processes, bidders must state specific starting dates for all slots booked for the first two months offered. For the rest, they must at least indicate the number of slots bid for each month. Users who have booked slots for those two months in previous processes will have until then to specify the dates of those slots. If not, they will lose their right to use those slots, without prejudice to the payment of any applicable access tariffs.

Where ships are shared among several users, the amounts to be loaded or unloaded for each user must be indicated. Similarly, when the LNG is for both unbundled and bundled services, each user must state the percentage of kWh earmarked for bundled services.

3. Capacity bids for unbundled entry to and exit from the Virtual Balancing Point products shall contain, at least, the following information:
 - a) Entry to the Virtual Balancing Point: the entry point and the capacity requested (in kWh/d) for products with a daily or longer duration (or kWh for within-day products). For these purposes, regasification terminals shall constitute a single entry point, similar to the basic underground storage facilities.
 - b) Exit from the Virtual Balancing Point: the exit point and the capacity requested (in kWh/d) for products with a daily or longer duration (or kWh for within-day products). For these purposes, regasification terminals shall constitute a single exit point, similar to the basic underground storage facilities.
 - c) Exit from the Virtual Balancing Point to a consumer: identification of the supply point, starting date and finalisation of the product and capacity (in kWh/d) requested for products with a duration longer than daily (or kWh if the product has a duration of less than 24 hours).
4. Bids for unbundled capacity in underground storage facilities shall contain, at least, the following information:
 - a) Natural gas storage: capacity requested (in kWh/d) for daily products (or kWh for within-day products).
 - b) Injection: capacity requested (in kWh/d) for daily products (or kWh for within-day products).
 - c) Withdrawal: capacity requested (in kWh/d) for daily products (or kWh for within-day products).

5. Except for exit products from the Virtual Balancing Point to end consumers connected to distribution networks and end consumers connected to transmission networks where access is contracted on the network operator's platform, bids for unbundled capacity products shall be submitted to the electronic platform for requesting and contracting capacity managed by the Technical System Manager. Through this platform, the Technical System Manager shall provide users with standard templates containing the information they must submit according to the type of capacity product.
6. For exit products from the Virtual Balancing Point to end consumers connected to distribution networks and end consumers connected to transmission networks where access is contracted on the network operator's platform, bids for unbundled capacity products shall be submitted to the single contracting portal of the distribution network operators and the electronic platform for requesting and contracting capacity of transmission network operators. Operators shall provide users with standard templates containing the information they must submit according to the type of capacity product.

Article 27. Minimum content of bids for bundled capacity services

1. Bids for capacity shall contain all the information necessary for the correct identification, contracting and billing of the product bid for.
2. Bids for capacity of bundled ship unloading, LNG storage and regasification services, with or without entry to the Virtual Balancing Point, must specify at least, in addition to the information requested for unbundled ship unloading products, the number of days of the regasification period bid for and the starting date of the regasification service, which may be the starting day of the unloading or the next gas day.
3. Bids for capacity of bundled LNG storage and regasification services, with or without entry to the Virtual Balancing Point, must specify at least the amount of initial LNG storage capacity related to the service, which shall also be considered as the kWh to be regasified, the starting date of the service and the number of days of the regasification service bid for.
4. Bids for capacity of the bundled ship unloading, LNG storage and terminal-to-ship LNG loading service shall include all the required information for the allocation and provision of the service based on the supply of products published each year when this service is offered.
5. Bids for capacity of bundled underground natural gas storage, injection and withdrawal service shall specify, at least, the kWh requested.
6. Bids for capacity of bundled services shall be submitted using the electronic platform for requesting and contracting capacity managed by the Technical System Manager. On this platform, the Technical System Manager shall

provide users with standard templates containing the information they must submit according to the type of bundled service.

Article 28. Order of procedures for allocating firm capacity products at regasification terminals and the transmission network

1. The procedures for allocating firm capacity products shall be performed in the following order:
 1. - Allocation of ship unloading slots.
 2. - Allocation of LNG storage products.
 3. - Allocation of regasification and entry to the Virtual Balancing Point products. The allocation of regasification products for which the related entry capacity to the Virtual Balancing Point has been requested shall entail implicit allocation of the capacity to enter the Virtual Balancing Point.
 4. - Allocation of truck loading products.
 5. - Allocation of virtual liquefaction and exit from the Virtual Balancing Point products.
 6. - Allocation of terminal-to-ship LNG unloading, ship-to-ship LNG transfer and ships cooling down products.
2. Products with the longest duration shall be allocated first, followed by those with next shorter duration; i.e. allocation shall start with yearly products, following by quarterly and then monthly products, where appropriate, in the order described in section 1.
3. The order established in this article shall not apply to the allocation procedures for day-ahead and within-day products, which may take place simultaneously.

Article 29. Billing of contracted capacity

1. Access tariffs for ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer, ships cooling down, entry to and exit from the Virtual Balancing Point from any location (except entry to and exit from regasification terminals and basic underground storage facilities) and exit from the Virtual Balancing Point to a consumer services shall be billed by the operators of the infrastructures where the service is provided. Access tariffs and charges for all the other services shall be billed by the Technical System Manager.
2. Contracting the unbundled services described in this circular shall require payment of the access tariffs for each service applicable in each case, except for virtual liquefaction service, which shall require payment of the virtual liquefaction charges and the charge for the exit from the Virtual Balancing Point to regasification terminals.

3. The applicable access tariffs shall be those in force when the service is provided. The corresponding multiplier coefficient shall be applied to access tariffs for products with a duration of less than one year.
4. Contracting the unbundled truck loading service supplying satellite stations connected to distribution networks shall entail payment of access the tariff for the annual capacity product contracted.
5. Contracting bundled services that include regasification shall include payment of the access tariffs related to each unbundled service included therein, as follows:
 - a) Ship unloading service. The access tariff for ship unloading shall apply to the booked slot.
 - b) Regasification service. The regasification access tariff for the annual product shall apply, considering the regasification capacity allocated, and the number of days of the regasification period contracted shall be billed.
 - c) LNG storage service. The LNG storage access tariff for the daily product shall apply, considering the daily LNG storage capacity allocated during the regasification period contracted.
 - d) Entry to the Virtual Balancing Point service. The access tariff for entry to the Virtual Balancing Point from regasification terminals corresponding to the daily product shall apply, considering the entry capacity to the Virtual Balancing Point allocated. The number of days of the regasification period contracted shall be billed.
6. Contracting the bundled underground natural gas storage, injection and withdrawal service shall entail payment of the access tariffs corresponding to each separate service included and the access tariff for entry to the Virtual Balancing Point or exit from the Virtual Balancing Point, as appropriate.
7. A premium resulting from the market procedure in which capacity products are allocated shall be added to access tariffs to be paid by users, as appropriate.
8. Contracts for both unbundled and bundled services shall be considered firm and binding for the parties throughout the period contracted. The holder of the contracted capacity shall pay at least the fixed component of the corresponding tariffs, even if the capacity is not used. If the tariff does not include a fixed component, the entire variable component shall be paid.
9. If the allocation of capacity gave rise to additional revenues to that foreseen by the application of the access tariffs and charges in force, this revenues would be considered an income of the regulated settlement system.

Article 30. Capacity booking for short-term contracts

1. Of existing nominal capacity for regasification, entry to the Virtual Trading point from the regasification terminal, LNG storage and LNG truck loading services, part of capacity shall be reserved to be offered as quarterly products. This capacity shall be offered in the first quarter of each auction of quarterly products. Another part of capacity shall be reserved to be offered as monthly products. This capacity shall be offered for the first month of each auction for monthly products. And another part of capacity shall be reserved to be offered as daily products. This capacity shall be offered on the first day of each auction of daily products).
2. Of existing nominal capacity for ship unloading services, capacity shall be reserved to be offered in the monthly allocation procedure. This capacity shall be offered for the second month.
3. At auctions offering capacity for fifteen years, including auctions of products contracted via slots, only part of the existing nominal capacity shall be offered from the second gas year auctioned. In addition, in monthly periodicity procedures for allocation of slots, the offer of this non-commercialized capacity may be limited.
4. Of basic underground storage capacity, as well as of daily injection and withdrawal available capacity, capacity shall be reserved to be offered as unbundled daily products.
5. To establish the capacity reserved for short-term contracts, the certainty provided to users by the possibility of contracting long-term capacity compared to the need to reserve part of it for the short term will be considered, in order to meet unexpected needs, make users' operations more flexible and enable new entrants to access the market.
6. The National Commission of Markets and Competition shall define, by means of a resolution adopted after public consultation of all those affected, the nominal capacity of each reserved service, according to the provisions of previous sections of this article.

Article 31. Procedure for allocating the bundled unloading, storage and reloading service

1. Capacity allocation for products related to the bundled ship unloading, LNG storage and terminal-to-ship LNG loading service shall give the right to the use of the facilities of a specific regasification terminal required to provide the unbundled services included over a given period.
2. While the service is being provided, the successful bidders can, at the assigned terminal, perform ship unloading and terminal-to-ship LNG loading operations provided they comply with the technical requirements and use conditions stipulated in the service offering specifications. They may also use the LNG storage capacity up to a predetermined maximum value.

3. Product offers must indicate the terminal where the service will be provided, the minimum and maximum size of the ships allowed, the LNG storage capacity, the period during which the capacity is offered, the use conditions and the procedure for communication among the user, the terminal operator and the Technical System Manager.
4. Unloading and terminal-to-ship LNG loading capacities will only be used by the successful bidder under the conditions provided in the definition of the bundled service. They cannot be transferred as unbundled services to other users.
5. The proposal referred to article 9.7 of this circular on offering products related to this bundled service shall be forwarded to the National Commission of Markets and Competition, with the supporting calculations and technical documents which justify it. Based on the proposal received, the National Commission of Markets and Competition may approve, via a resolution, on an annual basis, the offer of the capacity products related to the bundled service referred to in this article.

Article 32. Flexibility in the use of contracted slots

1. Successful bidders of slots for ship unloading, terminal-to-ship LNG loading, and ship-to-ship transfer of LNG may request a change of location, starting date of the service and size of the ship, provided that capacity is available, the change is possible considering the operation of the regasification terminal and of the system as a whole, it does not affect the rights acquired by other users and the new date for providing the service is within the period from one month before to one month after the date booked in the allocation procedure of the service. The Technical System Manager, together with the terminal operators and after a public consultation, shall determine the logistical requirements for modifying and adjusting slots contracted and will publish them on its website.
2. Each slot may only be modified the number of times established by the National Commission of Markets and Competition via a resolution. Requests for modifications must be submitted not later than five days before the starting date of the service or before the new starting date requested when the requested new date is prior to the starting date of the service. The foregoing must be understood without prejudice to the provisions of article 41.2. For ship unloading, requests to adjust the the location, kWh to be unloaded or unloading date that meet the conditions determined in the procedure for modifying and adjusting contracted slots outlined in section 1 of this article, shall not be considered modifications.
3. Modifications cannot be requested for ship unloading slots whose starting date takes place in the same month in which the capacity is acquired, without prejudice to the possibility of requesting adjustments for them, according to the previous point.

4. In any event, users must pay for the slots acquired irrespective of whether they use them or not.

Article 33. Flexibility in the use of bundled services with regasification

1. Successful bidders for bundled services that include regasification may request, daily, modification of the regasification capacity within a range of 5% above and below the regasification capacity allocated in accordance with the service contracted.
2. Such modifications will not, at any time, give rise to stocks that exceed the daily LNG storage capacity allocated in accordance with the contracted service by more than 5%. Each day, the Technical System Manager shall consider the minimum nominations that allow compliance with this condition. In any case, the nomination for the last day of the period for providing the service shall be such that LNG stocks of the user related to the bundled service are zero at the end of that day.
3. This flexibility of use in bundled services shall not imply any additional cost for users.

CHAPTER V. OTHER PROVISIONS REGARDING ACCESS TO FACILITIES

Article 34. Secondary capacity market

1. Without prejudice to the provisions of section 5 of this article, contracted capacity, except for exit capacity from the Virtual Balancing Point to a consumer, which is considered associated with each consumer, may be bought from, sold to or subleased to other parties with access rights.
2. Capacity trading and sublease transactions may be carried out for the full amount of capacity contracted or part of it and for the full duration contracted or part of it. In any case, these transactions must involve trading of standard capacity contracting products and if this results in standard products with a shorter duration, these shall be considered as such for all effects, particularly regarding billing of access tariffs.
3. The Technical System Manager platform for requesting and contracting capacity shall be equipped with tools to facilitate users the transfer and/or sublease of the capacity contracted. It shall at least include a notice board for publication of capacity bids of capacity sales and purchases by users.
4. Users are free to purchase, sell or sublease capacity through bilateral agreements or the platform for requesting and contracting capacity managed by the Technical System Manager. All transactions, irrespective of the method used, must be recorded in this platform reflecting the contract to which it refers,

the capacity, the period, and the price of the transaction. For purchase and sale transactions, the Technical System Manager must first confirm that sufficient guarantees have been provided.

5. Contracted capacity that has been allocated with a premium may only be sold or subleased using the capacity market developed by the Technical System Manager for this purpose in accordance with article 34.3 of this circular, at a price equal to or less than the premium of the original allocation. Contracted capacity that has been allocated without additional premium may only be sold or subleased at a price equal to or less than the one of the original allocation.
6. The infrastructure operators must facilitate capacity transactions on the secondary market and recognise the transfer of capacity rights notified to them.
7. The Technical System Manager shall keep a register of transactions performed, the ownership of the capacity contracted in the system or, in the event of subleasing, the holder of the nomination rights, at all times.
8. The National Commission of Markets and Competition shall have electronic access to the register of capacity resale and sublease transactions.
9. Capacity acquired on the secondary market shall be subject to all the rights and obligations associated with the contracts with regard to the operators of the facilities, including the provision of applicable guarantees.
10. Successful bidders of capacity for bundled services may only transfer the full capacity to maintain the characteristics of the original bundled service.

Article 35. Rules for technical management of the system

1. The National Commission of Markets and Competition shall approve, via a resolution, rules on the technical management of the system according to its competences. These rules shall apply to all parties that access the system, operators of the facilities and the Technical System Manager.
2. The National Commission of Markets and Competition may request the Technical System Manager, in cooperation with the other gas system agents, to propose rules regarding technical management of the system.
3. The Technical System Manager shall submit the hereinabove proposals to the National Commission of Markets and Competition for approval after a public consultation.
4. The National Commission of Markets and Competition shall report on these developments to the Directorate General of Energy Policy and Mines.

Article 36. Monitoring

1. The National Commission of Markets and Competition shall monitor the correct implementation and application of the entire capacity allocation procedure, from calculation and offer of the capacities corresponding to each product by the Technical System Manager, to contracting by the interested parties. It shall also be responsible for solving any disputes between the parties arising from its interpretation and application.
2. The National Commission of Markets and Competition shall oversee the correct conduct of all agents involved at all times and, in particular, the performance of the Technical System Manager and the operators of the infrastructures in order to ensure transparent, consistent and non-discriminatory capacity allocation procedures. Any infringements of the rules shall constitute an administrative offence in accordance with Law 34/1998 of 7 October of the hydrocarbons sector.
3. To fulfil its supervisory duties, the National Commission of Markets and Competition may ask the Guarantees Manager, the Market Operator and the Technical System Manager for any information it deems necessary at any time.
4. The Technical System Manager shall issue an annual report on the application of the capacity allocation mechanism, disaggregated by product. The report shall disclose, at least, the capacities offered for each product and how they were calculated, the bids received, the development of the allocation process, the criteria used for allocating capacity and the capacity allocated to each bidder. The report shall include information for the period from 1 October each year to 30 September of the following year. It shall be sent to the National Commission of Markets and Competition and the Directorate General of Energy Policy and Mines within three calendar months from the end of the period. To prepare the report, the Technical System Manager may gather any information required from the infrastructure operators.

CHAPTER VI. CAPACITY CONGESTION MANAGEMENT AND ANTI-HOARDING MECHANISMS

Article 37. General principles

1. Capacity congestion management and anti-hoarding mechanisms at facilities shall be applied under economic efficiency, transparency, objectivity and non-discrimination criteria.

The Technical System Manager, together with the infrastructure operators, shall monitor implementation of these mechanisms.

2. In any case, if situations of congestion arise that could jeopardise the system's normal operation, the Technical System Manager may take any exceptional measures established by the regulation in force.
3. The Technical System Manager shall keep the National Commission of Markets and Competition and the Directorate General of Energy Policy and Mines informed at all times of any measures taken, justifying in all cases their need.
4. The National Commission of Markets and Competition shall monitor the correct implementation of the congestion management mechanisms and solve any dispute among the parties arising from its implementation. To do so, it may request any information it needs from the operators of the infrastructures and the Technical System Manager.
5. Exceptionally, and only during the time in which there is congestion for contracting a certain service, an incentive may be adopted by a resolution in order to promote a higher use of the infrastructures in the periods of lesser use with the aim to maximize the use of capacity.

Article 38. Capacity surrender mechanism

1. Infrastructure operators, in coordination with the Technical System Manager, must accept any requests to surrender contracted capacity except for those products that do not involve a slot and whose duration is intraday, and for all or part of the contracted capacity and for all or part of the contracted term, provided that the capacity is surrendered in the form of the standard capacity products defined in this circular.

When the surrendered capacity corresponds to a bundled product, the affected capacity shall be offered to the market as unbundled standard products. In the event that any of these unbundled products is not allocated in the allocation procedures offered, the user of the original contract shall maintain the corresponding rights and obligations associated with the original contract.

2. The user of the original contract shall maintain the rights and obligations related to the capacity retained, including payment of the associated access tariffs. Moreover, until the surrendered capacity is reallocated, the user shall maintain the rights and obligations related to that capacity in accordance with the framework agreement on access, including payment of the associated access tariffs.
3. The capacity released by a user in application of the surrender mechanism shall be offered in the form of standard capacity products, in the first possible allocation procedure of products with the longest possible duration following notification of the surrender, provided the surrender occurs before the date of publication of the firm capacity to be offered at that procedure.

4. The surrendered capacity shall be offered together with the rest of the available capacity. For products without slots, it shall be reallocated after the allocation of the available capacity before the surrender.
5. When more than one user surrenders capacity, the capacity shall be reallocated in the allocation procedure by chronological order of surrender, or on a pro rata basis if the notification of surrender took place on the same day.
6. Users surrendering capacity may not impose conditions on the reallocation of the surrendered capacity.
7. When the surrendered capacity is reallocated at a lower price than the one to be paid by the original capacity holder, the original capacity holder shall cover the difference.
8. Holders of surrendered capacity cannot offer the capacity on the secondary market during the period between notification of the surrender and notification of the results of the allocation procedures in which the surrendered - capacity is offered.
9. The Technical System Manager shall provide users surrendering capacity with the following information for each communication of capacity surrender received:
 - a) Order of preference in the capacity allocation process in which the surrendered capacity is involved.
 - b) Results of the allocation procedures: term and price of the surrendered capacity once reallocated and the price payable for the reallocated capacity if it is reallocated at a lower price than in the original contract.

Article 39. Capacity use-it-or-lose-it mechanism for products of higher than daily duration

1. The mechanism of capacity use-it-or-lose-it will be applied to avoid the hoarding of capacity and relieve situations of contractual congestion, through the surrender of underused capacity, considering the historical data of utilization to the determination of the underused capacity.
2. This mechanism shall apply to those services defined in articles 8 and 9 of this circular for which it is determined, taking into account the congestion situation of the infrastructures in which these services are provided, and in particular their level of contracting, which must be at least 80% of the nominal capacity, to be specified in accordance with section 5 of this article.
3. The Technical System Manager, in collaboration with the infrastructure operators, shall proceed to release contracted capacity when there is underuse.

Underuse shall be considered justified, and therefore no capacity shall be surrendered, when it is due to technical unavailability of the facility.

4. The capacity released through the application of this mechanism shall be considered as capacity surrendered by renounce of the user and provisions of article 38 of this circular shall apply. This capacity shall be reallocated after already existing available capacity and surrendered capacity have been fully allocated.

5. The National Commission of Markets and Competition shall establish, through a resolution adopted after public consultation of all those affected, the detailed procedure for calculating and applying this mechanism, which shall include the services and products to which it shall apply, the conditions for determining the underutilization of capacity and the value of the contracting level, referred to in sections 1 and 2 of this article, as well as any other aspect considered necessary for its application.

6. The application of this mechanism may be different depending on the different services for which its application is determined.

7. The Technical System Manager, in cooperation with the infrastructure operators, shall annually report to the National Commission of Markets and Competition on the application of this mechanism.

Article 40. Use-it-or-lose-it mechanism applied on a daily basis

1. The Technical System Manager shall apply the use-it-or-lose-it mechanism on a daily basis in order to alleviate short-term contractual congestion situations, through the limitation of users' renomination rights.
2. This mechanism shall be applicable to those services defined in articles 8 and 9 of this circular for which it is so determined, taking into account the congestion situation of the infrastructures in which they are provided, whose contracting level must be at least 80% of the nominal capacity, and, in particular, its expected utilization level, according to section 5 of this article.
3. The capacities whose renomination is restricted in application of this mechanism shall be offered to the market as daily and intraday firm products. This capacity shall be reallocated after all the already existing available capacity and the surrendered capacity have been fully allocated.
4. The original holders of capacities whose renomination is restricted in application of this article may renominate these capacities under interruptible conditions, if it is so determined.
5. The National Commission of Markets and Competition shall establish, by a resolution adopted after public consultation of all those affected, the detailed

procedure for calculating and applying this mechanism, which shall include the services to which it shall apply, the restriction of renomination rights and the value of the contracting level, referred to in sections 1 and 2 of this article, as well as any other aspect considered as necessary for its application.

6. The application of this mechanism may be different, depending of the different services for which its application is determined.
7. The Technical System Manager, in cooperation with the infrastructure operators, shall annually report to the National Commission of Markets and Competition on the application of this mechanism.

Article 41. Anti-hoarding measures for the services that involve slots

1. The Technical System Manager shall apply anti-hoarding measures related to the services provided at the regasification plants whose capacity is offered through slots in order to avoid capacity hoarding and prevent situations of contractual congestion, taking into account the specific characteristics of capacity products and their intermittent nature.

2. Logistical and economic conditions may be established for those contracted slots that are not ultimately used by a user and made available to other users. These conditions may consist of charges for the user due to the slots not released. The charges will not exceed ten times the value of fixed term of the access tariff. In the event that the service's access tariff does not have a fixed term, the charge shall be applied considering the variable term multiplied by the contracted capacity. The amount of the charge shall be related to the advance notice with which the non-use or release of the slot has been communicated. The congestion situation of the service may also be taken into account. These charges shall be applied without prejudice to the responsibilities derived from the non-compliance with the minimum notice period established in article 3.2 of this circular

3. The National Commission of Markets and Competition shall establish, though a resolution adopted after public consultation of all those affected, the detailed procedure for calculating and applying these measures, which shall include the services to which these measures shall apply, the conditions referred in section 2 of this article and any other aspect considered as necessary for its application.

4. The application of this mechanism may be different depending on the different services for which its application is determined.

5. The Technical System Manager, in cooperation with the infrastructure operators, shall annually report to the National Commission of Markets and Competition on the application of this mechanism.

Article 42. Overselling and buy-back capacity mechanism

1. The Technical System Manager shall apply the overselling and buy-back capacity mechanism in order to avoid capacity hoarding and alleviate situations of contractual congestion in the short term, through the offer of additional capacity to the nominal capacity of the infrastructures.
2. This mechanism shall apply to the services defined in articles 8 and 9 of this circular, for which it is determined, taking into account the congestion situation of the infrastructures in which they are provided, their level of contracting and the expected evolution of the gas market.
3. A specific procedure shall be defined to establish the methodology for calculating the additional capacity to be offered, which shall consider, at least, the expected level of utilization of the contracted capacity, as well as for the buy-back of capacity.
4. The National Commission for Markets and Competition shall establish, through a resolution adopted after public consultation of all those affected, the detailed procedure for calculating and applying this mechanism, which shall include the services to which it shall apply, the procedure and the methodology mentioned in section 3 of this article, as well as any other aspect considered as necessary for its application.
5. The application of this mechanism may be different, depending on the different services for which its application is determined.
6. The Technical System Manager, in cooperation with the infrastructure operators, shall annually report to the National Commission of Markets and Competition on the application of this mechanism.

CHAPTER VII. GUARANTEES

Article 43. Control of commitments undertaken by the parties

1. The Guarantees Manager shall keep the payment obligations and volume of guarantees associated with each holder of a guarantee account updated at all times, allowing the Technical System Manager to verify whether there are sufficient uncommitted guarantees behind capacity bids received and to require the related guarantees for the capacity requested.
2. Similarly, the Guarantees Manager shall verify that levels of uncommitted guarantees of parties are within the limits allowed and shall request new guarantees to parties if not.
3. The Guarantees Manager shall notify the Directorate General of Energy Policy and Mines, the National Commission of Markets and Competition and the

Technical System Manager of any cases of non-compliance and any execution of guarantees so that they can, where appropriate, initiate the procedure for removing the licence as supplier or direct consumer in the market.

Article 44. Non-compliance with obligations to pay tariffs for access services contracted

1. Non-compliance with obligations to pay tariffs for the access services contracted and the related taxes will occur if, once the period for payment has expired, the debt has not been paid and the user has not reported any discrepancy regarding the billing or, if it had, the user have not deposited an additional guarantee under the terms of the framework agreement on access.
2. In default of payment obligations related to access contracts to localised services, the responsible for billing the access tariffs shall notify it to the Technical System Manager, which shall then notify it to the Guarantees Manager.
3. The Guarantees Manager shall enforce the guarantees provided, along with the penalties provided in the guarantee management rules. Unpaid amounts for access tariffs and charges shall accrue late-payment interests as of the date the payment was due until the payment is made.

If enforcement of the guarantee does not allow the collection of the full amount owed due to access tariffs and charges on the day the payment falls due, the income rights of those responsible for access billing to whom the amounts are owed shall be decreased on a pro rata basis.

Once the debt has been settled, this shall be recognised and the unpaid amount plus the related late-payment interests shall be paid to the creditors.

4. If enforcement of the guarantees does not allow the collection of the full amount owed, the Guarantees Manager shall notify it to the Technical System Manager and the operators of the infrastructures, which shall suspend the access services contracted so the user cannot use them.

Suspension of access services shall affect all access services contracted by the user (full suspension) provided that the amounts owed by the user plus the outstanding amounts not covered by the guarantees for contracting infrastructure capacity with regulated third-party access exceed €500,000. Until this amount is not exceeded, a partial suspension shall be applied.

5. Suspension of the service shall be notified to the affected user through the platform for requesting and contracting access managed by the Technical System Manager.

The Technical System Manager shall also report suspension of the service to the National Commission of Markets and Competition, the operators of the

trading platforms and the central counterparty entities and suppliers of services that notify LNG or gas transfers.

Suspension of the service shall become effective from its notification to the user, except for access services already contracted for the current gas day. In these cases, the suspension shall become effective as of the following gas day.

6. Where access services contracted by a user are partially suspended, the user may not contract any additional capacity related to the services for which payment is in default.
7. In the event of full suspension of access services contracted by a user:
 - i. The user may not contract any additional capacity, including exit capacity from the Virtual Balancing Point to end consumers.
 - ii. Users may not transfer entitlement to gas to other users on the same date of suspension or a later date than the date of suspension of the services.
8. Operators of the facilities shall notify the suspension to the Technical System Manager, the Ministry for Ecological Transition and Demographic Challenge and the National Commission of Markets and Competition.
9. The partial or full suspension of access services shall not exempt users from complying with all the payment obligations arising from each access service for the total duration contracted.
10. The capacity of those services that are not allocated through slots whose use is suspended, shall be offered with the rest of the available capacity, in the form of daily and intraday products, throughout the period of suspension. This capacity shall be reallocated after already existing available capacity and surrendered capacity have been fully allocated.
11. Failure by a supplier to pay access tariffs could lead to the transfer of its customers to a last resort supplier under article 82 of Law 34/1998 of 7 October. In this case the capacity contracted by the supplier shall be released.
12. The aforementioned measures shall be applied without prejudice to any penalties that may be applicable in accordance with Law 34/1998 of 7 October and its implementing legislation.
13. Once the outstanding amounts not duly paid by the user, along with any related interest, are voluntarily paid, along with the amounts accrued during the period of suspension, the operator shall immediately resume providing the contracted services. Resumption shall become effective as of the next gas day following the notification thereof.

Article 45. Non-compliance with requirements to provide guarantees in contracting access

1. The following breaches shall be considered:

- a) Failure to provide the new guarantees required. Where a party is required to provide new guarantees following enforcement of existing guarantees and it fails to do so within a maximum period of 10 working days, this shall result in the full suspension of the access services contracted by the user, applying section 7 of the previous article.
- b) Failure to maintain the guarantee instruments. Non-compliance shall be deemed to have occurred when the guarantees do not satisfy the established requirements or when the Guarantees Manager requires replacement of the guarantees with other valid guarantees, and this has not occurred by the fifth business day before the expiry of the guarantees.

In this case, the amount needed to meet the outstanding requirements, if any, shall be enforced, and the penalty provided for in the legislation in force shall be applied.

2. The Guarantee Management Rules outline the processes and actions related to these breaches.

Article 46. Guarantees required in order to contract capacity

1. Any party wishing to contract capacity in basic underground storage facilities, regasification plants or the Virtual Balancing Point must provide guarantees for each contract in each infrastructure.
2. For contracts related to unbundled regasification, LNG storage, truck loading for supplying to satellite stations not connected to distribution networks, virtual liquefaction, entry to the Virtual Balancing Point, storage at the Virtual Balancing Point, exit from the Virtual Balancing Point, exit from the Virtual Balancing Point to a consumer, natural gas storage, injection and withdrawal services, users must provide guarantees for an amount equal to the value of applying the current access tariff or charge for effective use of the total capacity contracted during:
 - a) Two months, for yearly or quarterly contracts.
 - b) The time contracted, for monthly, day-ahead and within-day contracts.

Capacities contracted shall be considered when determining the value of the fixed and variable portions of the access tariff or charge and a duration of 30 days per month.

For the exit from the Virtual Balancing Point to a consumer service, for which there are subgroups of access tariffs that do not necessarily require

specification of the capacity contracted, the determination of the value of the fixed and variable portions of the access tariff shall consider the number of customers of each user and the type average monthly consumption of each tariff subgroup referred to in article 48.2.

3. For the truck loading service that supply satellite stations connected to distribution networks, users shall provide guarantees equivalent to the value of applying the current access tariff or charge for two months' of usage of the contracted capacity during the month before the guarantee is calculated.
4. For contracts relating to ship unloading, terminal-to-ship LNG loading, ship-to-ship LNG transfer and ships cooling down services, users must provide guarantees equal to the value of applying the access tariff or charge in force for actual use of the booked slots for the current month and the next two months.
5. Guarantees required to bundled services shall be:
 - a) For bundled services that include the regasification service, the value resulting from applying the full access tariff to effectively use the entire amount of capacity contracted.
 - b) For the bundled ship unloading, LNG storage and terminal-to-ship LNG loading service, the value determined in resolutions of the National Commission of Markets and Competition for the offer of products related to the service.
 - c) For the bundled underground natural gas storage, injection and withdrawal service, the value resulting from applying the fixed term of the access tariff corresponding to the storage capacity contracted during the periods indicated in paragraph 2 of this article, determined based on the duration of the product contracted plus the value resulting from applying the injection and withdrawal access tariffs to the storage capacity contracted.
6. If the capacity is allocated at a higher price than the related access tariff or charge in the allocation procedure, this price shall be considered when determining the guarantees.
7. The multiplier coefficients applicable to contracts with a duration shorter than one year shall also be considered in determining the guarantees.
8. If contracts are transferred, the guarantees to be provided by the new user acquiring the capacity shall be determined based on standard product types and duration of the capacity acquired. The guarantees requirements for the transferor of the capacity shall be reduced in proportion to the number of days transferred on its original contract.
9. Where there are any modifications to the amounts of access tariffs or charges or to any other circumstance that gives rise to a modification of the guarantee requirements, the Technical System Manager shall notify the new guarantee

requirements within five working days before they enter into force. Users will then have five working days from the notification to adapt to the new amounts.

10. The minimum guarantees to be provided shall be defined via a resolution by the National Commission of Markets and Competition.
11. The Technical System Manager shall activate a simulator to provide parties with a non-binding calculation of the guarantees required and the breakdown of the calculations of the guarantees.

Article 47. Provision and validity of guarantees for capacity contracting

1. Guarantees required for services contracted must be provided when the capacity is contracted and shall be valid until 30 days after the last day of the month in which the contracted service ends.

Guarantees shall be provided when the capacity is contracted, except for the services that are not allocated through slots where the starting date of the services is more than six months after the contracting date, in which case they shall be provided six months before the starting date of the services.

Guarantees shall be released at the earlier of the following dates: their expiration date, or as of 24 hours from the first working day following the day the payment of the total access tariff or charge billed for the service contracted has been made and checked.

2. Guarantees required related to exits from the Virtual Balancing Point to a consumer connected to a distribution network shall be updated quarterly, on 1 March, 1 June, 1 September and 1 December. The Technical System Manager shall publish the calendar of quarterly updates on its website.

The requirements of these guarantees shall remain effective as follows:

- a) For the year's first quarter, the guarantees related to the quarterly update of the first period shall remain effective from 1 January to 1 May.
- b) The guarantees related to the quarterly update of the second period of the year shall remain effective from 1 April to 1 August.
- c) The guarantees related to the quarterly update of the third period of the year shall remain effective from 1 July to 1 November.
- d) The guarantees related to the quarterly update of the fourth period of the year shall remain effective from 1 October to 1 February of the following year.

The Technical System Manager shall notify the Guarantees Manager of the effective dates.

Guarantees shall be released when guarantees required for the subsequent period are provided.

Article 48. Calculation of guarantee requirements for customers connected to distribution networks

1. Distributors must send the following information to the Technical System Manager each quarter before the fifth working day of the month prior to the update of the guarantees:
 - a) Regarding subgroups of access tariffs that do not require specification of the capacity contracted:
 - PVB user.
 - Tariff group.
 - Number of customers in each tariff group on the last day of the month prior to the one in which the information is sent.
 - b) Regarding the rest of the tariff subgroups:
 - PVB user.
 - Tariff group.
 - Daily flow contracted in the last day of the month prior to the one in which the information is sent, disaggregated by user and tariff subgroup.
2. The distribution companies shall jointly determine and update the values of type average monthly natural gas consumption for each access tariff group and shall inform the Technical System Manager about them.
3. Once the information in the two preceding points is received:
 - a) The Technical System Manager shall calculate the provisional guarantee requirements and disclose the results to each user, including the information submitted by distributors used in the calculation.
 - b) Users shall then have fifteen working days to submit comments to the Technical System Manager if they do not agree with the provision requirements. The Technical System Manager and the distributors shall address the comments of disagreement within five working days.
 - c) Once the period for comments is over, the Technical System Manager will have a period of five working days to send the definitive guarantee requirements to the Guarantees Manager.
4. Users shall provide the guarantees for contracting exit capacity from the Virtual Balancing Point to a consumer corresponding to the access tariff and assign them to the Capacity Contracting Guarantee Account.

Article 49. Resolution of disputes

Any disputes that may arise regarding management of guarantees shall be resolved as stipulated in article 12.1.b) of Law 3/2013 of 4 June on the creation of the National Commission of Markets and Competition.

First additional provision. Electronic platform for requesting and contracting capacity.

The electronic platform for requesting and contracting capacity in facilities included in the regime of regulated third-party access referred to in article 18 shall be the Logistic System for Third-Party Network Access (SL-ATR System for its initials in Spanish).

Second additional provision. Procedures to be developed by the Technical System Manager, together with the gas infrastructure operators.

Within a period of two months from the day after the publication of this circular, the Technical System Manager, in collaboration with the gas infrastructure operators, shall develop:

1. The definition of standard slots referred to in article 8.4 of this circular.
2. The procedure for calculating the capacity to be offered referred to in article 20.1 of this circular.
3. The procedure for programming and nominating the truck loading referred to in article 22.6 of this circular.
4. The logistics requirements for modifying contracted slots referred to in article 32.1 of this circular.

For this purpose, a public consultation must be held with a period for feedback of no lower than fifteen working days. Once the procedure is drawn up, it shall be published on the Technical System Manager's website.

In addition, the Technical System Manager, in collaboration with the gas infrastructure operators, will have a period of four months to develop the procedure to offer interruptible capacity referred to in article 12.8 of this circular during which it must hold a public consultation with a period for allegations of no less than one month.

Third additional provision. Guarantee account for operating in the gas system.

1. Guarantees for contracting capacity and settling imbalances shall be managed jointly by the Market Operator as the Guarantees Manager. They may also be managed, directly or through a third party, together with other guarantees required to operate in the gas system, provided their specific conditions and characteristics and the ultimate purpose of each guarantee are respected. Guarantees must be managed both efficiently and effectively in terms of costs and risks. The required incentives must be established to achieve these objectives.

2. Parties with access rights and authorised users with a balancing portfolio in one of the balancing areas by the Technical System Manager shall have a Guarantee Account with the Guarantees Manager, where the guarantees provided to cover their transactions shall be provided. The agents shall determine the part of the guarantees assigned to each purpose. Potential guarantee requirements related to a given purpose may not be covered by guarantees committed to another purpose, except if provided for it in the natural gas balancing rules.
3. The Guarantees Manager shall allow agents to assign the guarantees provided and uncommitted to the different purposes in accordance with its needs.
4. The guarantees shall cover the obligations assumed by each Guarantee Account holder, including current taxes, late-payment interest, penalties and fees due at payment.
5. The National Commission of Markets and Competition shall approve, via a resolution, the Guarantee Management Rules for contracting access and settling imbalances in the gas system.
6. When payment obligations relating to access to infrastructures and imbalance in the balancing areas of the gas system have expired, the guarantees shall be cancelled once all committed payments have been made.

Fourth additional provision. Single access portal connected to distribution network operators' platforms.

Without prejudice to the provisions of article 16(3), distribution companies shall have until 1 April 2020 to develop the single access portal connected to the distribution network operators' platforms, as provided for in article 16(2), for contracting exit capacity for the supply of gas to an end consumer from distribution networks.

Fifth additional provision. Calculation of time periods.

The time periods indicated in the circular shall be calculated in accordance with Law 39/2015 of 1 October, except for those referred to the "gas day".

First transitional provision. Transfer of regasification capacity and entry to the Virtual Balancing Point contracts.

To alleviate potential situations of congestion in regasification terminals, users with access rights who have contracted regasification capacity in any plant in the gas system may transfer their contracts until 1 April 2020, for all or part of the contracted capacity, to a different terminal as many times as they wish, provided that at least one month has elapsed since the latest transfer.

To do so, they must first submit a regasification capacity transfer request and, where appropriate, a modification of the access point to the Virtual Balancing Point request, to the Technical System Manager, at least 10 days before the effective date of the change. In the request, users must state the contract and capacity they wish to transfer and the terminal to which they wish to transfer it. The request shall affect the stated regasification capacity, access capacity equivalent to the Virtual Balancing Point and, where appropriate, the remaining period until the end date of the regasification contract or the date of the next transfer.

The Technical System Manager shall determine the technical feasibility of the requests and verify that the capacity transfer does not cause damage to third parties or harm third party access requests, at both the original and destination terminal.

Where feasible, the Technical System Manager shall notify this to the original and destination plant operators and the transmission system operators to which those plants are connected, and they shall ultimately decide on the request applying prevailing criteria on capacity allocation.

The changes shall not entail any discount or additional cost for users beyond the access tariffs, charges and guarantees applicable to the contracted services.

Second transitional provision. Treatment of existing regasification and truck loading contracts and location of LNG stocks.

Holders of regasification capacity, truck loading and entry to the Virtual Balancing Point from regasification terminal contracts signed before the date of publication of this circular may maintain them until the end of the period contracted, or surrender them as of 1 April 2020. Any decision on capacity surrender must be notified within a period of less than one month from publication of the circular. From 1 April 2020 to 30 September 2020, the regasification and truck loading contracts held by users shall not entitle them to unload LNG, although this may be contracted in accordance with transitional provision three herein. As of 1 October 2020, regasification and truck loading contracts held by users shall in no case give entitlement to LNG unloading and storage. Any such unloading and storage services shall be contracted separately.

Following the entry into force of this circular, LNG stocks shall be considered located in the Virtual Balancing Tank. Contracted regasification capacity shall not be linked to any specific terminal, so both services shall be performed as non-localised services.

Third transitional provision. Transitional capacity allocation procedure applicable until 30 September 2020.

1. Users may continue to contract available capacity until 1 April 2020 by the chronological order of access request (first-come, first-serve).
2. For unbundled regasification, truck loading and entry to the Virtual Balancing Point services, available capacity from 1 April 2020 to 30 September 2020 shall be allocated in accordance with the following rules:
 - Daily and within-day products shall be allocated by the first come first serve mechanism.
 - For yearly, quarterly and monthly products, the Technical System Manager shall set a deadline for receipt of capacity requests. After that deadline, if the capacity requested is less than the amount offered, it shall be allocated. Otherwise, the Technical System Manager shall conduct a uniform-price sealed-bid auction to solve the allocation.

The duration of the yearly product to be offered following the procedure described shall run from the date of entry into force of this circular to 30 September 2020. Successful bidders shall pay the relevant access tariffs for the yearly product.

3. For unbundled services involving slots, until the date of the first yearly periodicity procedure in July 2020, slots available shall be allocated through monthly periodicity procedures, in which slots shall be offered for the upcoming twelve calendar months in accordance with the following terms:
 - The allocation rules set out in this circular for these procedures shall be applied through uniform-price sealed-bid auctions, as market mechanisms to solve situations of demand excess or overlapping of slots. Before the auctions are held, the users affected shall be offered the possibility of modifying their bids for slots on a voluntarily basis.
 - If the minimum slot contracting requirements are not met, the Technical System Manager may declare an Exceptional Operating Situation and implement whatever measures it considers appropriate for that purpose.
 - For ship unloading slots offered until 30 September 2020, holders of regasification or truck loading contracts signed before the day after the date of publication of this circular shall have preferred right of allocation. These shall be calculated monthly so users can unload a volume of LNG equal to 30 times the sum of the daily regasification and truck loading capacities contracted for each month, taking 1,000 GWh as average unload volume. If situations arise where there is demand excess or an overlap of priority slots, these shall be addressed through uniform-price sealed-bid auctions. The affected users shall be first offered the possibility of modifying their slot requests on a voluntarily basis.

4. Bundled services that include regasification service with a starting date prior to 1 October 2020 may not be contracted.
5. The services shall be allocated in the order defined in this circular. The Technical System Manager shall publish the calendar with the planned dates for the allocation procedures within fifteen working days from the date of publication of this circular. The first slots allocation and yearly products not involving slots procedure shall be carried out no later than one month following the date of publication of this circular. The Technical System Manager shall publish the available capacity before the allocation procedure is held.
6. This circular shall not apply to the bundled underground storage, injection and withdrawal service until 1 October 2020, except for the number of quarterly and monthly products to be offered at each allocation procedure.
7. This circular shall apply to unbundled daily and within-day underground storage, injection and withdrawal services fifteen days following its publication in the Spanish Official State Gazette. Nevertheless, until 1 October 2020, the mechanism for capacity auctions shall consist of first-price sealed-bid auctions, whereby each user shall pay for the capacity awarded at the price included in their bid, up to the corresponding capacity.

Fourth transitional provision. Framework agreement on access

Until the National Commission of Markets and Competition approves the framework agreement or standard agreement for access to gas system facilities provided for in article 20.1 and the necessary addenda to include contracted capacities, the agreement shall be the one approved by Resolution of the Spanish Secretary of State for Energy of 2 August 2016 approving the framework agreement for access to Spanish gas system facilities.

Fifth transitional provision. Guarantees Management Rules

Until the Guarantees Management Rules described in the third additional provision of this circular are approved, the provisions of the Secretary of State for Energy Resolution of 2 August 2016 approving the guarantees management rules of the gas system shall be applicable in relation to the guarantees for contracting access.

Sixth transitional provision. The System Technical Management Legislation

Until the National Commission of Markets and Competition develops legislation for the technical management of the system, the current rules on the technical management of the gas system that do not contradict the provisions of this circular shall apply.

Seventh transitional provision. Value of parameters used in the circular

The following shall apply until the resolutions provided for in articles 9.1, 32.2 and 42.10 of this circular are issued:

1. The minimum and maximum duration of the bundled products referred to in article 9.1 are 10 and 40 days, respectively.
2. The number of times a slot contracted can be modified, as referred to in 32.2, is two.
3. The minimum amount of the guarantees to be provided by users, in accordance with article 42.10, is €50,000.

Final provision. Date of entry into force and application

The circular shall enter into force on 1 April 2020, except for the second and fourth additional provisions and the first, second and third transitional provisions, which shall enter into force the date after publication, and articles 34.3 and 38, which shall enter into force on 1 October 2020.

Madrid, 12 December 2019. – President of the National Commission of Markets and Competition, José María Marín Quemada

NEW PROVISIONS of CIRCULAR 9/2021

Additional provision. Calculation of type average monthly consumption values for each tariff group by distributors

Within a period of two months from the day following the publication of this circular, the distribution companies shall jointly determine the values of type average monthly consumption of natural gas for each tariff group referred to in article 48.2 of Circular 8/2019, according to the wording that this circular confers, and the procedure for updating them.

To this end, they must carry out a public consultation with a deadline for comments that may not be less than fifteen working days. Once prepared, the procedure will be published in the single portal for contracting exit capacity from the distribution networks and in the Logistic System for Third-Party Network Access (SL-ATR in its acronym in Spanish).

First transitional provision. Calculation of guarantee requirements for customers connected to distribution networks.

Until the calculation by distributors of the type of average monthly consumption values for each tariff group referred to in article 48 of this circular, it shall be applicable, in relation to the calculation of the guarantee requirements for clients connected to distribution networks, the procedure applied prior to the entry into force of this circular.

Second transitional provision. Capacity reserve for short-term contracts.

Until the resolution foreseen in article 30.5 of Circular 8/2019 of the National Commission of Markets and Competition, establishing the methodology and conditions for access and capacity allocation in the natural gas system:

1. For both, the regasification and entry to the Virtual Balancing Point from the regasification terminal services, the capacity reserved to be offered as quarterly products is set at 5% of the existing nominal capacity, the capacity reserved to be offered as monthly products is set at 5% of the existing nominal capacity and the capacity reserved to be offered as daily products is set as 5% of existing nominal capacity.
2. For the LNG storage service, the capacity reserved to be offered as quarterly products and monthly products is set at 10% of the existing nominal capacity, and the capacity reserved to be offered as daily products is set at 5% of the existing nominal capacity.
3. For the ship unloading service, the capacity reserved to be offered in the monthly periodicity allocation procedure is set at 10% of the existing nominal capacity.

4. For auctions in which capacity is offered for fifteen years, including auctions of slots, the capacity to be offered from the second gas year offered is set at 50% of the existing nominal capacity.
5. For the basic underground storage service, the capacity reserved to be offered as unbundled daily products is set at 100 GWh. Likewise, for injection and withdrawal services, the capacity reserved to be offered as unbundled daily products is set at 10% of the existing nominal capacity.
6. For the truck loading service, the capacity reserved to be offered as quarterly products is set at 5% of the existing nominal capacity, the capacity reserved to be offered as monthly products is set at 5% of the existing nominal capacity, and the capacity reserved to be offered as daily products is set at 5% of the existing nominal capacity.

Final provision. Date of entry into force

This circular shall enter into force the day after its publication in the "Spanish Official Gazette".

Madrid, 15 December 2021.— President of the National Commission of Markets and Competition, Cani Fernández Vicién.