

Milan, 03/12/2021

## **Edison comments on Public consultation of RAE on the Terminal Use Agreement for the Alexandroupolis Independent Natural Gas System**

Edison welcomes RAE's Consultation Process and would like to thank this Authority for the possibility of submitting Edison's own comments and proposals regarding the Terminal Use Agreement for the Alexandroupolis Independent Natural Gas System.

The present document is divided into two sections: the first part includes commentaries about the process and the TUA in general, while the second part contains specific comments regarding paragraphs and/or articles of the mentioned TUA.

As a final introductory element, Edison specifies that, at this point in time, it would be highly advisable to begin sharing all the relevant details, information and technical data regarding the service conditions, since several aspects are not yet specified within the documentation (e.g. maximum/minimum LNG Carriers' capacity, key operational capabilities, fees, and so on).

### **Part I: Edison comments on the Consultation Process and the proposal of "Terminal Use Agreement":**

- **Capacity Guarantee:** Edison recommends RAE and Gastrade to include credit rating as an alternative to Capacity Guarantee (in line with European requirements in terms of guarantee) and, therefore, reconsider the position towards it. Also, Edison signals that the current version of the TUA only contains a brief reference to the "Acceptable Credit Rating", and also in relation to the issuer of an on demand guarantee, but it does not specify in further details the parameters of such acceptable rating, for either the issuer of the guarantee or the Terminal User.

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## Part II: Edison commentary on specific sections of the proposed “Terminal Use Agreement”:

- **Art. 1.1 (Definitions):** kindly refer to the commentary above, regarding the definition of “Acceptable Credit Rating”, for which Edison considers that further details are necessary.
- **Art. 3.2 (Conditions for receiving the Service):** from the TUA, let. (b), “[...] *by not later than the Service Commencement Date, Terminal User has acceded to the Inter-User Agreement and provided the Inter-User Guarantee in accordance with the terms therein*”. From Edison’s perspective, the term “acceded” is not very clear. Please, specify the meaning of such expression (e.g. “signed?”).
- **Art. 6.3 (Use it or Lose it):** as per let. (d), “*Terminal Operator will be paid an administrative service fee by the Terminal User for reselling of Unused Capacity, such fee (“Administrative Fee”) to be deducted from any reimbursement of Capacity Fees due to Terminal User under clause 6.3(e)*”. As we have already stated above, it is highly advisable to begin sharing all the relevant details and, to such extent, Edison kindly asks RAE and Gastrade to specify the amount of such Administrative Fee, which should in any case have a very limited impact.
- **Art. 15.9 (Termination for Extended Event of Force Majeure):** as per let. (a), “*If, for reasons of Force Majeure affecting Terminal Operator, Terminal Operator has failed to provide the Service for eighteen (18) consecutive months, then Terminal User may terminate this Agreement on twenty (20) Business Days’ notice to Terminal Operator*”. Edison considers the new revised term of 18 consecutive months acceptable, even if we would consider a term of 12 consecutive months more consistent with the scope of this article. Regarding let. (b), this part has remained unchanged, but – in the event the requested change to let. (a) above would not be feasible – we suggest reducing the term of art. 15.9, let. (b) from 18 to 12 consecutive months.
- **Art. 18.1 (Terminal User’s Guarantee):** regarding the let. (c), Edison asks for more information on the rationale underlying the application of the 5% percentage.
- **Art. 19.1 (Events of Default):**
  - regarding let. (a), in the event the revised term of art. 15.9, let. (a) above is deemed acceptable, point (ii) should be modified as follows: “[...] *for a period of twelve (12) consecutive months*”, and point (iii) should be changed to “[...] *for a period of eighteen (18) consecutive months*”;
  - regarding let. (b), point (ii) includes a too strict deadline, since Edison considers a term of five (5) Business Days more coherent instead of the two (2) proposed by Gastrade. Also, about point (iii) of the same let. (b), instead of the proposed terms of five (5) consecutive days and ten (10) days, we consider more feasible, respectively, a term of (10) consecutive days and twenty (20) days. As a final note, Edison asks for more details regarding the meaning of the “Downstream Rights” to be secured by the Terminal User, since it is not that clear if the above definition refers to the allocation procedure of the entry capacity or the guarantees related to the transportation service.

- **Art. 19.2 (Suspension):** Edison kindly proposes these modifications to the art. 19.2:
  - regarding let. (a), we consider five (5) Business Days a more coherent deadline instead of the proposed two (2) Business Days;
  - regarding let. (b), we consider more acceptable a suspension upon giving a two (2) Business Days' notice instead of the immediate suspension after the Terminal Operator's notice.

Edison remains available for any clarifications regarding the contents of this document and takes the opportunity to thank RAE once again for this Public consultation on the Terminal Use Agreement for the Alexandroupolis Terminal.

Best regards,

EDISON SPA