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Sent: Monday, July 13, 2020 9:40 PM
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Subject: Incukalns injection congestion management

Good afternoon,

First of all, thank you very much for very fruitful and intensive online meeting you had with market participants last Friday. It was really good and efficient.

I would like to ask few questions about Incukalns injection congestion management. As you can imagine summer months are the most intensive UGS injection months. And unfortunately Incukalns UGS rules about congestion management are not very clear and transparent.

There is only one paragraph in Incukalns rules where injection congestion management is [mentioned](#):

VIII. Congestion Management of the Storage Facility

59. If the system operator detects a physical capacity congestion by 15:00 on the gas day D-1:

<...>

59.2. during the natural gas injection into the storage facility, the system operator shall, within the framework of congestion management, allocate the natural gas injection capacity among the system users by prioritising the bundled capacity product and the two-year bundled capacity product within the available capacity and in proportion to their reserved available storage capacity.

1. Could you please tell, where can I find the so called *framework of congestion management*?
2. Could you please clarify what is *reserved available storage capacity*? Unfortunately, there is no such definition in the first chapters of the rules. Does it mean the amount of storage that is reserved by market participant but is yet unused (so the storage that is booked by market participant, but gas is not injected yet)? Or does it mean the total amount of storage booked by market participant (both used and unused storage)?
3. Where can I find how the injection capacities are split between *the bundled capacity product and the two-year bundled capacity product*?

Finally, there is a problem with market participants who nominate too much injection capacities, generate the congestion and later during the gas day they reduce their injection nomination. As a result quite significant amount of injection capacities remain unused, however other market participants would be very much interested in using remaining injection capacities (but they are left with a minimum amount of time to correct their nomination and arrange the extra supplies of gas within a gas day). Have you considered the introduction of under-utilisation fee for nominated, but unused injection capacities (similar to the fee applied when BalticConnector capacities are booked by market participant but remain unused)?

Thank you very much

Kind regards

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