

Technical Rule no. 10 rev2 PB-GAS

(under article 4 of the Regulations of the Gas Balancing Platform,
approved by “Autorità per l’energia elettrica, il gas e il sistema idrico”
with its Decision ARG/gas 145/11 of 28 October 2011,
as subsequently amended and supplemented)

Title	Zonal Configuration of the G-1 Segment and Cost Function
Reference Legislation	Article 25, para. 25.1 and Article 34, para. 34.5, Regulations of the Gas Balancing Platform

entered into force on 14 November 2014

1. Foreword

Article 25, para. 25.1 of the Regulations provides that one or more zones shall be defined where to place the offer points using one or more types of flexible resources, in respect of which Snam Rete Gas may - where necessary - define the corresponding utilisation limits. The same paragraph also provides that the zones and utilisation limits shall be specified in the Technical Rules.

Article 34, para. 34.5 of the Regulations provides that, with a view to determining the result of the session, account shall be taken, where applicable, of cost functions in accordance with the procedures established in the Technical Rules.

2. Zonal configuration of the G-1 Segment and utilisation limits

The G-1 Segment will have the following zonal configuration:

- **Snam Rete Gas Zone**, having a single offer point, in respect of which Snam Rete Gas will submit demand bids/supply offers. The Snam Rete Gas Zone will be connected with the following zones: Import Zone, Edison Stoccaggio Zone, LNG Zone, Stogit Unutilised Capacity Zone and G+1 Zone, via links representing the flexible resources specified in the following paragraphs;
- **Import Zone**, having offer points associated with points of interconnection with foreign countries, utilising the flexible resource made available at the same points. The Import Zone is connected with the Snam Rete Gas Zone via a link representing the flexible resource available at the points of interconnection with foreign countries. Snam Rete Gas will not define any utilisation limit in respect of this link (flexible resource);
- **Edison Stoccaggio Zone**, having offer points associated with participants having gas availability in the storage sites of Edison Stoccaggio S.p.A., utilising the flexible resource available at the same storage hub. The Edison Stoccaggio Zone is connected with the Snam Rete Gas Zone via a link representing the flexible resource available at the storage hub of Edison Stoccaggio S.p.A. Snam Rete Gas will not define any utilisation limit in respect of this link (flexible resource);
- **LNG Zone**, having offer points associated with participants having gas availability in regasification terminals, using the flexible resource available at the same terminals. The LNG Zone is connected with the Snam Rete Gas Zone via a link representing the flexible resource available in regasification terminals. Snam Rete Gas will not define any utilisation limit in respect of this link (flexible resource);
- **Stogit Unutilised Capacity Zone**, having offer points associated with participants having gas availability in the storage sites of Stogit S.p.A., using the flexible resource corresponding to withdrawal and/or injection capacity in the same sites that Snam Rete

Gas itself plans not to utilise on day G. The Stogit Unutilised Capacity Zone is connected with the Snam Rete Gas Zone via a link representing the flexible resource corresponding to withdrawal and/or injection capacity at Stogit that Snam Rete Gas itself plans not to utilise on day G. Snam Rete Gas will define the utilisation limit in respect of this link (flexible resource);

- **G+N Zone**, having offer points associated with participants authorised for the PSV and in respect of which the same participants may enter supply offers of gas to be delivered at the PSV on the days following day G+1. The offer points of the G+N Zone utilise the flexible resource associated with additional withdrawal capacity available at Stogit. The G+N Zone is connected with the G+1 Zone via a link representing the flexible resource corresponding to additional withdrawal capacity available at Stogit. Snam Rete Gas will define the utilisation limit¹ in respect of this link (flexible resource);
- **G+1 Zone**, having offer points associated with participants authorised for the PSV and in respect of which the same participants may enter supply offers of gas to be delivered at the PSV on day G+1. The offer points of the G+1 Zone utilise both the flexible resource corresponding to additional withdrawal capacity available at Stogit and the flexible resource corresponding to linepack space. The G+1 Zone is connected to the Snam Rete Gas Zone via two separate links, representing the flexible resource corresponding to additional withdrawal capacity available at Stogit and the flexible resource corresponding to linepack space. Snam Rete Gas will define the utilisation limits² in respect of these links (flexible resources).

3. Cost Function

On a daily basis, Snam Rete Gas will define and notify GME of the parameters of the cost functions associated (where applicable) with each flexible resource that GME will take into account to determine the results of each session of the G-1 Segment.

In accordance with the combined provisions of AEEGSI's Decisions 446/2013/R/gas, 552/2013/R/GAS and 485/2014/R/Gas, as well as with the PB-GAS Regulations, Snam Rete Gas will define and notify GME of the parameters of the cost functions to be applied to the following flexible resources upon determining the results of each session of the G-1 Segment:

¹ Snam Rete Gas will define the utilisation limit only in the direction from the G+N Zone to the G+1 Zone, i.e. only in the direction representing the utilisation of additional withdrawal capacity available at Stogit. Conversely, although the utilisation limit in the direction from the G+1 Zone to the G+N Zone is not explicitly defined by Snam Rete Gas, it will always be set equal to zero; in this way, a zonal purchase balance in the G+N Zone (with flow from the G+1 Zone to the G+N Zone) will never occur; indeed, this purchase balance would imply the utilisation of additional injection capacity, which is not a flexible resource made available by Snam Rete Gas for the purposes of the G-1 Segment.

² For the same reasons as the ones mentioned in note 1 above, for the link between the G+1 Zone and the Snam Rete Gas Zone corresponding to additional withdrawal capacity available at Stogit, the utilisation limit in the direction from the Snam Rete Gas Zone to the G+1 Zone will always be set equal to zero.

- Withdrawal and/or injection capacity at Stogit that Snam Rete Gas itself plans not to utilise on day G. The cost function corresponding to this flexible resource will be associated with the link between the Stogit Unutilised Capacity Zone and the Snam Rete Gas Zone, so that the difference between:
 - o the respective remuneration prices of the Snam Rete Gas Zone and of the Stogit Unutilised Capacity Zone is at least equal to the above-mentioned cost function, on the assumption that, after the session of the G-1 Segment, the withdrawal capacity available at Stogit is utilised (flow from the Stogit Unutilised Capacity Zone to the Snam Rete Gas Zone);
 - o the respective remuneration prices of the Stogit Unutilised Capacity Zone and of the Snam Rete Gas Zone is at least equal to the above-mentioned cost function, on the assumption that, after the session of the G-1 Segment, the injection capacity available at Stogit is utilised (flow from the Snam Rete Gas Zone to the Stogit Unutilised Capacity Zone);
- Additional withdrawal capacity available at Stogit. The cost function associated with this flexible resource is attributed to the corresponding link between the G+1 Zone and the Snam Rete Gas Zone, so that the difference between the respective remuneration prices of the Snam Rete Gas Zone and of the G+1 Zone is at least equal to the above-mentioned cost function, on the assumption that, after the session of the G-1 Segment, the additional withdrawal capacity available at Stogit is utilised (flow from the G+1 Zone to the Snam Rete Gas Zone);
- Linepack space. The cost function associated with this flexible resource is attributed to the corresponding link between the G+1 Zone and the Snam Rete Gas Zone, so that the difference between:
 - o the respective remuneration prices of the Snam Rete Gas Zone and of the G+1 Zone is at least equal to the above-mentioned cost function, on the assumption that, after the session of the G-1 Segment, the linepack space is utilized with a flow from the G+1 Zone to the Snam Rete Gas Zone;
 - o the respective remuneration prices of the G+1 Zone and the Snam Rete Gas Zone is at least equal to the above-mentioned cost function, on the assumption that, after the session of the G-1 Segment, the linepack space is utilised with a flow from the Snam Rete Gas Zone to the G+1 Zone.

GME will publish the cost functions on the SIMGAS.

4. Diagram showing the zonal configuration of the G-1 Segment, as well as the utilisation limits and the cost functions applied to flexible resources

The following figure shows the zonal configuration of the G-1 Segment, highlighting the links representing flexible resources, as well the possible utilisation limits and cost functions associated with each link/flexible resource.

