



INSTRUCTION B19/2017

**Notification of Natural Gas Physical
Positions to the System Operators**

24.October.2023

Versions Index

24.Nov.2017

Initial Version for the purpose of the new Service on Natural Gas Derivatives Contracts registered in OMIClear through OMIP Derivatives Market.

17.Apr.2018

Update of the Instruction following the extension of the Service on Natural Gas Derivatives Contracts to MIBGAS Derivatives Market.

1.Feb.2022

Modification of the Instruction's name from 'B19/2017 - Notification of Positions in Natural Gas Derivatives Contracts' to 'B19/2017 - Notification of Natural Gas Physical Positions to System Operators'. Clarification that the Instruction is only applicable to PVB-ES NG Physical Futures and PVB-ES NG Physical Futures (Non-Financial Instruments), as the Service on Natural Gas Derivatives Contracts also includes other Contracts with settlement by financial delivery.

12.Sep.2023

Instruction update to include the PVB-ES NG Physical Futures indexed to TTF (Non-Financial Instruments) and the PVBES-TTF Spread Futures in the Service on Natural Gas Derivatives Contracts.

24.Oct.2023

Instruction update to include the TVB-ES NG Physical Futures (Non-Financial Instruments) in the Service on Natural Gas Derivatives Contracts. Clarification of the notification process of the positions on the current Natural Gas Contracts with settlement by physical delivery to the system operator (Enagás GTS) and of the impacts when there is a suspension of a network user at the PVB-ES or TVB-ES virtual trading point by the system operator.

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Pursuant to Article 63 of its Rulebook, OMIClear approves this Instruction, which sets the Positions notification process during the Delivery Period of Natural Gas Derivatives Contracts with settlement by physical delivery listed in Instruction B14/2014 – Eligible Contracts by OMIClear to the system operator during the Delivery Period.

General Provisions

1. The Physical Settlement Agent acting in the Service on Natural Gas Derivatives Contracts, in particular that is responsible for the physical settlement of Positions on PVB-ES NG Physical Futures, PVB-ES NG Physical Futures (Non-Financial Instruments), PVB-ES NG Physical Futures indexed to TTF (Non-Financial Instruments) and TVB-ES NG Physical Futures (Non-Financial Instruments) during the respective Delivery Period, unconditionally authorises OMIClear to make the notifications of such Positions to Enagás GTS.
2. The Positions notification referred to in the preceding paragraph are considered irrevocable and are carried out according to the cooperation protocol on the information exchange between Enagás GTS and OMIClear.
3. The deadlines concerning the information exchange between Enagás GTS and OMIClear are published in OMIClear website.

Procedures regarding Positions Notifications

4. In the deadlines agreed by OMIClear and Enagás GTS and disclosed in OMIClear's website, for each Gas Day OMIClear will generate and send to such GTS the information relative to notifications of physical net Positions that correspond to:
 - a) Transfers of ownership related to the sale or purchase of natural gas at the Spanish Virtual Trading Point ("Punto Virtual de Balance Español"- PVB-ES) referring to each Physical Settlement Agent who has the capacity to assume this role at this virtual trading point under the Natural Gas Derivatives Contract Service;
 - b) Transfers of ownership related to the sale or purchase of natural gas at the Spanish Virtual Balancing Tank ("Tanque Virtual de Balance Español" - TVB-ES) referring to each Physical Settlement Agent who has the capacity to assume this role at this virtual trading point under the Natural Gas Derivatives Contract Service.
5. Under the terms defined in the preceding paragraph the following definitions apply:
 - a) Regarding the "Punto Virtual de Balance Español" (PVB-ES)
 - i. A buying (long) net Position in the Physical Settlement Account of the Physical Settlement Agent, which results from the balance of buying and selling Positions relative to PVB-ES NG Physical Futures, PVB-ES NG Physical Futures (Non-Financial Instruments) and PVB-ES NG Physical Futures indexed to TTF (Non-Financial Instruments), refers to a transfer of ownership related to a purchase of natural gas at the "*Punto Virtual de Balance Español*" - PVB-ES;
 - ii. A selling (short) net Position in the Physical Settlement Account of the Physical Settlement Agent, which results from the balance of buying and selling Positions relative to PVB-ES NG Physical Futures, PVB-ES NG Physical Futures (non-Financial Instruments) and PVB-ES NG Physical Futures indexed to TTF (Non-Financial Instruments)

Instruments), refers to a transfer of ownership related to a sale of natural gas at the “*Punto Virtual de Balance Español*” - PVB-ES;

- b) Regarding the “Tanque Virtual de Balance Español” (TVB-ES)
 - i. A buying (long) net Position in the Physical Settlement Account of the Physical Settlement Agent, specific for this purpose, resulting from the balance of buying and selling Positions relative to TVB-ES NG Physical Futures (Non-Financial Instruments), refers to a transfer of ownership related to a purchase of natural gas at the “Tanque Virtual de Balance Español” - TVB-ES;
 - ii. A selling (short) net Position in the Physical Settlement Account of the Physical Settlement Agent, specific for this purpose, resulting from the balance of buying and selling Positions relative to TVB-ES NG Physical Futures (Non-Financial Instruments), refers to a transfer of ownership related to a sale of natural gas at the “Tanque Virtual de Balance Español” - TVB-ES;
6. Enagás GTS will validate the information referred to in the preceding paragraph and will send OMIClear a message with the result of such information exchange process, according to the requisites established in the signed protocol.
7. Under the terms defined in the preceding paragraph, OMIClear will inform the Physical Settlement Agent, through the Clearing Platform, of the respective net Position at any given moment in the respective virtual trading point.
8. In each notification regarding a given virtual trading point and referring to a Physical Settlement Agent OMIClear will include the following information:
 - a) Notification date;
 - b) Gas day to which the net Positions of each Physical Settlement Agent refers to;
 - c) “EIC” ¹ code of the Physical Settlement Agent (“*Sujeto Habilitado*”) with Enagás GTS;
 - d) “EIC” ¹ code of OMIClear (as “*Sujeto Habilitado*” at Enagás GTS), which is the central counterparty of each buying or selling Position notified in this notification file;
 - e) Identification of the buying net Position or selling net Position;
 - f) Energy concerned (in MWh/day).
9. The system operator validates the information referred to in the previous paragraph, sending OMIClear a message indicating the result of the information exchange process, according to the requirements defined in the protocol concluded with OMIClear.
10. The fulfillment of OMIClear's obligations in relation to the settlement by physical delivery of the Natural Gas Derivatives Contracts for a given Gas Day occurs at the moment when Enagás GTS confirms the receipt of the notification files sent by OMIClear regarding each virtual trading point.
11. OMIClear informs the Gas Physical Settlement Agents, through its Clearing Platform, of their net Positions for each Gas Day and the respective status of the notification process: pending notification to the relevant system operator or notification completed.
12. OMIClear is not responsible for any failure that might compromise the sale or purchase of natural gas at the PVB-ES or the sale or purchase of natural gas at the TVB-ES, in case it faces the impossibility of sending the Notifications to Enagás GTS by reasons that are not of OMIClear's responsibility.

¹ Energy Identification Code.

Notification process in case a Network User (“*Sujeto Habilitado*”) is suspended by the system operator

13. In the event that a Physical Settlement Agent is suspended from buying or selling in PVB-ES or TVB-ES by Enagás GTS, in order to avoid that the notification of the Net Position relating to this agent is rejected by this system operator, OMIClear, in its capacity as Network User with Enagás GTS, will replace that agent and notify its net Position in delivery on its behalf.
14. As a consequence of the previous paragraph, OMIClear, in its role as Network User with the system operator:
 - a) It will present an imbalance situation at the virtual trading point for which OMIClear has notified the Net Position of the suspended agent on its behalf. Consequently, it will be subject to an economic penalty, based on an Imbalance Tariff that is settled by the system operator in accordance with its rules;
 - b) The economic penalty (which may be an amount payable by OMIClear, if the notified Net Position is a buy Position, or an amount receivable, if the notified Net Position is a sell Position) is passed on by OMIClear to the Registration Agent associated with the Physical Settlement Agent who is suspended, through the Daily Financial Settlement, and will include any other charges or costs that are charged to OMIClear by the system operator following this suspension.
15. The suspension status of the Physical Settlement Agent with Net Position under Delivery has the following impacts on the settlements and margins of the respective Registration Agent:
 - a) If the Net Position under delivery is a sell Position, OMIClear will retain the Delivery Settlement Values (DSV) until the suspension situation is solved i.e., captivates these amounts of DSV to be received by the respective Registration Agent corresponding to each Gas Day in which the suspension takes place;
 - b) If the Net Position under delivery is a buy Position, OMIClear will collect the DSV, i.e. requires the payment of these DSV corresponding to each Gas Day in which the suspension takes place;
 - c) OMIClear may require an Extraordinary Margin from the Clearing Member of the Registration Agent or Client associated with the Natural Gas Physical Settlement Account managed by the Physical Settlement Agent that is suspended.
16. The state of suspension of a Physical Settlement Agent, even if temporary, may be an indication of potential loss of the status of Network User with the system operator of the virtual trading point in which it operates, and may motivate the declaration of default of the Registration Agent or Client associated with the Natural Gas Physical Settlement Account managed by that Physical Settlement Agent, applying the provisions of Instruction B18/2014 – Procedures in Case of Default.
17. If the Physical Settlement Agent definitively loses its status as an Network User with the system operator of the virtual trading point in which it operates, this implies a situation of default, applying the provisions of Instruction B18/2014 – Procedures in Case of Default.

Entry into Effect

18. This Instruction has been communicated to CMVM on February 2nd, 2023 and enters into effect on October 24th, 2023.

The Board of Directors