fluxys

Recondenser Liquefaction Short Term Auction 2026 – Allocation Mechanism

Allocation mechanism linked to the "Terms and Conditions – LNG Auctions version 10 July 2023" regarding the sale of LNG Services

1. In case Demand is lower or equals to the Offer in the first Round
    - The Cleared Price is the Round Price of that Round
    - Each Participant is allocated its Bid Quantity of that Round

2. In case Demand is higher than Offer for a Round:
    - There is no Allocation
    - The Auction goes to another Round
        a. A Major Price Step is added if there was no previous Round where Demand was lower than the Offer
        b. A Minor Price Step is added if there was already a previous Round where Demand was lower than the Offer

3. In case Demand equals Offer for a Round:
    - The Cleared Price is the Round Price of that Round
    - Each Participant is allocated its Bid Quantity of that Round

4. If during the Major Price Steps (First Cycle) Demand is lower than Offer
    - The Auction goes to another Round
    - A Minor Price Step is added to the last Round where Demand was higher than Offer

5. If during the Minor Price Steps (Second Cycle) Demand is lower than Offer
    - The Cleared Price is the Round Price of the previous Round where Demand exceeded Offer
    - The Allocation of Participants is performed based on the linear interpolation algorithm defined hereunder:
        a. For each Bidder, the positive delta between its Bid Quantities of the previous Round where Demand exceeded Offer and the current Round is divided by the sum of the aggregated deltas of the Bidders, in order to calculate a pro rata % (percentage) for each Bidder.
        b. Then, the pro rata % of each Bidder is applied to the difference between the Offer and the Demand of the current Round (being the last Round) and rounded downwards, resulting in a pro rata quantity for each Bidder.
        c. Finally, the pro rata quantity for each Bidder is then added to the corresponding Bid Quantity of each separate Bidder in the current Round (being the last Round), resulting in an Allocation of each Participant.

6. If during the Minor Price Steps (Second Cycle), Demand is higher than the Offer so that the price level of the last Round of the First Cycle is reached (see point 4)

    - The Cleared Price will be the Round Price of the last Round of the Second Cycle

    - The Allocation will be performed using the linear interpolation algorithm (see point 5) between the last Round of the First Cycle and the last Round of the Second Cycle