

Dear Colleague,

31st August 2023

Grain LNG Capacity Auction 2023 – Joint Bid Facility

During the Expression of Interest and the Auction Consultation Process, a number of market participants have indicated that although they wished to participate in the Auction process, they felt that the various Lots were too large for them. We have been asked if we would be able to assist in facilitating arrangements whereby such participants can explore putting together a joint bid for capacity in the Auction.

GLNG are mindful of our obligations to run an open and transparent auction, and also to allow as wide a participation in capacity at the Isle of Grain LNG Terminal as possible, within the confines of the Regulation of Third Party Access (rTPA) regime. We have therefore, with the cognisance of Ofgem, proposed the following arrangements.

- GLNG will operate a facility for any participants who wish to be introduced to other participants who share their wish to bid in the auction, for the purposes of submitting a joint bid. Participants who wish to use the facility should be mindful of the requirements of competition law (as may apply to them) and should take legal advice on those obligations and how they may participate in discussions regarding a joint bid;
- Any participant wishing to use the facility should submit an email to the following addresses: holly.blew@nationalgrid.com and box.GLNGCommercial@nationalgrid.com ideally by noon UK time on 4th September 2023. This email should contain details of the participant (contact name and details etc.) and should specify an email address. You may wish to anonymise this email address for GDPR and data privacy reasons. This address will be the one that GLNG will share to other interested participants, without disclosing any further information. This is in order to preserve due confidentiality during the initial stages of the process;
- All participants are reminded that any sharing of personal data as part of this process will be subject to the provisions of the General Data Protection Regulation (EU) 2016/679 (GDPR) and, potentially, further international data protection legislation and participants must ensure that they comply fully and at all times with such legislation;
- GLNG will, in a timely manner, circulate all of those email addresses to all of the other proposed participants who have indicated that they wish to participate, using their respective email addresses noted above;
- It will then be for the participants to contact each other and work to put together joint bids as necessary;
- Participants may then communicate their identity and details to those with whom they are discussing the bid at the appropriate time and with suitable protection – GLNG would strongly advise the use of appropriate Non-Disclosure or Confidentiality Agreements for these discussions. We would also strongly advise that GLNG are included as potential discloses under such Agreements in order to allow participants to share documentation with GLNG if necessary;
- GLNG will make itself available to all participants on a confidential basis for discussions around the Auction, process and documentation and for any concerns that a participant might have. Further, if any participant has any concerns regarding other participants or their actions, this should be immediately reported to GLNG for investigation;
- All participants must confirm in their original email to GLNG and as part of the process that they will preserve confidentiality as much as commercially possible and that in any circumstances they will continue to abide fully by the auction rules.

- GLNG would in particular remind all such participants of the requirements over anti-competitive behaviour including non-collusion and price-fixing and the need to retain confidentiality over the pricing of any joint bid in any internal discussions over sole bids, using appropriate processes such as Chinese walls. In particular, GLNG would strongly advise the following:
 - Agree on the scope of any discussions before you start, and document these, preferably in the Non-Disclosure or Confidentiality Agreement mentioned above;
 - Only disclose the minimum amount of information necessary for your purposes and ensure that any commercially sensitive information is protected;
 - Limit your disclosures to matters relating to the joint bid only, and do not disclose commercially sensitive information that has no connection with it;
 - Do not under any circumstances agree future pricing strategies or output, or share or allocate customers in any way;
 - Be especially mindful over disclosing information internally and externally if a participant is considering both a joint bid and a bid in its own capacity, as discussions around pricing in such circumstances can lead to allegations of price-fixing – as noted above suitable Chinese walls may be necessary in those circumstances;
- Any participant can ask to be removed from the facility at any time (it will be for the participants to manage any discussions that they have entered into prior to removal) and GLNG will communicate that to the other participants and remove their email address from the GLNG database. Further, GLNG may at any time and without disclosing the reasons for such action, remove any participant from this Joint Bid Facility or from the Auction itself;
- Any additional participant who wishes to be added at a later date can communicate that to GLNG using the email format below and GLNG will publicise this;
- For clarity, any bid by joint bidders in the Auction needs to be clear as to the parties and the vehicle through which the bid is being made.

Proposing participants should send in an email in the form of the attachment to holly.blew@nationalgrid.com and box.GLNGCommercial@nationalgrid.com by noon on 4th September 2023 (or later if appropriate).

If you have any questions regarding the above, please email GLNG on the email address noted above.

Yours sincerely,

Shiv Shah
Business Development Manager
National Grid Grain LNG Limited

**Attachment – Market Participant Response re: GLNG Capacity Auction
Joint Bid Facility**

Dear Holly,

We, [insert company name] wish to participate in the Joint Bid Introductory Facility for the Capacity Auction 2023, to be held by National Grid Grain LNG Limited commencing in September 2023.

We have read details of the arrangements as publicised by GLNG on 31st August 2023 and agree unreservedly to comply with the rules for our participation in that process, in particular regarding confidentiality, non-collusion and price-fixing and by sending this email, we confirm that we will comply with these requirements. We also note the advice that we should take our own legal advice before we proceed with any discussions regarding a Joint Bid with any other party.

The email address for use in the process is as follows, and we confirm that we agree for this address to be shared as part of the process and for other purposes, in accordance with GDPR: [insert email address to be shared with other participants]

All communication from GLNG regarding these arrangements shall be as follows:

Name: [insert name]
Phone Number: [insert number]
Email address: [insert your normal company email address]

We note that we can withdraw from the arrangements at any time by sending an email to GLNG at the same email address.

Yours sincerely,

[signed]
[name & date]
[Company name]