

ENERGINET INFORMERAR

Gasmarknadsrådet, 27 November 2018

Signe L. Rasmussen, Energinet

Status on market measures

- Tyra redevelopment – balancing measures



AS PREVIOUSLY COMMUNICATED...

Energinet...

1. ...will implement the Minimal Storage Filling concept
2. ...has held, and will hold Emergency Workshops
3. ...will intensify its Market analysis and market surveillance in cooperation with DERA
4. ...will increase the number of Secondary products at PRISMA
5. ...will implement the interruptible within-day nomination procedure at Ellund entry
6. ...will consider optimising the filling requirements concept, in cooperation with Gas Storage Denmark
- 7. ...suggests to remove both price caps (10 per cent and 35 per cent)**
- 8. ...suggests a new method for calculation the small adjustment step 2 price**
9. ...will consider changing the commercial interruptible consumers concept
- 10. ...will implement a new price formula for imbalance prices in emergency**

Focus on highlighted topics on next slides

FOKUS: METHOD APPROVAL – BALANCING (TYRA)

Method application forwarded by Energinet to DUR in the beginning of July

3 measures have been forwarded to DUR for approval:

- Permanent removal of price caps
- New method for calculating adjustment step 2
- **New formula for imbalance prices in Emergency**

Status

- Energinet and DUR currently in dialogue about the single measures
- Energinet expects answer from DUR on approval in January 2019
- Implementation towards 1 April 2019



PERMANENT REMOVAL OF PRICE CAPS

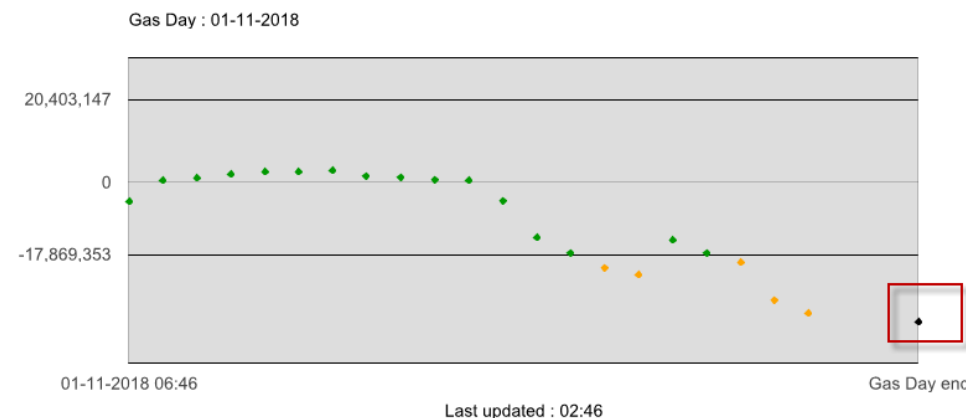
Removal of 10% versus 35%

Balancing	
Purchase and sale of balancing gas	
<u>Definition of Energinet.dk neutral price for balancing gas:</u> The within-day reference price listed at Gaspoint Nordic, expressed in DKK/kWh.	
- Resulting price converted into DKK/kWh using the daily exchange rate as published by Danmarks Nationalbank (the Danish Central Bank)	
<u>Energinet.dk's purchase price for balancing gas</u>	
- Adjustment step 1:	Neutral gas price minus 0.5 % of the neutral gas price
- Adjustment step 2:	Neutral gas price minus 3.0 % of the neutral gas price
- Marginal purchase price:	Lowest price of either 1) lowest traded price by Energinet.dk in the yellow zone during the relevant gas day, or 2) the relevant adjustment price (step 1 or 2).
<u>Energinet.dk's sales price for balancing gas</u>	
- Adjustment step 1:	Neutral gas price plus 0.5 % of the neutral gas price
- Adjustment step 2:	Neutral gas price plus 3.0 % of the neutral gas price
- Marginal sales price:	Highest price of either 1) highest traded price by Energinet.dk in the yellow zone during the relevant gas day, or 2) the relevant adjustment price (step 1 or 2).

NEW METHOD FOR CALCULATION THE SMALL ADJUSTMENT STEP 2 PRICE

- If SCB ends in the yellow zone

- The purpose of adjustment step 2 is to have an incentive for the market not to reach the yellow zone after the last trading window at 23:05-23:15
- Today step 2 price is set as 3% (plus/minus)
- New method proposed:
 - Variable step 2 percentage from month to month (more dynamic)
 - Step 2 should reflect highest cost of bringing gas from the gas storage and/or via Ellund.



NEW PRICE FORMULA FOR EMERGENCY GAS

For negative imbalances related to the Exit Zone DK

“The highest Day-ahead Index set at either Gaspoint Nordic; Gaspool or Net Connect Germany during the current storage year”

Details

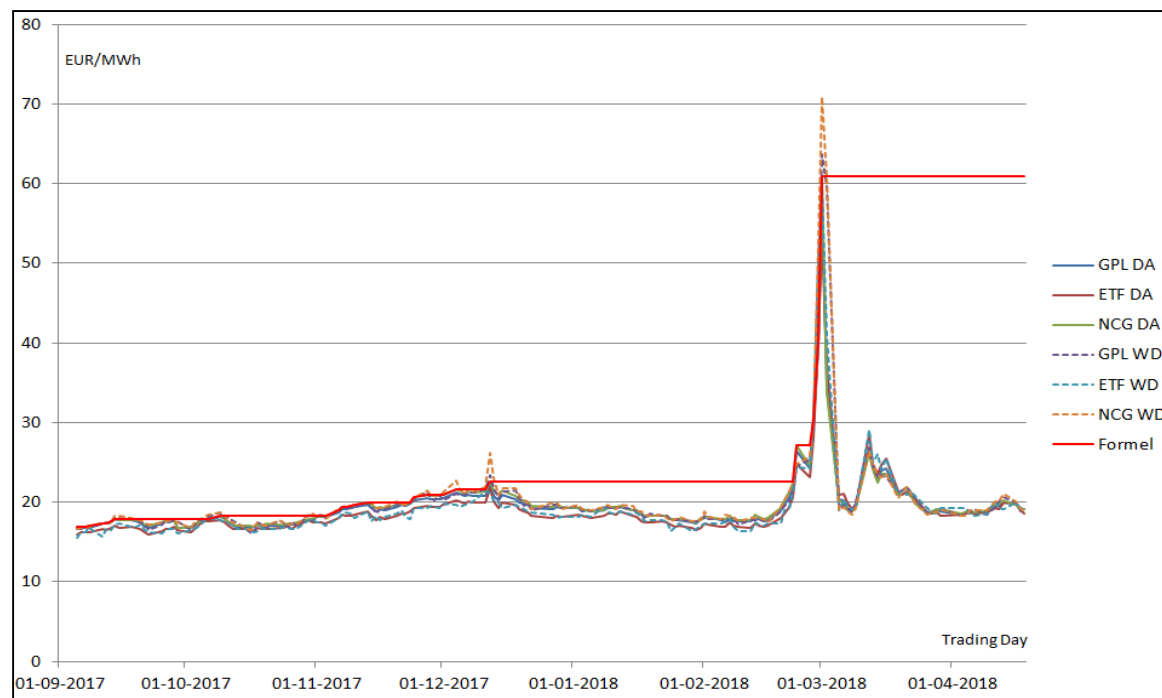
- The emergency gas price is set end-of-day, based on the formula above
- The day-ahead Index is the average price
- The storage year runs from Gas Day 1 May - Gas Day 30 April

NEW PRICE FORMULA - EXAMPLE

Winter 2017/2018

New formula – example

- Graph is based on actual data from the most recent winter
- However empiric data is based on current rules, not taking the new formula into account
- Therefore the graph is only included to exemplify the formula



OTHER IMBALANCE PRICING IN EMERGENCY

For negative imbalances not related to the Exit Zone DK

Sales price for balancing gas

- Adjustment step 1:
- Adjustment step 2:
- Marginal sales price:



Neutral gas price plus 0.5 % of the neutral gas price
Neutral gas price plus 3.0 %* of the neutral gas price

Highest price of either 1) highest traded price by Energinet in the yellow zone during the relevant gas day, or 2) the relevant adjustment price (step 1 or 2).

Energinet's sales price for balancing gas

- Adjustment step 1:
- Adjustment step 2:
- Marginal sales price:

Force majeure price plus 0.5 % of the neutral gas price
Force majeure price plus 3.0 %* of the neutral gas price

Highest price of either 1) highest traded price by Energinet in the yellow zone during the relevant gas day, or 2) the relevant adjustment price (step 1 or 2).

ENERGINET PREPARES ORGANISATION FOR CHANGES

- 40 employess have been fired and/or moved to other departments

Article from [Energiwatch](#)

*””Det er selvfølgelig beklageligt, at vi er kommet dertil, men det anser vi for nødvendigt. Vi står med **et energisystem, som er under meget forandring** med europæisk integration, og vi skal måske arbejde på nye måder. For at vi kan **have kræfter og ressourcer til at løfte nogle af de nye opgaver**, der kommer til, har vi brug for at **bremse op nogle andre steder**”* siger Thomas Egebo, Administrerende direktør for Energinet”.

SHIPPERS' FORUM ON 13 DECEMBER 2018

[Link to sign up](#)

Preliminary Agenda

Lunch and networking

- Welcome – *Clement Johan Ulrichsen, Energinet*

TYRA

- Rampdown of the supply from Tyra – *Amin Abouardini, TOTAL*
- Overview of the supply situation – *Christian Meiniche Andersen, Energinet Gas TSO*
- Market Measures – *Christian Rutherford & Camilla Mejdahl Mikkelsen, Energinet Gas TSO*
- Emergency Storage Agreement – *Jeppe Danø, Energinet Gas TSO*
- Gas Storage Danmark – *Hans-Åge Nielsen, Gas Storage Danmark*

Coffee Break and networking

- Joint Balancing Zone – *Signe Louise Rasmussen, Energinet Gas TSO*
- Baltic Pipe – *Jeppe Danø, Energinet Gas TSO*
- Flow and Capacity at Nybro – *Michael Brock, Energinet Gas TSO*
- Towards a new EU gas package – *Jan Ingwersen, ENTSOG*
- Final remarks, *Clement Johan Ulrichsen, Energinet*

End of programme

Questions



Contact: Signe Rasmussen at slr@energinet.dk or + 4561244379