

GASMARKNADSRÅD

Market information, Energinet

Signe L. Rasmussen, Energinet
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Agenda



General information
Baltic Pipe
Tariffs
Security of Supply



GENERAL - UPDATE

Energinet Gas TSO



JOINT SYSTEM OPERATOR OF POWER & GAS

- New Energinet organization to underpin Denmark's transition to 100 pct. green energy
- Søren Dupont Kristensen is the new CEO of Energinet System Operator
- And he will speak at Shippers' Forum on 9 September 2021

NEW DANISH LAW ON GUARANTEES OF ORIGIN

Implementing Renewable Energy Directive II (RED II) on 1 July 2021

Energinet becomes issuing body for both electricity and gas GOs

1) Content of GOs: Current certificates plus additional information on investment support



2) Same IT-platform: cmo.grexel.com



3) Presumably extended monitoring obligation for Energinet



4) Must introduce fees to cover necessary costs related to the administration of the GO scheme



FOCUS AREAS 2021

1. Tyra-shutdown from September 2019 to June 2023
2. Price development, market dynamics, trade behaviour and market concentration
3. Ellund: Capacity utilisation, gas flows vs. price signals
4. Utilisation of the Danish gas storages
5. Proces regarding re-establishment of German import capacity post re-commencement of Tyra-platform

Full version in Danish



Summary in English



Both available at www.forsyningstilsynet.dk

MARKET MERGER IN GERMANY

Germany becomes 1 market zone on 1 October 2021: Trading Hub Europe (THE)

As a result, Ellund becomes a Virtual Trading Point (VIP)

New VIP	VIP-TSO	TSO(s) involved	IPs involved	Former VIP(s)	Introduction date	First marketing/auction
VIP DK-THE EIC: 21Z8273645914289	GUD	OGE	Ellund (OGE), Ellund (GUD)		01.10.2021	Day-ahead-Auction on 30.09.2021

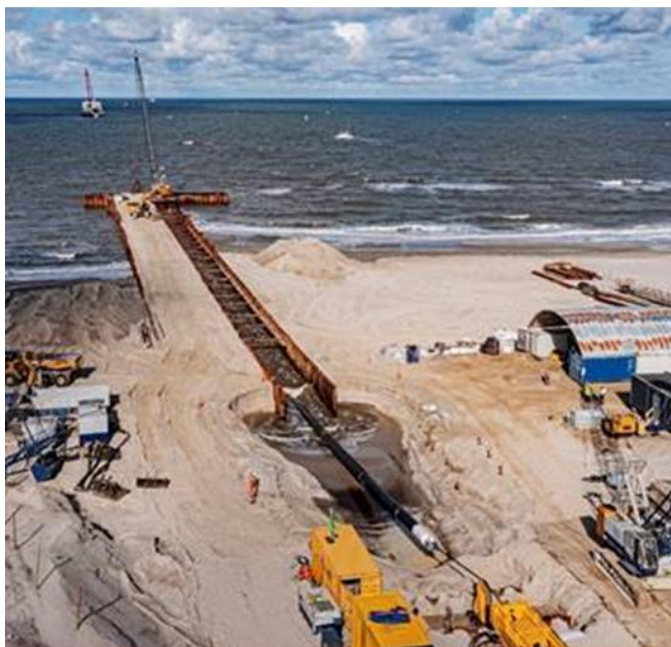
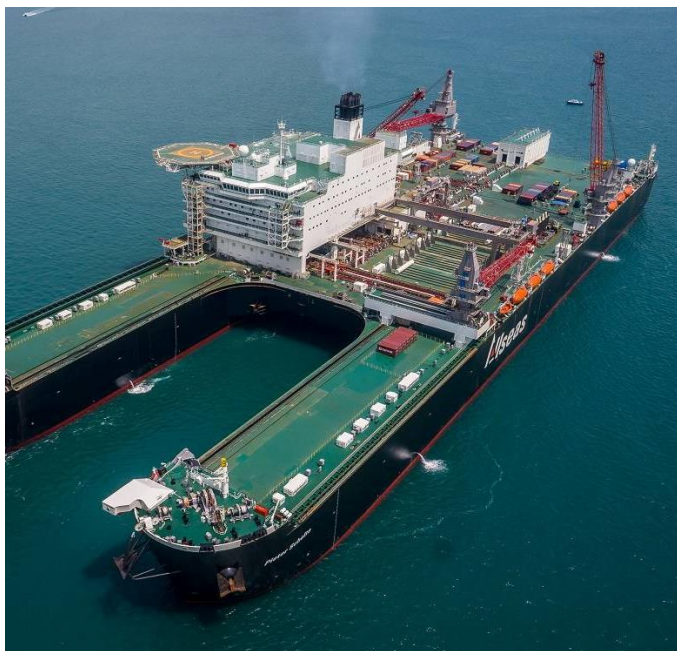


BALTIC PIPE - UPDATE

Energinet Gas TSO

BALTIC PIPE STATUS BEFORE MAY 31

Progressing as planned



BALTIC PIPE STATUS AFTER 31 MAY

ENVIRONMENTAL APPEALS BOARD REPEALS THE DANISH ENVIRONMENTAL PROTECTION AGENCY'S PERMIT FOR BALTIC PIPE

Ruling: Danish Environmental Protection Agency did not sufficiently describe the measures taken to protect dormice, Nordic birch mice and bats, that are protected by the European Habitats Directive Annex 4.

Energinet reaction: Temporary shutdown of construction activities and close dialogue with authorities

Impact: Is currently being determined with relevant authorities

GAZ-SYSTEM CONTINUES AS PLANNED

GAZ-SYSTEM informs that the construction works on the Baltic Pipe project which the company is in charge of - both onshore and offshore - are progressing without hindrance and according to schedule.

The decision of the Danish Environmental and Food Appeals Board shall have no effect on the implementation of the Baltic Pipe project by GAZ-SYSTEM.

NEW REMIT 19 JUNE

Baltic Pipe can continue in selected areas of Denmark

Expects project to be 3 month delayed

REMIT

Current Id:2991

Message type:New message

Title:BALTIC PIPE SET TO CONTINUE IN
SELECTED AREAS IN DENMARK

General message:
The Danish Environmental Protection Agency has informed Energinet that The Baltic Pipe Project can resume construction works in specific parts of the 210-kilometer across Denmark. Energinet expects that the overall project will be delayed 3 months, but that it will be able to deliver a large part of the agreed upon capacity by October 2022 working towards delivering full capacity by the end of 2022.

See the full press release here: <https://en.energinet.dk/About-our-news/News>

Attachments:

Close

BALANCING 2022 - STATUS

- Market consultation ended on 10 May
- Energinet and Nordion have received a total of 6 official responses from market participants
- General support of introducing within-day obligations in Danish-Swedish balancing zone – but with a number of comments, questions and remarks (see next slide)
- Energinet/Nordion submitted the methodology document and Balance Responsible Agreement (including RfG) to regulators 11 June.



Find more information on webpage:
<https://en.energinet.dk/Gas/Shippers/Gas-balancing-model>

DATA AND DATA QUALITY

- Increased number of within-day data (from 5 times a day to every hour)
- Investments in new IT systems
- General large focus on improving data quality (e.g., processes; fallback data)

NO PUNISHMENT PRINCIPLE

- Security net for shippers towards JEZ if data quality is poor
- Will also reduce risk of being cashed out and/or hit as causer at prices set at illiquid market situations

SMOOTHING

- More concrete level of smoothing indicated in method application than in draft
- Smoothing profile allocated before the relevant gas day

GREEN ZONE PUBLICATION

- Considerations on timing of publication and function - e.g., asymmetry, size (not direct part of method application)



TARIFFS - UPDATE

Energinet Gas TSO

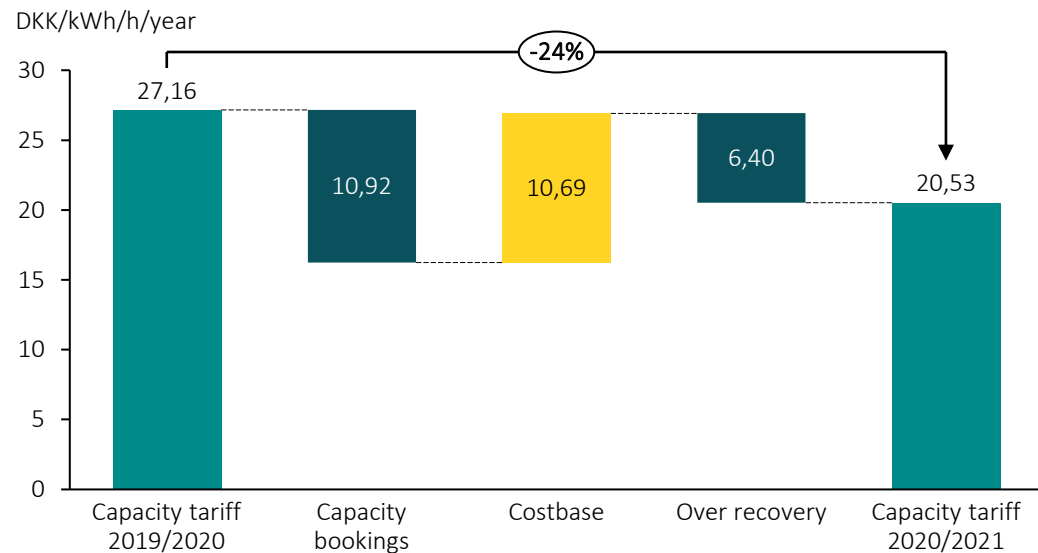
RESULTING TARIFFS – TRANSPORT

The main tariff driver is the over recovery of 123 mDKK

Capacity tariff:

- Increase in forecasted capacity bookings (Baltic Pipe)
- Increase in costbase (Baltic Pipe)
- Increase in over recovery,

overall leads to a decrease in capacity tariffs on 24%

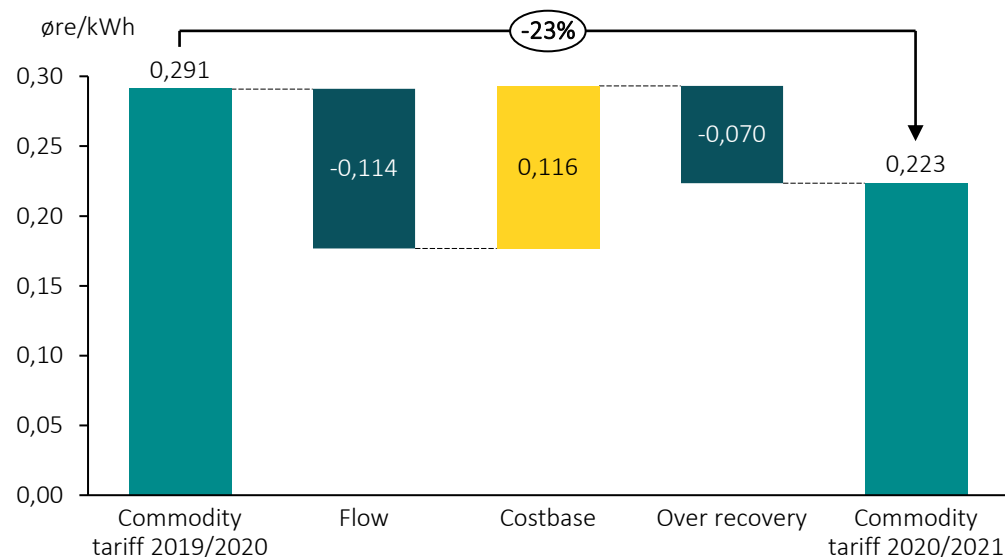


Balancing charge: 0,00019 DKK/kWh

Commodity tariff:

- Increase in forecasted capacity bookings (Baltic Pipe)
- Increase in costbase (Baltic Pipe)
- Increase in over recovery,

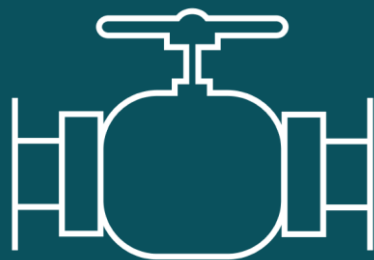
overall leads to a decrease in commodity tariffs on 23%



DEVELOPMENT IN TRANSPORTATION TARIFFS



*Expected and based on the current economic regulation

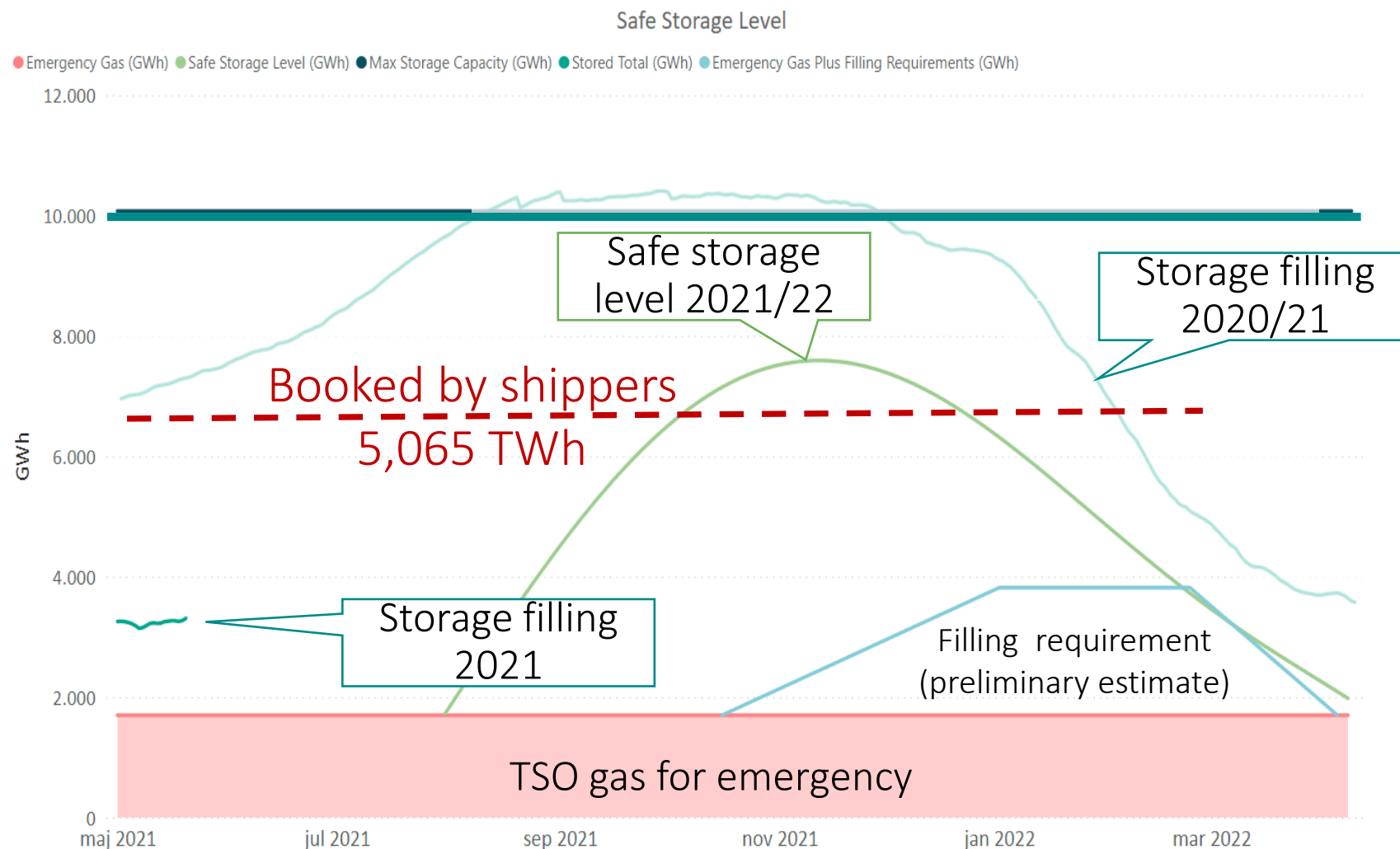


SECURITY OF SUPPLY - UPDATE

Energinet Gas TSO

SSL 2020/21 AND STORAGE BOOKING 21/22

- Currently storage bookings 21/22 is less than *Safe Storage Level (SSL)*
- Risk of gas shortage >5% (100% utilization of Ellund entry rest of year)



SUM UP

- Current bookings is app. 1 TWh less than Safe Storage Level.
- Risk of emergency spring 2022 >> 5%
- SSL assumes
 - 100% utilization of Ellund and
 - 100% availability of capacity rest of storage year

NB! Construction work on Baltic Pipe affects capacity in the transmission system in 21/22



QUESTIONS?

