

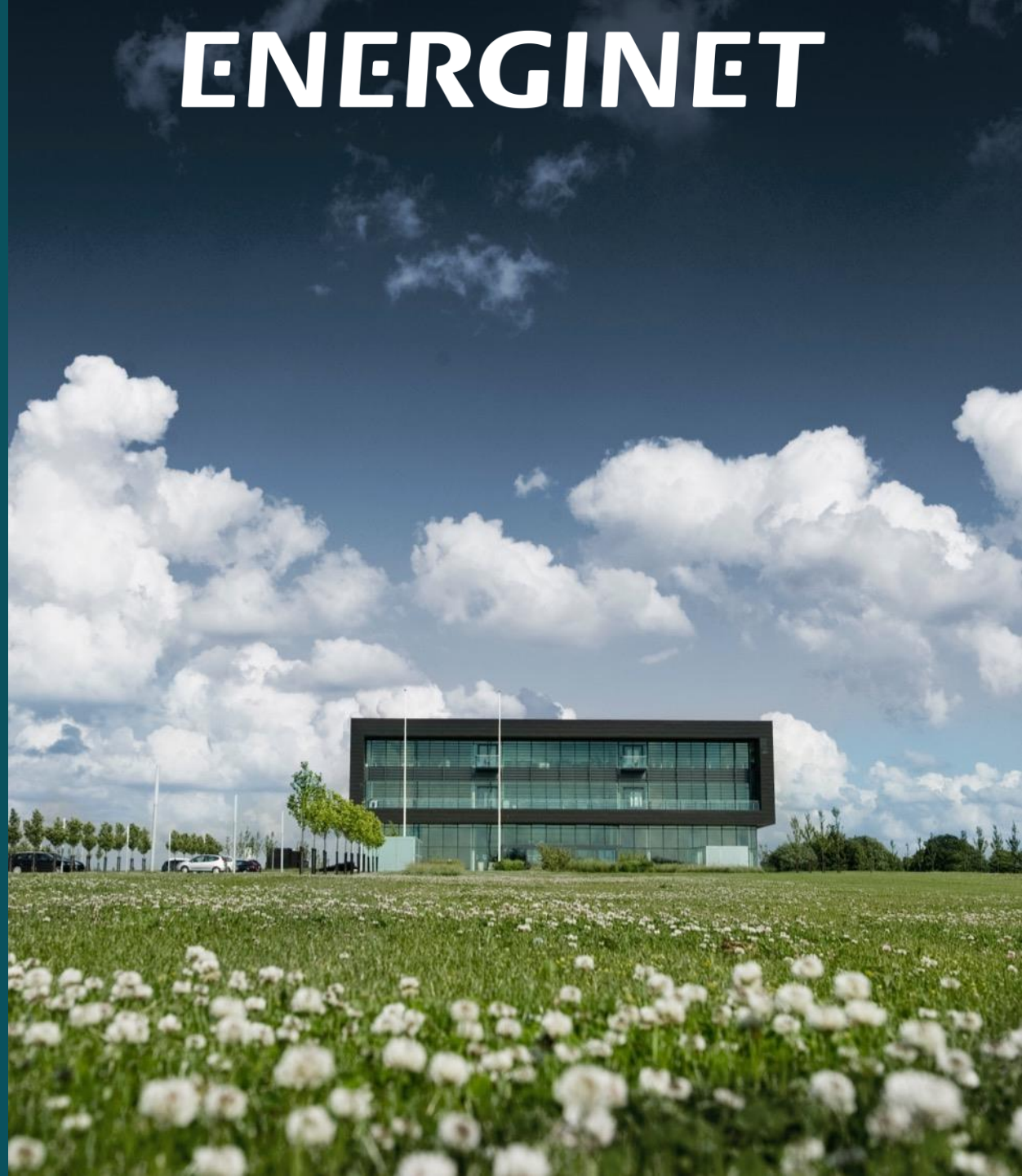
ENERGINET – GASMARKNADSRÅD

December 12th, 2023

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Danish Shippers Forum 14 December 2023 –
Invitation on Gas News

ENERGINET

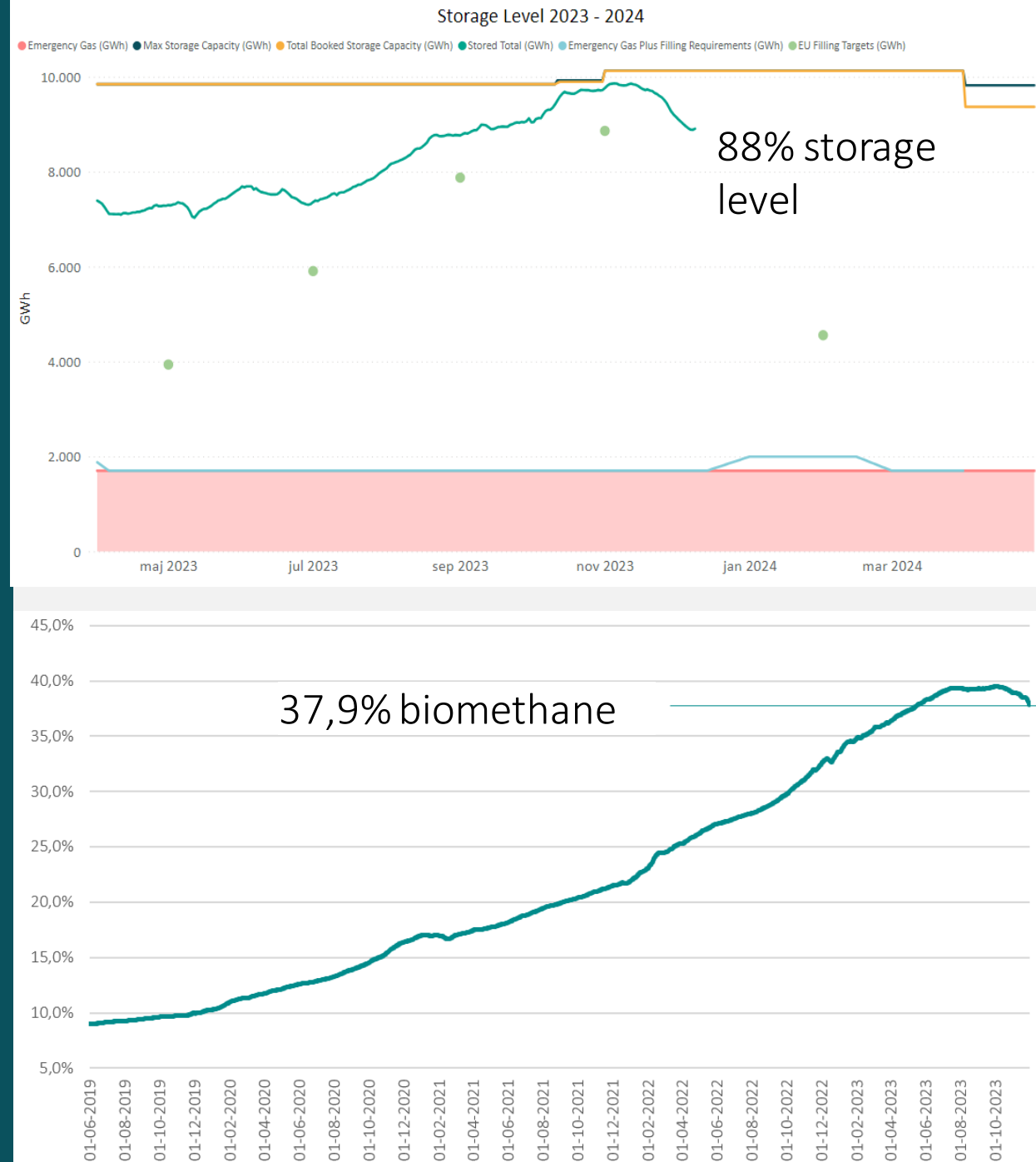


AGENDA

1. Supply situation
2. Use of Baltic Pipe in the first year
3. Invoicing
4. Hydrogen update

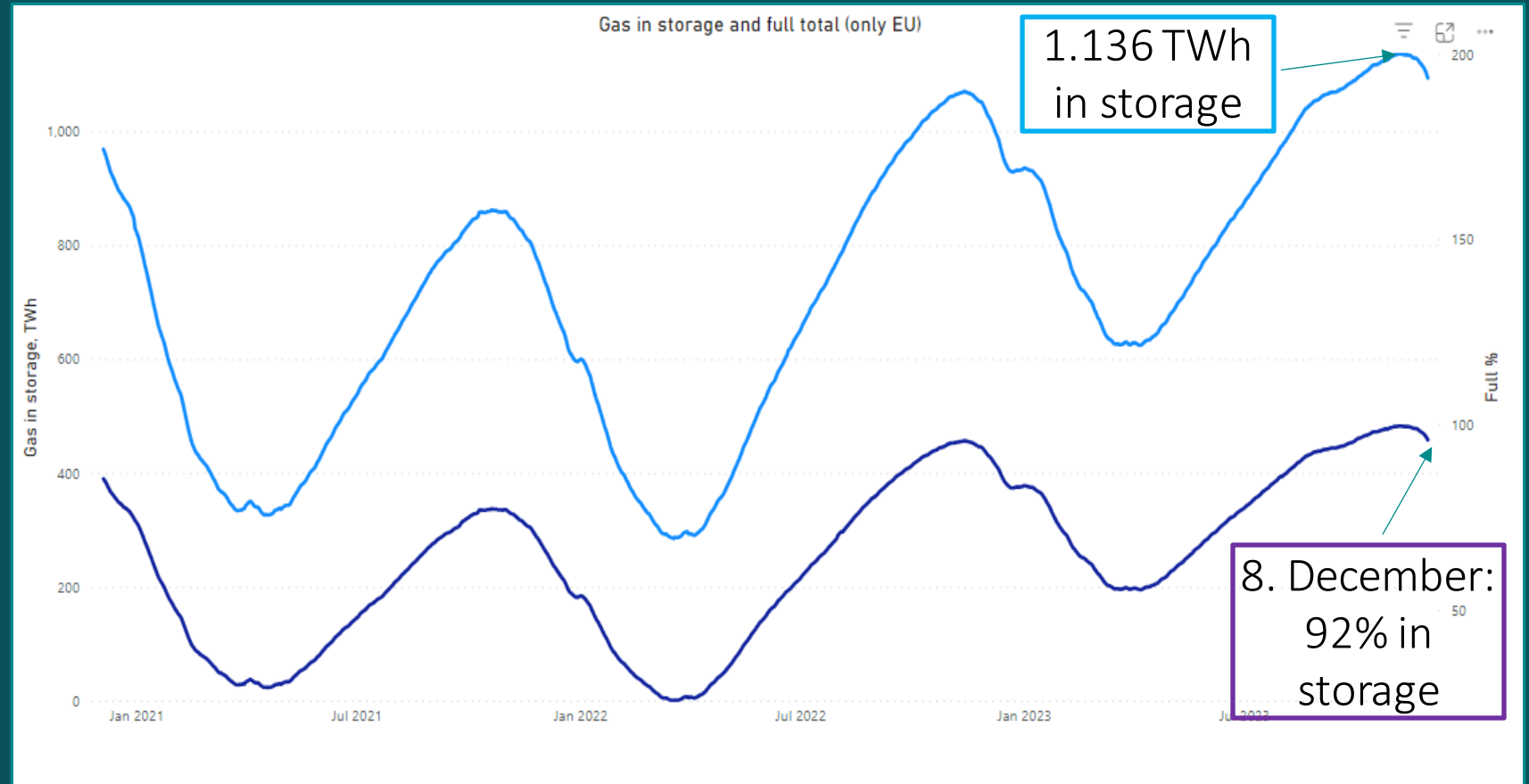
DANISH SUPPLY SITUATION

- Gas storage level on 88%
- Biogas production was per November at 37.9% of Danish consumption – decrease due to increase in consumption



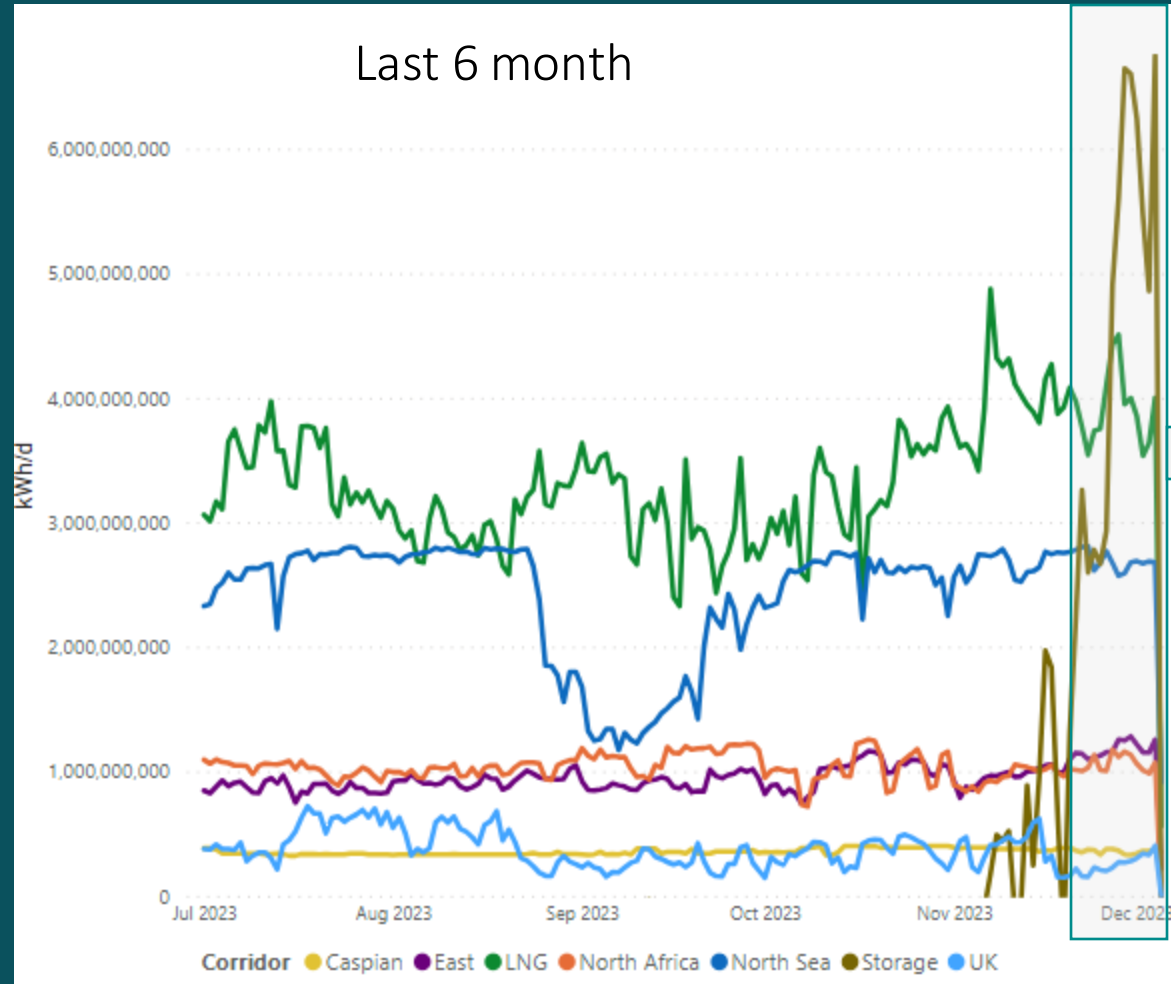
EU STORAGE 2020-2023

- HISTORICAL HIGH FILLING LEVEL THIS YEAR
- APP. 1/3 OF EU WINTER CONSUMPTION IN STORAGE NOVEMBER 2023

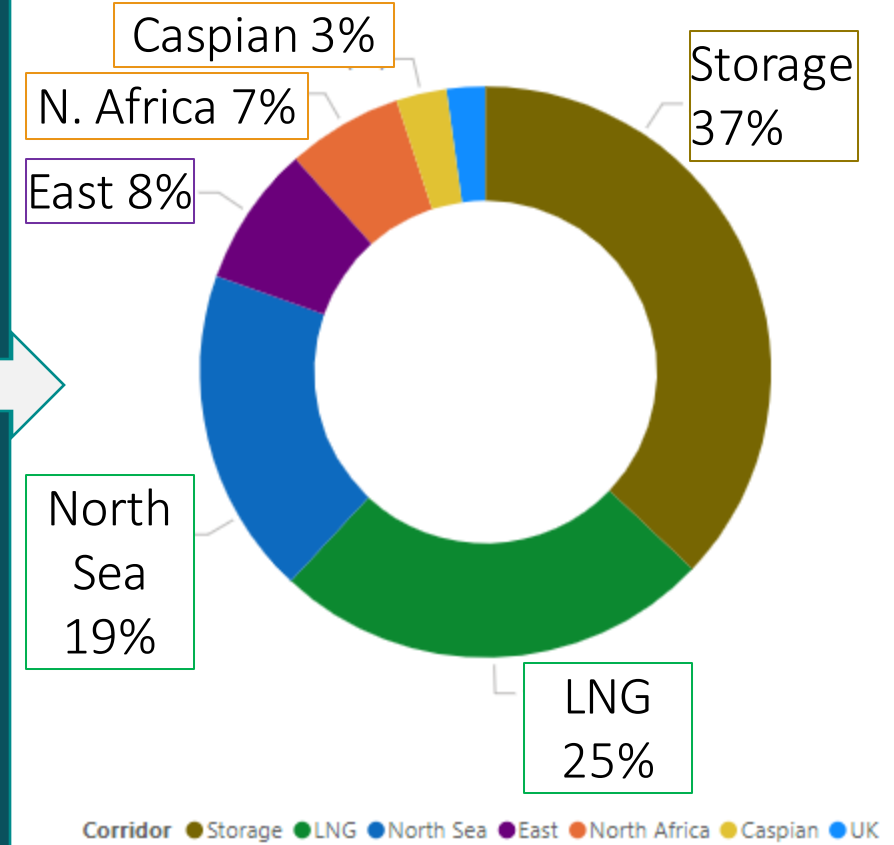


EU SUPPLY 2023

Last 6 month



Last week



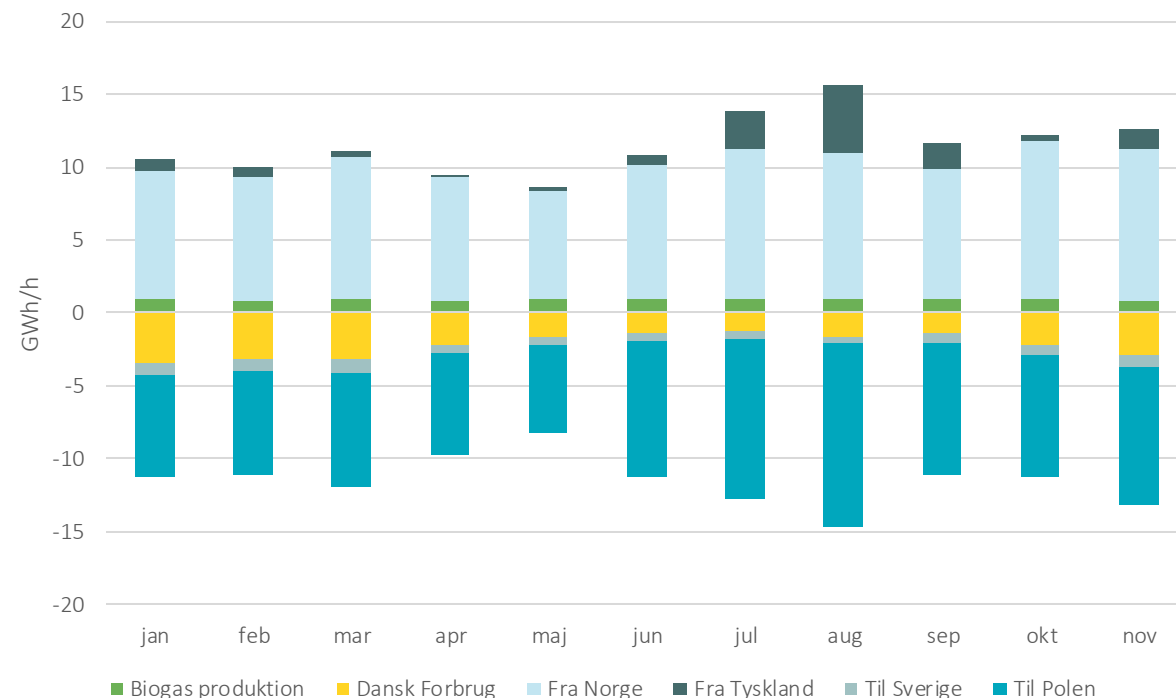
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BALTIC PIPE CREATES INTERNATIONAL SECURITY OF SUPPLY FOR GAS

- Denmark has become a transit country for gas – ensures Poland's independence of Russian gas
- Larger volumes transported than Danish and Swedish consumption – reduces tariffs
- Baltic Pipe strengthens the gas supply – direct connection to Norwegian gas production
- Danish gas security of supply depends on European security of supply..
- Tyra platform is reportedly expecting to produce approx. 3 bcm/year. Historically, 80% of the production from Tyra has been transported through Denmark, but we cannot be certain as to how much of it will be going through Denmark after the rebuild. The gas can both be transported through Denmark or via the Netherlands. It all depends on the market actors.

Transport of gas to (+) and from (-) Denmark 2023



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STATUS ON INVOICING

After long delay Energinet has now sent out imbalance settlement invoices for Nov-22 to all shippers and expect invoicing to pick up pace again over the coming period

- Invoicing has been challenged for a long period and Energinet appreciates the relative patience from the market
- Invoicing recommenced: Nov-22 sent out as hopefully first of many
- Rest of Q4-22 expected invoiced before New Year – and 2023 before end of Q1-24
- Oct-22 will be credited and reissued
- Valid data now again available on Energinet Online.
- From April 1st 2024 the invoicing is expected to be up to date

Status on imbalance settlement for gas – Energinet will recommence invoicing

PUBLISHED 22.11.2023 14.54

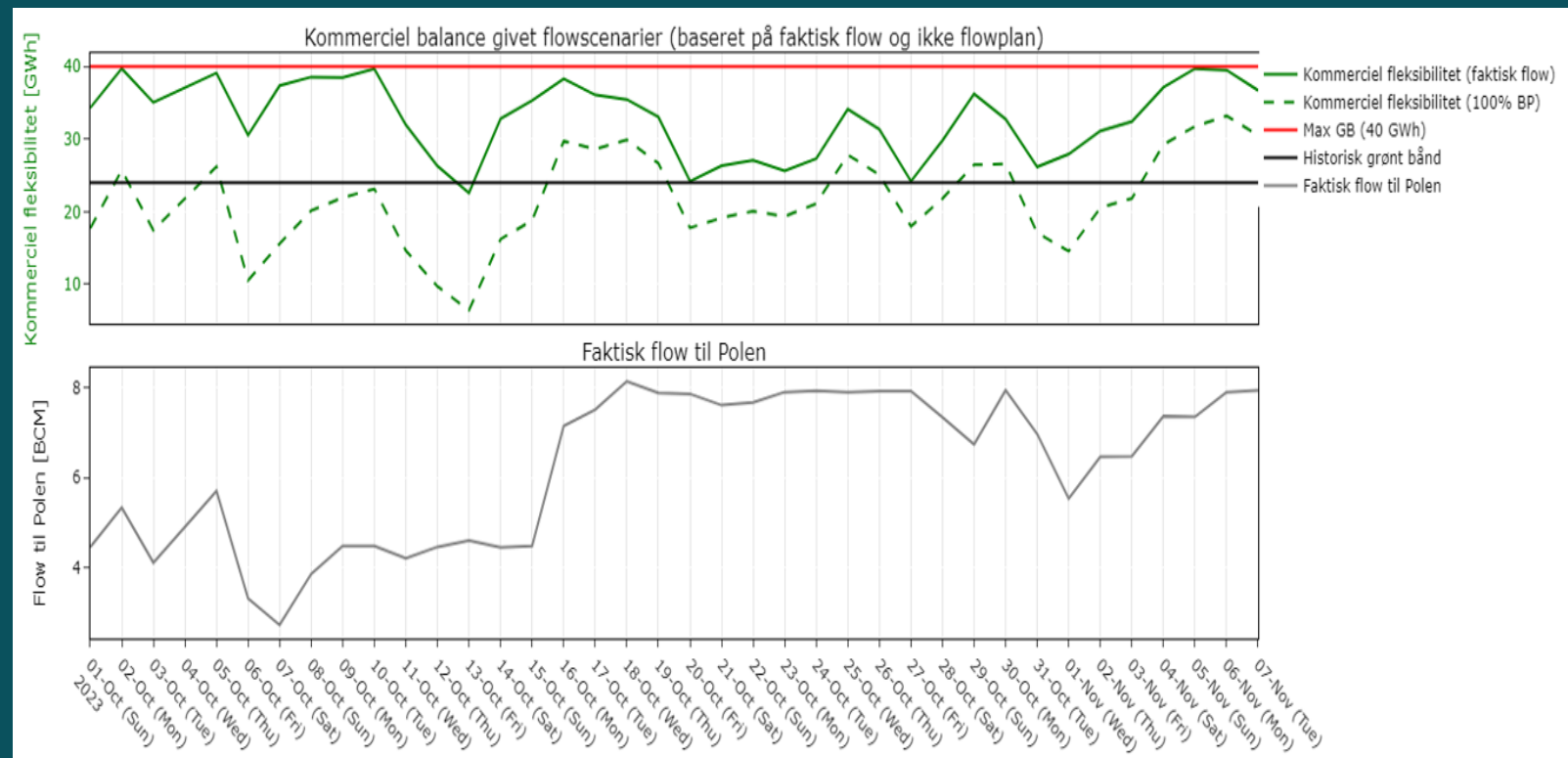
After a period of renewed IT-development and testing, Energinet is now ready to recommence invoicing of imbalance settlement. Before Christmas we expect to invoice the period of Q4-2022, which is currently not invoiced. Energinet will start by invoicing November and December before re-invoicing October. Invoicing for all of 2023 is expected to be sent out before the end of March 2024.

IT-fix and testing finalized and system is ready for invoicing

Following the Gas news update on Oct 9, 2023 ([Status on imbalance settlement for gas – correction for invoicing for October 2022 \(energinet.dk\)](#)) Energinet has over the past month been heavily engaged in correcting and testing the invoicing module in order to ensure correct invoicing of imbalance settlement according to the balancing model. Fix has concerned the allocation of CAP volumes among the shippers. Final tests have now been passed and we are ready to start the operational invoicing process again. After an extra thorough check we expect to send out November 2022 invoices to all shippers as the first. After sending November 2022 we will continue with rest of Q4-2022 with the aim of having all remaining 2022 imbalance settlement invoices sent out before the end of this year.

IMPLEMENTATION OF DYNAMIC GREEN ZONE CALCULATION

- Energinet will from January 16th 2024 implement a green zone that reflects the actual physical flexibility of the system using a daily signal for market system
- The dynamic green zone calculation will enlarge the green zone in most scenarios of current Baltic Pipe flow. Final testing and preparation undergoing
- Energinet will continuously evaluate and adapt the flexibility according to the experiences
- More information on this on Gas News in next week.



EVALUATION OF THE BALANCING MODEL IS POSTPONED

Evaluation is under way, but postponed due to problems with data for the analysis

- Agreement with DUR that evaluation should have full scope before market consultation and hand-in
- Some evaluation requirements ready and input from market received at earlier stage
- Solution for remaining required data under way
- Expected market consultation during February 2024, but confirmation on timeline will be provided in beginning of 2024

Evalueringen skal dække perioden fra den 1. oktober 2022 til den 1. marts 2023, og skal som minimum redegøre for:

- Erfaringer med regionalisering, herunder kriterierne for definitionen af regionerne, antallet af regioner, samt en analyse af den godkendte datametodes implementering i de forskellige regioner,
- Erfaringer med dataunderstøttelsen fra distributionsselskaberne, herunder kvaliteten af data, og datametodens tidsvindue for indhentning af data,
- Erfaringer med fastsættelsen af S-mærket med hensyntagen til den generelle systemfleksibilitet,
- Erfaringer med tildeling af smoothing-voluminer på baggrund af netbrugernes indmeldte udjævningsprofiler,
- Erfaring med anvendelsen af markedsandele som parameter for tildelingen af smoothing-voluminer,
- Erfaringer med de anvendte metoder og modeller til brug for estimation af aftaget i JEZ,
- Erfaringer med markedsaktørernes adfærd ift. incitamentsstrukturen, herunder vurdering af størrelsen af small adjustment,
- Udviklingen i markedets likviditet som følge af indførelsen af intradag-forpligtelser, og
- Udviklingen i antallet af nødvendige gulzonehandler foretaget af BAM, og deres erfaringer med intradag-handel.

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HYDROGEN CO-OPERATION AGREEMENT

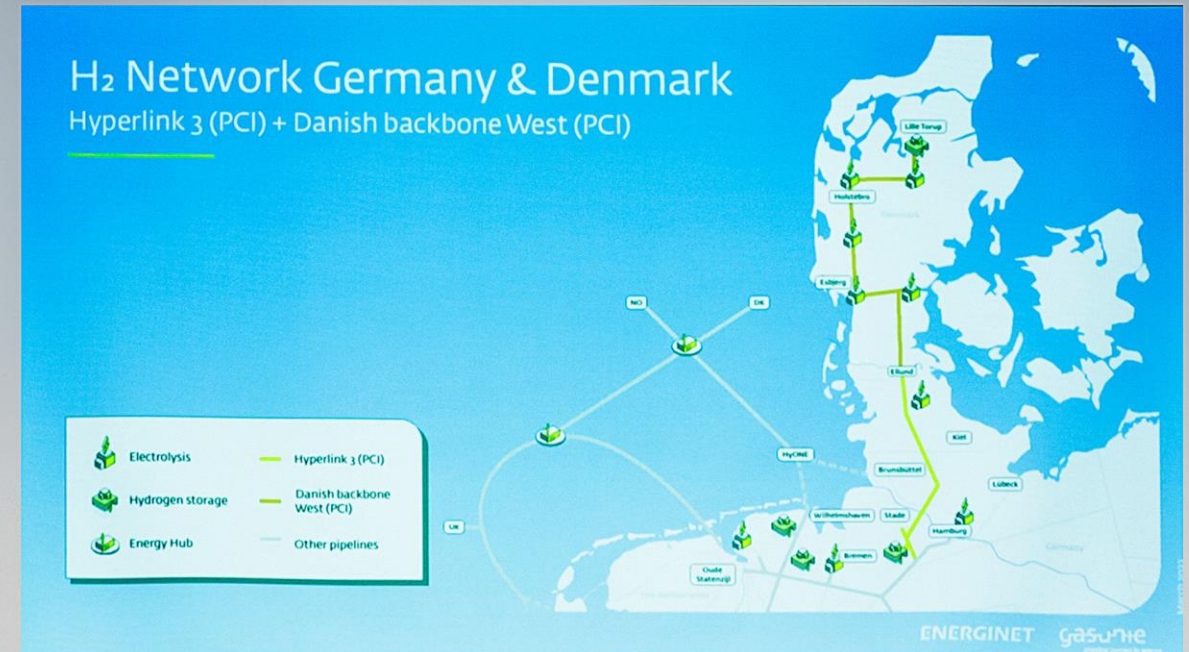
- From 2028, a cross-border transmission connection between Denmark and Germany will enable the transportation of green hydrogen.
- The Danish Backbone West is the first large-scale hydrogen pipeline project developed by Energinet in Denmark.
- Large-scale hydrogen transport system that connects the underground hydrogen storage in Lille Torup to a hydrogen border point at the border to Germany in Ellund.
- The hydrogen pipeline project will become an integrated part of the European hydrogen backbone.
- Expected to be realized through a combination of converting an existing natural gas transmission pipeline and installing new hydrogen pipelines.



HYDROGEN CO-OPERATION AGREEMENT

- Currently, there are political negotiations regarding the financing of the hydrogen infrastructure.
- Discussions aim to determine who will assume the financial risk for the hydrogen pipeline, which could involve options such as government guarantees and/or tariff caps.
- The negotiations are ongoing at the beginning of the new year.

"In Denmark, we have the ambition to become a 'powerhouse' for the export of green energy, thereby playing a crucial role in the European energy transition. Ensuring the development of a cross-border hydrogen infrastructure between Denmark and Germany is essential to realizing this potential, and we see this agreement with Gasunie Deutschland as a natural next step in achieving our ambitions."

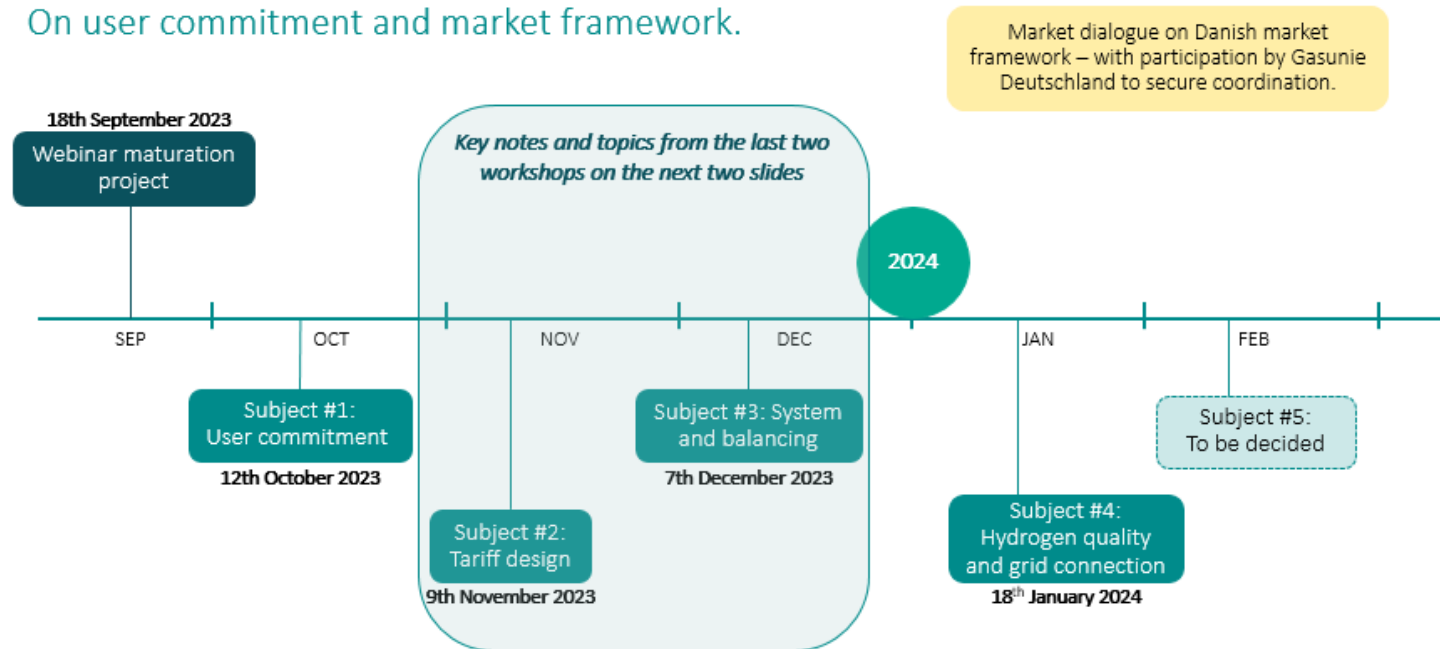


HYDROGEN HYDROGEN WORKSHOP

ENERGINET

DANISH MARKET DIALOGUE

On user commitment and market framework.



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Supply looks good – depends very much on
Europe

Baltic Pipe has made Denmark a transit
country – Polish gas independence

Invoicing expected to be up to date by April
1st 2024

Hydrogen is a work in progress – feel free to
contribute

SPØRGSMÅL



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