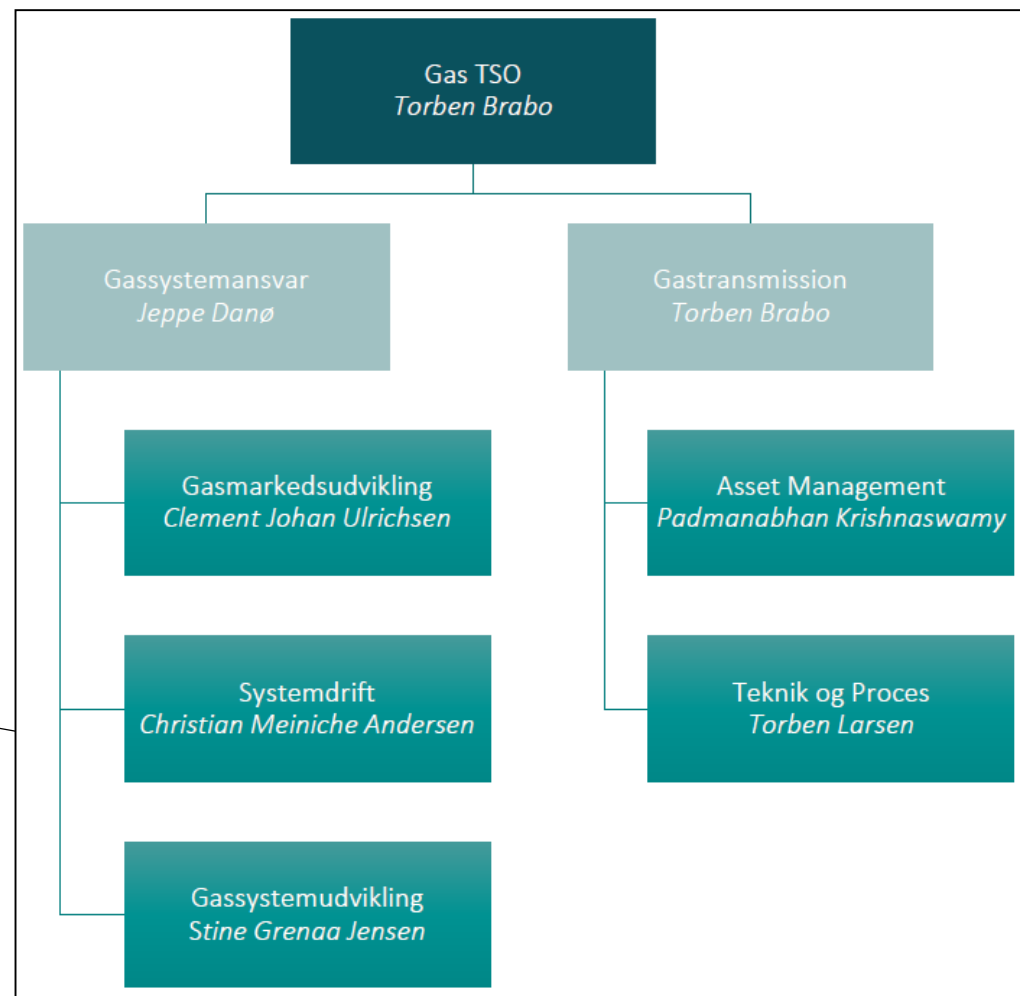
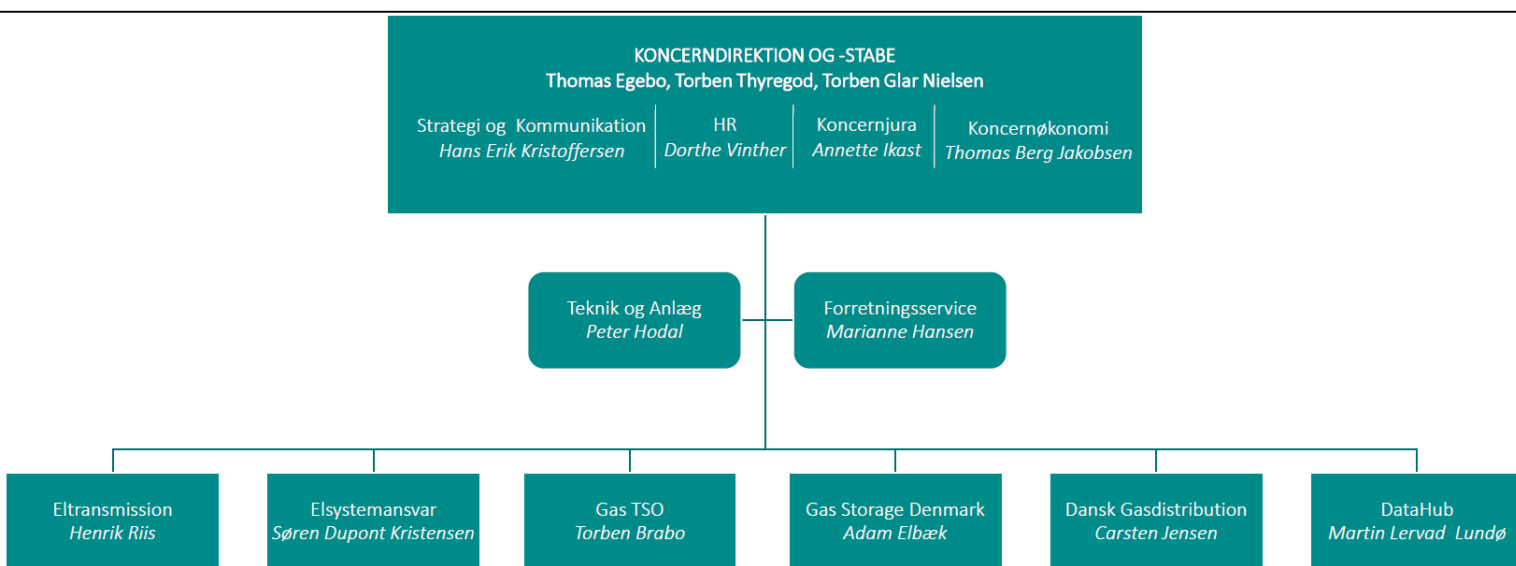


MARKET INFORMATION

Gasmarknadsrådet 20 June 2018

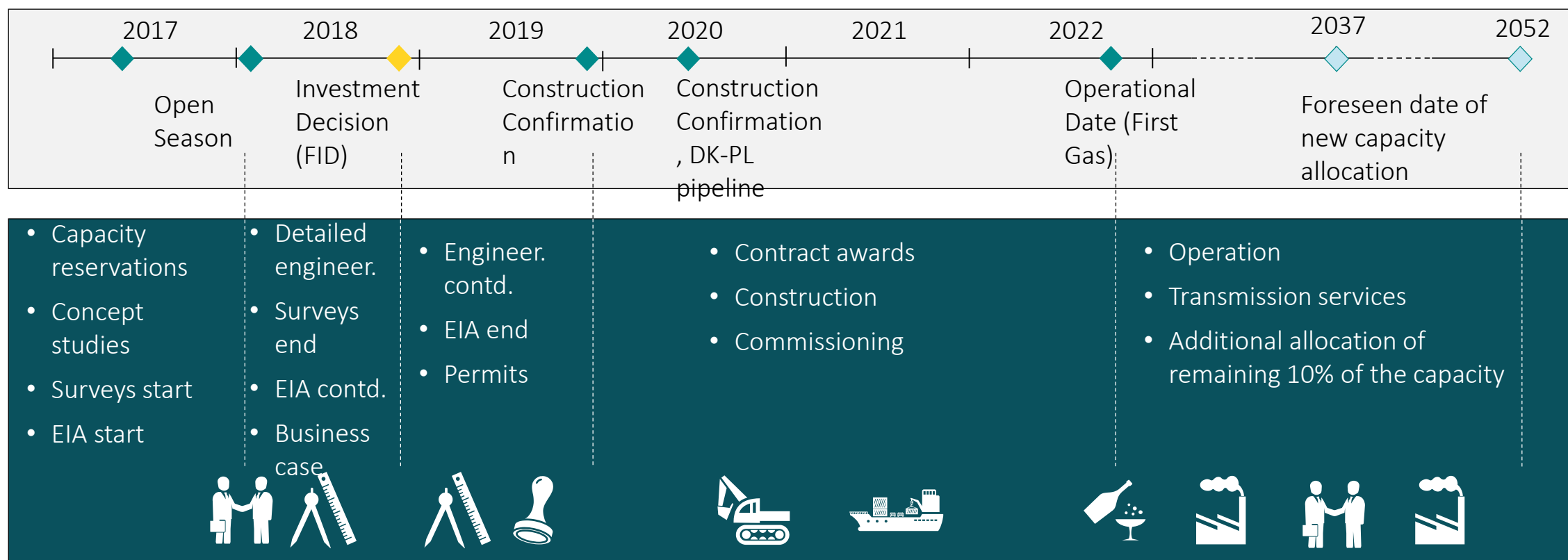
Christian Rutherford; Energinet

ENERGINET GAS TSO – COMPANY SINCE MAY '18



BALTIC PIPE PROJECT - MILESTONE OVERVIEW

Project is being developed **in line with time schedule**. Focus on achieving Final Investment decision no later than December 2018 and on EIA being on critical path. First Gas in 2022



NEW LEGISLATION ON THE DANISH NRA

Lov om Forsyningstilsynet (Act on Forsyningstilsynet)

- Adopted by Folketinget (Danish Parliament) on 17 May 2018
- Based on a broad political agreement
- Entry into force on 1 July 2018

... MEANING THAT AS OF 1 JULY 2018:

- DERA ceases to exist as a Board of 7 external board members
- Forsyningstilsynet (DRAU) is established
 - DUR = Danish Utility Regulator
- A new independent Director General will represent Forsyningstilsynet vis-à-vis stakeholders ("in house management")
- SET (the secretariat to DERA) ceases to exist as a secretariat to the Board and as a separate administrative body

ELLUND CAPACITY – TYRA SHUTDOWN PERIOD

CONTENT

- Status on physical and commercial measures and market consultation
- Reasoning and incentives
- Capacity situation at Ellund from Germany to Denmark



TYRA: THE BIG PICTURE

Board of Directors have approved Tyra Shutdown measures

- Market rules, information & surveillance
- More TSO gas in storage & commercial interruptibility
- Additional withdrawal capacity at Ll. Torup storage
- Additional Ellund capacity in 2019-2022 auctioned by Gasunie Deutschland in July 2018



MARKET MEASURES – FINAL LIST

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**

STATUS - CONSULTATION

Forwarded to market on 30 May 2018

Consultation until 20 June 2018

Next steps

- Specific topics will be forwarded for approval by DERA
- Implementation expected 1 April 2019 (or latest 1 October 2019)

Topics for DERA approval

- Removal of both price caps
- New method for adjustment step 2 pricing
- New formula for imbalance prices in Emergency

Tyra shutdown 2019-2022 - Market Consultation		1/21
		ENERGINET
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		Date: 30 May 2018
		Author: CRU/CRU
MEMO		
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Doc. 18/01470-2 - TI arbejdsbrug/Restricted		

REASONING & INCENTIVES

MAIN PURPOSES

To create the right incentives

Energinet sees two main purposes of changes to market measures

Before crisis (planning)

- Give shippers incentive to secure gas for its own portfolio for whole (non-average) season (e.g. buying and filling storage capacity, save gas in storage for end of storage season, buying and utilizing transmission capacity to manage a cold winter)

During crisis

- Secure shippers have incentive to utilize all possible supply sources before receiving deliveries of emergency gas from Energinet

Market players have the responsibility for supplying and balancing their own portfolio

All market players, including shippers, have a shared responsibility for security of supply'

- **TSO's provides enough capacity - shippers buy's and utilises capacity**

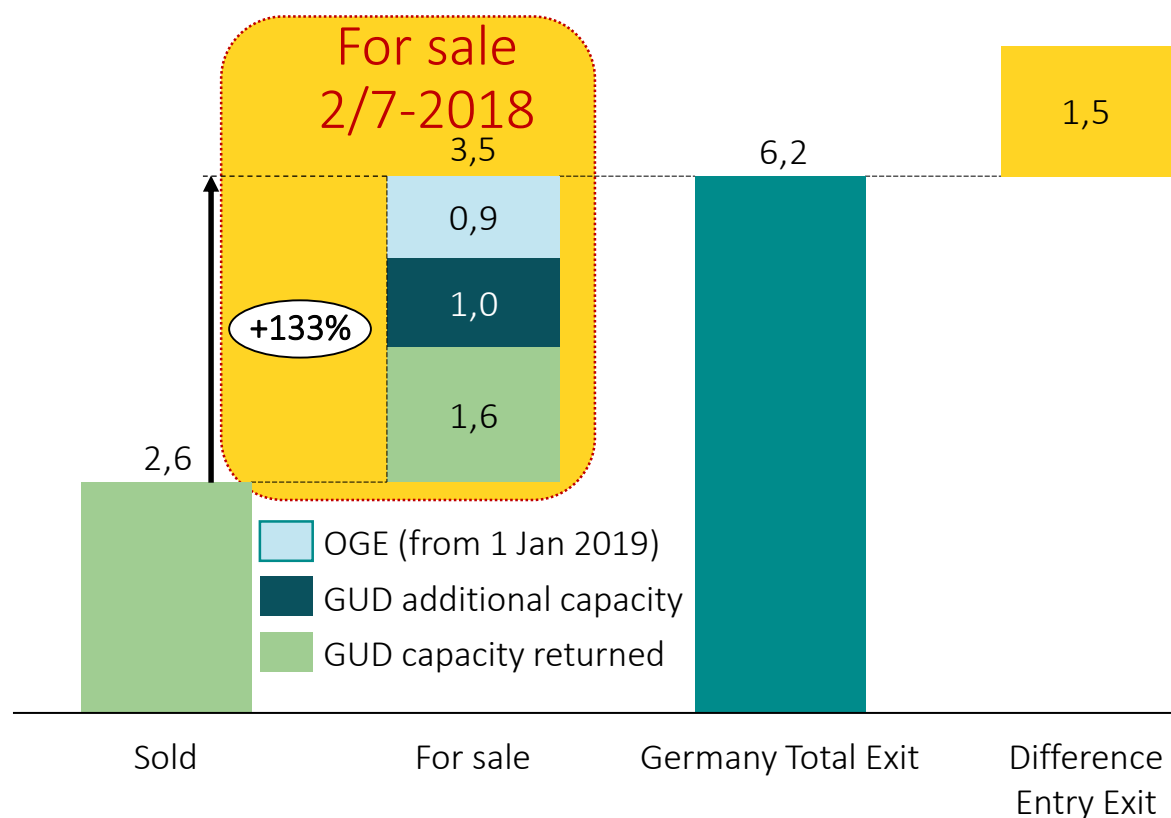
ELLUND CAPACITY SITUATION

From Germany towards Denmark

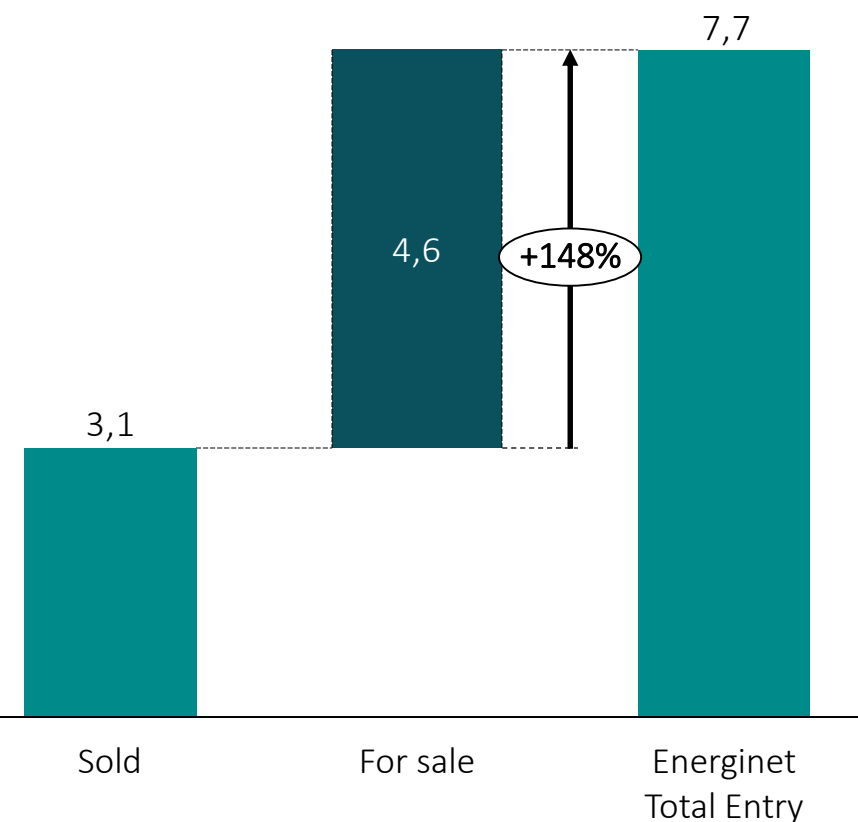
OPTIMISATION OF FLOWS: FOR SALE AT PRISMA YEARLY AUCTION 2/7-2018

Numbers are in GWh/h

German technical exit capacities



Energinet technical entry capacities

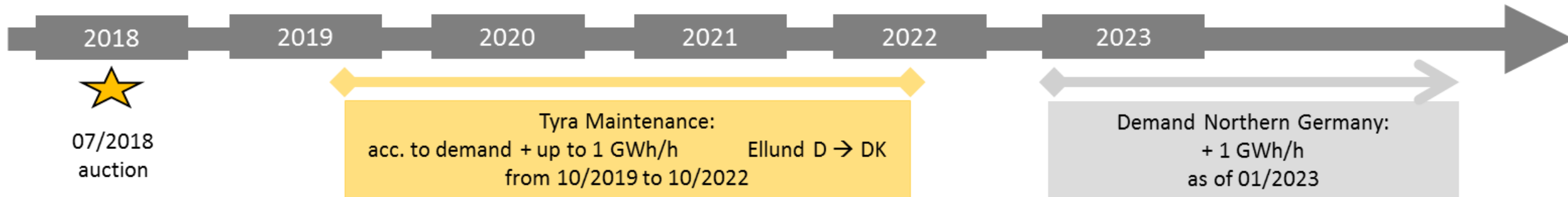


Capacity demand in DK and Schleswig Holstein

Additional demand for Denmark and Sweden during period of Tyra maintenance

Decreasing demand when production field Tyra will be in operation again

Simultaneous increasing demand in Schleswig-Holstein



- ➔ Only if demand is proved via auction in 2018 for yearly products, adjustment of existing infrastructure can be realised earlier and capacity can be provided from 10/2019 to 10/2022 at Exit Ellund
- ➔ After 10/2022 capacities have to be allocated to exits in Northern Germany

PRISMA AUCTION 2 JULY 2018

Ellund Entry (from Germany to Denmark)

Point/GY (in kWh/h)	Gas Year 2018	Gas year 2019	Gas Year 2020	Gas Year 2021	Gas Year 2022
Exit GUD/ Entry Energinet	1,264,380	2,164,380	2,164,380	2,164,380	1,264,380
Exit OGE/ Entry Energinet	-	844,200	844,200	844,200	844,200
Entry Energinet (unbundled)	2,560,215	-	-	-	-

QUESTIONS



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