

JBZ Q&A

Please note that the answers are not legally binding

1. BAM (Balancing Area Manager) Administration

<p><i>1.1 Who will manage the BAM?</i></p>	<p>The BAM consists of Energinet and Swedegas. It is not a separate legal entity but is staffed by people from Swedegas and Energinet. Energinet has existing systems for the operation of the BAM role, and these will be used.</p>
<p><i>1.2 If a shipper/BA has more than one company active in the Danish and Swedish market, how is this handled in the JBZ?</i></p>	<ul style="list-style-type: none"> • Each legal entity (company) active in the JBZ has its own balance responsibility. Therefore, it is not possible to pool the balances from two legal entities. • Each legal entity active in the JBZ is responsible for booking its own capacities in the Danish market model. Please also note that capacity for the Virtual Exit Zone (Swedish part) is based on the Swedish net consumption. • The Shippers/BAs must be registered with the national TSO where they are active. However, all Shippers/BAs need to be registered with Energinet as the systems used by the BAM belong to Energinet, and therefore Energinet must know every player in the JBZ.

2. Capacity booking in the Virtual Exit Zone (VEZ)

<p><i>2.1 The first Monday in July 2018, yearly capacity at Dragør will be sold via auctions at PRISMA. What will happen to the capacity contracts if we purchase long-term capacity?</i></p>	<p>Long-term capacity contracts (yearly and quarterly) for Dragør concluded at PRISMA with duration after 1 April 2019 (GO-live) will be converted to Virtual Exit Zone Capacity. The price of the capacity contracts will remain the same. There will be no extra cost in relation to the conversion.</p>
<p><i>2.2 Where can we purchase Virtual Exit Zone capacity, and how?</i></p>	<p>Virtual Exit Zone capacity can be purchased via Energinet's self-service portal, 'Energinet Online', according to the principle FCFS (First-come-first-served). The deadline for capacity booking is the same as for Energinet's existing capacity point Exit Zone. The shipper/BA must have registered one or more capacity users by completing an Online Access Agreement. Click here to learn more about the registration process.</p>
<p><i>2.3 What does capacity in the Virtual Exit Zone consist of?</i></p>	<p>Purchase of capacity in the Virtual Exit Zone covers hourly consumption in the Danish Exit Zone and hourly net consumption for the Swedish Exit Zone.</p>
<p><i>2.4 What happens if we do not have sufficient capacity in the Virtual Exit Zone?</i></p>	<p>Today, if the nomination at Dragør to Sweden is higher than the capacity booking, the nomination will be reduced to the capacity booking. This will change. Under the JBZ, a shipper/BA who is active at the new VEZ and has not booked capacity or sufficient capacity will be assigned a daily capacity based on the maximum hour allocation for the VEZ (meaning allocation for VEZ Denmark + VEZ Sweden per hour) as in Exit Zone Denmark today. This is referred to as overrun charge.</p>
<p><i>2.5 What is overrun charge and how is it charged?</i></p>	<p>If the Shipper's allocation in the VEZ in one or more hours during the gas day exceeds the shipper's total capacity according to the monthly validated data, the shipper must pay the capacity charge for daily capacity (Firm Capacity) based on the overrun quantities for the hour with the highest overrun during the relevant gas day.</p>
<p><i>2.6 Today we can book capacity at Dragør Entry. Where</i></p>	<p>For the Swedish part of the VEZ, capacity can be booked in the reverse direction to</p>

<p><i>and how can we book capacity if we transport gas from Sweden towards Denmark?</i></p>	<p>accommodate the need for export. Allocation will, however, still be on net consumption.</p>
<p><i>2.7 How is net consumption in the Virtual Exit Zone calculated?</i></p>	<p>The net consumption in Sweden is calculated as the sum of each BA's/shipper's Production SE - Total Consumption SE ± Storage SE = Net consumption. If this sum is positive, an entry is allocated instead of an exit.</p>
<h3>3. Nomination in JBZ</h3>	
<p><i>3.1 To whom do we send our nomination?</i></p>	<p>Below is an overview showing to whom the nomination should be sent. A further description on data procedure will be provided at a later stage.</p> <ul style="list-style-type: none"> • ETF nominations are automatically received by the BAM from Gaspoint Nordic A/S • GTF nominations must be sent to Energinet • BNG DK nominations must be sent to Energinet • Ellund/Nybro nominations must be sent to Energinet • Storage DK nominations must be sent to Energinet • Exit Zone DK nominations must be sent to Energinet • Consumption SE (forbrukningsplan) nominations must be sent to Swedegas • Production SE (produktionsplan) nominations must be sent to Swedegas • Storage SE nominations must be sent to Swedegas. <p><i>Swedegas will send the net nomination (consumption SE – Production SE + Storage SE) for Sweden to the BAM who uses it to calculate the E(SCB).</i></p>
<p><i>3.2 In the VEZ, should we nominate an average per day or should we nominate differently for each hour and portfolio in the gas day?</i></p>	<p>The shipper/BA must send the nominations as they do it today. So the nominations must be sent by the hour, and the total daily sum must be as correct as possible.</p> <p>The nominations in Sweden are used for forecast (Swedegas).</p> <p>Swedegas will send the (nomination) sum of production, consumption and storage to the BAM.</p>
<p><i>3.3 Will there be a change in how to nominate to the Danish Exit zone (to NDMS and DMS portfolios)?</i></p>	<p>No major changes are expected in relation to how shippers are to nominate for the Danish Exit Zone. Nominations will still be on portfolio level. Nominations must still be on NDMS or DMS in the Danish Exit Zone.</p>
<h3>4. Allocation</h3>	
<p><i>4.1 At which points will the shipper/BA be allocated? And will shippers receive the allocation from Energinet or Swedegas?</i></p>	<p>After each gas day, the shipper/BA receives an Energy Balance from the BAM (using Energinet's IT systems), according to which they will be allocated on every point for every hour in the joint balancing zone based on allocation data from Energinet and Swedegas.</p> <p>The total end-of-day balance will also appear from the Energy Balance.</p> <p>The current allocation reporting in Sweden between Swedish DSO's and the shipper/BA will continue as today.</p>
<h3>5. Balancing model</h3>	
<p><i>5.1 What is E(SCB)?</i></p>	<p>E(SCB) stands for 'Estimated System Commercial Balance', which is a forecast of</p>

	the aggregated system commercial balance position at the end of the gas day. E(SCB) is published every hour starting at 06:45 a.m.
<i>5.2 Will Energinet continue to do the yellow-zone trades at Gaspoint Nordic, or will it be Swedegas?</i>	The BAM will act on ETF (Gaspoint Nordic).
<i>5.3 Can you give an estimation of how much a Danish shipper will pay on average for imbalance during a gas year?</i>	Historically, the active shippers have paid, on average, less than 1% of the gas price of their respective imbalance volumes.
<i>5.4 Does the existing Danish balancing model consist of a helper/causer system?</i>	All shippers/BAs will be cashed out if they have an imbalance at the end of the day. We do not reward shippers who help the system. But the shippers causing an inconvenience in the system may have a greater penalty depending on yellow-zone trades during the gas day.
<i>5.5 Will the daily green band (System Commercial Balance) be published on Swedegas' webpage?</i>	A link to Energinet Online (Energinet's self-service portal) will be published on Swedegas' webpage. The System Commercial Balance is public data and does not require any user access. It is more efficient that the data are only available in one place since mismatching data could cause confusion. Link to Energinet Online (System Commercial Balance)
<i>5.6 Will the flexibility of the green band increase in JBZ?</i>	Yes, the flexibility of the green band will have a proportional increase compared to the increase in the total linepack.
6. Trade in biomethane	
<i>6.1 Will JBZ have any impact on the traceability of trade in biomethane?</i>	The issue has been analysed. Energinet and Swedegas had interviews with two independent auditors of biomethane. No barriers have been identified, and no Shipper/BA has reported any specific problems. Biogas that today is transported via Dragør will in future be transported via the VEZ.
7. Data exchange	
<i>7.1 Who will exchange data with whom?</i>	Currently, only minor changes are expected in the data flow between the TSO/BAM and the Shipper/BA. A detailed document will be published at a later stage.
<i>7.2 Will the shippers/BA have time to test before GO-LIVE on 1 April 2019?</i>	Yes, we will publish a time slot in which testing is possible, before Go-LIVE.
<i>7.3 What format will the data communication be in?</i>	Further information will be published later. However, Energinet is in the process of converting into XML 5.1 (and support 4.0) and will stop using flat files. Swedegas will offer BAs the option to convert the data flow from BA into XML 5.1 and to pass it on to the BAM. Please note that the decision on XML 5.1 depends on the JBZ project.
8. Cost of implementation	
<i>8.1 Have the external IT-costs been quantified yet?</i>	The total costs have not been quantified. Swedish distribution companies will have IT-costs in order to increase the information to the market from 2 to 5 times a day.

<p><i>Will the Swedish "Energiförbrukningsavgift" disappear in JBZ?</i></p>	<p>No, not from day one, but it is our aim to reduce it by increasing efficiency in the settlement process.</p>
<p>9. Other</p>	
<p><i>9.1 Today, shipper A in Denmark delivers gas to shipper B in Sweden by sending nominations to Swedegas and Energinet including the shipper codes for the counterparty at Dragør. How will this be handled in JBZ?</i></p>	<p>In the JBZ, the shipper/BA will not be able to exchange gas at the Dragør border as this point will no longer exist, and there will be no matching process coordinated between Swedegas and Energinet. Instead, shippers/BAs may exchange gas at the virtual trading point, GTF (Gas Transfer Facility).</p>
<p><i>9.2 How will it affect JBZ if a crisis situation occurs and one of the three crisis levels (Early warning, Alert and Emergency) is activated?</i></p>	<p>Further information will be published later.</p>