

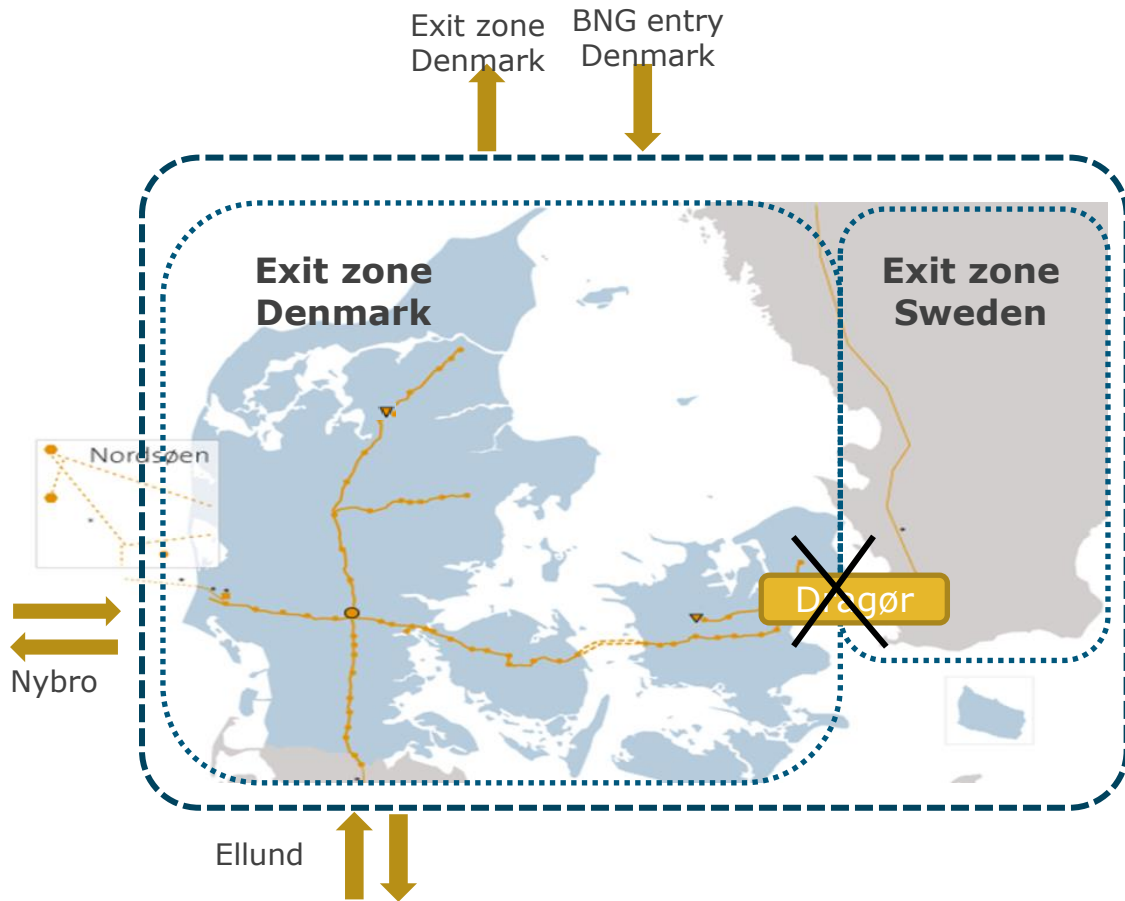
An abstract geometric pattern of thin teal lines forming a complex, interconnected network of triangles and polygons, located on the left side of the slide.

STATUS JOINT BALANCING ZONE

Between Sweden and Denmark

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Status Joint Balancing Zone



- Potential benefits**
- Increased market area
 - Improved liquidity
 - More efficient market
 - Improved Security of Supply
 - Compliance with Network Codes at minimum cost
 - More efficient TSO operation
- Improved competitiveness of gas

- Storage points
- Stenlille and Lille Torup →
 - Skallen ←
- Virtual points
- ETF – Exchange Transfer Facility →
 - Joint bilateral point ←

Status - Joint Balancing Zone

Market Consultation

- 31 representatives of 23 different players including gas suppliers, balance managers, end consumers, distributors, authorities and the Danish gas exchange participated
- We received about 10 answers to the distributed survey from 14 different stakeholders
- The general response was that a common balancing zone is in principle a step in the right direction, and the potential benefits presented are largely confirmed by the market
- But this obviously assumes that the market benefits are greater than the cost of implementing a common balancing zone

A strategic decision

- The boards of Swedegas and Energinet have made a strategic decision of introducing a common balancing zone for Denmark and Sweden based on the concept model developed jointly by the parties
- This means that a formal project has been initiated with the purpose of determining the details of a design that will enable more accurate estimates of costs and benefits for the project
- Decisions on implementation cannot be made until the end of 2017/2018 at the earliest, and an implementation phase is not expected to be completed until the first half of 2019