

GASMARKNADSRÅDET

JBZ - status

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AGENDA

- Background
- Project plan
- Biogas
- BA Q&A
- Data
- Impact on Tariffs in Denmark



BACKGROUND

Increased security of supply as the Dragör valve opens and the systems merge. (From flow control to pressure control.)

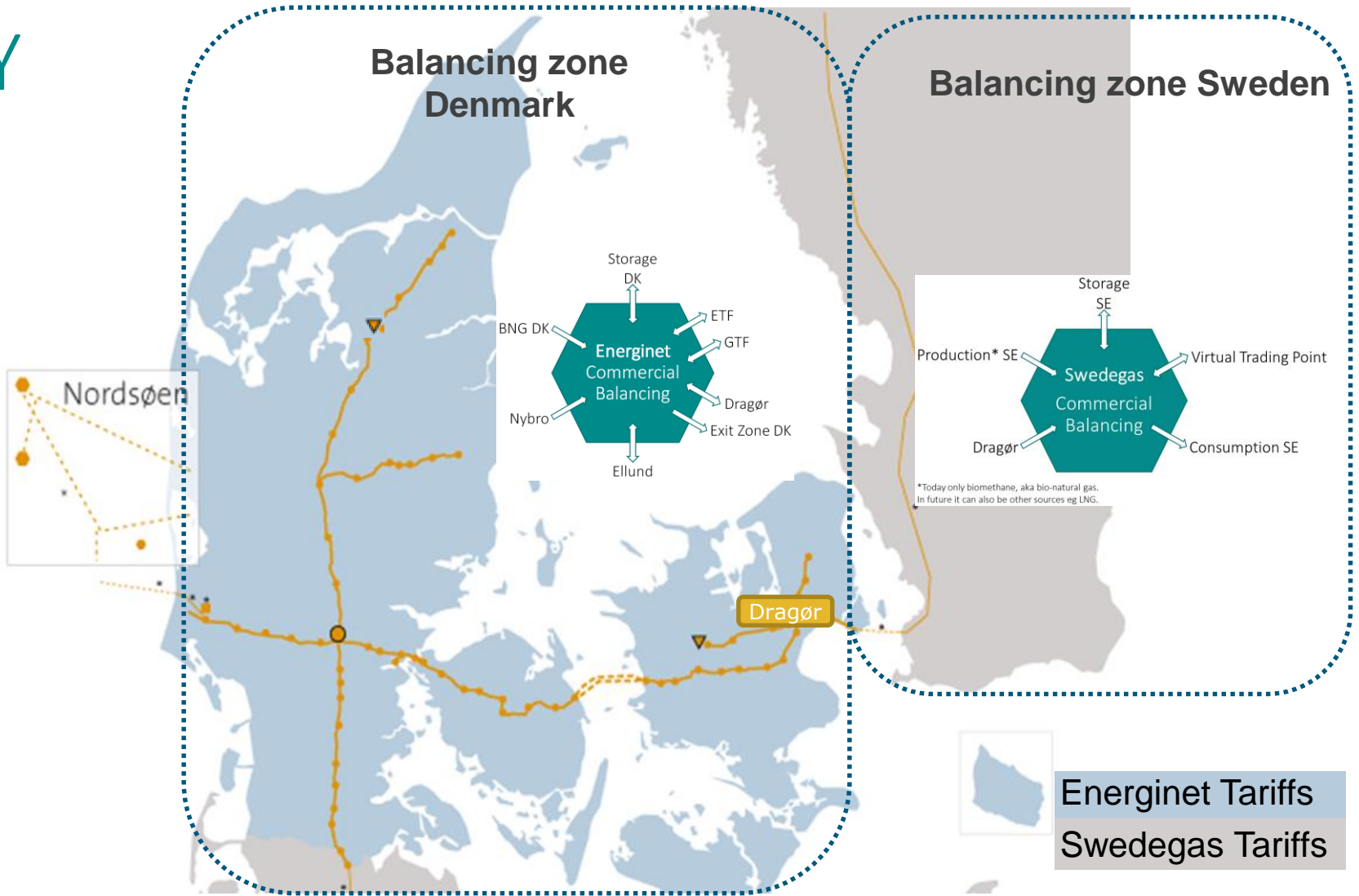
More gas traders on the market means increased competition to end customers and more efficient administration. Today, we do the same things within Energinet and Swedegas in terms of balancing.

Cost efficient way to fulfil NC BAL.

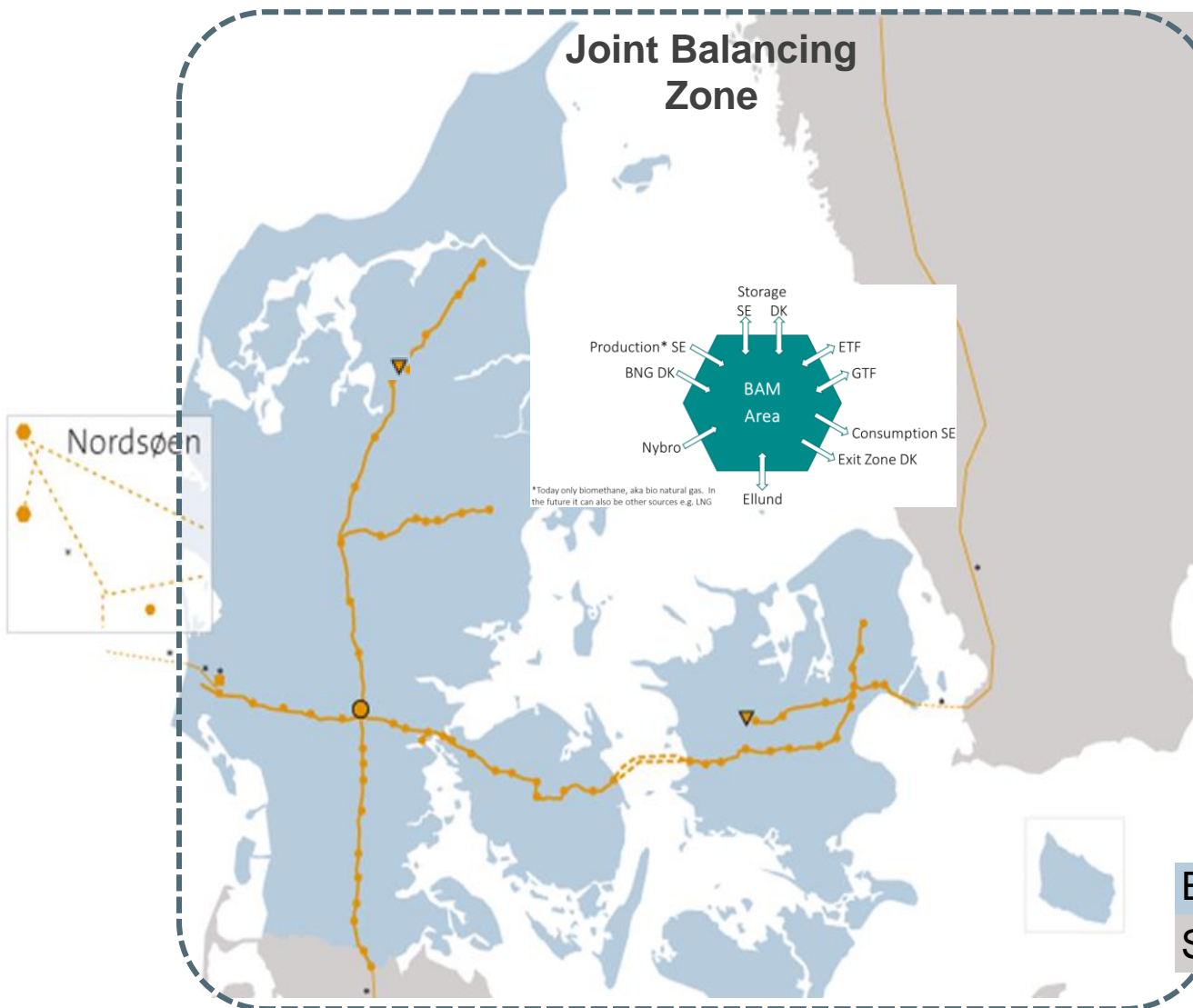
Energinet has already implemented the NC BAL. Many of the changes that the Swedish market will experience, have already been implemented in Denmark. (Examples of this is the removal of the free balancing band...)

In line with Gas Target Model and EU harmonization

TODAY



JBZ



Tariffs
No change in
Swedegas
tariffs

Energinet tariffs
maintained in a
new Virtual Exit
Zone

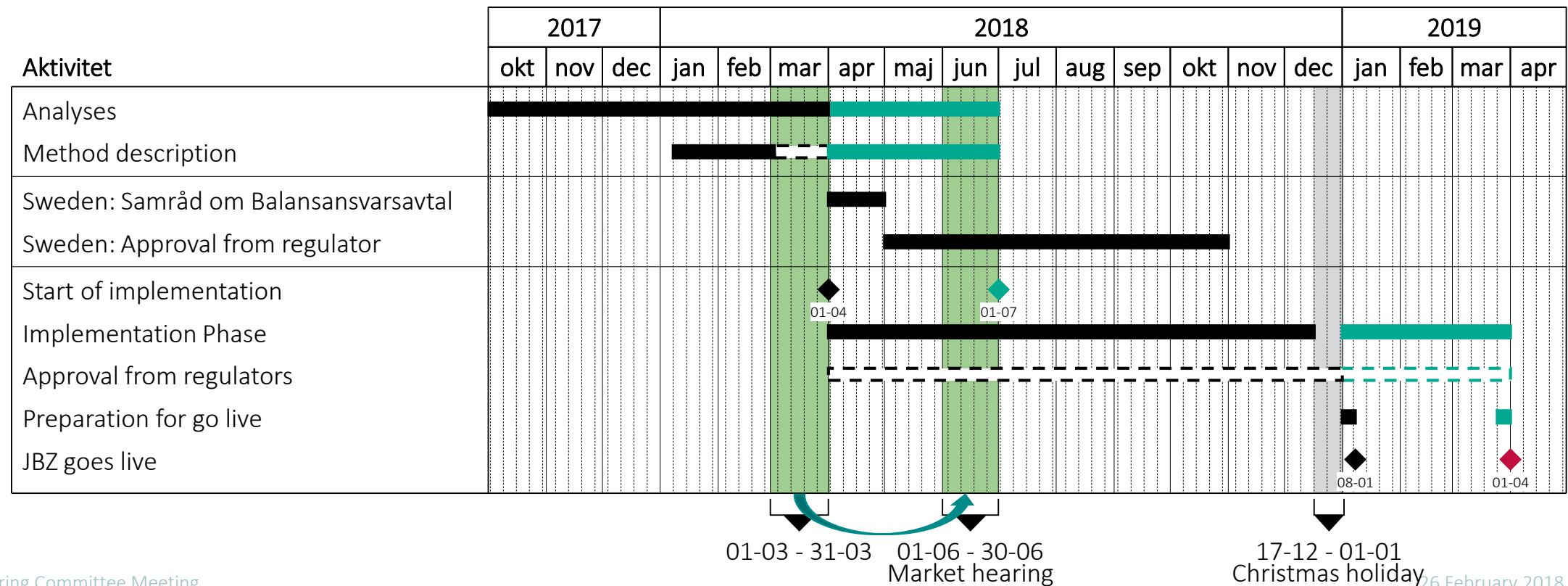
Energinet Tariffs
Swedegas Tariffs

PROJECT PLAN - POSTPONEMENTS

New plan

Market hearing in Denmark will move from March to June

Hearing in Sweden will be done during april



TRACEABILITY OF TRADE WITH BIOMETHANE

Does JBZ create any obstacles in relation to traceability?

- User group 7 December 2017
- Bilateral meetings with BA in January and February 2018
 - Documentation for traceability: Nomination and capacity purchase at Dragør
 - Documentation to whom? Still unclear.
- Meeting with an REDcert auditor
 - According to the RedCert certification system : Control of documentation for sustainability and mass balance. Documentation consist of delivery notes/invoices for purchased biomethane.
 - Conclusion: A VEZ will not create any obstacles in relation to REDcert (sustainability)
- Next step?
 - Bilateral meeting with authorities (Skatteverket)

JBZ – Q&A FROM BILATERAL MEETINGS

Q&A From bilateral Meetings

Swedegas and Energinet have had 12 bilateral meetings during January and February.

- All Swedish DSO's
- All BA's
- A representative for the Large costumers in sweden
- One additional Danish shipper

All questions asked on the meetings and their answers will be published in a common document and made available for the market.

A selection of these Q&A's follow in this presentation

Additional information on the current Danish balancing model

- The Energinet portal, balancing prices, <http://online.energinet.dk/Pages/default.aspx>
- Rules for gastransport, <https://en.energinet.dk/Gas/Rules#panel569782670v3>
- Fees and Tariffs, <https://en.energinet.dk/Gas/Tariffs-and-Fees>

Capacity booking

In the VEZ, Should we nominate an average per day or for different for each hour and portfolio in the gas day? (today we nominate for the average)

- Nominations in the VEZ should be by the hour, total daily sum should be as correct as possible. The hourly profile doesn't matter.
- The capacity charge is based on the highest allocation hour during the gas day.

Can we book Dragør yearly capacity in July as normal? What will happen to the capacity contract in the JBZ? When will the new capacity contracts be valid from?

- Yes, the contract will be converted to VEZ capacity 1:1 from the go-live of JBZ.

Where shall the gas change hands from Shipper to BA in JBZ?

- Today it can be exchanged on the Dragør border, in JBZ it's exchanged on the GTF. Physical delivery is still in Dragør and net-consumption in Sweden will be allocated in the VEZ.

How can gas be transported Commercially from Sweden to Denmark?

- For the Swedish part of the VEZ capacity can be booked in reverse direction to accommodate the need for export. Allocation will however still be on net-consumption.

BAM Administration

If a BA/Shipper have more than one company active in the market, what does change with the JBZ?

- Each company has their own balance responsibility and must be registered at the BAM. And must also book capacity separately.

BIO-Methane

Will the transition to JBZ have an impact on the traceability of Bio-methane?

- Swedegas and Energinet have had discussions with a RED-cert auditor, there's no impact on the sustainability or traceability. Its based on the contracts.
- This does not affect Swedish tax rules, the contract for delivery is what's in focus.

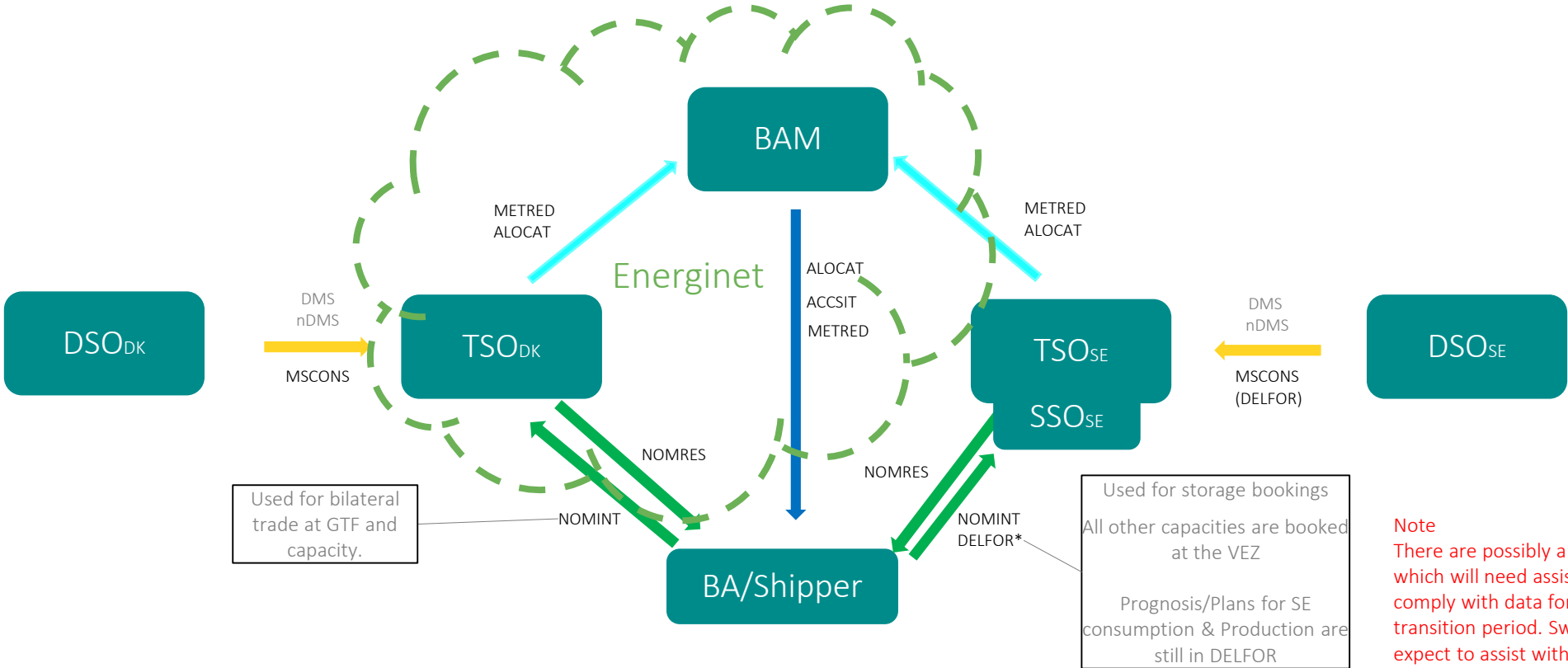
Cost of implementation

Are the external IT-costs yet quantified?

- No, not yet, none of the contacted parties have been able to quantify their costs yet, more information from project needed.

JBZ DATA EXCHANGE

BAM DATA FLOW - COMMERCIAL BALANCING DRAFT



Note
 There are possibly a few BA's which will need assistance to comply with data formats in a transition period. Swedegas expect to assist with data exchange in these instances

* = includes confirmation

Data exchange JBZ with EDIG@S 5.1- updates

DRAFT

Before JBZ

BA ↔ Swedegas	
DELFOR	MSCONS
Nominations(& confirmations)	Preliminary/final Allocations
Plans(forecast)	Imbalance(corrections)
Matching	Storage transactions/balance
Bilateral Trade	Balancing prices
Balancing Trade	Balance account position
Balance account limits	IDM 2 ggr

DSO ↔ Swedegas

DELFOR	MSCONS
Preliminary GCV	Final GCV
	Grid Exchange
	nDMS Profiles
	DMS
	Average monthly power
	IDM 2 times

With JBZ

BA ↔ Energinet	
NOMINT & NOMRES	
Nominations(& confirmations)	
Bilateral Trade	

BA ↔ BAM		
ACCSIT	ALOCAT	METRED
Balance account position	Preliminary/final Allocations	nDMS Forecast
	Imbalance(corrections)	IDM 5 times
	Storage transactions/balance	
	Balancing prices	

DSO ↔ Swedegas

DELFOR	MSCONS
Preliminary GCV	Final GCV
	Grid Exchange
	nDMS Profiles
	DMS
	Average monthly power
	IDM 5 times

BA ↔ Swedegas

DELFOR	MSCONS
Storage nominations (& confirmations)	Preliminary/final Allocations
Plans(forecast)	Imbalance(corrections)
Matching	Storage transactions/balance
Bilateral Trade	Balancing prices
Balancing Trade	Balance account position
Balance account limits	IDM-2-ggr

Comments:

Automatic delivery of daily capacity (Overrun charge) will give the daily optimisation

IMPACT ON TARIFFS IN DENMARK

Allocation (new method) vs booked capacities (historical) for gas year 2016/2017

✓ No need for more capacity bookings

