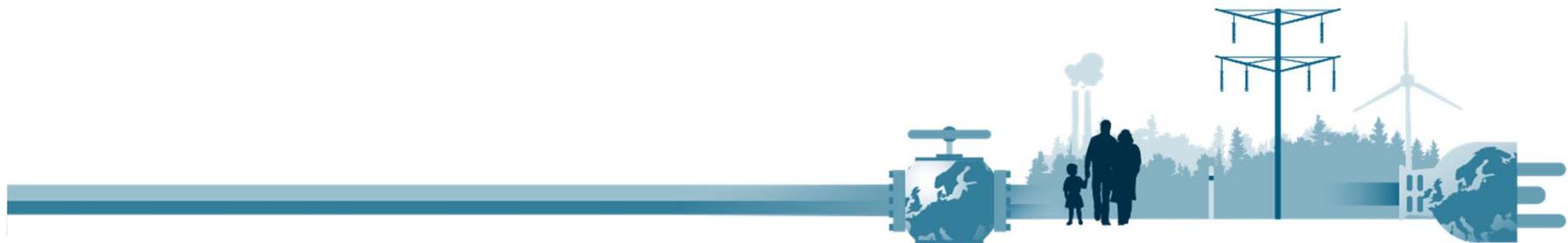




# Welcome to Shippers' Forum

*Jeppe Danø, 9 March 2017*



# Sikkerhed i Energinet.dk

*Safety at Energinet.dk*



Sikkerhedsguide  
*Host*



Nødudgange  
*Emergency exit*



Hjertestarter  
*Defibrillator (AED)*



Samlingssted  
*Meeting point*

# Agenda

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- 12-13      *Lunch and networking*
- 13:00      **Welcome**  
*Jeppe Danø, Energinet.dk*
- 13:10      **Joint Balancing Zone**  
*Camilla Mejdahl Mikkelsen, Energinet.dk*
- 13:20      **Status on the Supply Situation 2017 and without Tyra 2018-2021**  
*Christian Meiniche Andersen, Energinet.dk, and Christian Rutherford, Energinet.dk*
- 13:45      **Open Season Status**  
*Christian Rutherford, Energinet.dk, and Adam Marzecki, GAZ-SYSTEM S.A.*
- 14:15      *Coffee break and networking*
- 14:45      **Joint Billing in the Danish Gas Market**  
*Clement Johan Ulrichsen, Danish Gas Distribution A/S*
- 15:05      **Tariff Network Code**  
*Nina Synnest, Energinet.dk*
- 15:15      **End of Programme**



## Shipper survey now!

- Help PRISMA evaluate how they are doing, and what can be done better.
- This will allow them to better tailor the platform to fit shipper needs.

## Shipper event in June.

- Shippers will learn about new developments within PRISMA, have the chance to share their experience, and meet the PRISMA team.

<https://corporate.prisma-capacity.eu/company-events/shipper-event-2017-brussels/>

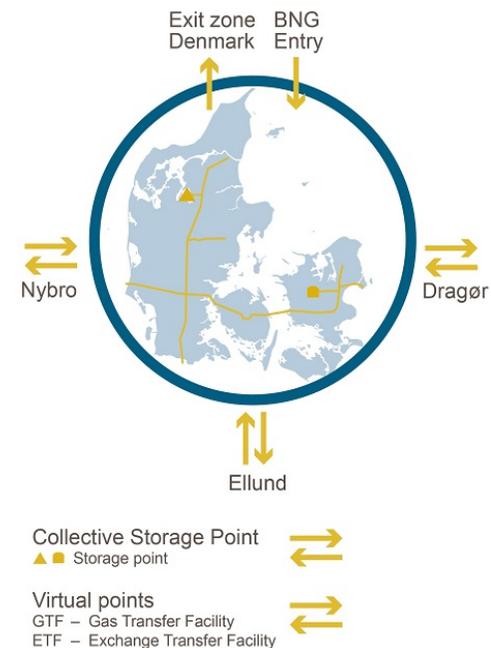
## Internal points at the PRISMA platform?

Energinet.dk considers moving the internal points in the Danish gas system from Energinet.dk online to PRISMA

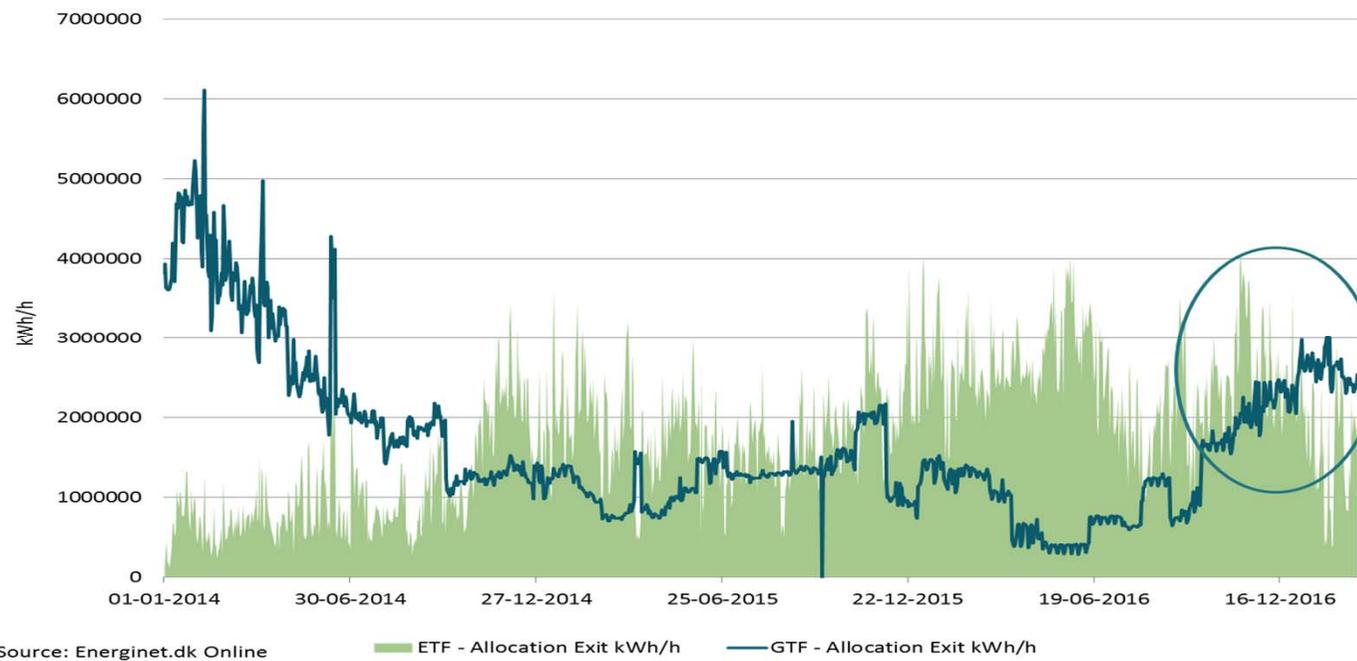
After consultation with market participants and DERA...

...and IT adjustments in back-end system

Deadline: 1 October 2017



## Development in allocation on GTF and EFT



# Energinet.dk's analysis assumptions 2017

Workshop about Analysis Assumptions 2017

**14 March 2017**

10 am - 14 pm

Tonne Kjærs Vej 65, 7000 Fredericia



Consultation process

**17 March to 3 April 2017**

## Sign up

Energinet.dk's homepage\ABOUT US\Conferences

<http://www.energinet.dk/EN/OM-OS/Konferencer/Sider/Konferencer-2015.aspx>

## Green Gas Forum 15 March 2017

### Themes

- New model for biomethane connection to grid
- Perspectives for new biomethane products and consumer segments
- Status on biomethane development
- Copenhagen vision of 100% biogas delivered to city gas grid
- Green gas from a storage perspective



Speakers from the Danish Energy Authority, HOFOR, HMN, Gas Storage Denmark and Energinet.dk

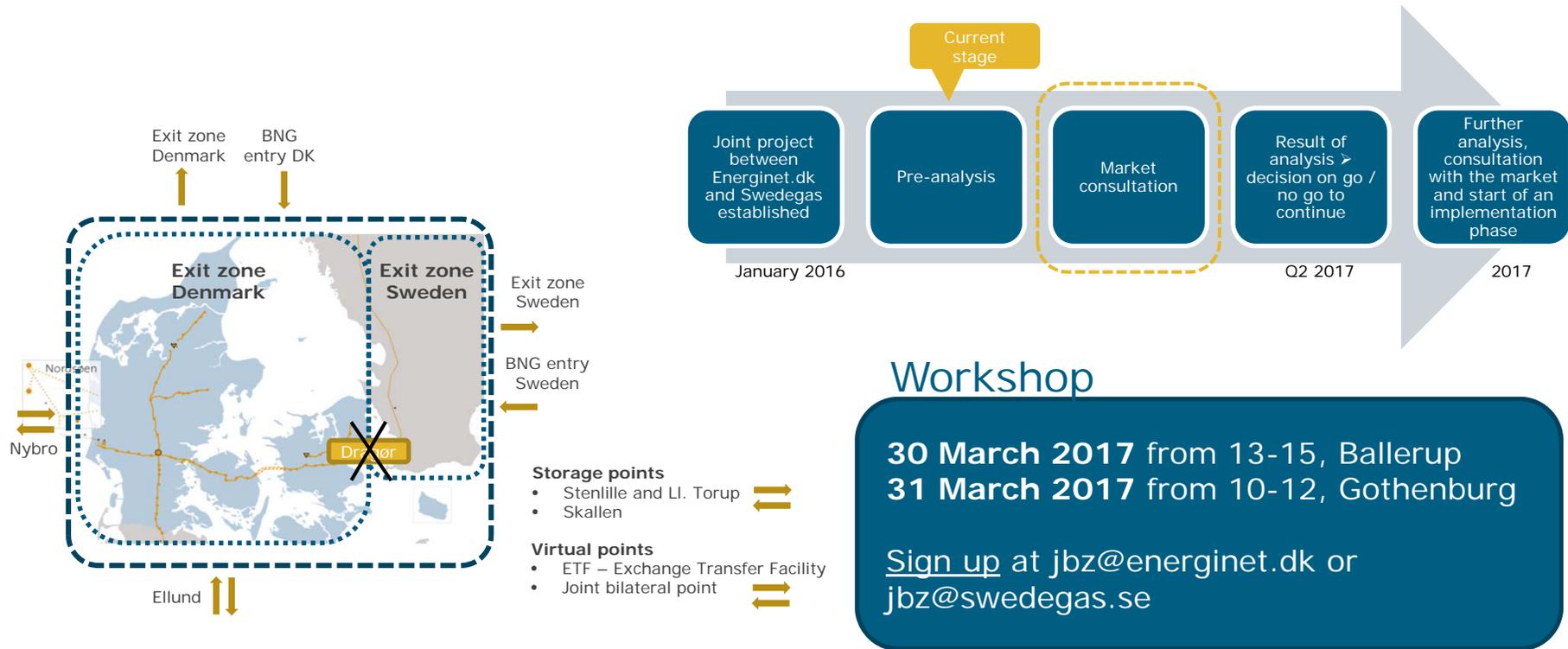
Participation free of charge. Approx. 80 participants.

# Joint Balancing Zone

*Camilla Mejdahl Mikkelsen*



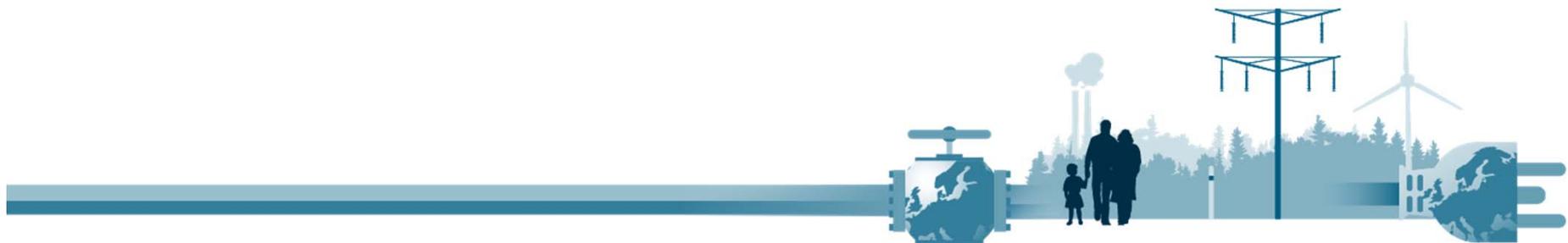
# Joint balancing zone - Status



# Shippers' Forum

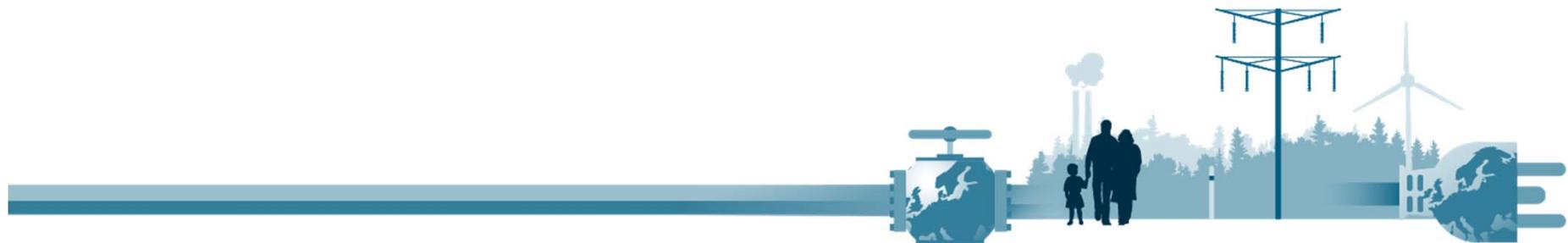
Status on supply situation 2017 and without Tyra 2018-2021

*Christian Meiniche Andersen*



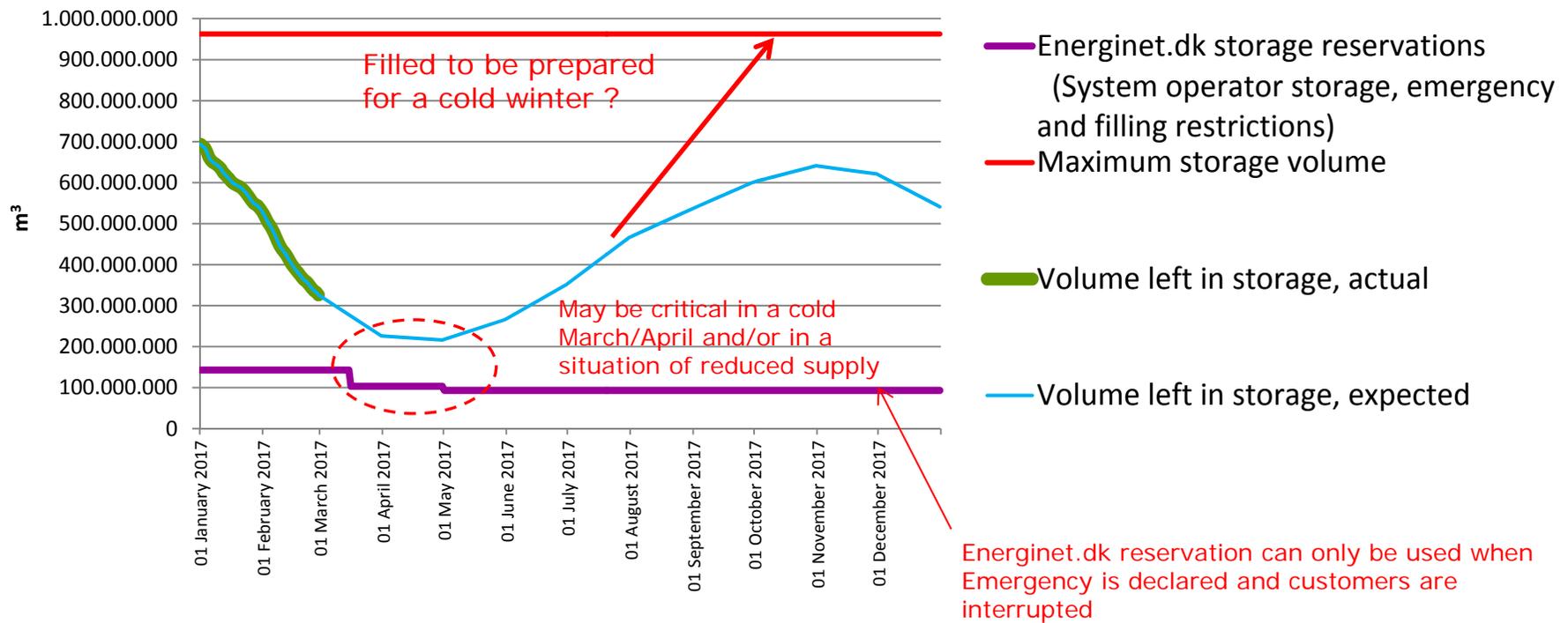
Klassificering:

# Status on supply situation 2017

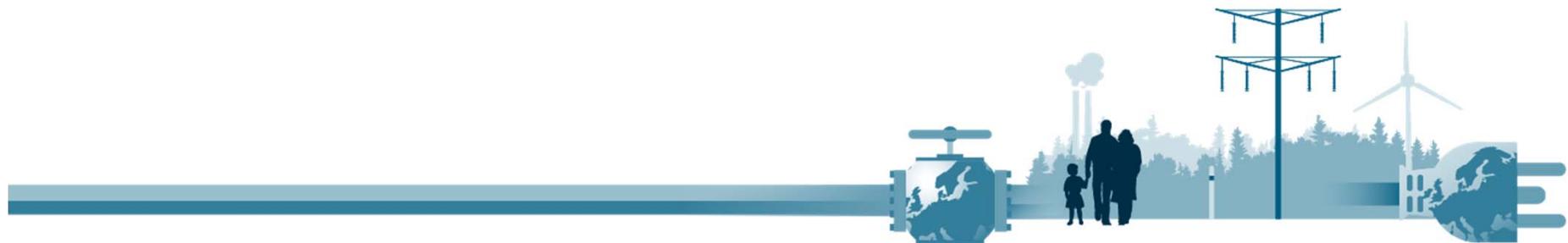


Klassificering:

# Residual volume in storage facilities 2017



# Supply situation without Tyra 2018-2021



### Memorandum August 2016

The main conclusion from the analysis is that Danish and Swedish consumers will continue to benefit from a robust supply situation if Tyra shuts down. If, at the same time, the majority of the Danish production in the North Sea is closed down for a number of days, the system becomes less flexible and more vulnerable to incidents occurring compared to today's supply situation.

Energinet.dk intends to take various measures in relation to the market and to infrastructure in order to ensure minimum infrastructure capacity. The situation requires preparation and attention on the part of Energinet.dk, the adjacent systems and the market. The gas supply is to be secured.

*Same messages today. However, the supply situation is even more tight than anticipated*

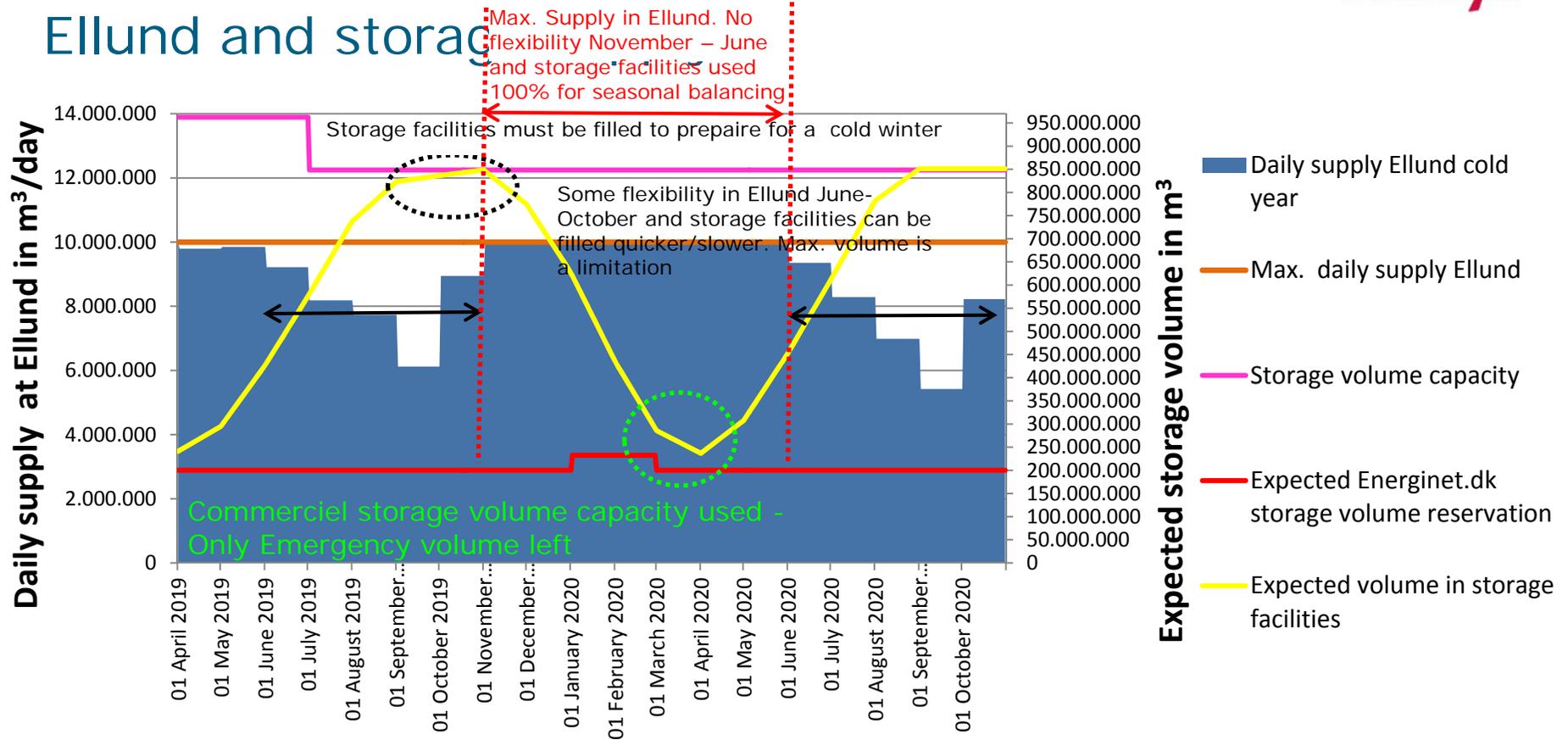
An extremely long and hard winter with disruption of the supply sources will be challenging. However, careful planning and focusing on the optimal use of the capacity in the system will mitigate the risk of supply failure.

### New supply conditions

1. Less commercial storage volume available in 2019:
  - 1 cavern less at Lille Torup
  - Gas from Germany has a lower gross calorific value and compressibility
  - Energinet.dk must reserve further Emergency storage to fulfil the EU N-1 regulation
2. No surplus capacity in the transmission system in Northern Germany

# Supply situation without Tyra 2018-2021

## Ellund and storage



### Conclusion

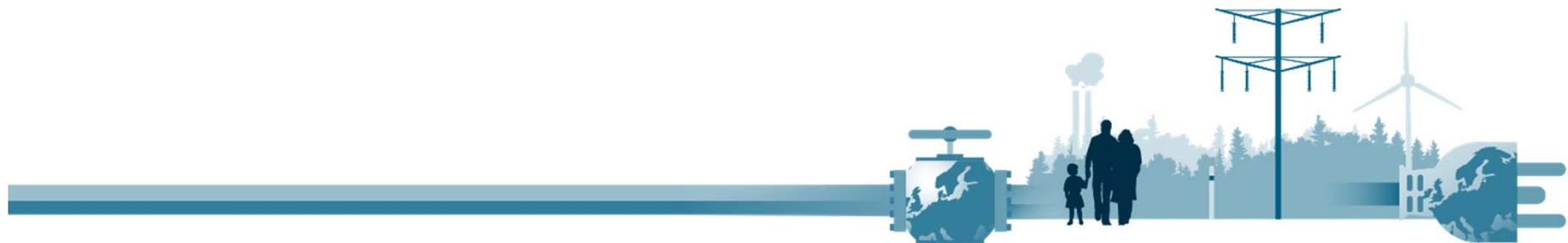
When Tyra closes, the system changes from being in a situation with the highest historical flexibility to a situation with the lowest possible flexibility:

- Capacity in Germany must be used whenever capacity (firm and interruptible) is available
- Storage facilities must be filled 100% before winter to be prepared for cold winter (20-year incident)

# Tyra – Market

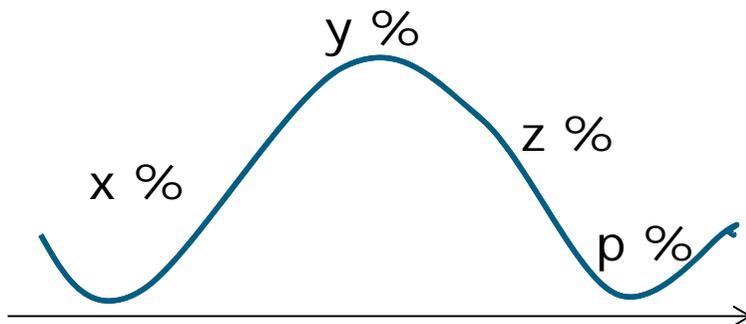
Upcoming workshop

*Christian Rutherford*

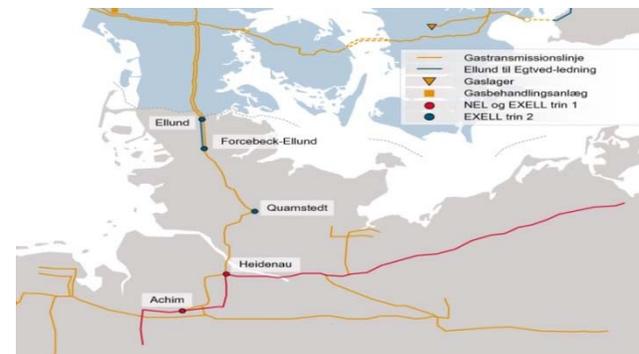


## Our focus – gas enough both yearly and daily

### Efficient use of storage

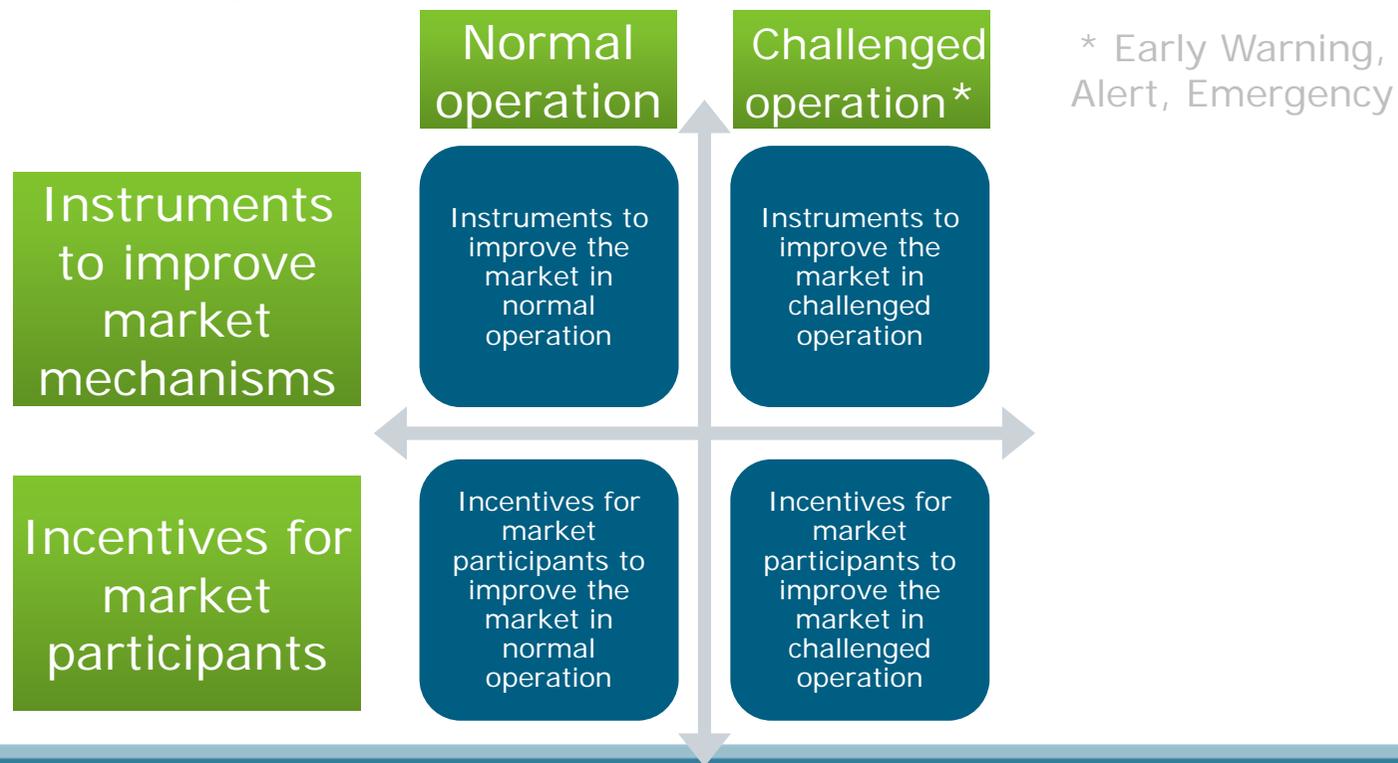


### Efficient use of Ellund



Need for close communication and prospective new measures

## Grouping of potential solutions



## User Group on Tyra – Market development

### When

- 30 March 2017 from 10 to 12 at our Ballerup offices
- (The workshop on a joint balancing zone between Sweden and Denmark is held in the afternoon from 12 to 15 the same day)

### Purpose

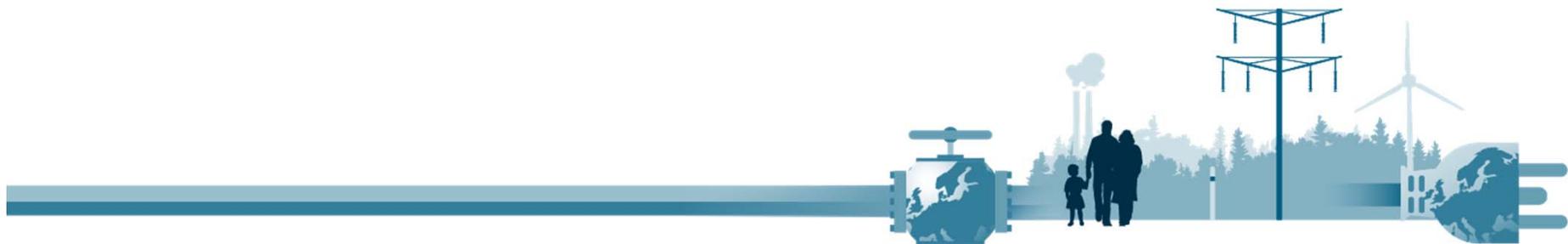
- To collect a catalogue of prospective ideas and measures from the market
- To have more clarity as regards the role of Energinet.dk and the market for all participants

### How

- We expect the market to come up with the ideas!
-

# Open Season 2017

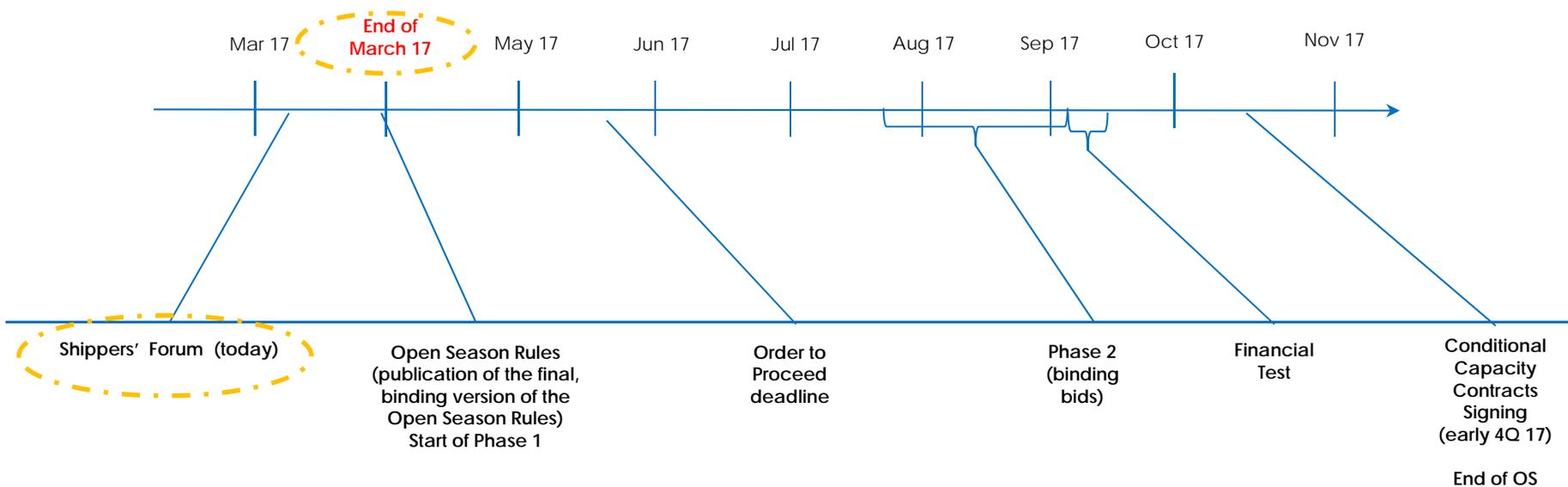
*Adam Marzecki, GAZ-SYSTEM S.A.*  
*Christian Rutherford, Energinet.dk*



## Current status

- ✓ **Market consultation completed:** On the basis of the collected feedback from the market consultations, both TSOs are working on the final OS 2017 documentation in close cooperation with the relevant NRAs.
- ✓ Both TSOs intend to launch the Open Season 2017 procedure by the end of March 2017
- ✓ The information on launching the Open Season 2017 will be announced by publication of the documents on the TSO's websites

## Expected timeline for Open Season



**The aim is still 1 October 2022**

## Main changes in the Open Season documents as the result of market consultation process

### **Increasing transparency**

- Eg improvement of data in the Information Packages 1 and 2
- General improvement of clarity in the Open Season documents
- Information Paper, to explain in further detail specific questions from the consultation
- More details on Fast Track process

### **Increasing clarity on allocation methodology**

- Eg more clarity on how capacity will be allocated in case of excess demand

### **Reducing risk**

- Eg increasing information for the Open Season participants during the implementation phase
  - Increasing security in relation to the Open Season documentation
  - Potential measures to reduce transportation cost risks
-

[www.energinet.dk/openseason2017](http://www.energinet.dk/openseason2017)

<http://en.gaz-system.pl/stefa-klienta/konsultacje-z-rynkem/zakonczone-procedury/2017/open-season-baltic-pipe/>



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## Coffee break and networking

We will meet again at 14:25



# JOINT BILLING IN THE DANISH GAS MARKET

Shippers' Forum March 9 2017

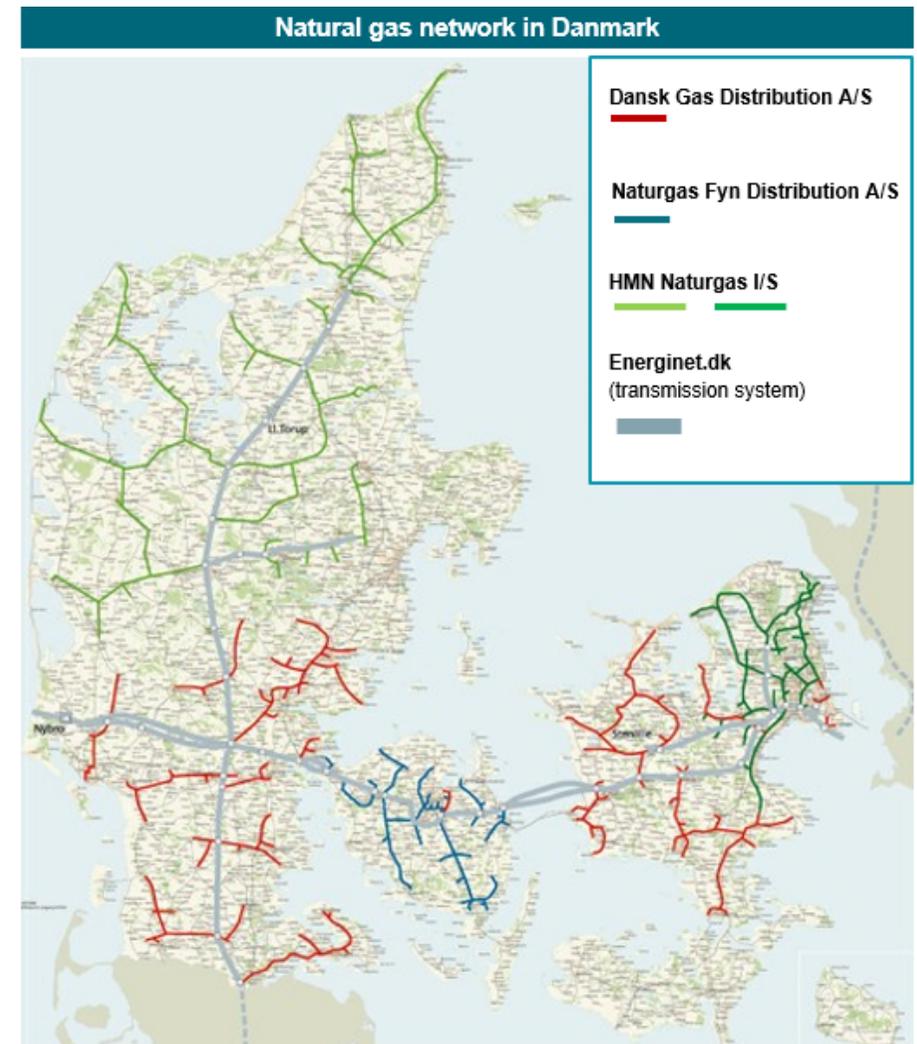
Clement Johan Ulrichsen, Senior Manager  
Danish Gas Distribution

# Agenda

1. Introduction to DGD
2. Strategic Ambition
3. Current Regulatory Framework
4. Case Example: SEAS- NVE
5. Regulatory challenges
6. Operational process
7. Key message

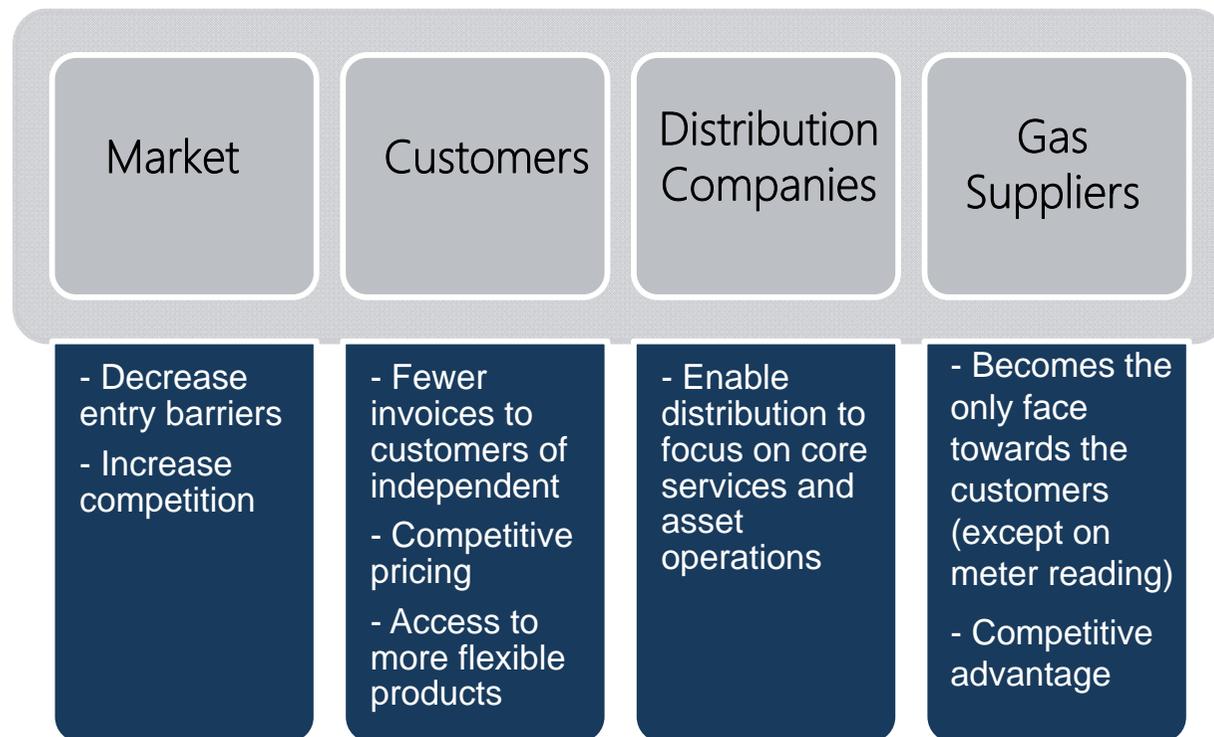
# Introduction to DGD

- Danish Gas Distribution (DGD) was established on September 30th 2016 when Energinet.dk took over DONG Gas Distribution.
- Approximately 122.000 customers in the southern part of Jutland and west Zealand receive gas distributed by DGD.
- DGD own 6.584 km of pipelines and 456 M/R and DR stations
- Around 130 employees based in Søborg (Copenhagen), Stenlille and Skærbæk



# Joint Billing - Strategic Ambition

- Aim for a billing model similar to the supplier centric model on the Danish electricity market
- DGD sees great advantages in a Joint Billing model:



- Joint Billing is a step towards a supplier centric model or similar terms

# Current Regulatory and Legal Framework

- Background Executive Order no. 691 on Joint Billing from 01/07/2005:

*Companies distributing Natural Gas shall upon request from natural gas suppliers, on reasonable and non-discriminating terms, give natural gas suppliers the opportunity to, on behalf of the natural gas distribution companies, invoice payment for the use of the distribution network and charges facing natural gas customers with a contractual relationship to the natural gas distribution company on transport in the distribution network*

- Gas suppliers invoices customers on behalf of the distribution company. The customer remains a DGD customer and has a gas distribution contract with DGD.
- A Joint Billing contractual basis has been prepared in close cooperation between the three regional distribution companies based on the Executive Order no. 691 . Gas suppliers in Denmark can negotiate on this basis with the 3 gas distribution companies.
- Current DERA *approved method* sets out payment terms for billing customers for gas distribution. DGD has put forward to DERA an application for broader payment terms when customers have a gas supplier using Joint Billing.

# Case Example: SEAS- NVE

- DGD and SEAS- NVE have entered into an agreement on Joint Billing January 31st 2017.
- The agreement is the first in the gas market on Joint Billing.
- SEAS- NVE is a new gas supplier in the market and wanted to offer their customers fewer invoices.
- The agreement and its terms form the basis for future agreements.

## Main elements in the Agreement

7. PARTIES RIGHTS AND OBLIGATIONS
8. JOINT BILLING
  - 8.1 Joint Billing Procedure
  - 8.2 Billing Procedure
  - 8.3 Liability
  - 8.4 Payment
  - 8.5 Over due payment
  - 8.6 Disagreement on payment
  - 8.7 Sample testing
  - 8.8 Errors and inaccuracies
  - 8.9 Data storing
9. GURANTEES
  - 9.1 Credit rating
10. EXCHANGE OF INFORMATIONS AND LIABILITIES
11. REVISION OF THE AGREEMENT
12. TERMINATION
13. BREACH OF CONTRACT

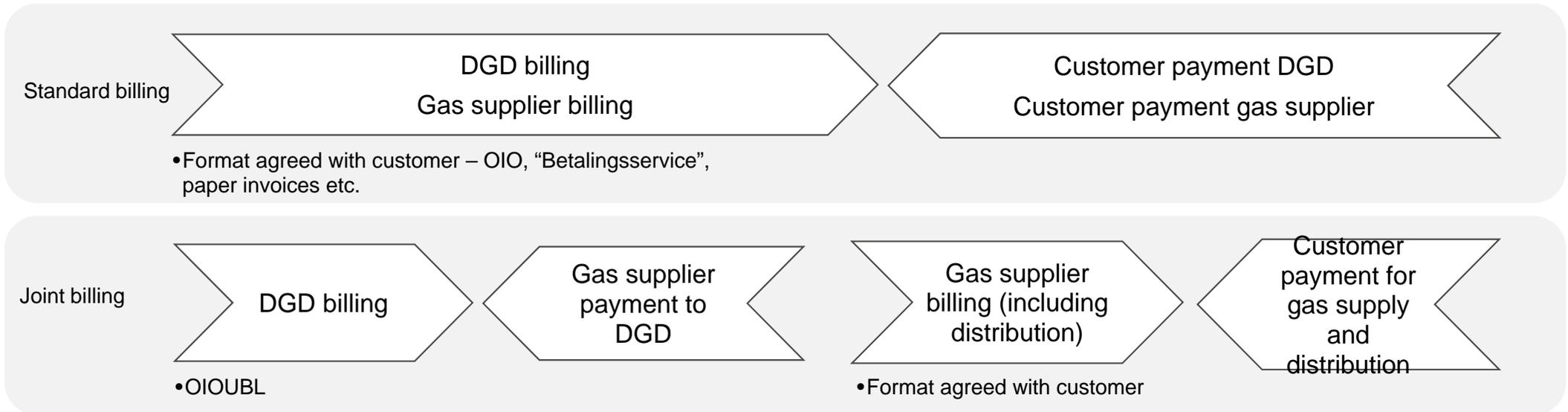
## Annex to the Agreement

- Annex 5: Data Processing Agreement
- Annex 3: Billing Plan
- Annex 4: Distribution company contact data
- Annex 1: Gas supplier agreement
- Annex 2: Distribution Conditions
- Annex 6: Gas supplier's Delivery Terms
- Annex 7: Credit Policy
- Annex 8: Parent Company Guarantee
- Annex 9: Guarantee payable on demand

# Regulatory challenges

- The gas supplier has to follow the distribution companies' terms towards the customer
- The supplier must follow the same requirements and regulatory information as a DGD invoice according to the law.
- The gas supplier undergoes the dunning procedures according to the distribution companies conditions
- The distribution company remains legal subject.
- Uncertain regulations on exchange on personal data.
- *Due to the Supplier Obligation, the supplier cannot request a customer to be shut down, but can terminate the agreement.*

# Operational process



- The gas supplier will be billed by DGD using same payment terms as the terms with end customers
- The invoice to gas supplier will use the OUIUBL format. Invoices will be specified per customer.
- Meter readings and technical installations remains a matter between customers and DGD.
- All suppliers' customers will be included in the Joint Billing agreement.

## Observation points

- Due to the OIOUBL format not having standardized all gas distribution invoice information, few data items may be placed differently on the OIOUBL invoice between the three distribution companies
- DGD's current IT setup is planned to change end 2017. Current IT setup handles Joint Billing on a one to one basis – one invoice, one payment
- DGD's new IT system is being developed for accumulated invoices – i.e. that the gas supplier pays a lump sum with customer invoices specified underneath. Final approval is pending.

# Key message

- DGD invites Gas Suppliers supplying gas to customers in DGDs area to contact DGD for a further dialogue about opportunities for Joint Billing.



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# Tariff Network Code

9 March 2017

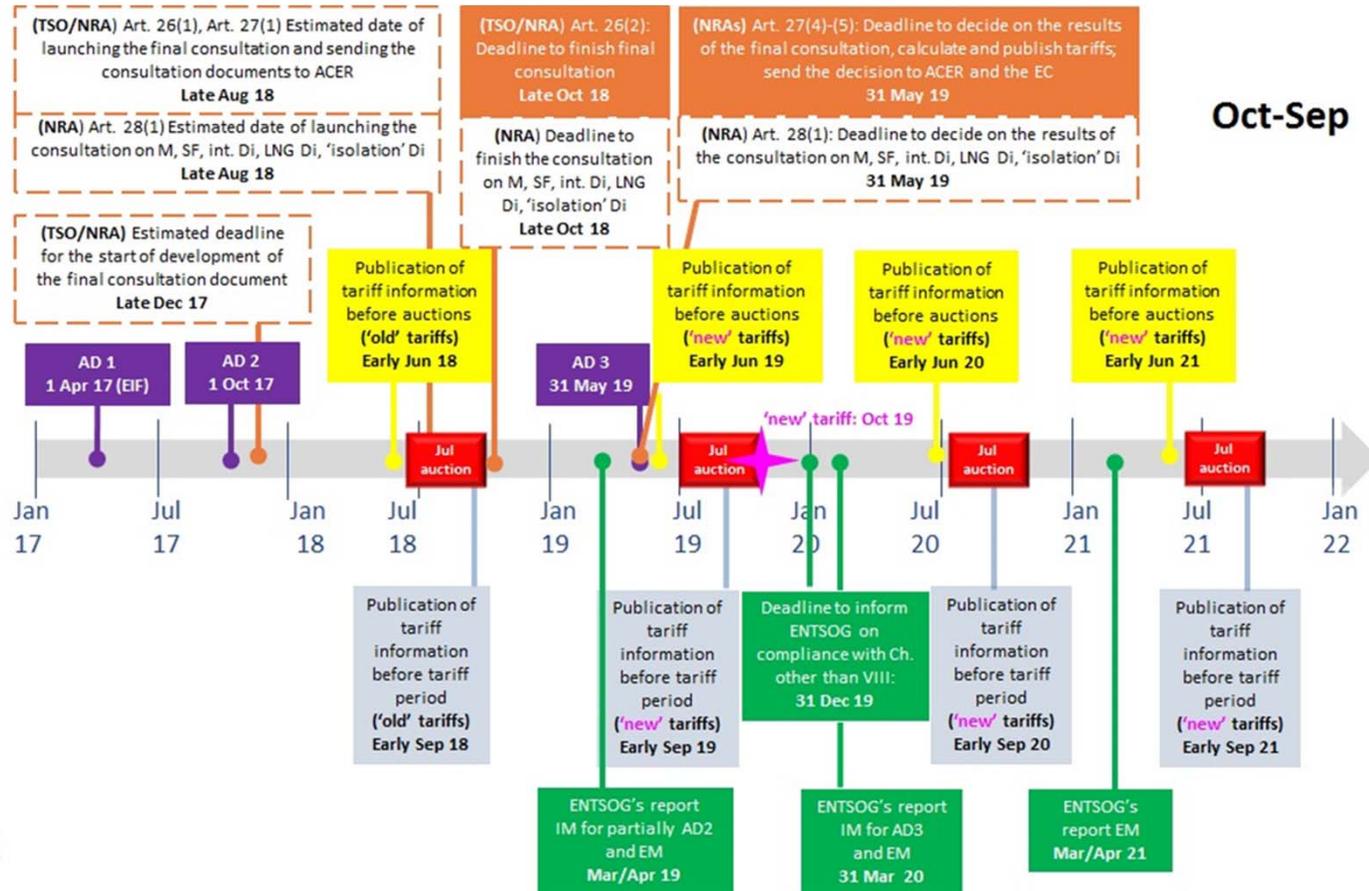
*Nina Synnest (nsy@energinet.dk)*



## Agenda

- Time line
- Allocation methods
- Shipper Task Force

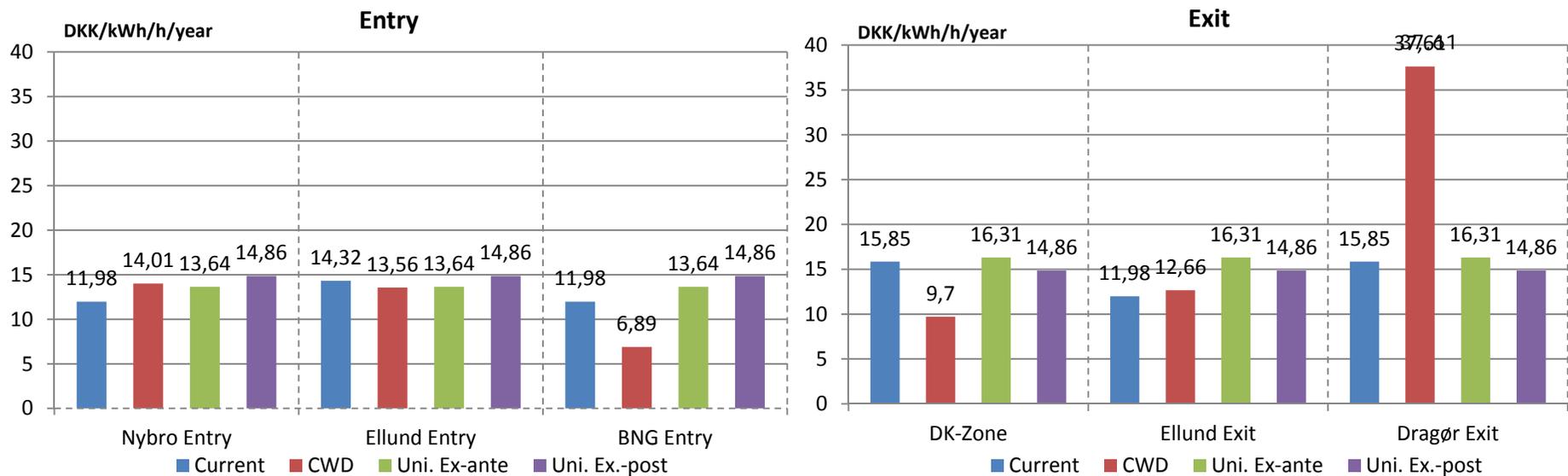
# Timeline



Oct-Sep

The application regarding the future tariff methodology is expected to be submitted to DERA by the end of year 2017 (Oct./Nov.)

## Comparison of cost allocation methods



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## Invitation to participate in a Shipper Task Force

- Shippers will be involved in the elaboration of a new tariff methodology for the Danish gas market
- Will report to the User Group
- Working group:
  - Active participation is required
  - Elaborate examples
  - Discuss effects and incentives
- First meeting in April 2017
- Sign up by sending an e-mail to [gastariffs@energinet.dk](mailto:gastariffs@energinet.dk)

*Max. 8 participants (one for each company)*

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Thank you for your attention!

See you at the next Shippers' Forum on

22 June 2017

