

GASMARKNADSRÅDET

Joint Balancing Zone, Questionnaire feedback

Malmö, 13 september 2017

AGENDA

- Background to the questionnaire
- Questionnaire feedback
- Timeline for the Joint Balancing Zone



BACKGROUND

Involvement of market players

- The questionnaire with open questions was sent to Swedish and Danish market players.
- 10 replies were received
- Swedish, Danish and international nationality

DSO	BA	Shipper	Customer	Other
1	3	4	1*	1

* A combined answer from several customers

Questions

A joint balancing zone
<ul style="list-style-type: none"> ▪ What do you see as pros and cons with a joint balancing zone for the Danish and Swedish gas market?
<ul style="list-style-type: none"> ▪ What benefits and costs would you expect to incur if the joint balancing zone is implemented?

Concept model
<ul style="list-style-type: none"> ▪ Do you have any considerations with regards to the main principles of the concept model?

Tariff in Dragør
<p>As the IP Dragør will be removed, it will no longer be possible to book capacity in Dragør.</p> <ul style="list-style-type: none"> ▪ Do you have any considerations on the principles on how to allocate the missing revenue in Dragør proposed in the consultation material?

Other comments and remarks
<ul style="list-style-type: none"> ▪ Additional comments and remarks?

QUESTIONNAIRE FEEDBACK

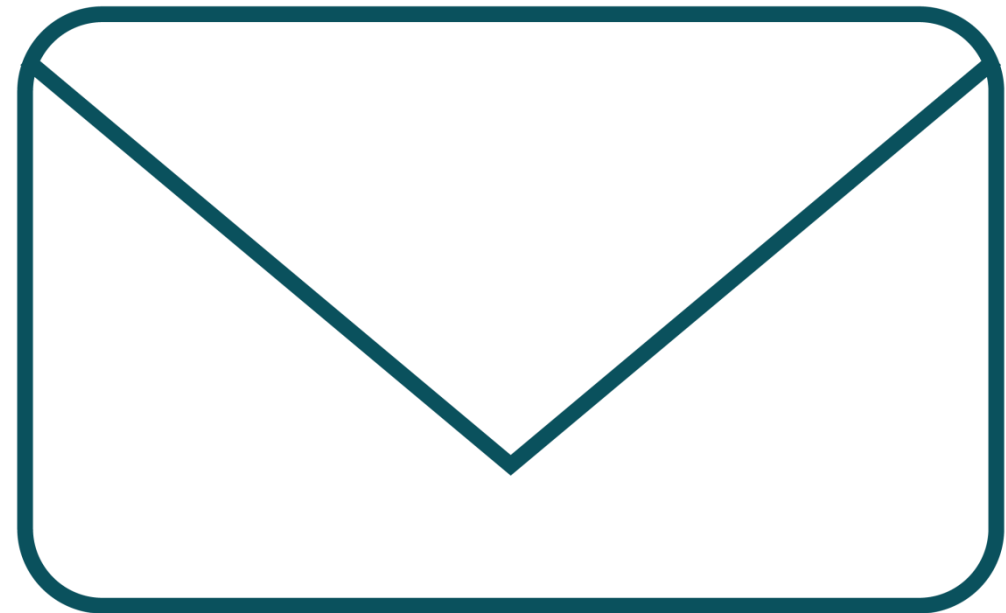
To present the feedback in a simple and visual way, the answer from each participant to the questions has been converted into one of the following four categories:

Positive

Neutral

Negative

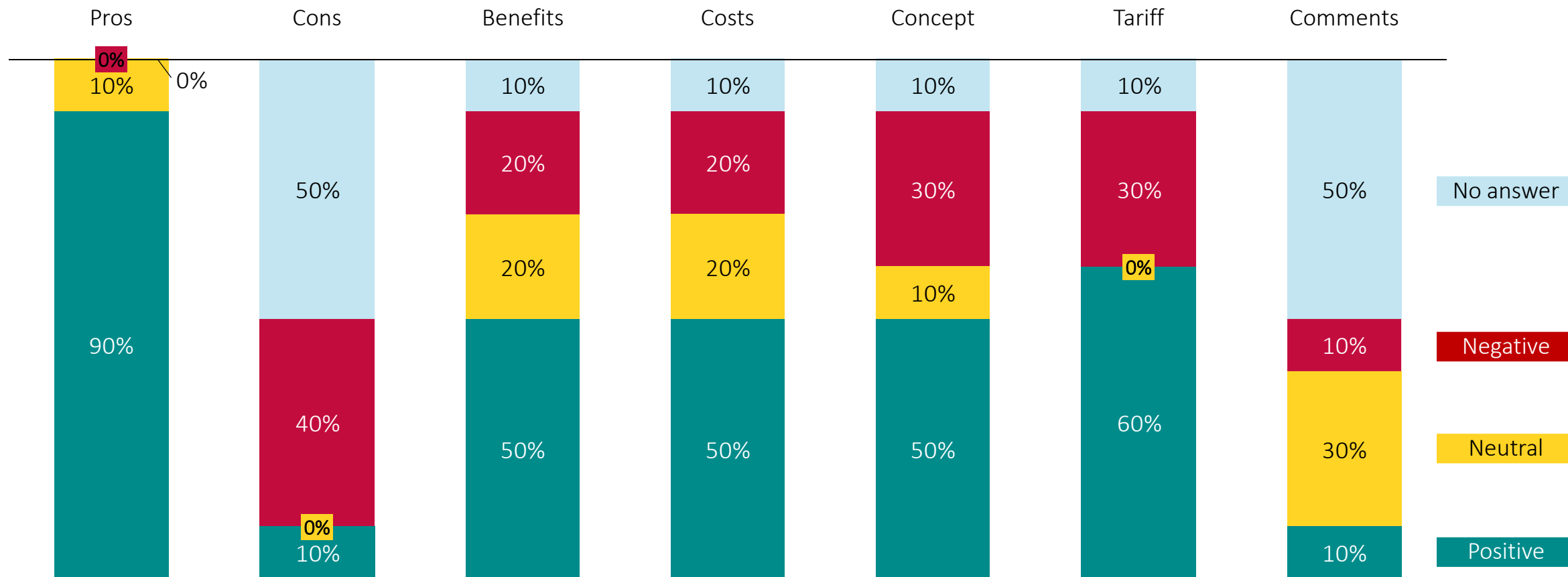
No answer



THE BIG PICTURE IS POSITIVE

But, the general comment is that more information is needed!

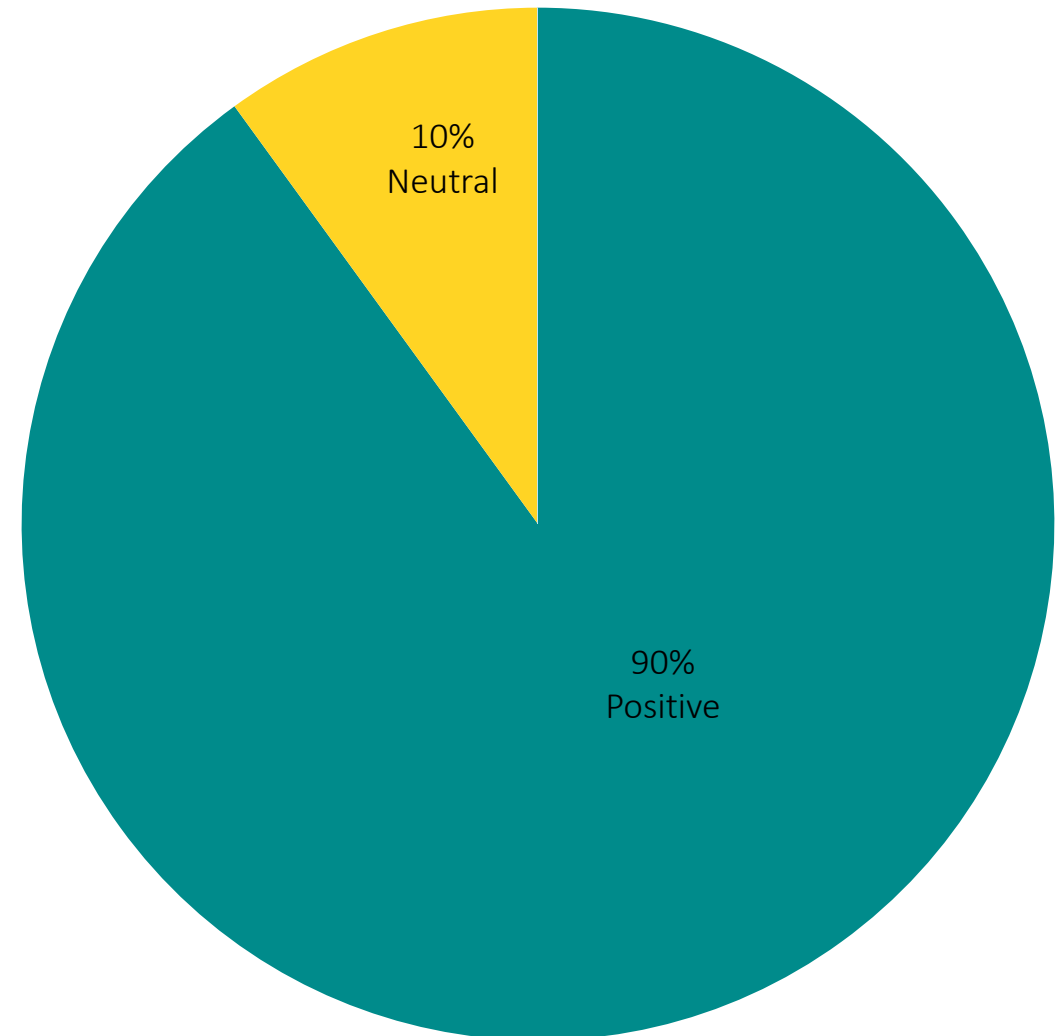
More detail information - also on the costs and benefits.



PROS WITH JBZ

“What do you see as pros and cons with a joint balancing zone for the Danish and Swedish gas market?”

- The majority of the market players see many pros, among others:
 - Increase of overall market efficiency
 - Imbalance might decrease
 - Strengthen the competition
 - Increase liquidity on WD market
 - Improvement of SoS

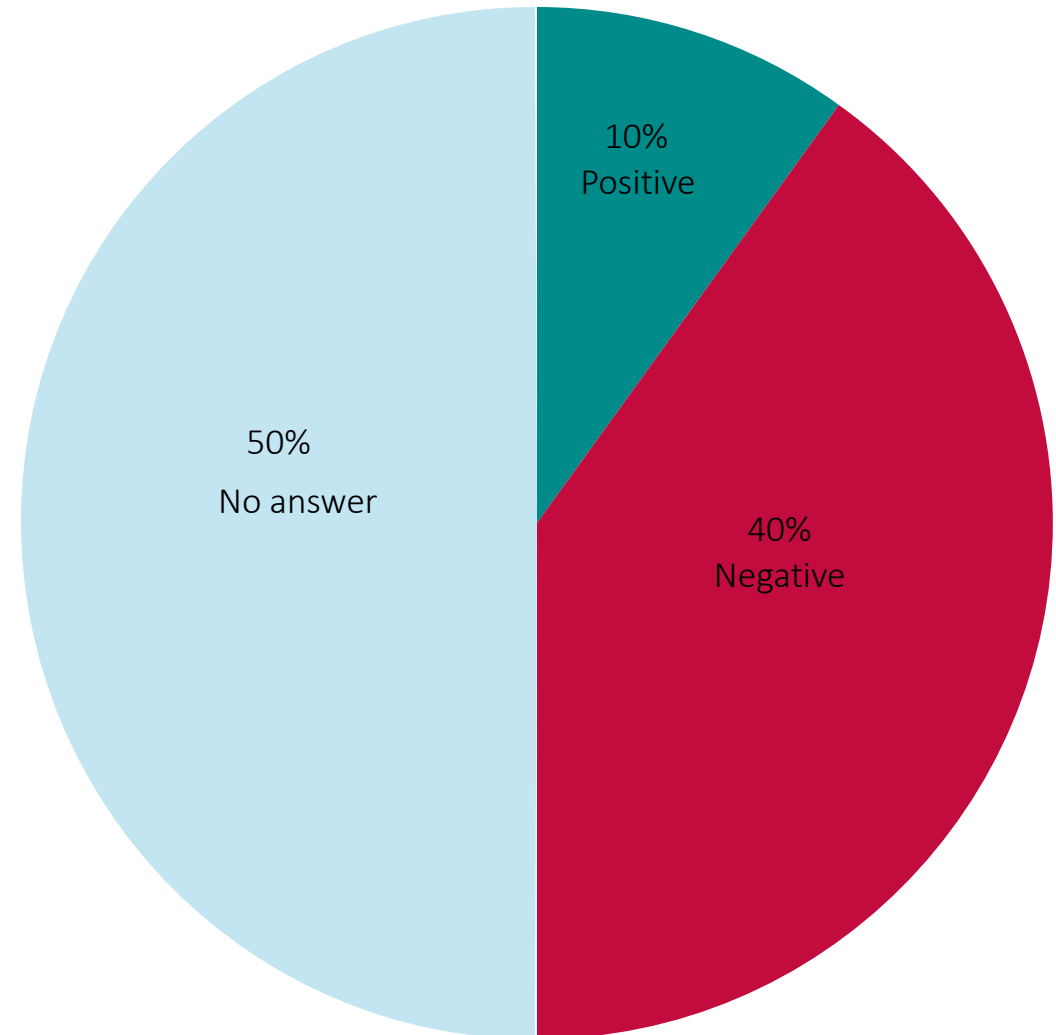


CONS WITH JBZ

“What do you see as pros and cons with a joint balancing zone for the Danish and Swedish gas market?”

Examples of what the market replied:

- Very early stage and many uncertain factors
- Risk of tariff increases

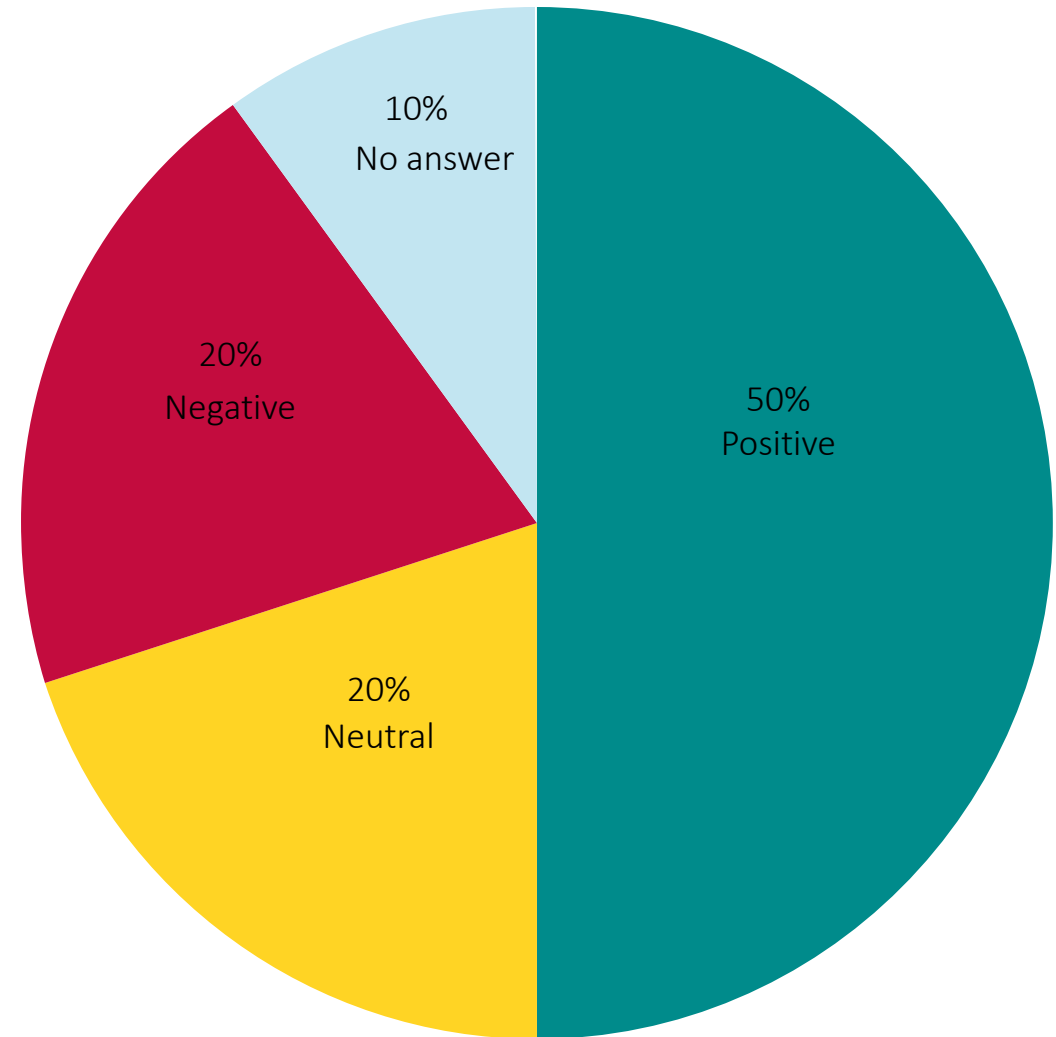


BENEFITS WITH JBZ

“What benefits and costs would you expect to incur if the joint balancing zone is implemented?”

Examples of what the market replied:

- “Less costs to deliver Gas to Sweden as Exit Dragör is not necessary anymore”
- TSO comment: Energinet will be compensated for the tariff loss in Dragør Exit
- JBZ may attract new market players and improve competition

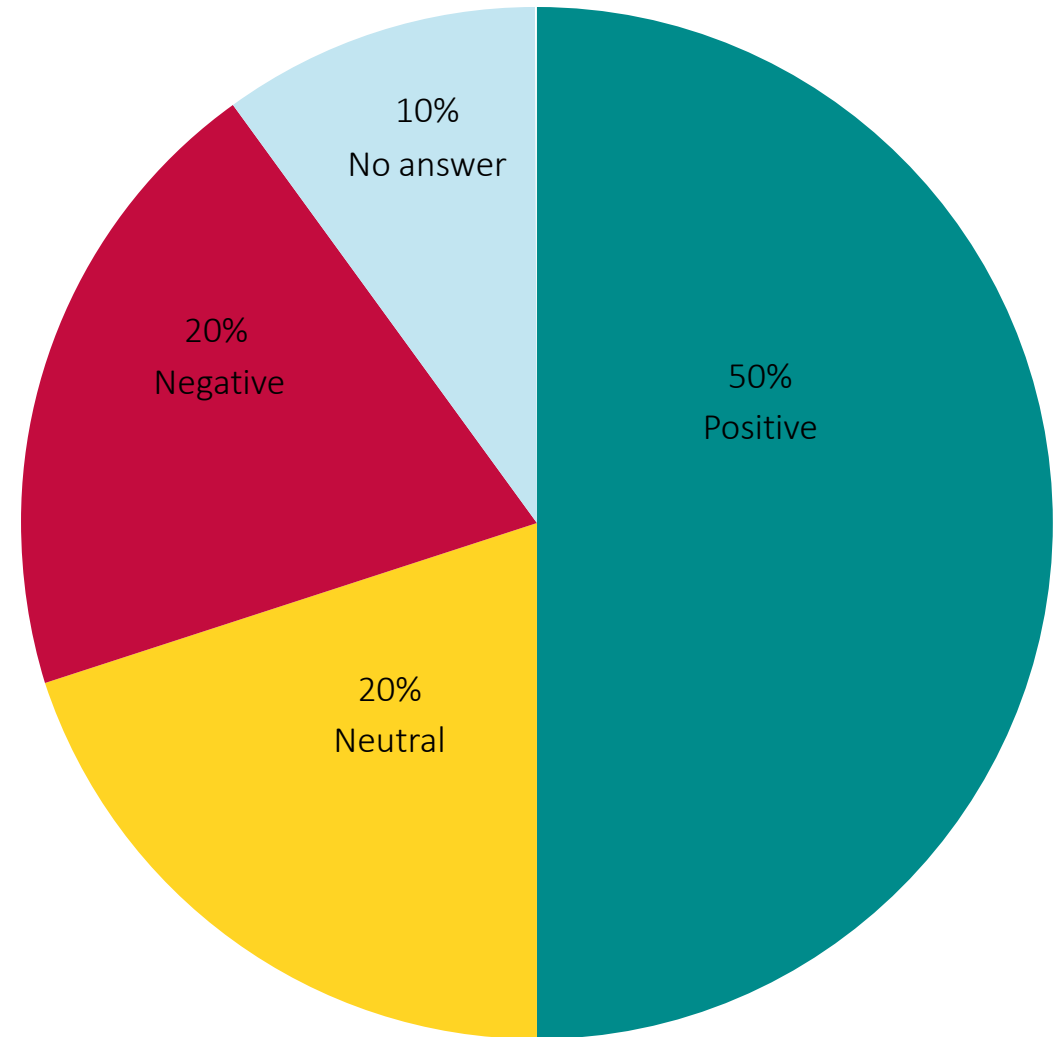


COSTS WITH JBZ

“What benefits and costs would you expect to incur if the joint balancing zone is implemented?”

Examples of what the market replied:

- “On the contrary the proposal outlines a need to raise prices towards the end customer, due to increased costs for the DSO. That is not a positive development for the Swedish gas market where the volumes are already declining”.
- Cost and benefits needs to be more specified

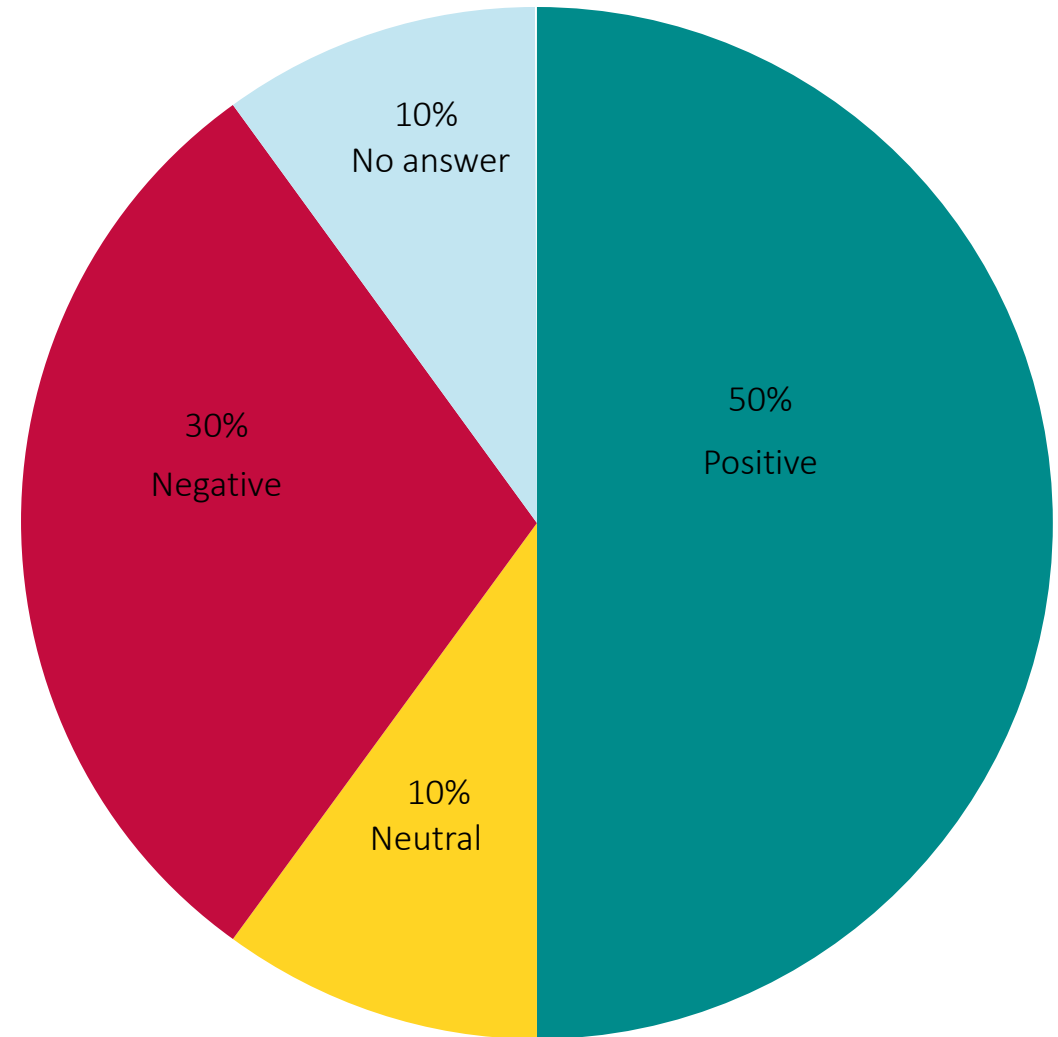


CONCEPT MODEL

“Do you have any considerations with regards to the main principles of the concept model?”

Examples of what the market replied:

- “The fact that SoS remain a national matter and that the Dragør flow is regulated in a SoS situation introduce uncertainly/risk”.
- “Do not see that the system will lower costs for customers”.
- Must be as simple and cost effective as possible
- ”Considerations with regard to the benefits being given mostly to the Swedish customers and the cost being payed by the Danish customers”.

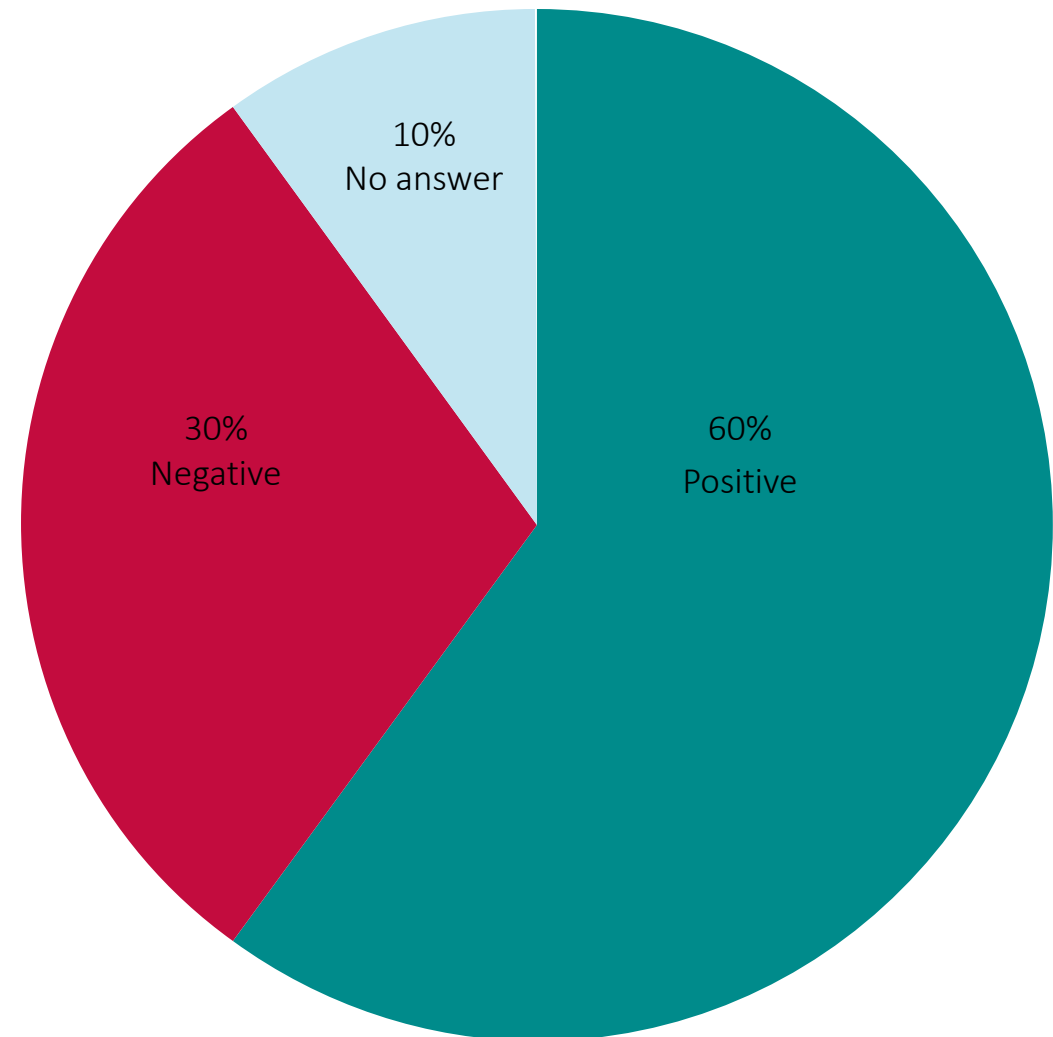


TARIFF IN DRAGÖR

“Do you have any considerations on the principles on how to allocate the missing revenue in Dragør proposed in the consultation material?”

Examples of what the market replied:

- “Since we are paying exit Sweden and some fee for compensating for lost revenue from Dragör capacity, we can not see that the system will lower costs for customers”.
- “Benefits and cost are unfairly distributed.”

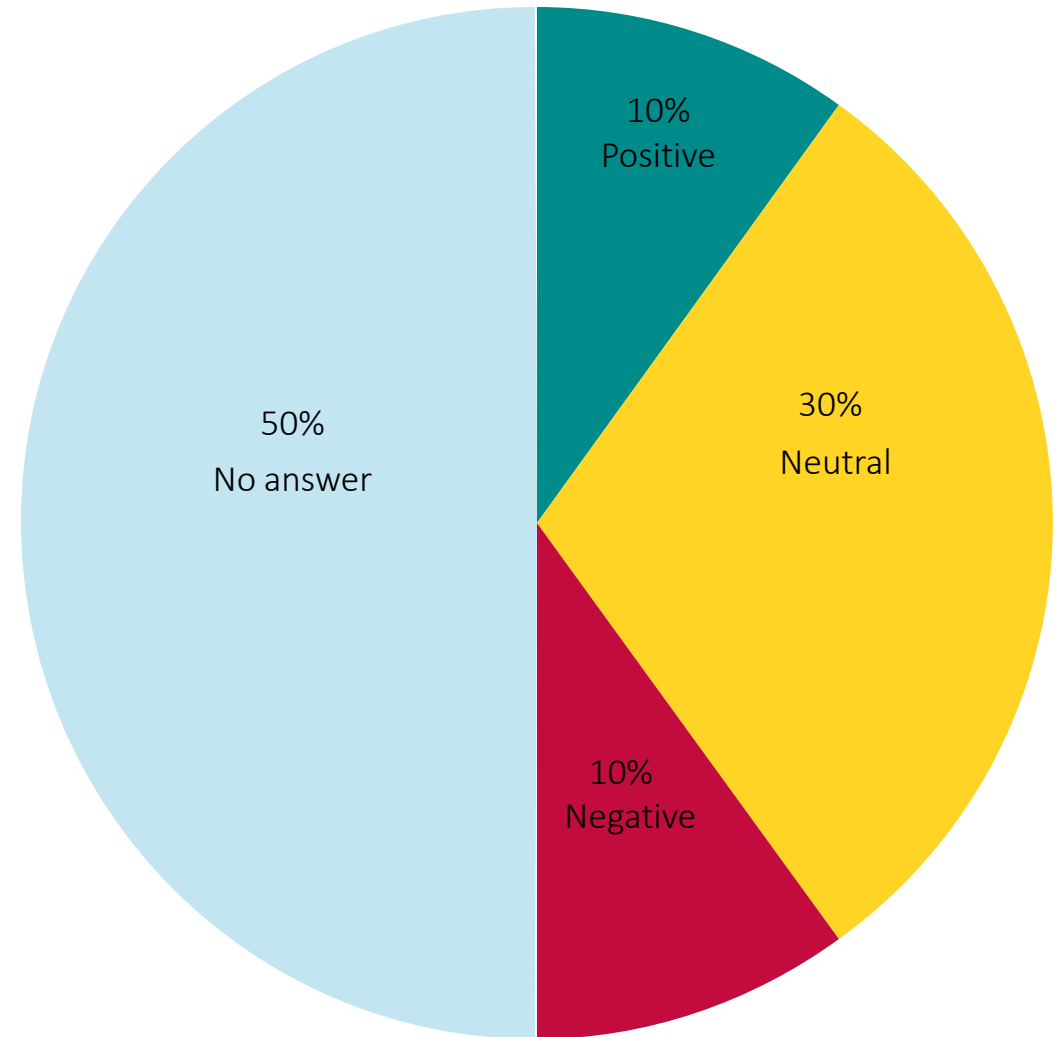


COMMENTS

“Other comments and remarks”

Examples of what the market replied:

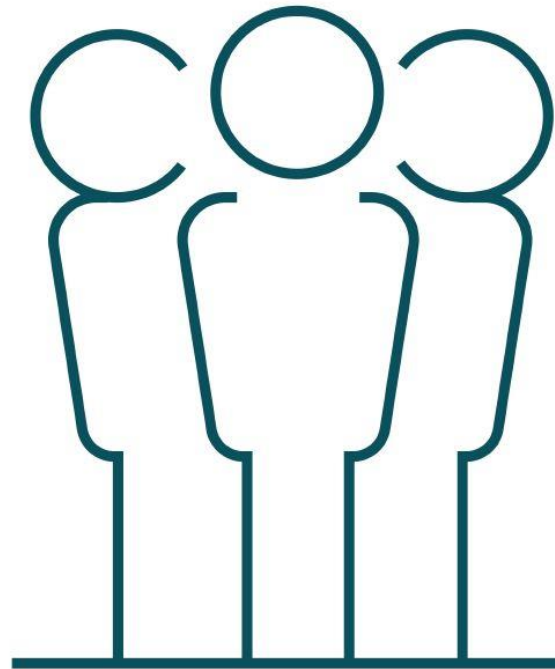
- “We expect that Energinet and Swedegas will return to all participants, before they take a decision”
- “We expect to receive an articulate outline of benefits for us and our customers.”



THANKS FOR YOUR REPLIES

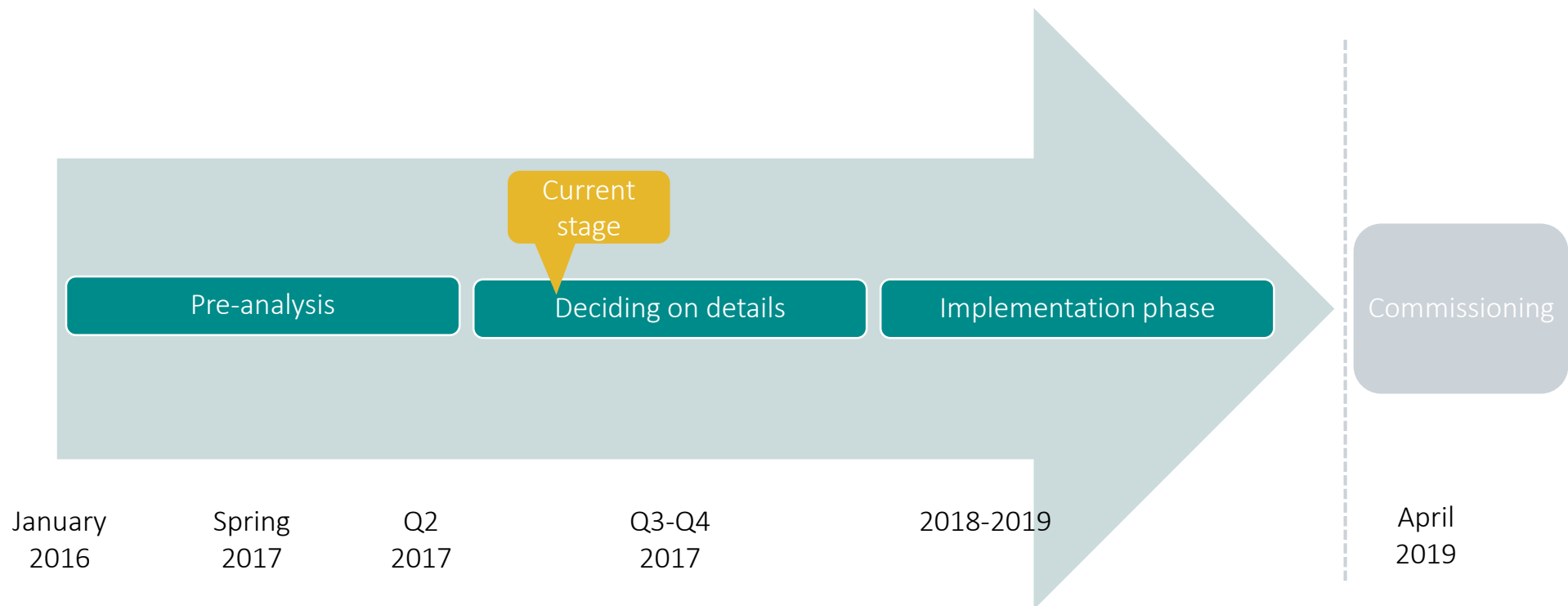
Selected comments have been presented.

All comments will be taken into consideration in the future work.



TIMELINE

Commissioning in 2019 estimated to be feasible



QUESTIONS



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