

JOINT BALANCING ZONE

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CONTENT

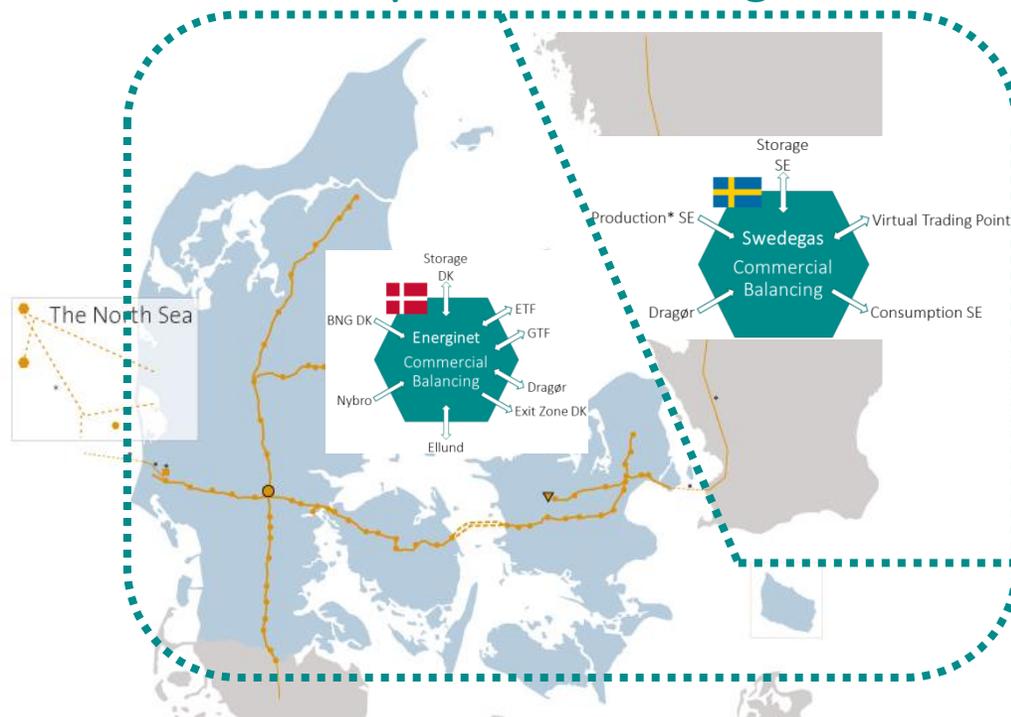
- Introduction
- Time table
- Public consultation
- Tariffs
- Investments & OPEX
- User Group Summary



TWO BALANCING ZONES BECOMES ONE

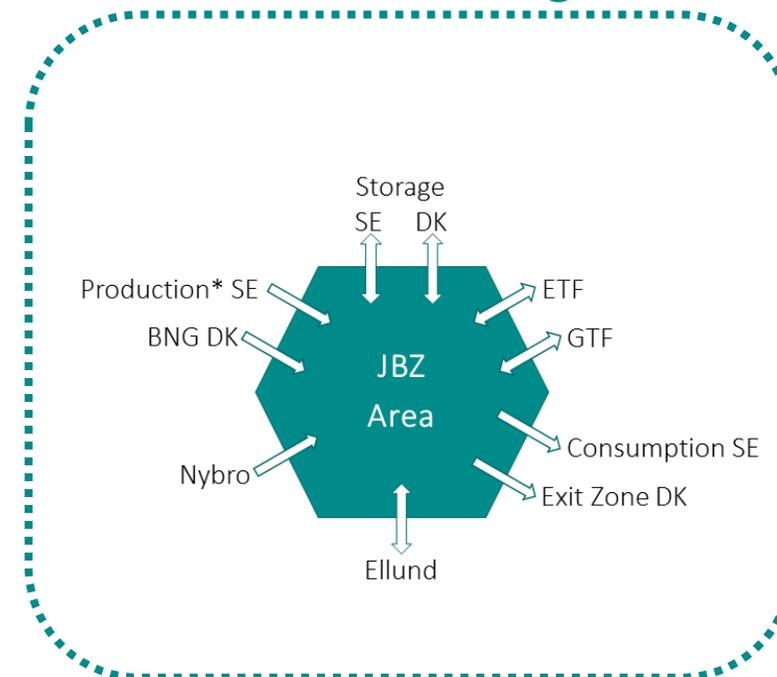
Today

Two separate balancing zones



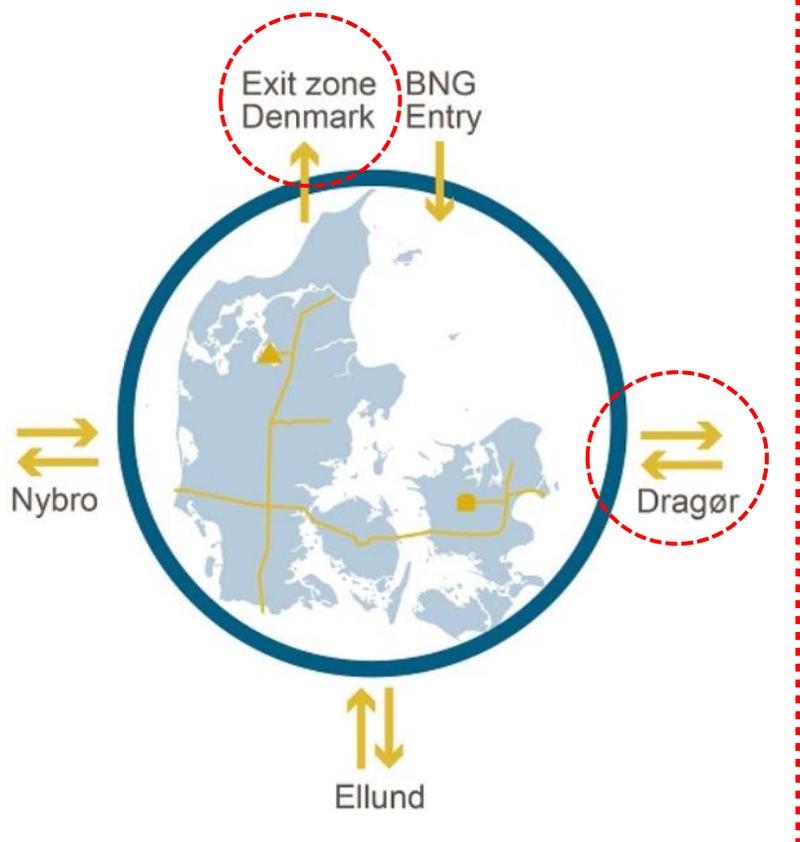
JBZ

One Joint Balancing Zone



CHANGES TO THE DANISH CAPACITY MODEL

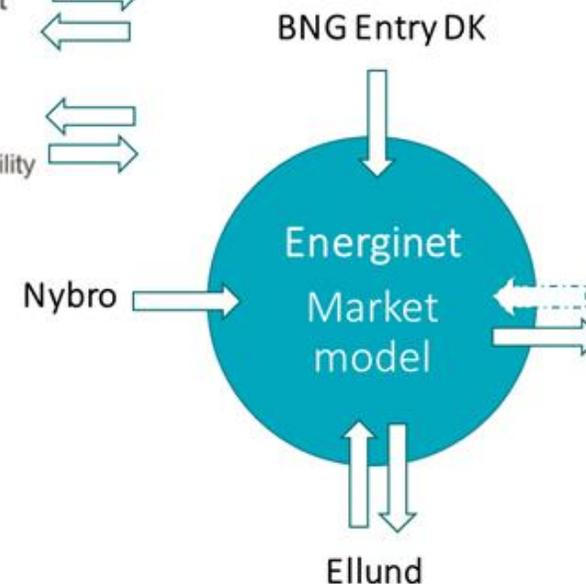
No change in tariff structure
(capacity and volume)



Collective Storage Point



Virtual points
GTF – Gas Transfer Facility
ETF – Exchange Transfer Facility



1. Pooling exit capacity (Sweden and Denmark)
2. Allocation per shipper per hour:

Zone Sweden:
New Swedish portfolios (= net Swedish consumption, production and storage)

Zone Denmark:
Existing DMS and nDMS portfolios

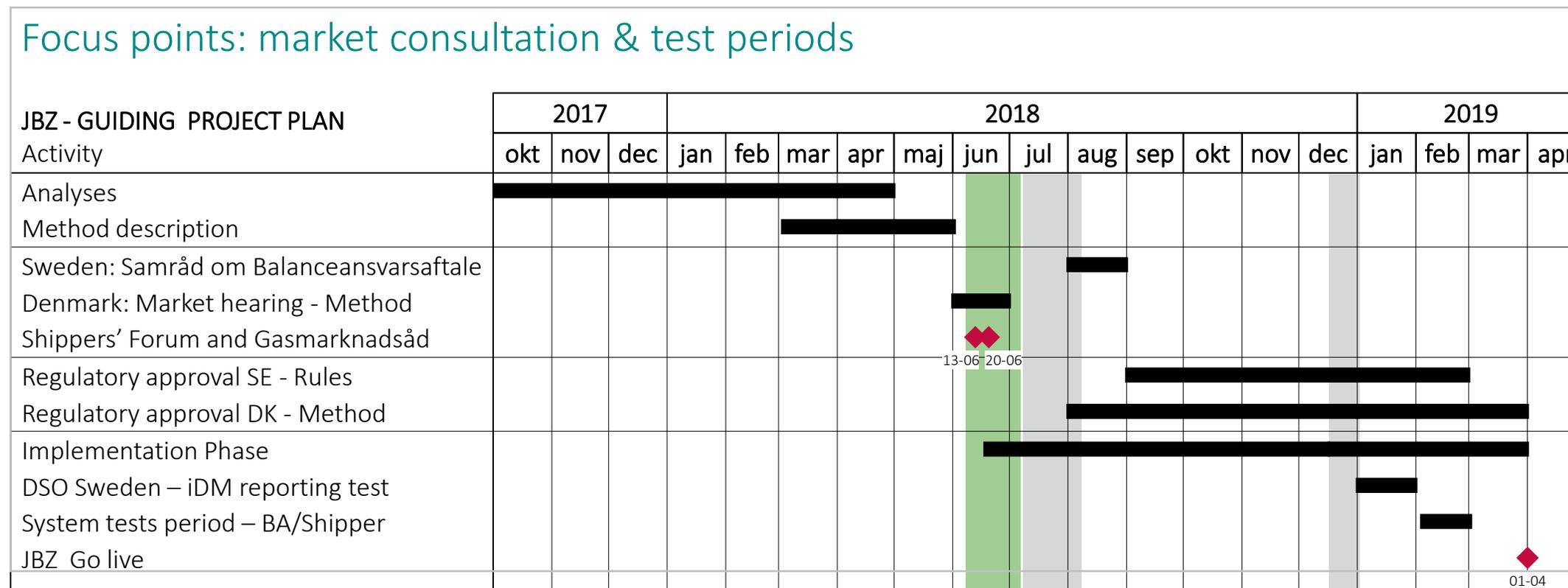
Virtual Exit Zone:

- [Exit Zone Sweden*]
- [Exit Zone Denmark]

* From Sweden there can also be booked interruptible capacity in reverse direction (as Dragør today).

GUIDING PROJECT PLAN

Focus points: market consultation & test periods



PUBLIC CONSULTATION

Forwarded to market on 8th June 2018

Consultation until 6th July 2018

Next steps

- Specific topics will be forwarded for approval by DERA
- Market consultation Sweden – August 2018
- Implementation expected 1 April 2019

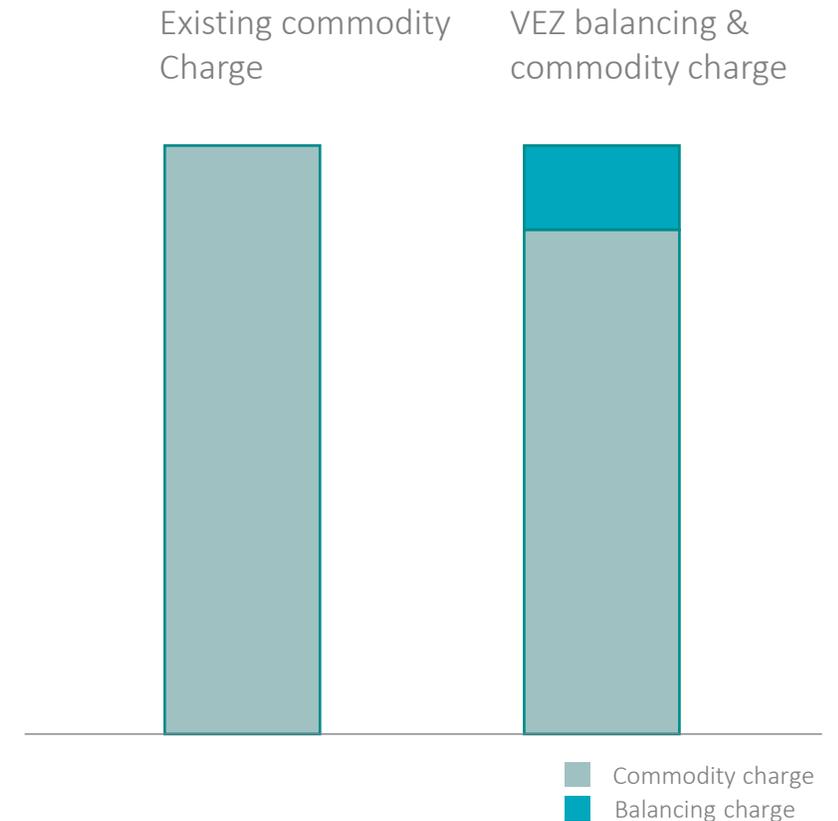
Topics for DERA approval

- New market model
- New balancing model
- Tariffs

ENERGINET	
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Dok. 15/12743-38 TI arbejdsbrug/Restricted	

TARIFFS

- **Capacity charge**
 - Current Dragør capacity charge replaced by VEZ capacity charge
- **Balancing charge**
 - A separate balancing charge is split from the commodity charge
 - Covers the cost of operating the commercial balancing
 - Cost level will not increase, but transparency will.
- **Trading of balancing gas**
 - Energinet keeps a separate account for balancing trading
 - No profit or loss from this trade over time
 - To ensure transparency Energinet will present the balance of the account on a regular basis.



INVESTMENTS & OPEX

Energinet does not foresee additional OPEX related to balancing in the Joint Balancing Zone compared to today

There will however be a one-off cost for the IT implementation project. The combined cost from both Swedegas and Energinet is budgeted to 3.6 mDKK.

This one-off cost will be divided between the two TSOs according to the proportion of annual gas consumption in their respective markets

DEDICATED WEBSITE

One place to find latest news and the complete published material on the Joint Balancing Zone



<https://en.energinet.dk/Gas/Shippers/Swedegas-Joint-Balancing-Zone>

QUESTIONS



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