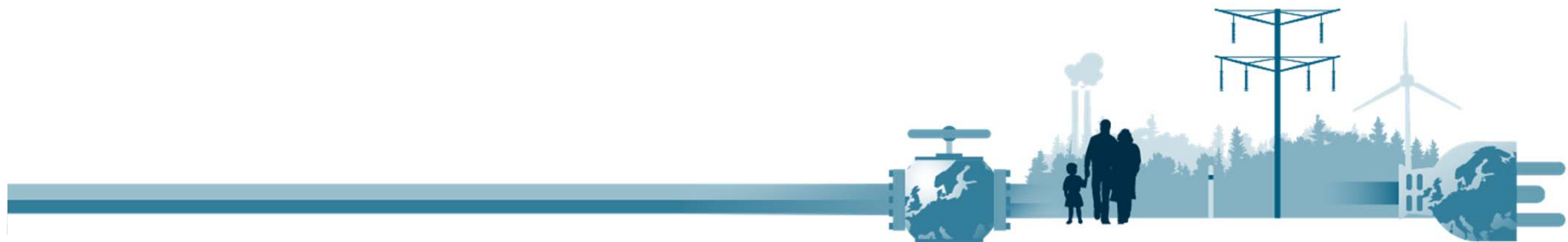




Welcome to Shippers' Forum

Jeppe Danø, 8 December 2016



Sikkerhed i Energinet.dk

Safety at Energinet.dk



Sikkerhedsguide
Host



Nødudgange
Emergency exit



Hjertestarter
Defibrillator (AED)



Samlingssted
Meeting point

Agenda

- 12-13 *Lunch and networking*
- 13:00 **Welcome**
Jeppe Danø, Energinet.dk
- 13:15 **Status on the Supply Situation**
Jess Bernt Jensen, Energinet.dk
- 13:25 **Open Season status**
Christian Rutherford and Julie Frost Szpilman, Energinet.dk
- 13:45 **Gas Market Development**
Stanislaw Brzeczowski, GAZ-SYSTEM
- 14:05 *Coffee break and networking*
- 14:35 **EU Security of Supply Regulation**
Karen Ørsted Pedersen, Danish Energy Agency
- 14:50 **Gas Storage Denmark A/S**
- 15:00 **End of programme**

Two method approvals in one week...

1. Trade windows during weekends & official holidays approved from 1 April 2017:

Afgørelse:

Sekretariatet for Energitilsynet skal meddele Energinet.dk, at:

Sekretariatet for Energitilsynet *godkender* Energinet.dk's anmeldte justering af den kommercielle balancemodel, jf. naturgasforsyningslovens § 36 a, stk. 1, og balancekoden i det hele.

Sekretariatet for Energitilsynet godkender, at:

- Energinet.dk ændrer handelsstrukturen i den kommercielle balancemodel for Energinet.dk's gulzonehandler, således at der på alle dage i året er ét kontinuerligt handelsvindue mellem kl. 9.00-18.00 og to handelsvinduer om aftenen.

2. Automatic allocation of capacity when over-delivery at exit zone and BNG entry:

Afgørelse:

Sekretariatet for Energitilsynet skal meddele Energinet.dk, at:

Sekretariatet for Energitilsynet *godkender* Energinet.dk's anmeldte metodeelementer, jf. naturgasforsyningslovens § 36 a.

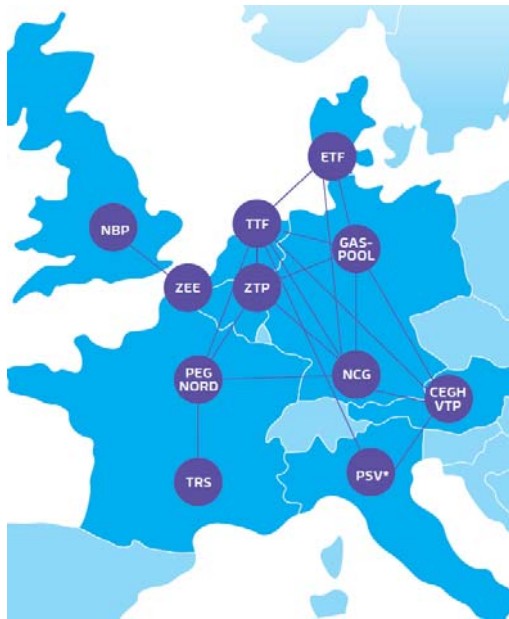
Sekretariatet for Energitilsynet godkender, at:

- Energinet.dk fjerner overleverancegebyret i Exitzonen og BNG entry
- Energinet.dk automatisk tildeler transportkunderne døgnkapacitet efter udgangen af hvert gasdøgn.

Expected change of the credit line procedure

- Today, the credit limit will usually be covered by a credit insurance taken out by Energinet.dk from external sources
- Energinet.dk has reassessed this setup and has found that the cost of a low level of insurance is high
- To have a satisfactory level of insurance would require a very expensive insurance even though the insurance would cover big and well-established companies
- Therefore, Energinet.dk will arrange for in-house insurance, reducing the cost, without increasing the risk
- The same method will be applied when considering credit lines for shippers, and maintaining the same level of service so that shippers will not experience any change in their credit line
- Energinet.dk will consult the market on this subject, by mail starting tomorrow and until **23 December 2016**
- Change expected for spring 2017, subject to DERA approval

Successful launch of Danish ETF products on November 17th



The Gaspoint Nordic ETF products was...

- Smoothly launched at the PEGAS platform on November 17th
- Alongside new locational spread products further connecting the German, Dutch and Danish gas markets

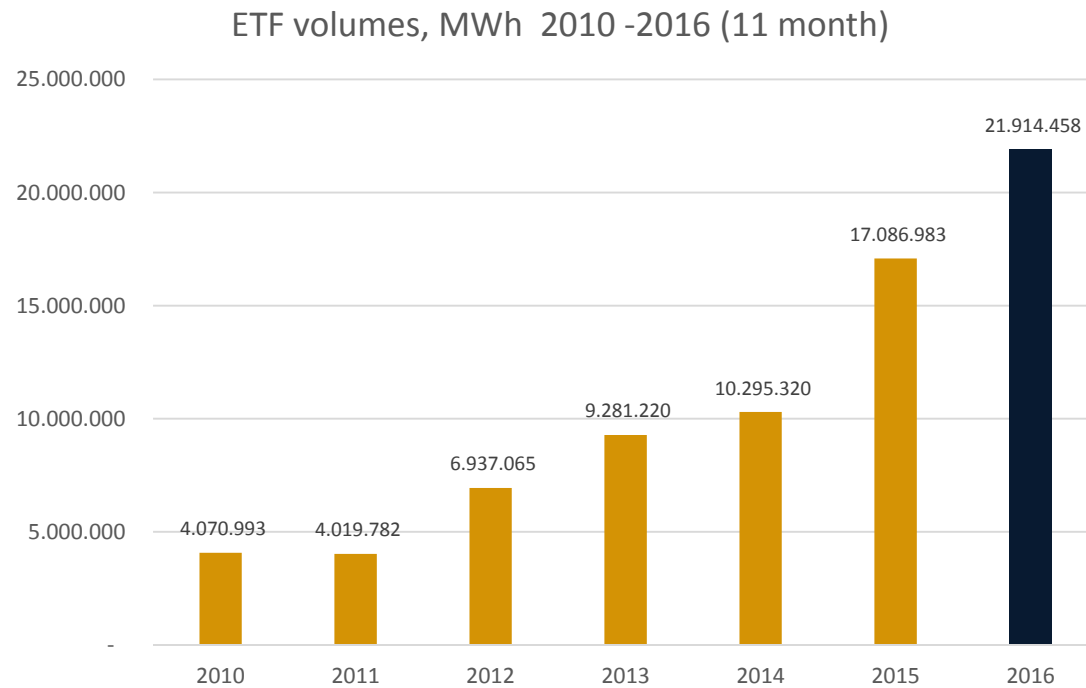
Well received by trading members

- All products traded at launch date – including new spread offerings on spot and futures
- Nov-16 ETF trading (combined Gaspoint Nordic and PEGAS) has reached an all time monthly high of 2.641 GWh 😊

PEGAS offers a unique opportunity for the development and growth of Danish ETF through...

- A pan European approach to product/market development
- A diverse community of up to +200 trading members
- Additional futures products (beyond M+1) that can easily be listed
- Reduced technical and trading fees

Strong volume growth in year 2016



Tariff – 2017/2018

Gas Transmission



Cost base - Breakdown of OPEX and CAPEX

<i>MDKK</i>	Expected result 2018
Operational expenditure (OPEX):	
Personnel	101
Other operational costs*	96
OPEX Total	197
CAPEX:	
Depreciation	135
Financial costs (net)	55
CAPEX Total	190
Expenditure combined	387

*Other operational costs include: "SOL" (System Operator Storage), external services and payment to DEA & DERA and taxes

NOTE: All information in relation to 2017/2018 tariffs are indicative. Reservation prices for the capacity auctions for 2017/2018 will be published February 2017.

Transmission tariffs 2017/2018 (indicative)

	Tariffs	Tariffs	Difference
	2016/2017	2017/2018	%
Transmission tariffs			
<i>Entry capacity (DKK/kWh/h/year)</i>	11.64	11.77	1%
Ellund	14.50	14.65	1%
Nybro, Dragør, BNG	9.30	9.27	0%
<i>Exit capacity (DKK/kWh/h/year)</i>	11.64	11.77	1%
Ellund, Nybro	9.30	9.27	0%
Exit zone, Dragør	13.04	13.06	0%
Volume (DKK/kWh)	0.00336	0.00381	13%

NOTE: All information in relation to 2017/2018 tariffs are **indicative**. Reservation prices for the capacity auctions for 2017/2018 will be published February 2017.

Transmission tariffs 2017/2018 (indicative)

	Tariffs	Tariffs	Difference
--	---------	---------	------------



In this world nothing can be said to be certain,
except death and taxes.

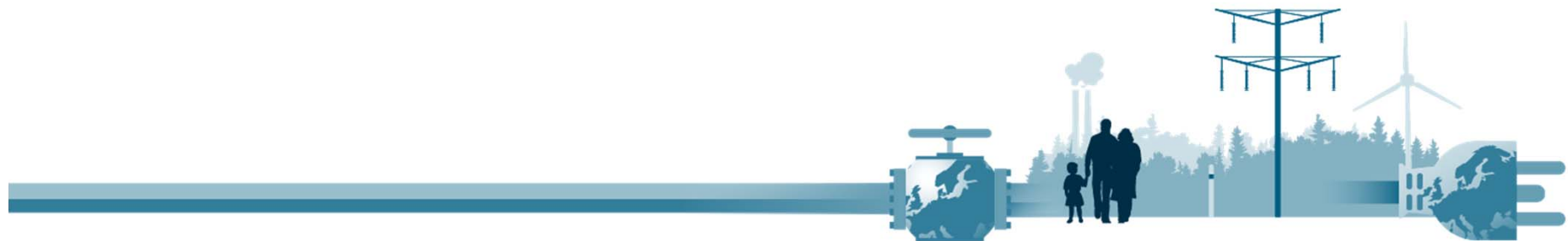
(Benjamin Franklin)

NOTE: All information in relation to 2017/2018 tariffs are **indicative**. Reservation prices for the capacity auctions for 2017/2018 will be published February 2017.

Asset Management

In the business unit Gas

Communication to external stakeholders



Asset Management certificate

- Certification to the international Asset Management (AM) standard **ISO55001:2014**



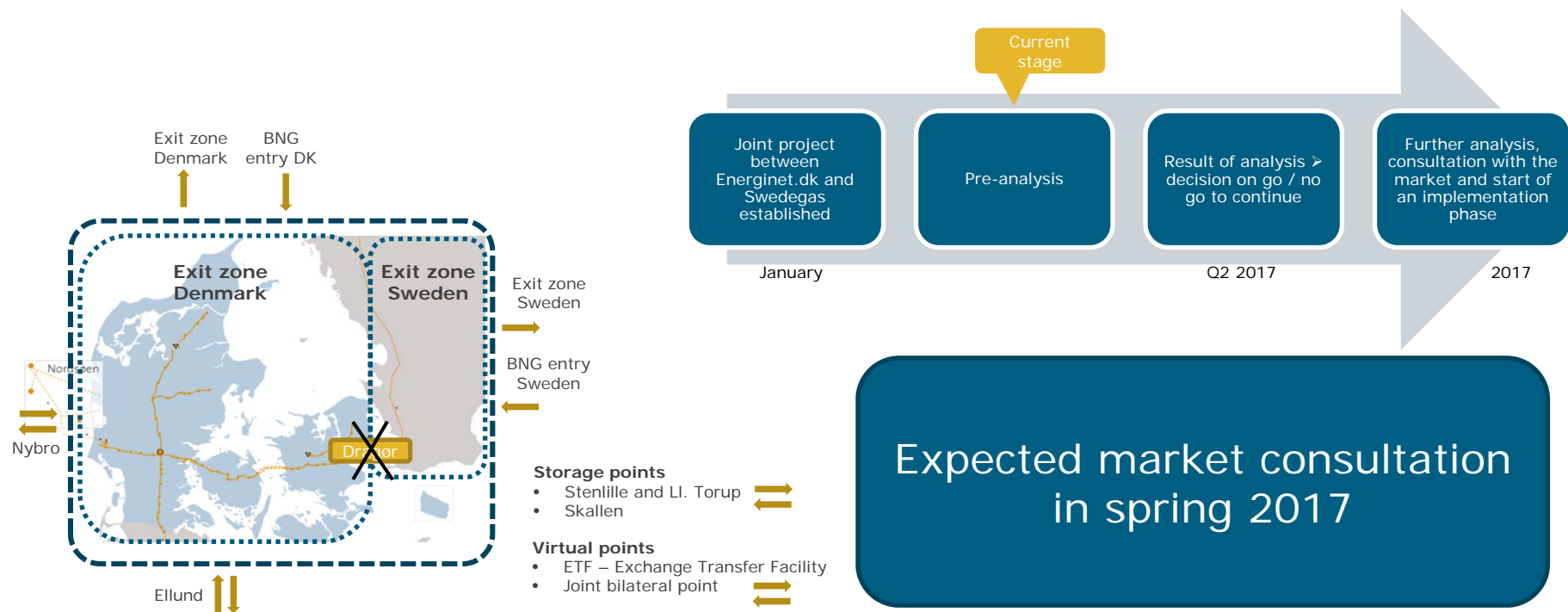
We make **coherent** and **transparent** decisions and work **effectively** to secure **value** from our assets to **society** and to our **owner**.

What are assets?

- Physical assets
- Market-based assets
- Data, IT systems, human resources and processes that integrate the above.

Joint balancing zone

- Status

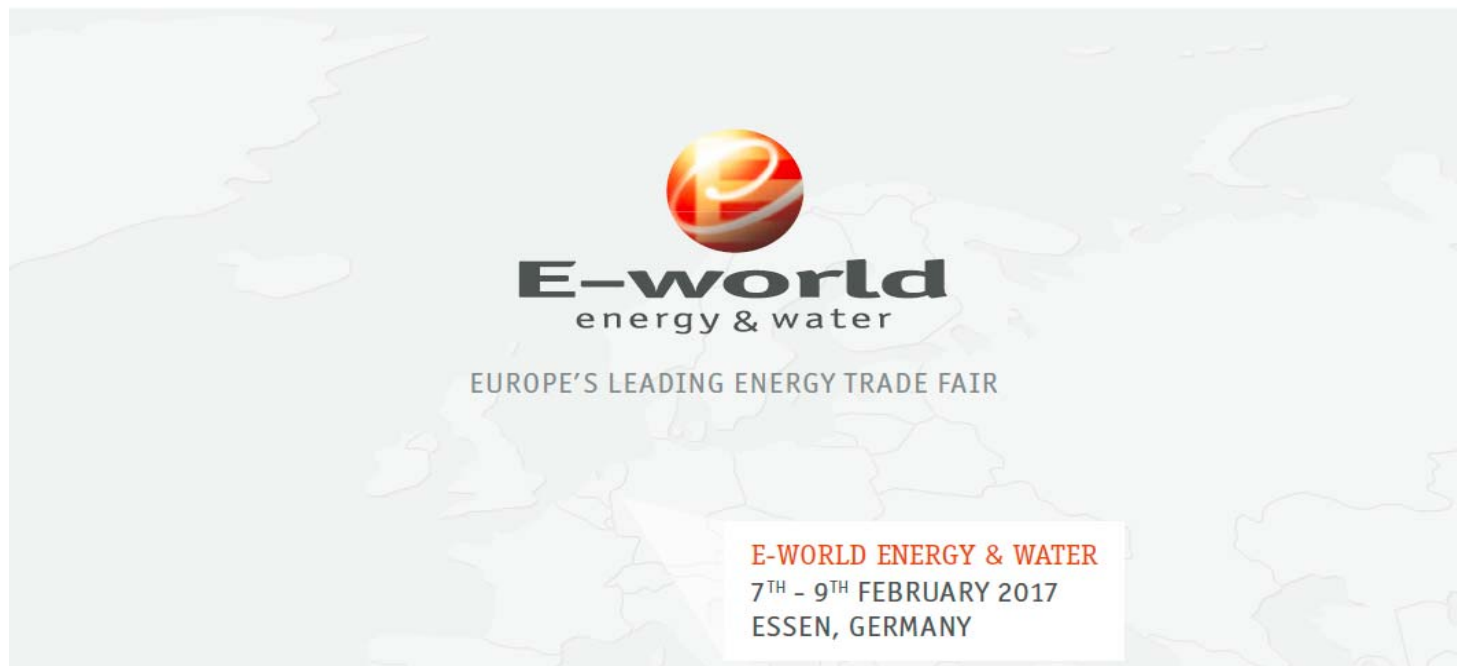


PRISMA secondary trading



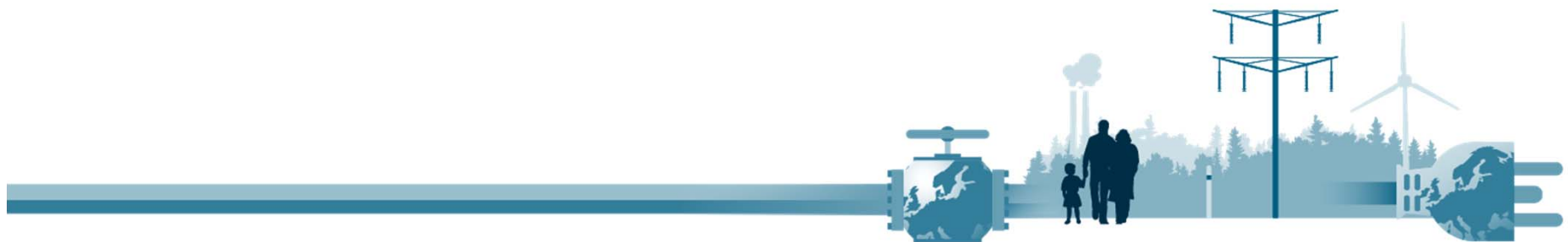
- Ellund capacity can be traded by the Shippers on the PRISMA secondary market
- Currently, only unbundled capacity
- From January 2017, also bundled capacity

See you at E-world...



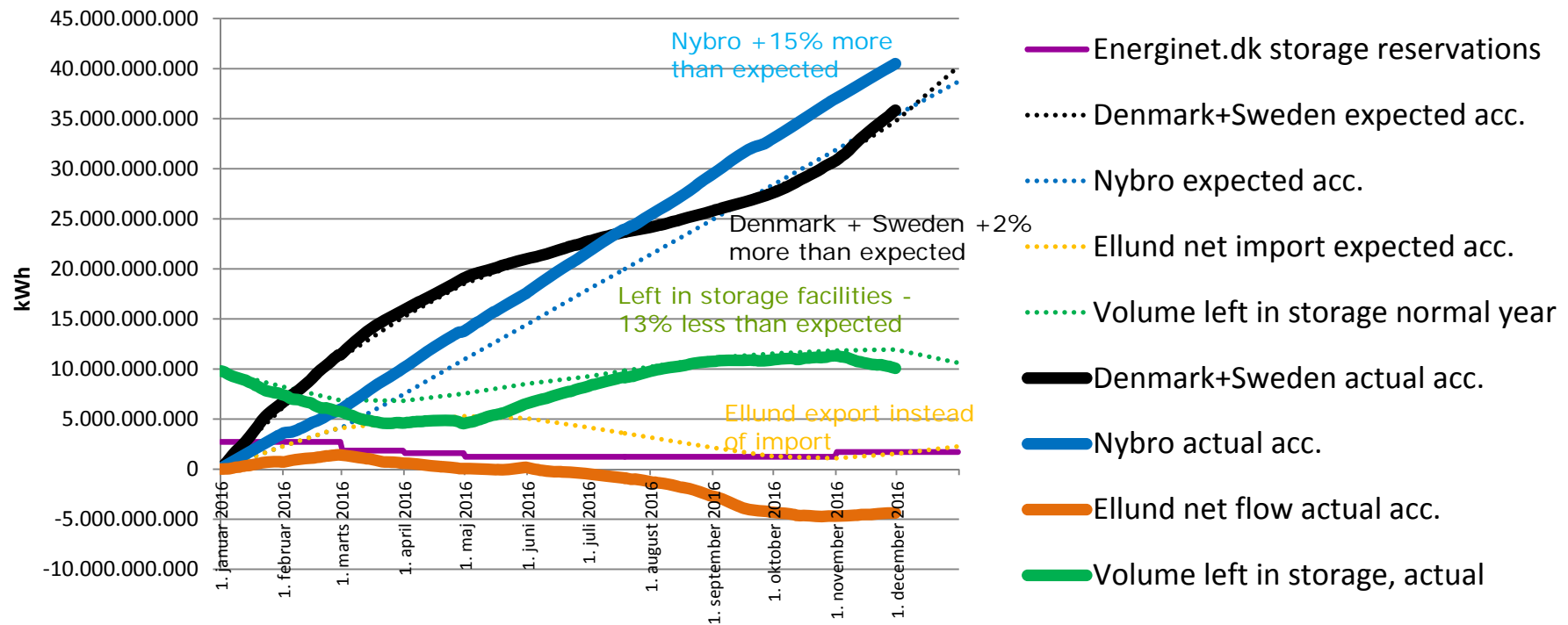
Status on the supply situation

Jess Bernt Jensen, 8 December 2016

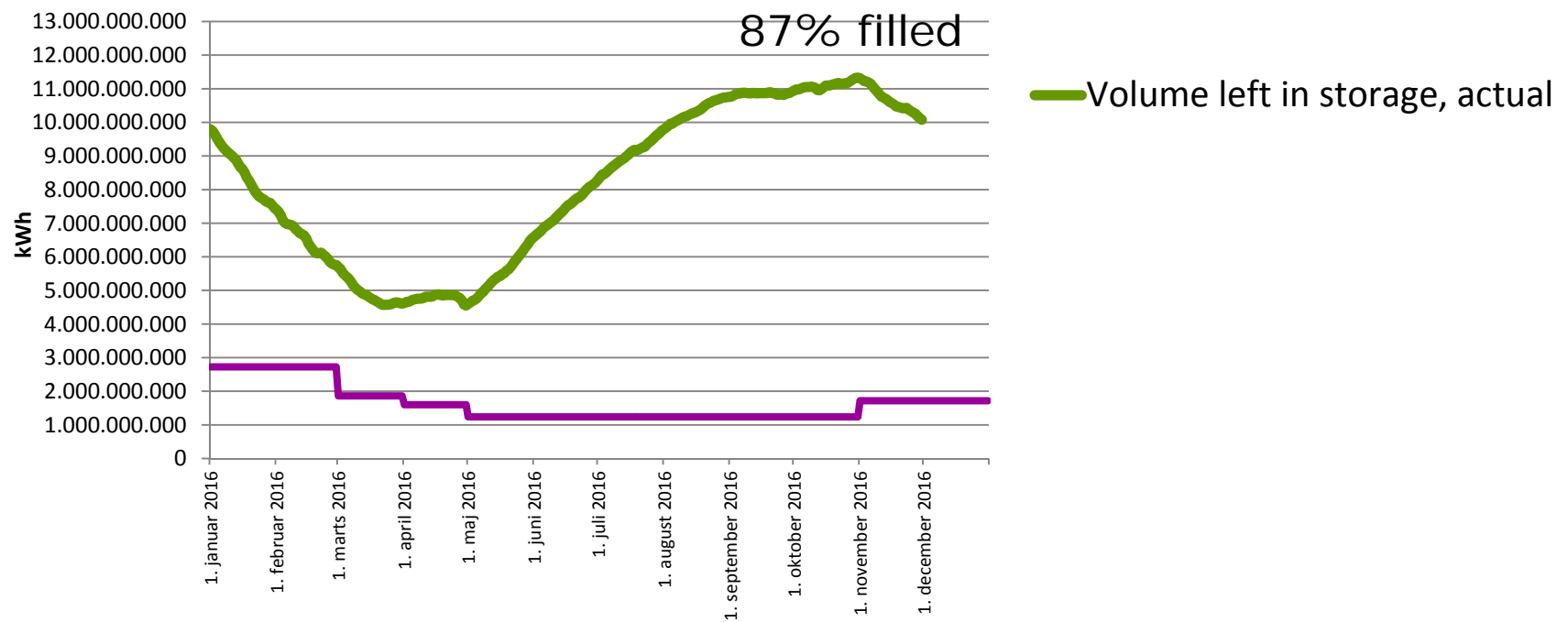


Klassificering:

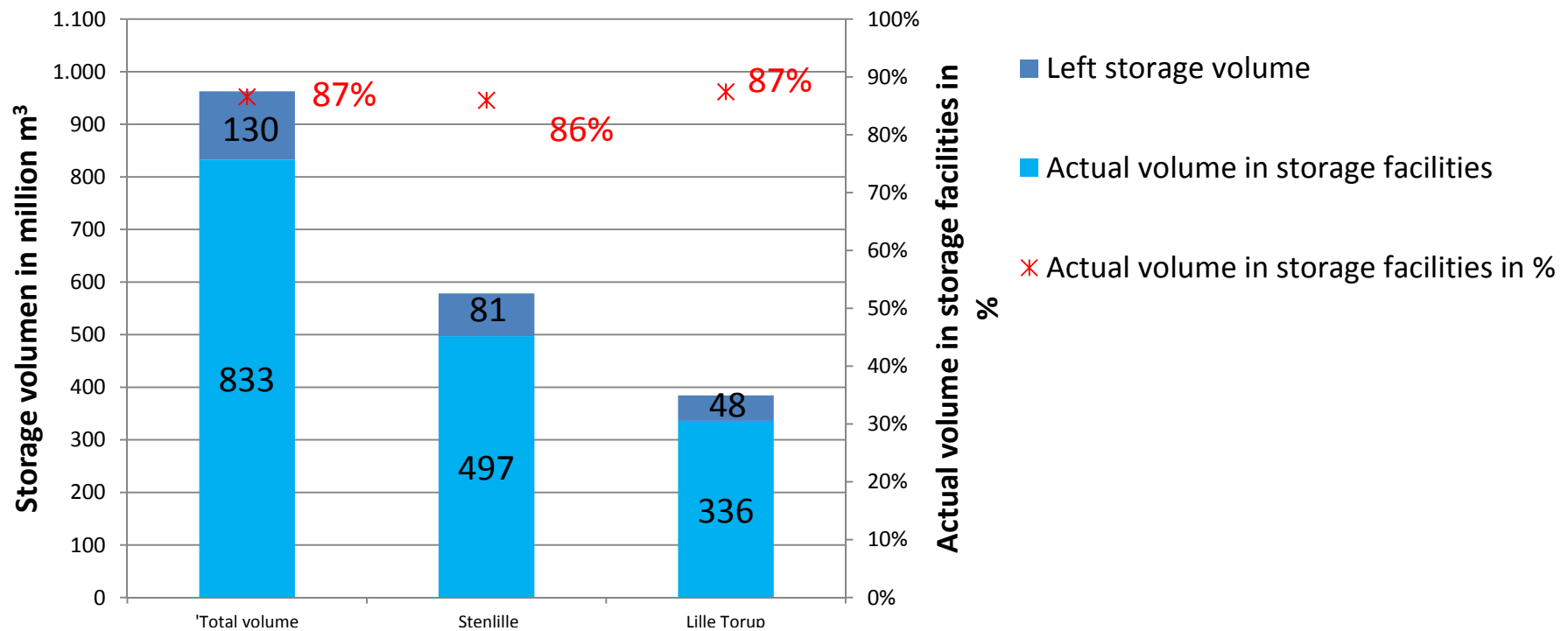
Status 1 december 2016



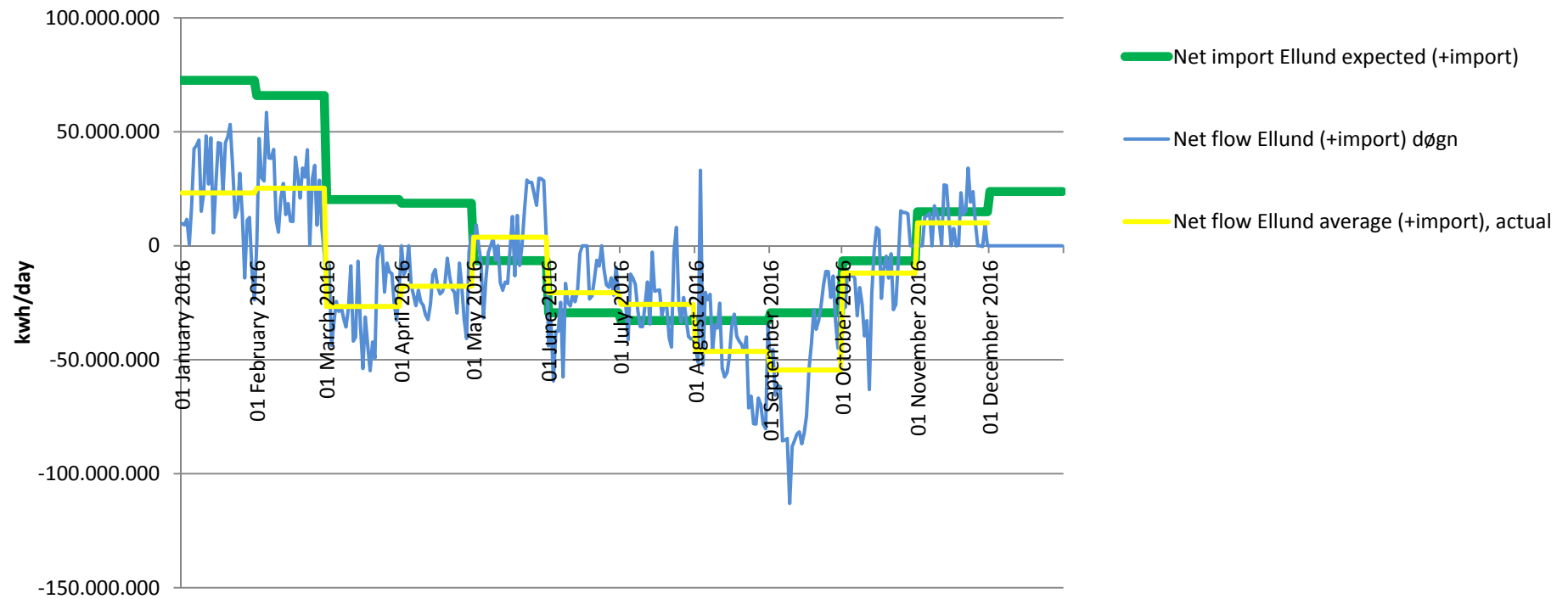
Left in storage facilities



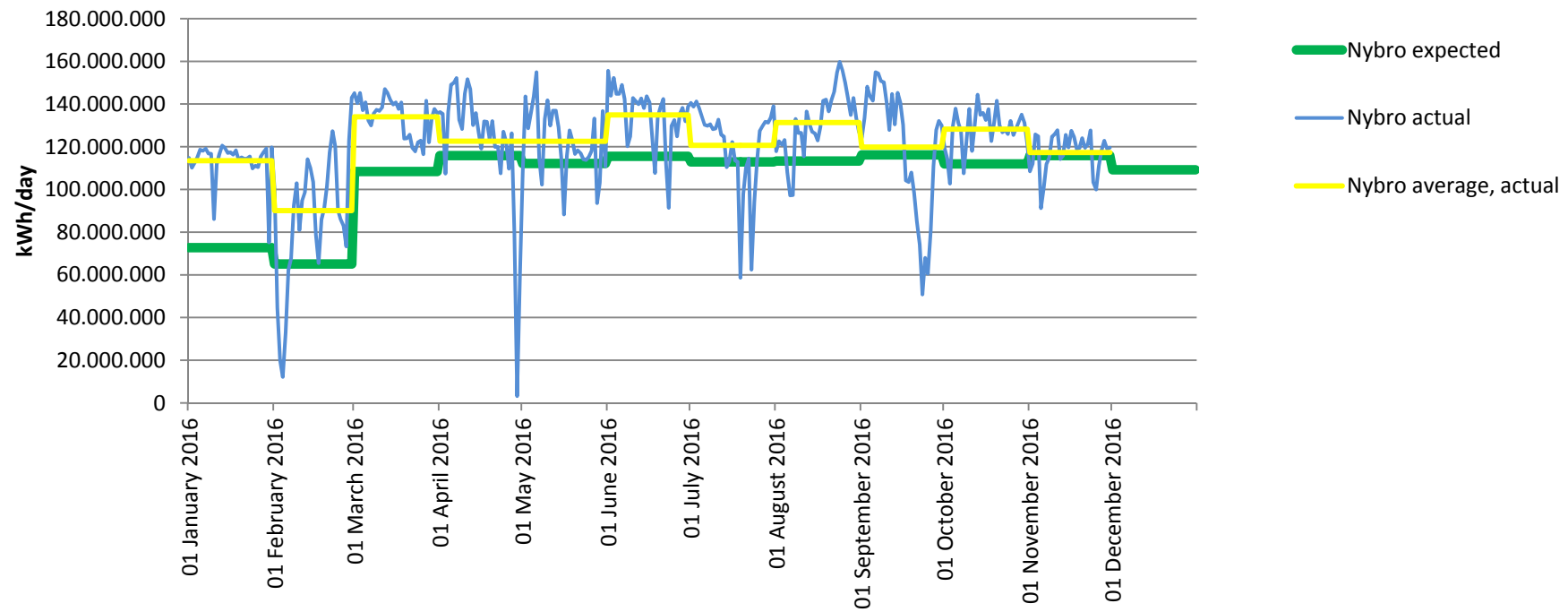
Left in storage facilities



Ellund net flow



Nybro



Gas Security of Supply Report

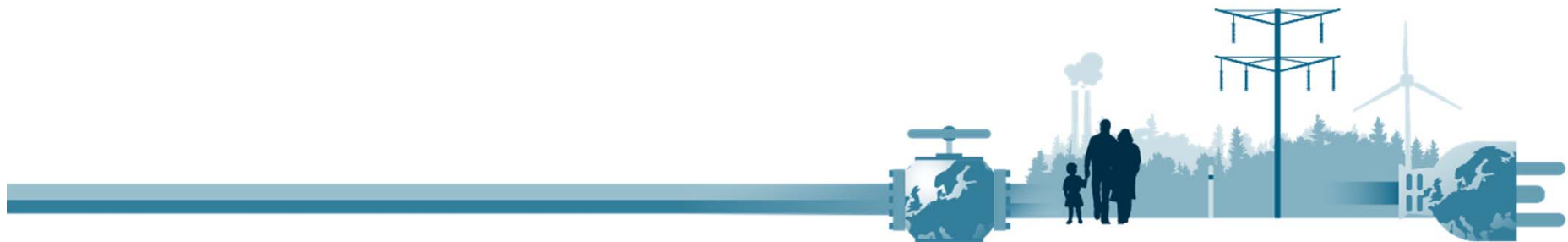
High security of gas supply in Denmark



<http://www.energinet.dk/EN/OM-OS/Periodiske-rapporter/Sider/default.aspx>

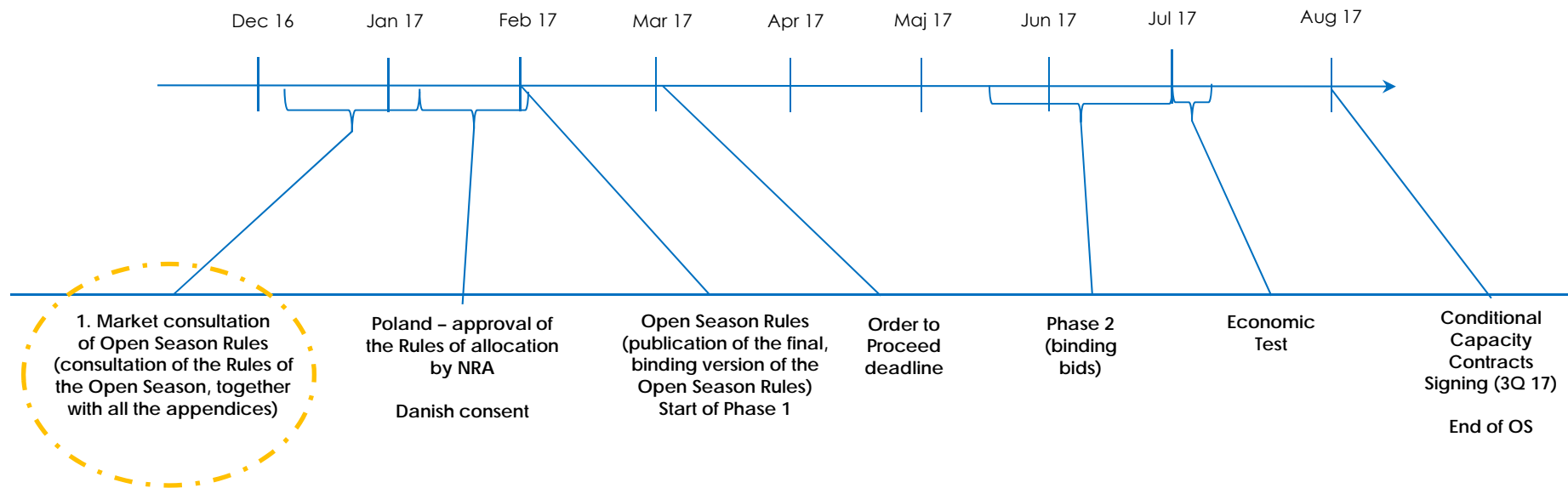
Open Season 2017

Julie Frost Szpilman and Christian Rutherford



Klassificering:

Prospective overall timeline for Open Season



Open Season 2017 Rules

General Appendices:

- Appendix 1: Phase 1 Order to Proceed Bid Form: North Sea Entry Point and Interconnection Point Baltic Pipe
- Appendix 2: Phase 2 Final Bid Form: North Sea Entry Point and Interconnection Point Baltic Pipe

Danish Appendices:

- Appendix 3: Rules applicable to participation in the Danish part of the OS 2017
- Appendix 3.A: Registration form
- Appendix 3.B: Guarantee
- Appendix 3.C: Draft of the OS 2017 Capacity Agreement
- Appendix 3.D: Standard Framework Agreement (Appendix 2 of the Rules for Gas Transport)

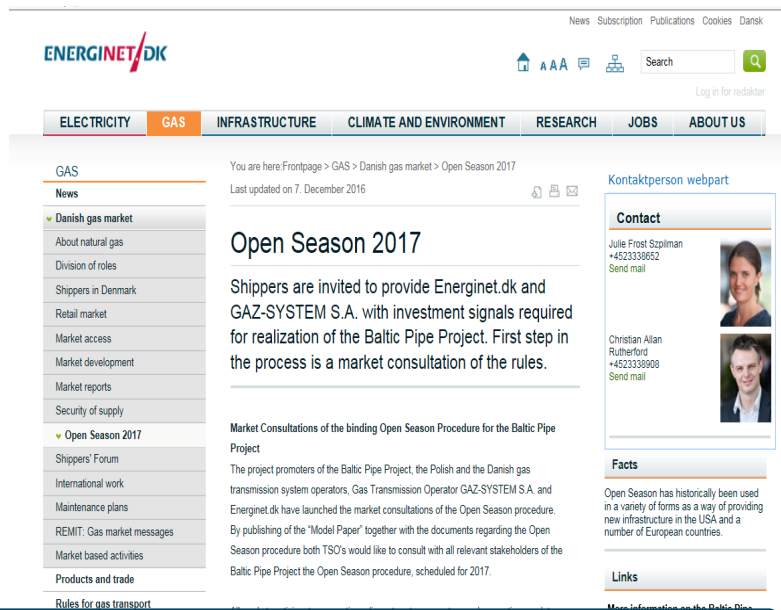
Polish Appendices:

- Appendix 4: Additional GAZ-SYSTEM's Rules for the Open Season 2017
 - Appendix 4.A: Transmission Network Code of GAZ-SYSTEM
 - Appendix 4.B: Tariff of GAZ-SYSTEM
 - Appendix 4.C: Registration form
 - Appendix 4.D: Framework transmission contract template
 - Appendix 4.E: Draft of the OS 2017 Capacity Agreement
-

Model paper



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ELECTRICITY **GAS** INFRASTRUCTURE CLIMATE AND ENVIRONMENT RESEARCH JOBS ABOUT US

GAS

You are here: Frontpage > GAS > Danish gas market > Open Season 2017

Last updated on 7. December 2016

Open Season 2017

Shippers are invited to provide Energinet.dk and GAZ-SYSTEM S.A. with investment signals required for realization of the Baltic Pipe Project. First step in the process is a market consultation of the rules.

Market Consultations of the binding Open Season Procedure for the Baltic Pipe Project

The project promoters of the Baltic Pipe Project, the Polish and the Danish gas transmission system operators, Gas Transmission Operator GAZ-SYSTEM S.A. and Energinet.dk have launched the market consultations of the Open Season procedure. By publishing of the "Model Paper" together with the documents regarding the Open Season procedure both TSO's would like to consult with all relevant stakeholders of the Baltic Pipe Project the Open Season procedure, scheduled for 2017.

Kontaktperson webpart

Contact

Julie Frost Szpilman
+4523338852
Send mail

Christian Allan Rutherford
+4523338900
Send mail

Facts

Open Season has historically been used in a variety of forms as a way of providing new infrastructure in the USA and a number of European countries.

Links

More information on the Baltic Pipe

www.energinet.dk/openseason2017



GAZ system

Services Tariff TNC Transmission Application forms Transit Yamal pipeline Download Market consultations EIC Local Issuing Office IES REMIT

Home > Customer zone > Market consultations > Actual consultations > Open Season Baltic Pipe >

Customer zone

Market consultations

Actual consultations

Open Season Baltic Pipe

The draft on Development...

Completed procedures

Contact the Gas Market Division

MARKET CONSULTATIONS OF THE BINDING OPEN SEASON PROCEDURE FOR THE BALTIC PIPE PROJECT

Market Consultations of the binding Open Season Procedure for the Baltic Pipe Project

The project promoters of the Baltic Pipe Project, the Polish and the Danish gas transmission system operators, Gas Transmission Operator GAZ-SYSTEM S.A. and Energinet.dk have launched the market consultations of the Open Season procedure.

By publishing of the "Model Paper" together with the documents regarding the Open Season procedure both TSO's would like to consult with all relevant stakeholders of the Baltic Pipe Project the Open Season procedure, scheduled for 2017.

All market participants, respective adjacent system operators and respective regulators are welcomed to become dialogue partners and are invited to submit their comments and questions to the Rules as well as to planned process until 06.01.2017, 16:00 (CET) at the latest.

DOCUMENTS:

MODEL PAPER

OPEN SEASON 2017 RULES

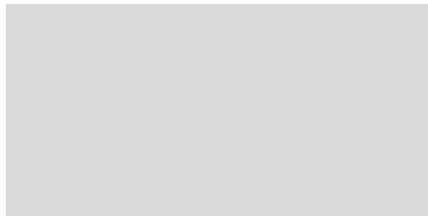
www.en.gaz-system.pl/strefa-klienta/konsultacje-z-rynkem/aktualne-konsultacje/open-season-baltic-pipe/energinet.dk/openseason2017



Natural-gas market development in Poland



GAZ-SYSTEM S.A.
Shippers' Forum
Copenhagen, 8 December 2016



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MAIN INFORMATION ON GAZ-SYSTEM S.A.

GAZ-SYSTEM IN NUMBERS*:

10.989 km
LENGTH OF TRANSMISSION NETWORK

684 km
LENGTH OF YAMAL-EUROPE PIPELINE IN
POLAND

893 GAS STATIONS

44 NODES

14 COMPRESSOR STATIONS

5 BCM/Y OF REGASIFICATION CAPACITY

100% SHARES HELD
BY STATE TREASURY

*Infrastructure data as of 30 September 2016

KEY FACTS:

- ▶ Natural gas TSOs in Poland established in April 2004
- ▶ Fully unbundled company providing services on a non-discriminatory basis
- ▶ Certified operator of the transmission system and of the Yamal-Europe pipeline in Poland
- ▶ Operator of a virtual point in the transmission system in Poland
- ▶ Key integrator and facilitator of market development in the CEE and Baltic region
- ▶ Company committed to the liberalisation of the regional gas market
- ▶ Company operating, via its SPV, the LNG terminal in Świnoujście since June 2016

THE STRATEGY:

- ▶ **SECURITY OF SUPPLY.** Ensuring safe operations of the transmission system as part of the European gas network
- ▶ **MARKET DEVELOPMENT.** Creating optimum conditions for the development of a liberalised market in Poland
- ▶ **EUROPEAN PARTNER.** Strengthening the position of GAZ-SYSTEM as an integrator of the gas markets in the Baltic & CEE regions
- ▶ **SUSTAINABILITY.** Development of gas infrastructure to enable increased consumption of natural gas as an environmentally-friendly fuel

MAIN INFORMATION ON NATURAL GAS MARKET IN POLAND

MARKET IN NUMBERS:

180,8 TWh

VOLUME OF TRANSMITTED NATURAL GAS in 2015

159

TOTAL NUMBER OF SHIPPERS*

26

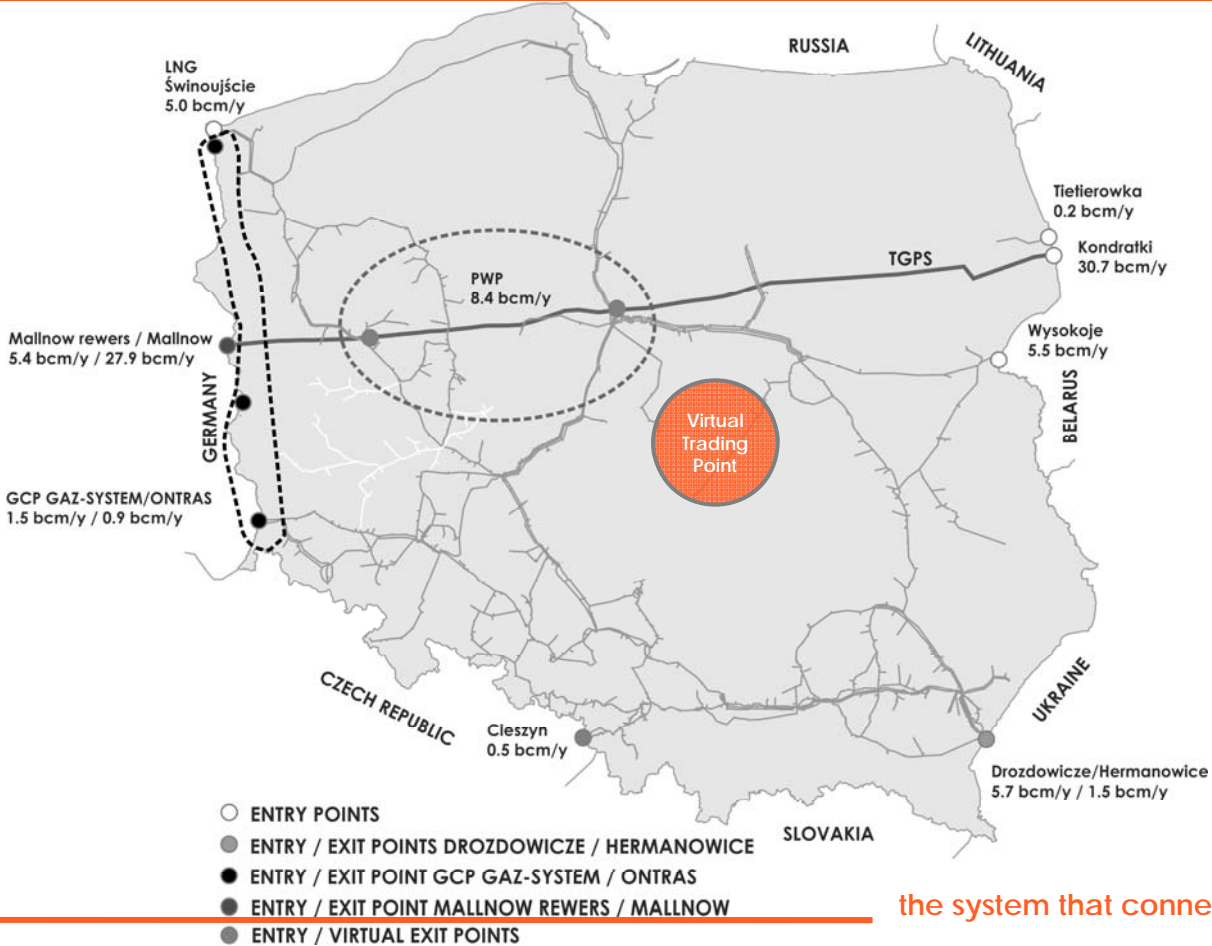
INTERNATIONAL SHIPPERS*

*Market data as of 2 December 2016

KEY FACTS:

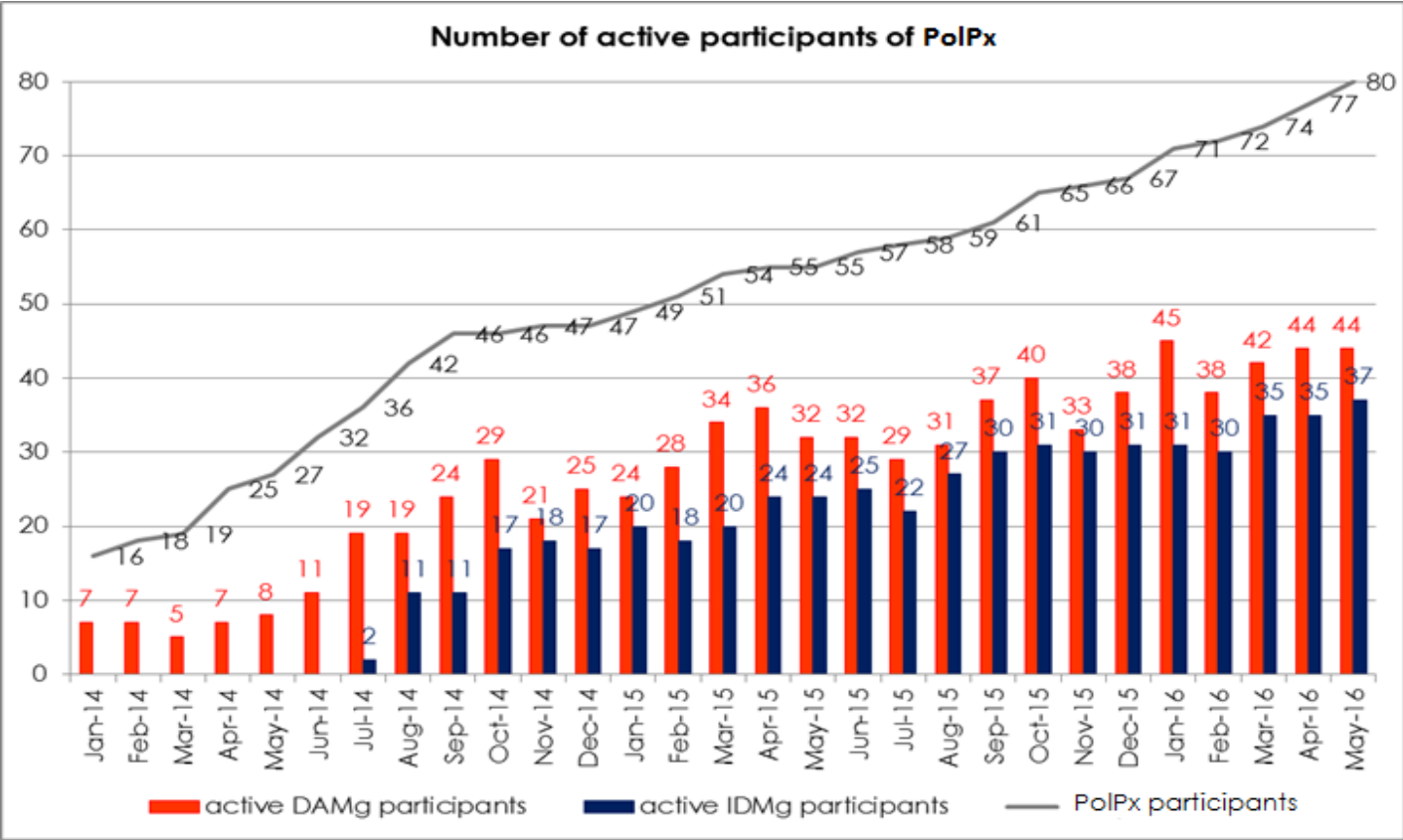
- ▶ Entry – Exit transport model
- ▶ 3 balancing zones:
 - ▶ H-gas
 - ▶ L-gas
 - ▶ TGPS (Yamal-Europa pipeline)
- ▶ EU Network codes implemented
 - ▶ CAM (capacity products, auctions)
 - ▶ BAL (nominations, gas exchange)
 - ▶ INT (AS4, Edig@s, quality information)
- ▶ WEB Page access to information
 - ▶ Contracts
 - ▶ Nominations
 - ▶ Reports
- ▶ Tariff model: „Post stamp" Entry - Exit

POLISH TRANSMISSION SYSTEM

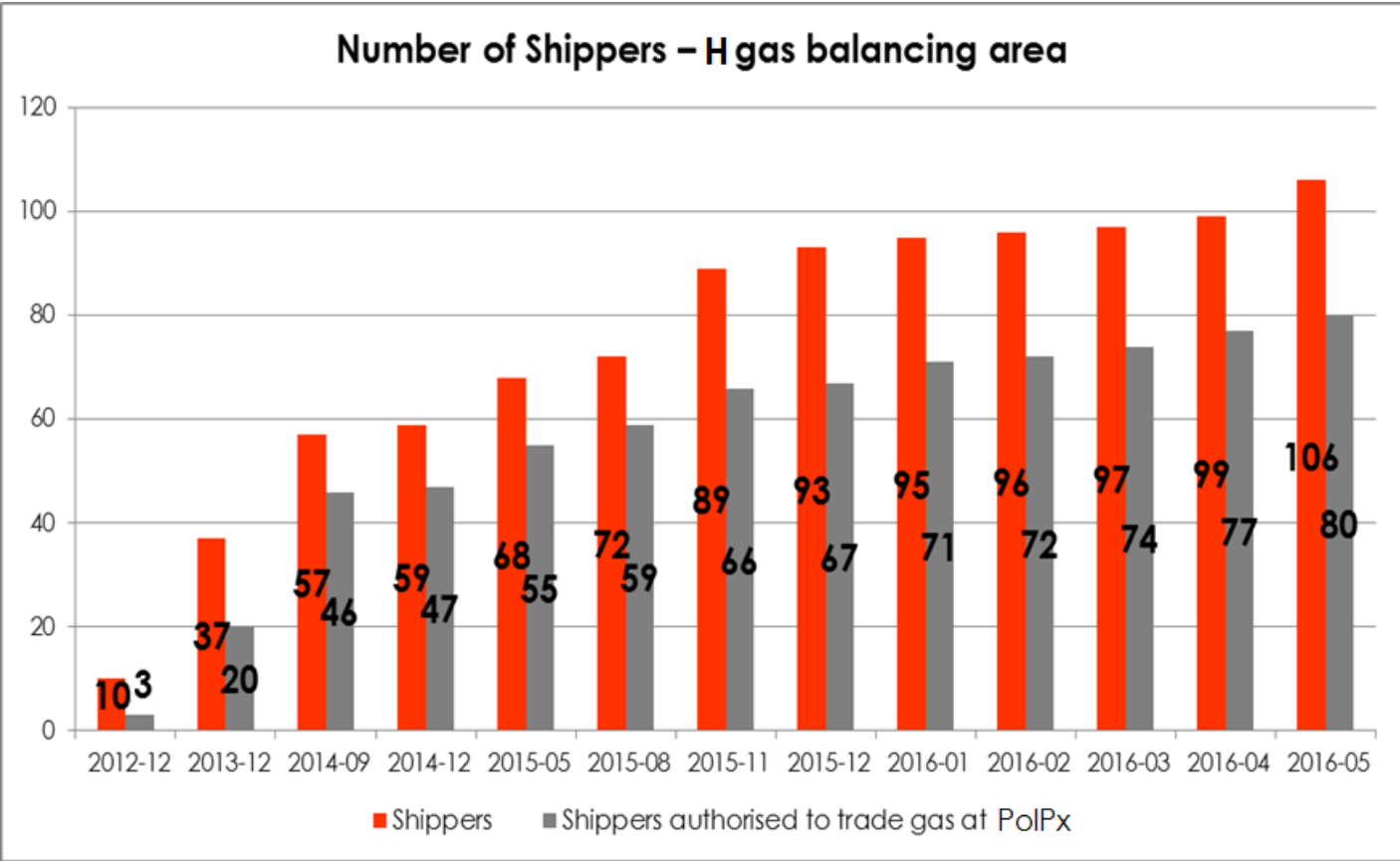


the system that connects

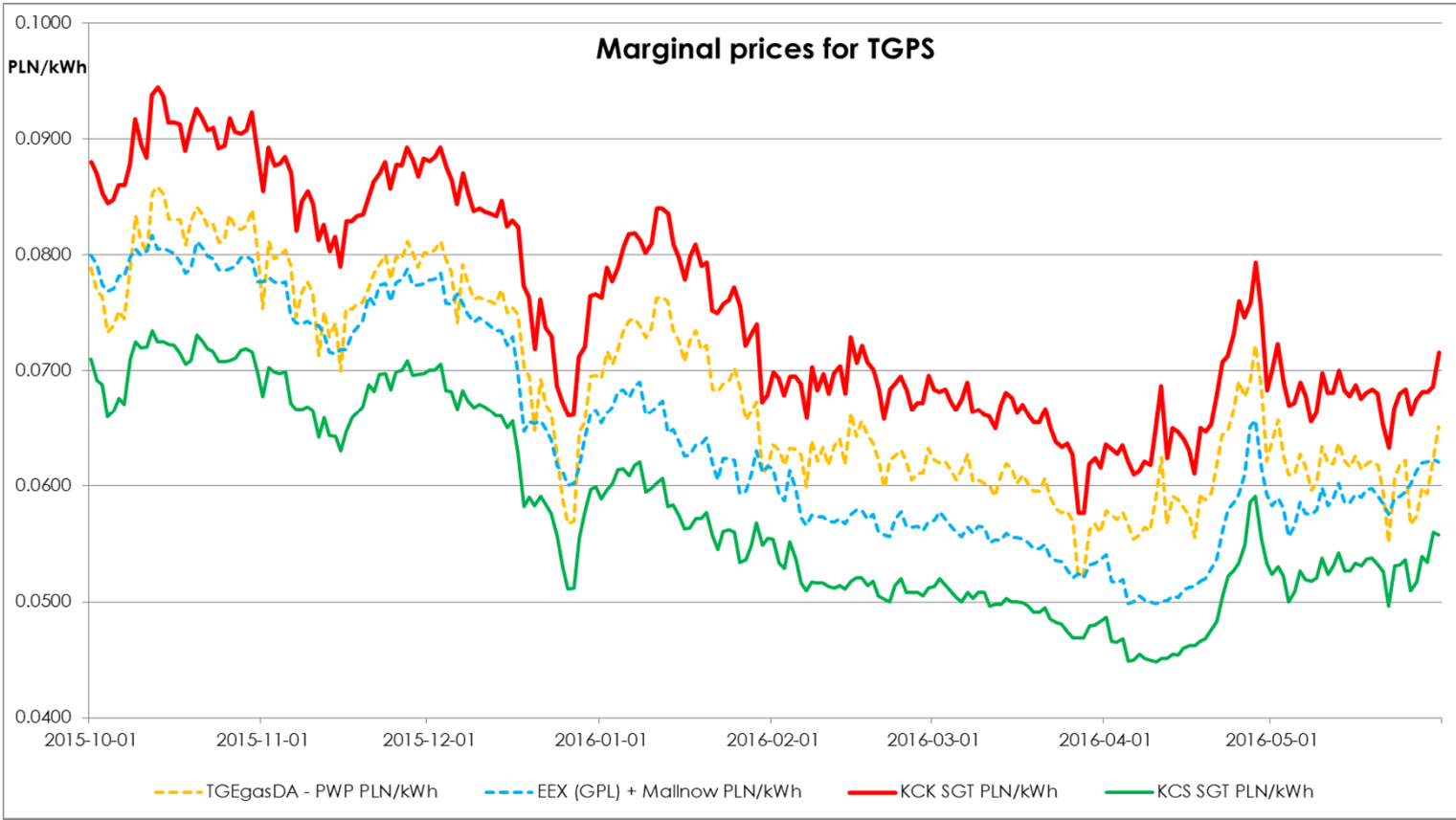
POLISH NATURAL GAS MARKET - PARTICIPANTS



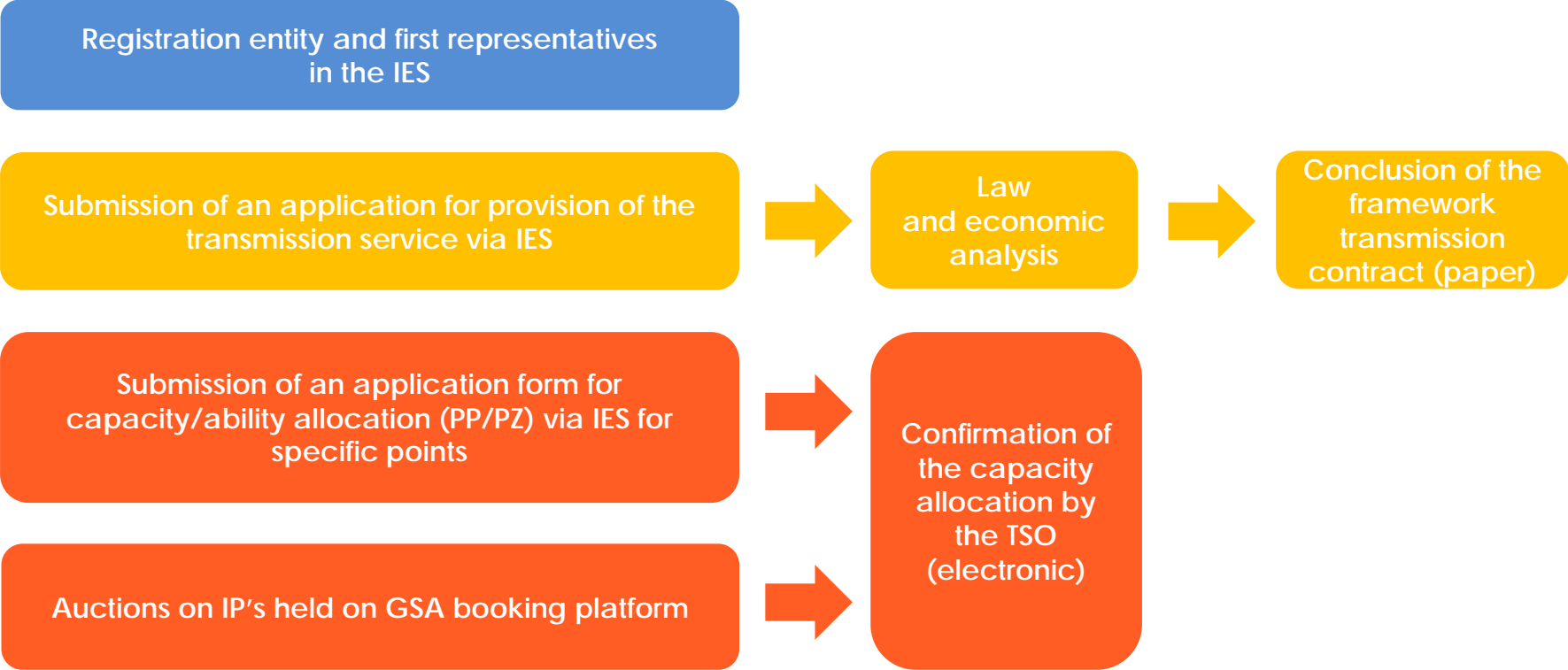
POLISH NATURAL GAS MARKET - SHIPPERS



POLISH NATURAL GAS MARKET – PRICES



HOW TO BECOME A GAZ-SYSTEM SHIPPER?



INFORMATION EXCHANGE SYSTEM (IES)

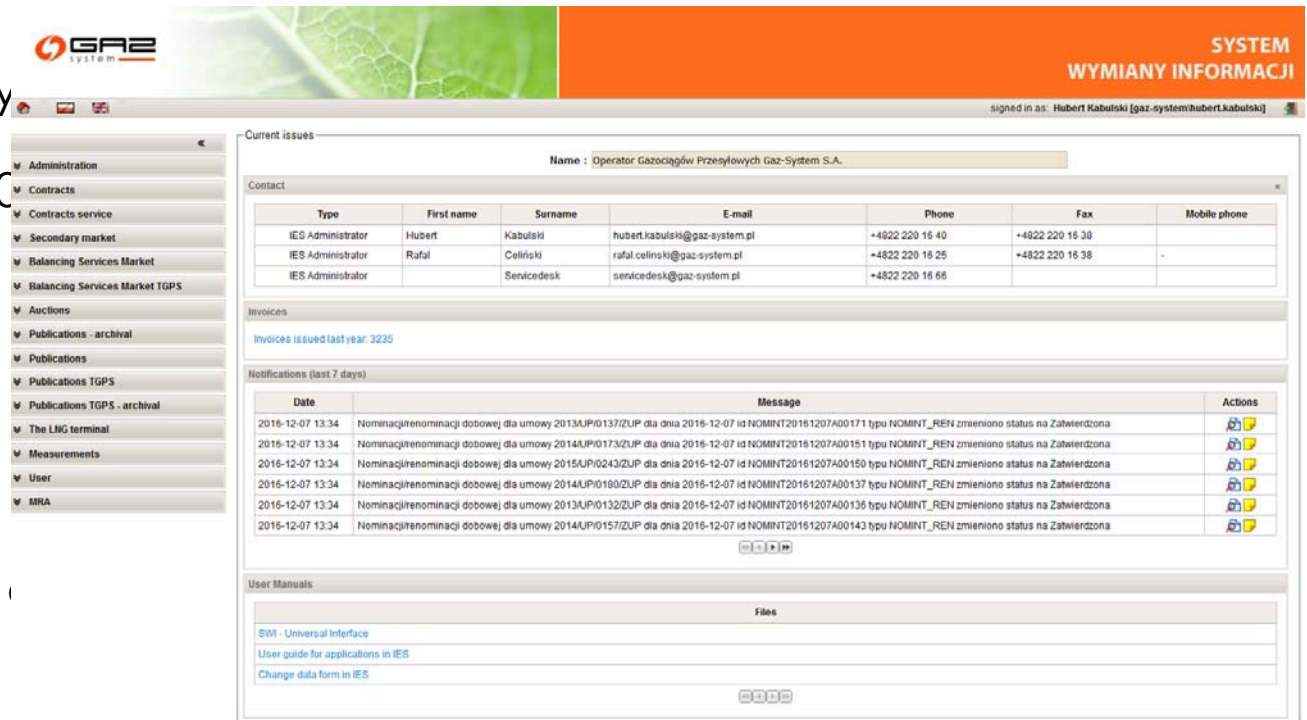
▶ Customer Service System

▶ Launched in May 2016

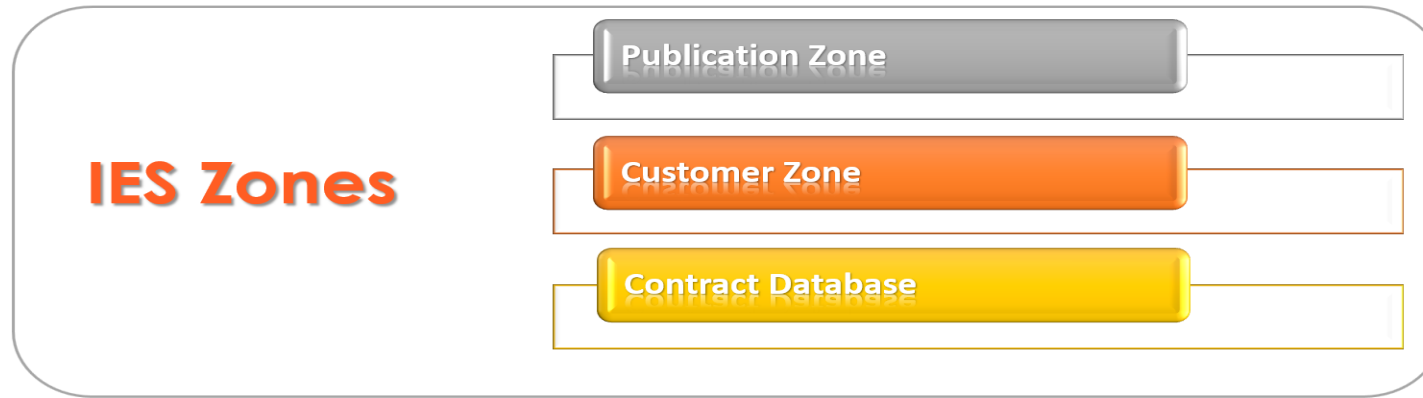
▶ System has been systematically developed.

▶ Accessible through web browser.

▶ More than 1 700 active



INFORMATION EXCHANGE SYSTEM (IES)



Publication Zone, is the place where all the information required by 715/2009 Regulation are published.

Customer Zone, log-in required, provides access for the Shippers to all information and activities related to the transmission contracts and services.

Contract Database Zone, was developed for GAZ-SYSTEM employees as a source of all services provided by GAZ-SYSTEM

GSA CAPACITY BOOKING PLATFORM

- ▶ **GAZ-SYSTEM Auctions** is an CAM NC compliant
- ▶ **July 2014** – First capacity auctions were carried out on.
- ▶ **GAZ-SYSTEM** allocates **all capacities** on all IPs at **GSA**
- ▶ Conditions to take part in auctions held by GAZ-SYSTEM:
<http://en.gaz-system.pl/auctions/auction->
- ▶ **3** – Number of TSOs: (GAZ-SYSTEM, GAZ-SYSTEM ISO, Net4Gas)
- ▶ Pilot projects with Eustream and N4G, planned: UkrTransGAZ
- ▶ **59** – Number of Shippers:
- ▶ **214** – Number of users:
- ▶ **105 000** - Number of auctions carried out (as of 2 Dec 2016)
- ▶ **17** – Maximum number of participants in one auction
- ▶ **24** – Maximum number of rounds (duration – 8 days)
- ▶ Full range of CAM required products **Y, Q, M, DA, WD**
- ▶ Ongoing implementation of new CAM NC i.e. **incremental capacity**
- ▶ **Secondary Market** trade available



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AUCTIONS

<https://auctions.gaz-system.pl>

[Auctions](#) [Operators](#) [Shippers](#) [Network points](#) [News](#) [Documents](#)



First auctions (monthly product)

The clients of GAZ-SYSTEM used the new allocation capacity auction platform. On July 21st 2014, GAZ-SYSTEM S.A. successfully conducted first auctions of the monthly products on the new capacity allocation platform called GSA.

[More](#)

TEST ENVIRONMENT AVAILABLE (for interested TSOs, Shippers and NRAs):

<https://auctions.gaz-system.pl/test>

Operators

We invite all of the new Transmission System Operators interested in cooperating with the GSA Platform to register.

[Register »](#)

Shippers

We invite all of the new Network Users interested in cooperating with the GSA Platform to register.

[Register »](#)

Sign in

[Forgot your password?](#)

[Login](#)

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BALANCING – INTERIM MEASURES

Balancing platform

- ▶ A trading platform where the transmission system operator is a trading participant to all trades

Tolerance

- ▶ the level of which defines the maximum quantity of gas that can be bought or sold by each network user in the settlement of the imbalance at a weighted average price
- ▶ Time of application October 2015 – September 2017 – ?
- ▶ Tolerance is determined according to the following method:

$$DLN = 5\% * \text{MAX} \left[\frac{(R_{PWE} + R_{PWY})}{2}; R_{PWY} \right];$$

where

R – means the quantities of gas delivered/offtaken, as appropriate, at Entry/Exit Points (excluding virtual entry/exit points – Gas Exchange, OTC, Balancing Services Market)

5 % is the **current** level of tolerance

COOPERATION WITH POLISH POWER EXCHANGE (POLPX)



- ▶ TGE makes it possible to sell and purchase gas on the gas exchange at prices fixed on market conditions and in keeping full confidentiality of the transaction
- ▶ Cooperation has started in 2011
- ▶ The TNC takes into consideration cooperation of the TSO with the Gas Exchange:
 - ▶ Transactions are realized at the Virtual Trading Point
 - ▶ The sale agreement concluded with the Gas Exchange is valid and effective between the parties and is realized by TSO
 - ▶ TGE is a partner in the nomination process

CONCLUSIONS

Pillars of competitive market

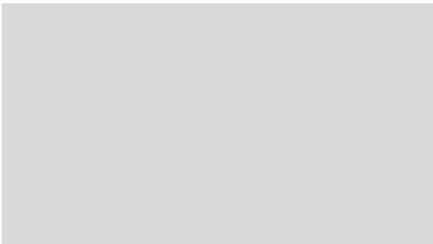
- ▶ Infrastructure
- ▶ Network codes
- ▶ Natural gas exchange

Activity of market players

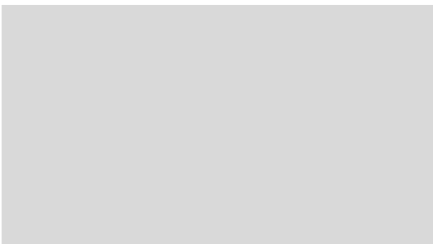
- ▶ Suppliers
- ▶ Traders
- ▶ End users

Let's start the next rounds of the game !!!





Thank you for your attention



the system that connects

Coffee break and networking

We meet again at 14:35



Revision of the Regulation concerning Measures to Safeguard the Security of Gas Supply

Status on the negotiations

From current to revised Regulation

- 2010: Adoption of the current Regulation
- 2015: Strategy of the Energy Union
- 2016 (February): Commission's proposal for a revised Regulation

New elements in the revised version

- Enhanced regional cooperation (within predefined regions)
- New provision on solidarity
- Increased transparency in gas contracts

Deadlock in the negotiations

- From February 2016: Negotiations in EWP (no compromise)
- October 2016: Position of the European Parliament
- November 2016: Rejected mandate to open negotiations with European Parliament
- December 2016: Discussion between Ministers at the Energy Council (compromise found)

Danish positions at the Energy Council – 5 December 2016

Danish preferences are marked in red

- Regional cooperation: a) Predefined regions and jointly established plans or **b) regional cooperation based on concrete risks and national plans?**
- Solidarity: a) A uniform and fully harmonised solution or **b) a more flexible mechanism (agreed on bilaterally)?**
- Exchange of information on gas contracts: a) Notification of gas contracts exceeding 40 % of annual gas consumption or b) all/or minor contracts?

Conclusions of the Energy Council – 5 December 2016

...fortunately in line with the Danish preferences:

- Risk-based regional cooperation
- The more flexible solidarity model
- Notification of contracts providing more than 40 % of annual consumption

What can be expected now?

- Fifth revision – December 2016
- Trialogue with EP - 2017
- Adoption in 2017?

Thank you for your time
Questions?

—
**GAS
STORAGE
DENMARK**
—

STORAGE IN YOUR POCKET APP
SHIPPERS' FORUM 8 DECEMBER 2016

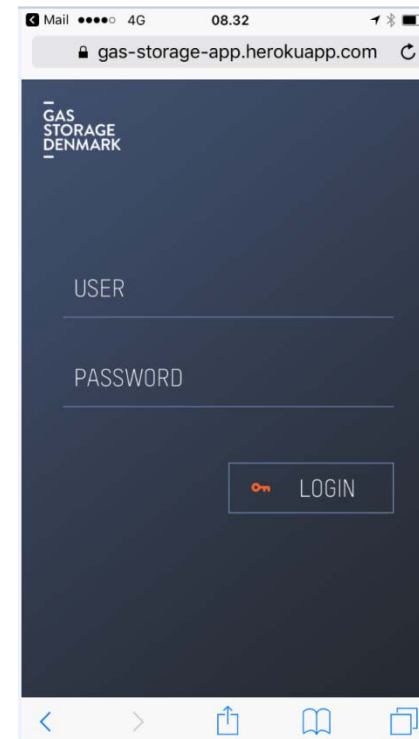
Why an app?

- ! You can check prices when you want to
- ! You can order storage products when you want to
- ! You can get a price overview of various products
- ! Not a substitute to direct contact and dialogue with us



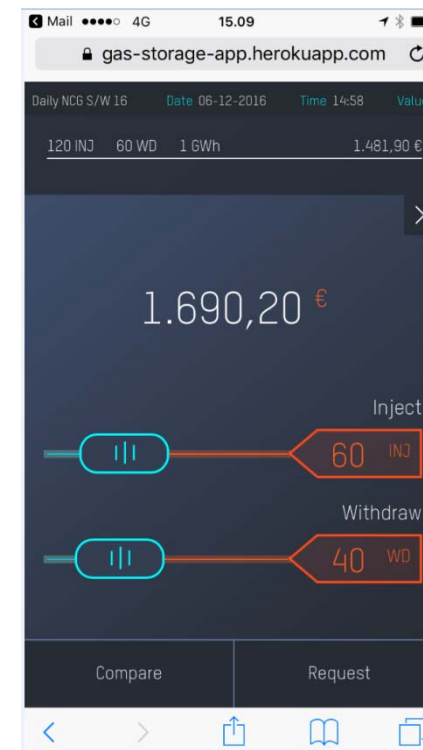
How do I use it?

- 1 First, use a login
- 2 Login details will follow soon



How do I use it?

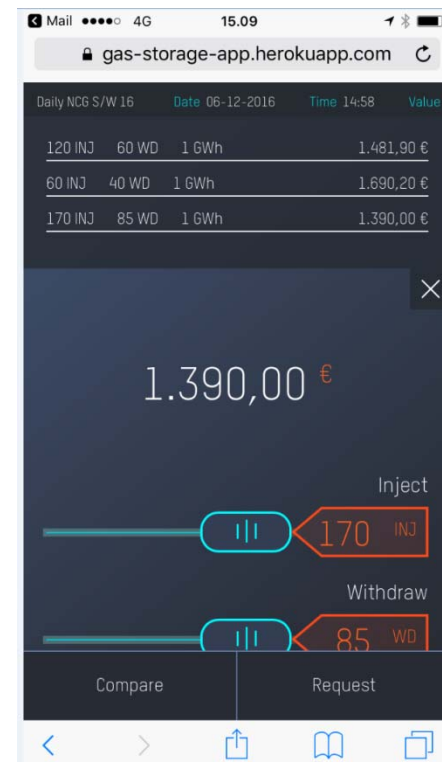
- 1 Choose flexibility by days for both injection and withdrawal
 - move the "slider" along the horizontal lines
 - you can choose a product within the range:
 - Injection: 170 – 30 days
 - Withdrawal: 85 – 30 days
- 2 The total price is then shown when using 1 GWh volume capacity
- 3 If you choose "Compare", the product and total price will be shown in the top window
- 4 If you choose "Request", you will go to ordering the product



How do I use it?



You can compare up to 3 different products



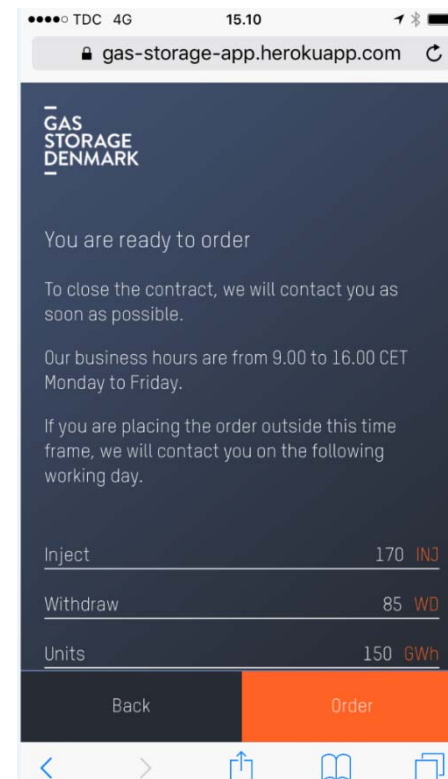
How do I use it?

- 1 You have now chosen the product's flexibility
Example: 170/85 days
- 2 Then you choose the volume
Example: 150 GWh
- 3 You can choose maximally 500 GWh
- 4 Then press "Request"



How do I use it?

- 1 You are now ready to order the chosen product
- 2 Press "Order"
- 3 We will be back as soon as possible within office hours
- 4 Outside office hours, we will revert the next business day



How do I use it?

1

You have now ordered the product

2

We will accept the deal or reject the deal

!

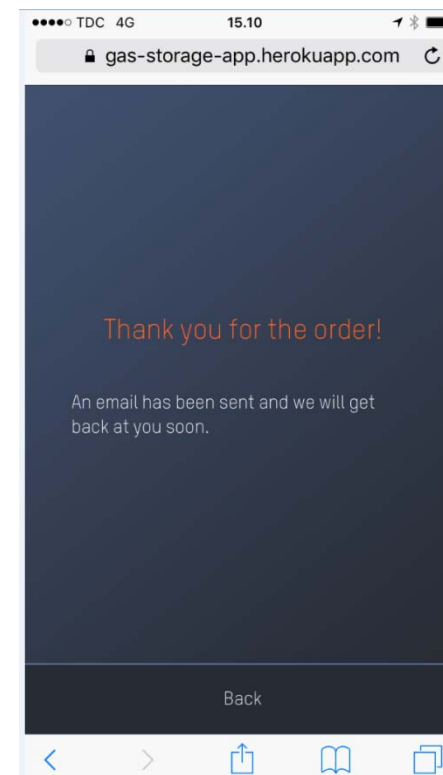
Please note that we may reject the deal if warranted, for example,

- in consideration of low S/W spread
- in consideration of our price risk → Sale is based on FCFS, but our strategy to distribute the sale over a period of time may require us to postpone the next deal

!

Please note that you are always welcome to contact us direct by phone or email.

Doc. No: " / "Date:" / "ID:



Any questions or first-hand comments?

! We will send you a direct mail with details about the app

! We hope you will find it useful!



Save the dates: Shippers' Forum 2017:

9 March 2017

22 June 2017

7 September 2017

7 December 2017



We wish you a Merry Christmas and a
Happy New Year 😊