

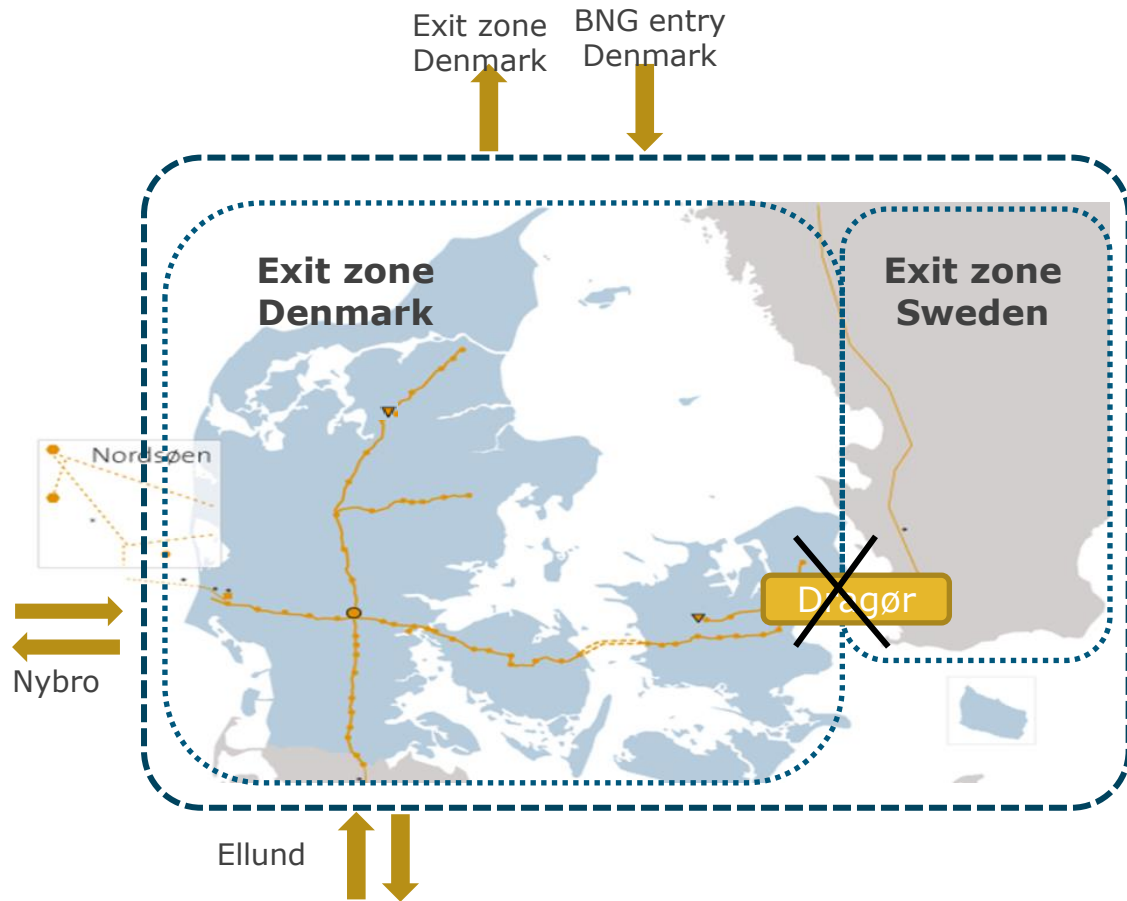
A decorative graphic on the left side of the slide, consisting of a complex network of thin, light blue lines forming a series of interconnected triangles and polygons, resembling a wireframe or a network diagram. In the top-left corner of this graphic, there is a small circular icon containing a stylized human figure.

STATUS JOINT BALANCING ZONE

Between Sweden and Denmark

Poul Johannes Jacobsen

Status Joint Balancing Zone



Potential benefits

- Increased market area
- Improved liquidity
- More efficient market
- Improved Security of Supply
- Compliance with Network Codes at minimum cost
- More efficient TSO operation

→ Improved competitiveness of gas

Storage points

- Stenlille and Lille Torup →
- Skallen ←

Virtual points

- ETF – Exchange Transfer Facility →
- Joint bilateral point ←

Status - Joint Balancing Zone

Market Consultation

- 31 representatives of 23 different players including gas suppliers, balance managers, end consumers, distributors, authorities and the Danish gas exchange participated
- We received about 10 answers to the distributed survey from 14 different stakeholders
- The general response was that a common balancing zone is in principle a step in the right direction, and the potential benefits presented are largely confirmed by the market
- But this obviously assumes that the market benefits are greater than the cost of implementing a common balancing zone

A strategic decision

- The boards of Swedegas and Energinet have made a strategic decision of introducing a common balancing zone for Denmark and Sweden based on the concept model developed jointly by the parties
- This means that a formal project has been initiated with the purpose of determining the details of a design that will enable more accurate estimates of costs and benefits for the project
- Decisions on implementation cannot be made until the end of 2017/2018 at the earliest, and an implementation phase is not expected to be completed until the first half of 2019