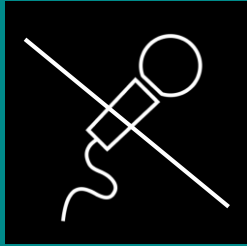


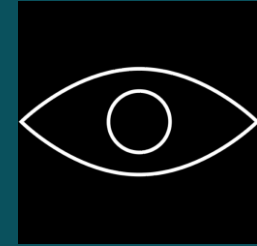


# SHIPPER'S FORUM

10 June 2021



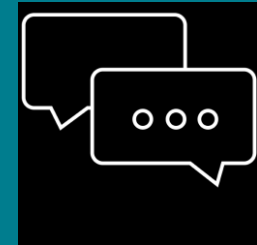
MUTE YOUR MICROPHONE,  
WHEN YOU DON'T SPEAK



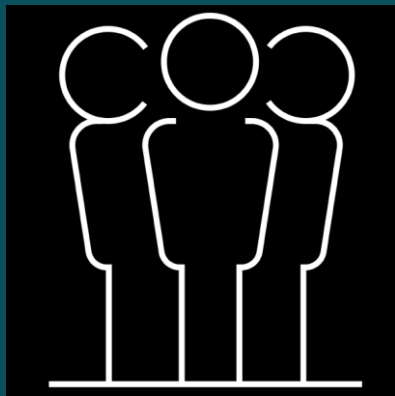
SWITCH ON YOUR CAMERA, ONLY  
WHEN YOU ARE GIVEN THE  
WORD TO SPEAK



USE THE 'RAISE HAND'  
FUNCTION IF YOU WISH TO  
COMMENT OR ASK A  
QUESTION...

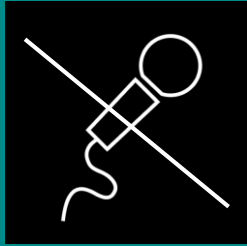


...YOU CAN ALSO WRITE YOUR  
QUESTION USING THE CHAT -  
THE HOST WILL ASK THE  
QUESTION FOR YOU

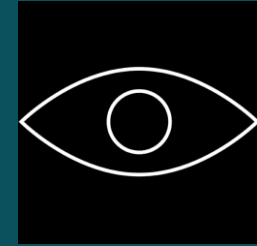


# WELCOME

Clement Johan Ulrichsen, Energinet



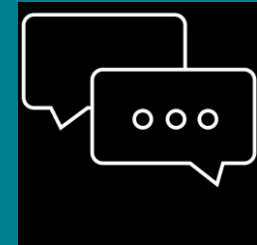
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# PROGRAMME

- 13.00 **Welcome**  
*Clement Johan Ulrichsen, Energinet*
- 13.10 **Changes to the Danish Natural Gas Act**  
*Chris Novak, Danish Energy Agency*
- 13.30 **Market report 2020**  
*Frederik Nilausen Dam, Danish Utility Regulator*

- 14.00 **Ellund capacities and auctions**  
*Christian Rutherford, Energinet*
- 14.15 **Baltic Pipe**  
**Status**  
*Jeppe Danø, Energinet*  
**Balancing Model 2022**  
*Christian Rutherford, Energinet*  
**Entry North Sea**  
*Poul Johannes Jacobsen, Energinet*
- 14.40 **Tariffs 2020/21**  
*Nina Synnest Sinvani, Energinet*

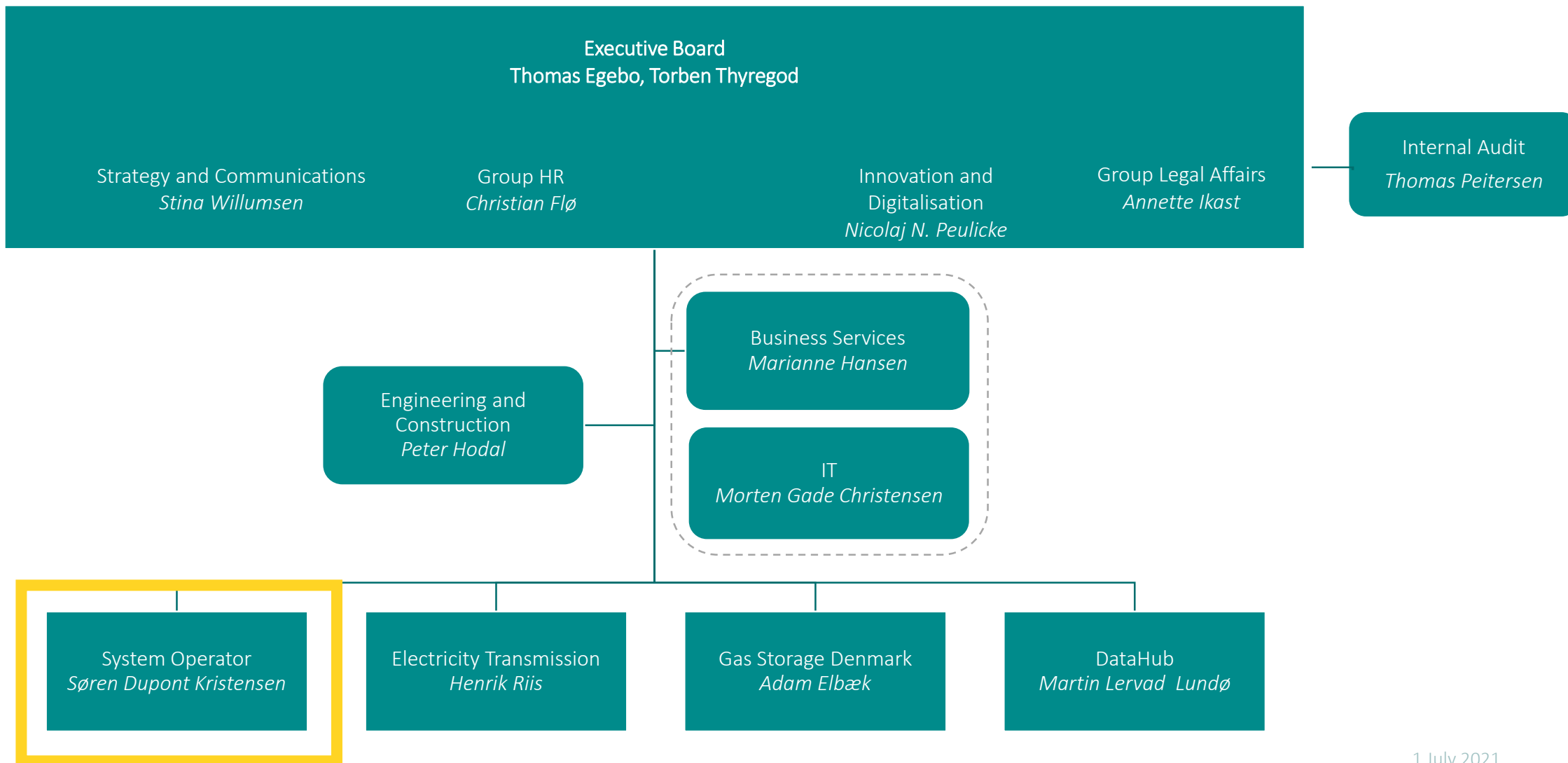
- 15.00 **Gas Storage Denmark**  
*Iliana Nygaard, Gas Storage Denmark*
- 15.20 **Security of Supply**  
*Christian Meiniche Andersen, Energinet*
- 15.35 **Roles in Security of Supply**  
*Chris Novak, Danish Energy Agency*
- 15.55 **Closing remarks**  
*Clement Johan Ulrichsen, Energinet*



# JOINT SYSTEM OPERATOR OF POWER & GAS

- New Energinet organization to underpin Denmark's transition to 100 pct. green energy
- Søren Dupont Kristensen is the new CEO of Energinet System Operator
- And he will speak at Shippers' Forum on 9 September 2021

# THE ENERGINET GROUP



# NEW DANISH LAW ON GUARANTEES OF ORIGIN

Implementing Renewable Energy Directive II (RED II) on 1 July 2021  
Energinet becomes issuing body for both electricity and gas GOs

1) Content of GOs: Current certificates plus additional information on investment support



2) Same IT-platform: [cmo.grexel.com](http://cmo.grexel.com)



3) Presumably extended monitoring obligation for Energinet



4) Must introduce fees to cover necessary costs related to the administration of the GO scheme





# INCREMENTAL CAPACITY PROCESS 2021

Information package available online

- Demand Assessment Questionnaires available after the annual auction on **Monday 5 July 2021**
- Deadline: **Monday 30 August 2021**
- As in 2019 we will run a broader Danish incremental process in parallel with the official process for Interconnection Point Ellund
- Information package available online:

<https://en.energinet.dk/Gas/Gas-news/2021/04/06/Incremental-Capacity-2021>



# NO ISSUE EXPECTED IN NEW GERMAN GAS QUALITY STANDARD

Current gas quality limit for export of gas to Germany expected to remain as today – according to a near-final draft. Final version expected after the summer.

## Recap from Shippers' Forum December 2020

ENERGINET

### POSSIBLE CHANGE IN GAS QUALITY REQUIREMENTS INTO GERMANY

The German Association for Gas and Water (DVGW) has published a draft of an amended industry standard on the composition of fuel gases in public gas supply "G 260 Gasbeschaffenheit"

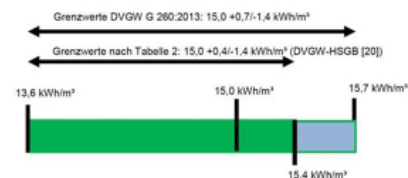
The upper limit for Wobbe index reduced from 15.7 kWh/Nm<sup>3</sup> to 15.4 kWh/Nm<sup>3</sup>.

The upper limit in Danish gas legislation is 15.5 kWh/Nm<sup>3</sup>.

Appendix E of the consultation version of G260 states that exit points with higher Wobbe can have an exception. The formulation is quite vague.

Energinet have decided to send an answer to consultation in order to maintain and preserve the current gas quality specification for south bound flow.

The standard is in public consultation until the 15<sup>th</sup> of December.



# QUESTIONS



Contact: [cju@energinet.dk](mailto:cju@energinet.dk)

A detailed black silhouette of an offshore oil rig is centered against a vertical gradient background that transitions from a bright yellow at the bottom to a deep orange at the top. The rig features a tall derrick in the center, two large cranes on either side, and a complex network of pipes and structural beams. The entire scene is presented in a clean, high-contrast style.

Danish Energy Agency presents:

*Changes to the Natural Gas Act*

# Changes - overview

## Three main categories of changes

Legal act no. 923 May 18 2021 ([Web](#))

- A general modernisation of the legislation (wording, infrastructure types etc.)
- Updated economic legislation for gas distribution (only one company now)
- Moving from a designated market player with a general supply obligation to multiple obligations for the suppliers (alignment with electricity)

# Modernisation of the legislation

# Modernisation of the legislation

## *Raison d'être*

- Denmark's share of renewable gas is increasing (distribution level)
- Roughly 20 pct. as we speak
- Estimation in 2030: 70 pct. - not including *potential* input from hydrogen
- Increase in renewables, decrease in general consumption

# Modernisation of the legislation

*Raison d'être*

- Natural gas is fossil based methane
- What to call renewable gasses?
- Renewable natural gas? Biogas? Upgraded biogas? Bionatural gas?
- What if hydrogen begins to play a role?



# Modernisation of the legislation

## Content

### From Natural Gas to gas

Moving from natural gas-wording to simply »gas«.

The Danish gas mix cannot justifiably be called (fossil) natural gas – but is a mix.

Alignment with other “neutral” supply acts: Electricity Supply Act; Heating Supply Act.

### What is regulated?

Same as before – the Danish Gas System and Upstream Pipeline Network.

Legal key is the appropriate gas quality requirements.

Outside the right gas quality requirement – then off spec and not regulated by the Gas Act.

### Other gasses?

Business as usual.

-> except for guarantees of origin for hydrogen.

### Hydrogen?

Not regulated by the Gas Act.

-> except for guarantees of origin for hydrogen.

Gas Act is however prepared to possibly include hydrogen if the Danish Parliament wants it.

### Tiding up

Regulation is focused on (mainly) monopoly activities.

Outdated excessive terminology no longer in use – delete or alter.

Consistent terminology to clear a pathway to transparency.

# Updated economic legislation for gas distribution

# Updated economic legislation for gas distribution

## Content

- The Danish Gas Distribution sector is now organised in one state owned company – Evida
- Legislation formerly focused on more distribution companies
- Updating for the future where there will be changes to the gas sector

# Moving from one supply obligation to multiple obligations for the supplies

# Moving from one supply obligation to multiple obligations for the supplies

- Coming from an obligation for one supplier to supply costumers (tender)
- Going to obligations for the suppliers to supply their costumers (universel obligation)

# What else?

# What else?

*Content relevant for the gas sector*

## A general responsibility for the Gas System

Formalising the obligation for Energinet to look across the Gas System – and its future.

Infrastructure companies are responsible for their own infrastructure - main principle.

Coordinated cooperation is the key to an efficient sector.

## Permit for gas distribution

Gas distribution closely linked with heating.

Due to political priorities, new distribution systems would not entail heating.

New rules for distribution systems falling outside the scope of heating regulation.

## Expropriation

Projects falling under the new rules will follow the regime of expropriation known from the gas act (state expropriation).

No change for existing distribution systems.

## Tender: support scheme for upgrade of biogas

Legal basis for the minister to seek approval for new support schemes for upgrade of biogas (EU).

Legal basis for concluding tenders for these support schemes.

## Tiding up

Renewed implementation of rules from the Gas Directive (mainly definitions).

Focus on coexistence between the Gas System and the Upstream Pipeline Network (terminology).

Seeking to make uniform the principles for infrastructure companies (§§ 11, 12 and 14).



Thank you for your  
attention

Per Stokholm  
[pst@ens.dk](mailto:pst@ens.dk)

Chris Nowak  
[cno@ens.dk](mailto:cno@ens.dk)



# Current Cases and Pipeline

## The Danish Utility Regulator

**Energinet, Shippers' Forum**

June 10, 2021

Peter Lyk-Jensen



# Current Cases and Pipeline

## Current Cases:

1. **Offshore tariff** complaints 2011-2020
  - Comparison to market practice ongoing
  - Expect decisions first half of 2022
2. **Baltic Pipe** URE/DUR agreement
  - Regulatory responsibility Baltic Pipe DK/PL

## Pipeline:

Expected **submissions** of methodology for regulatory approval:

### Baltic Pipe:

- New DK/S balancing model
- Integration of North Sea offshore part into the current DK/S market model

### NC TAR:

- New tariff methodology from October 2022

### Hydrogen and Gas Decarbonisation

- New package from the European Commission



# Monitoring the Danish Wholesale Gas Market

## Market Report 2020

**Energinet, Shippers' Forum**

June 10, 2021

Frederik Nilausen Dam



# The Danish Wholesale Gas Market 2020

Market Monitoring Report 2020 was published 7 June 2021

The Danish Utility Regulator has obligations to:

- Monitor the Danish wholesale gas market
- Enforce REMIT



Focus on:

- Effects of temporary Tyra-shutdown
- Import and export
- Storage utilisation
- Price developments
- Ellund utilisation
- Market behavior



# Production and Consumption

## Offshore production

- Decreased by 54 pct. compared to 2019
- Lowest since 1985

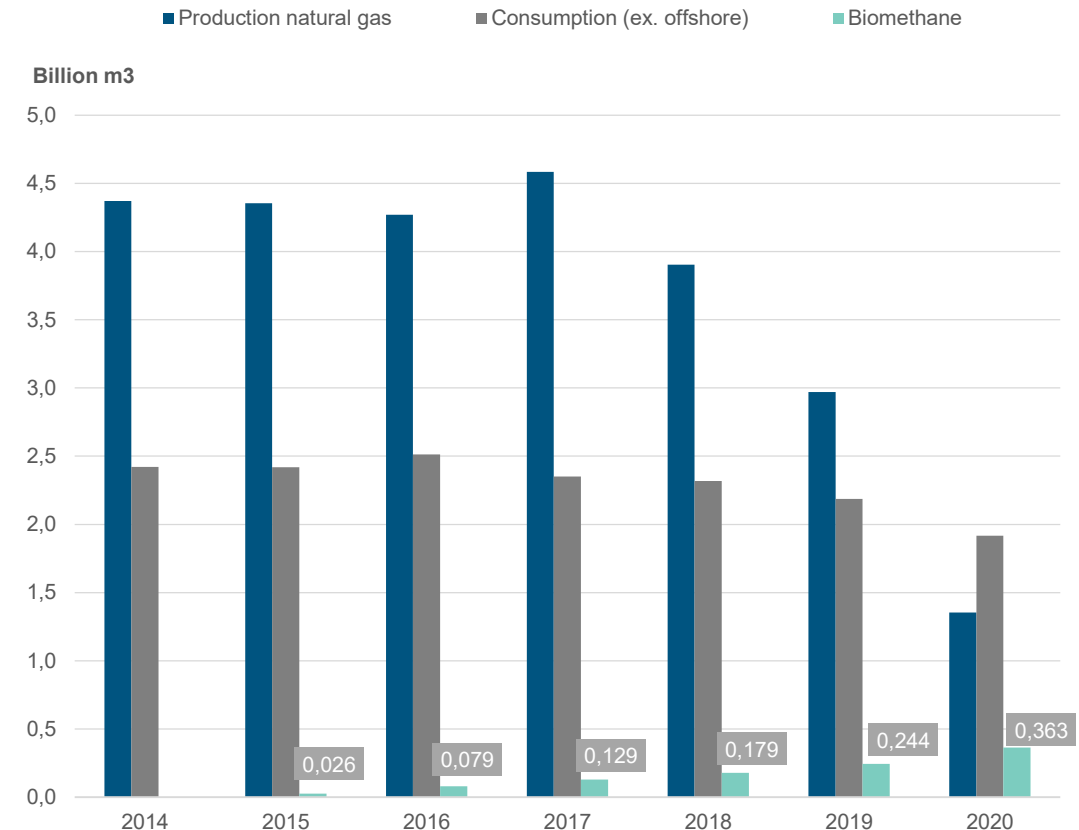
## Biomethane production

- Has increased significantly since 2015
- Increased by 70 pct. compared to 2019
- 19 pct. of consumption

## Consumption

- Decreased by 12 pct. compared to 2019
- Lowest since 2002

## Annual Production and Consumption for 2014-2020



Source: The Danish Utility Regulator based on data from the Danish Energy Agency



# Import and Export

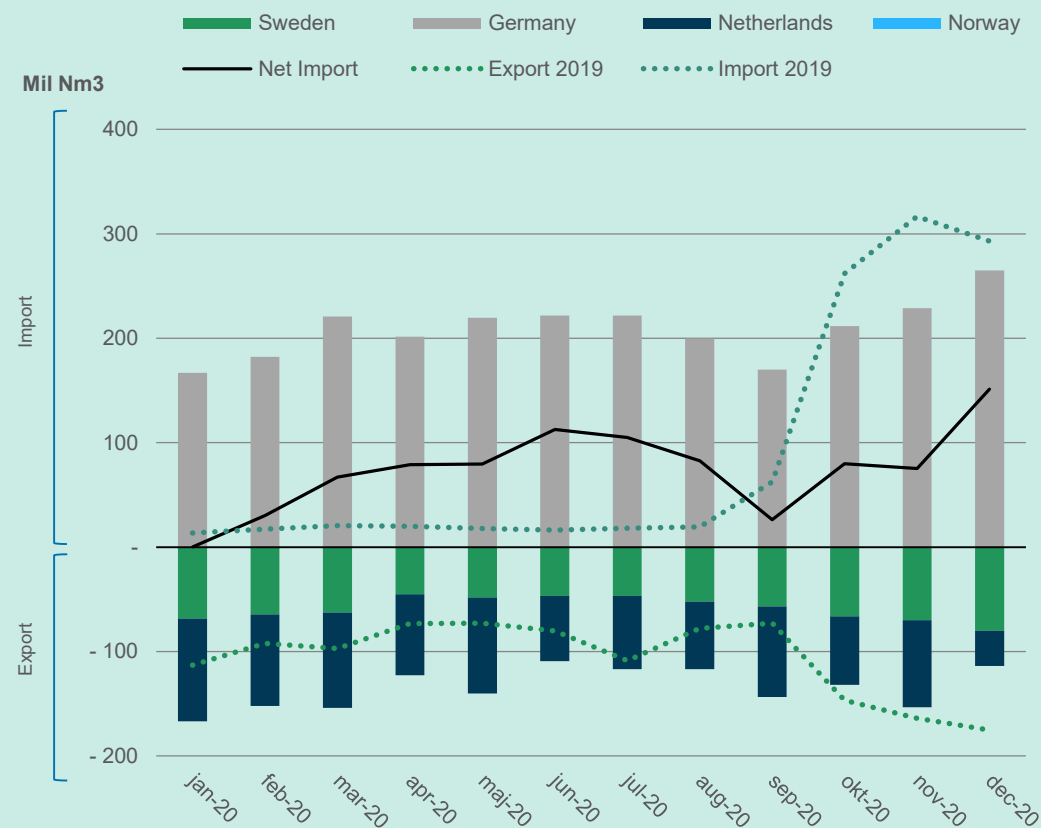
## Import

- Denmark was a net importer in 2020
- 133 pct. increase compared to 2019
- 100 pct. of import from Germany via Ellund

## Export

- Due to Tyra-shutdown, only export to Netherlands and Sweden
  - 56 pct. export to Netherlands
  - 44 pct. export to Sweden

## Import and Export per Country for 2020



Source: The Danish Utility Regulator based on data from the Danish Energy Agency



# Storage

## Storage capacity 2020: 10.46 TWh

- Total capacity decreased 1.7 pct. compared to 2019
- Average price during 2020: 5.14 EUR/MWh

## Mild weather and low spot prices

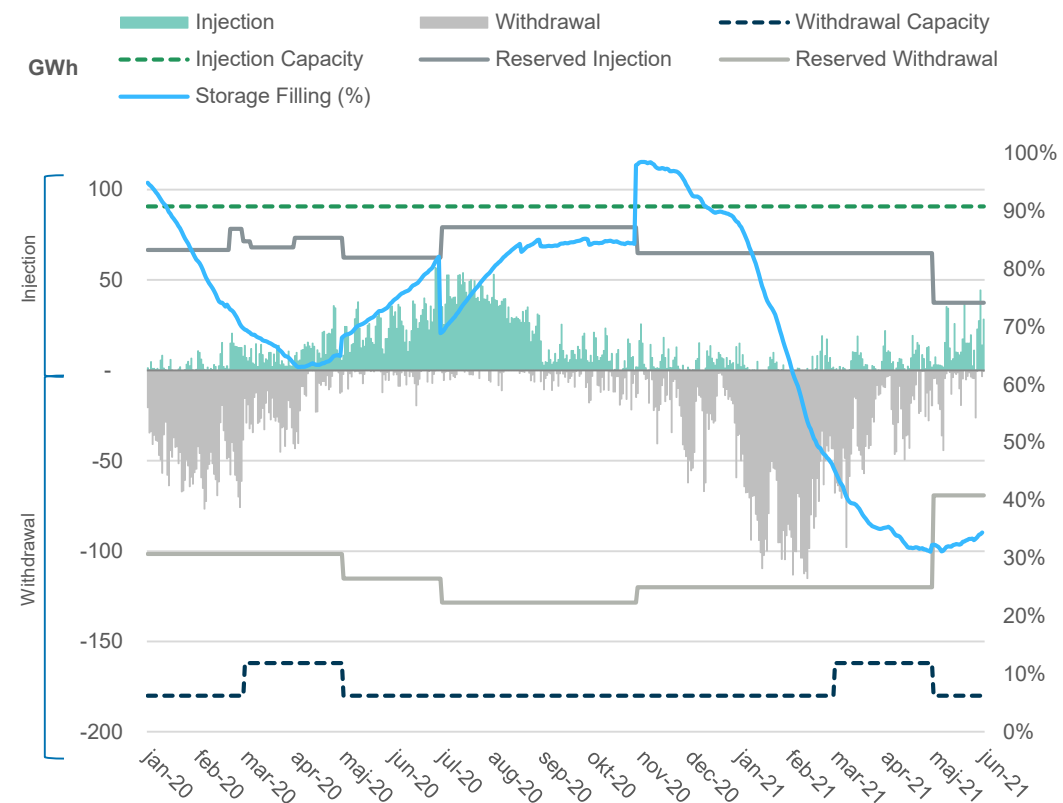
- Storage never below 60 pct.
- Storage 98.5 pct. full (November 2020)

## Decrease seasonal spread during 2020

## Status as of June 2021

- SY2021 not sold out, storage filling low

## Storage Utilisation, Injection, Withdrawal for 2020-2021



Source: The Danish Utility Regulator based on data from the Danish Energy Agency

# Trading and Market

## Total traded volume

- Exchange (ETF): 11.2 TWh
- Bilateral (GTF): 20.0 TWh

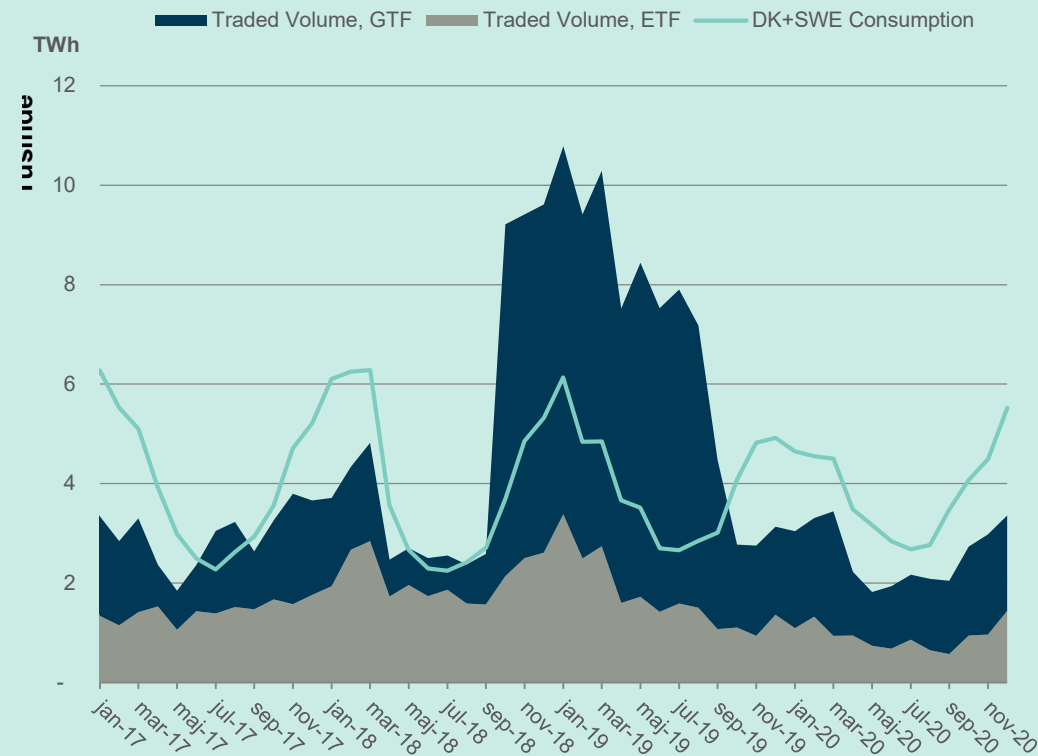
## GTF is primary delivery point

- Share of traded volume
  - GTF: 64 pct.
  - ETF: 36 pct.

**GTF volume expected to increase after re-commencement of operation at Tyra**

**Traded volume lower than DK+S consumption**

Traded Volume at ETF and GTF for 2017-2020



Source: The Danish Utility Regulator based on data from the Danish Energy Agency





# Trading and Market

## Spot prices at ETF record low

- 30 May 2020: 4.03 EUR/MWh
- Avg. price 2020: 9.82 EUR/MWh

## Price spread throughout 2020

- Range between -0.58 and 0.92 EUR/MWh for DK and NW Europe

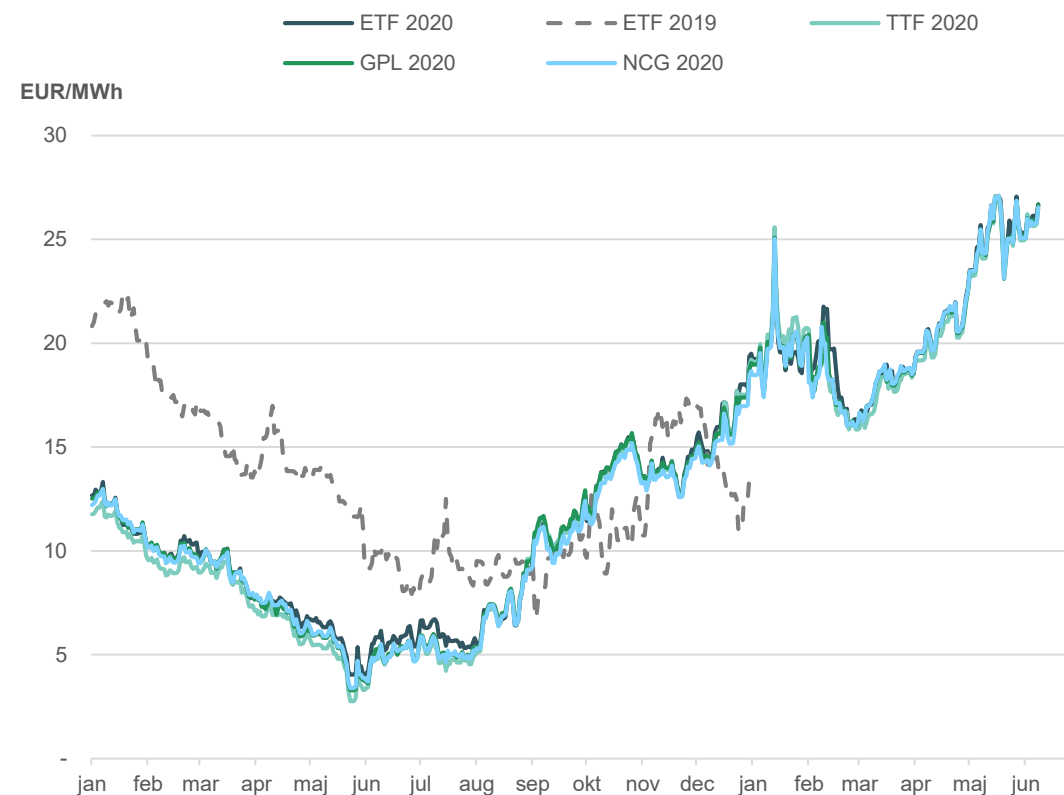
## Price in DK generally higher than GER

- Avg. price spread: 0.27 EUR/MWh

## Status as of June 2021

- Prices significantly higher

## Price Development for D-A in DK, NL, and GER for 2020-2021



Source: The Danish Utility Regulator based on data from the Danish Energy Agency



# Ellund

## 100 pct. of import from Germany via Ellund

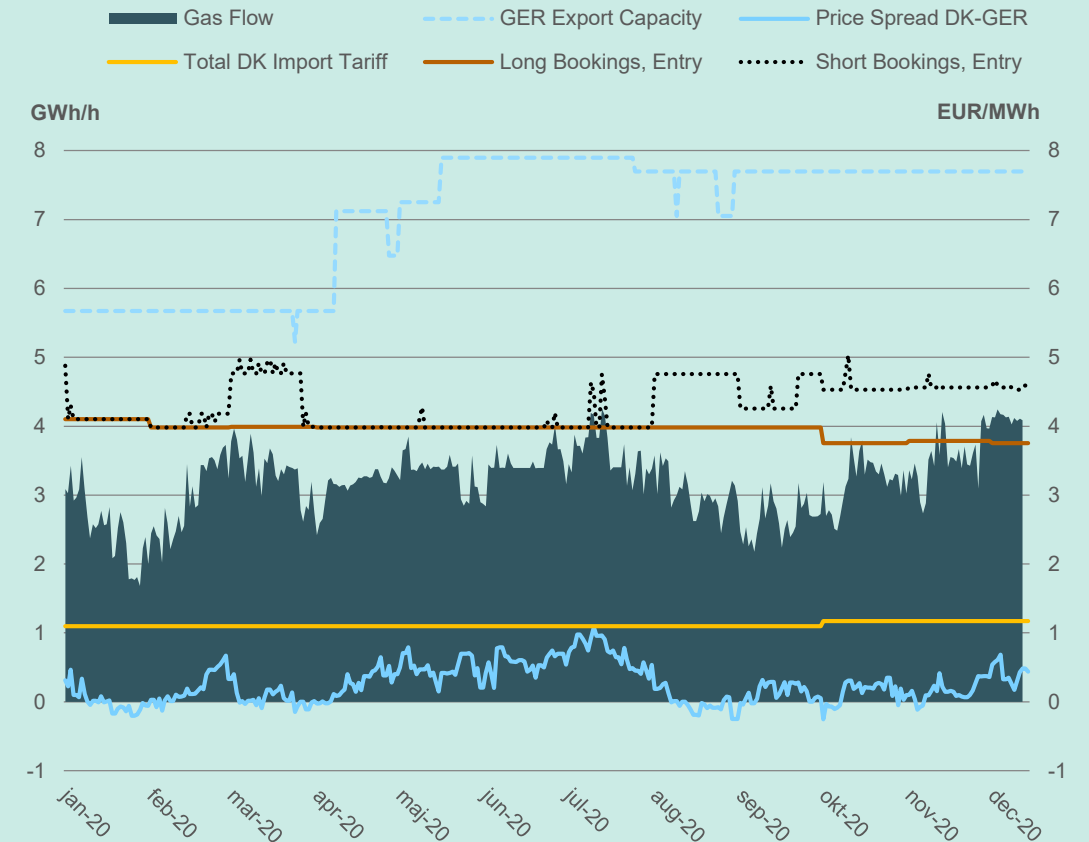
### Price differences between DK and Germany not fully utilized

- Unused booked transmission capacity

### Small but systematic flows against price signals

- Flows at higher level than in 2019

## Gas Flow and Import Bookings at Ellund for 2020



Source: The Danish Utility Regulator based on data from the Danish Energy Agency



# Focus areas 2021

1. Tyra-shutdown from September 2019 to June 2023
2. Price development, market dynamics, trade behaviour and market concentration
3. Ellund: Capacity utilisation, gas flows vs. price signals
4. Utilisation of the Danish gas storages
5. Proces regarding re-establishment of German import capacity post re-commencement of Tyra-platform

Full version in Danish

Summary in English



Both available at [www.forsyningstilsynet.dk](http://www.forsyningstilsynet.dk)

# Thank you.

If you have any questions, please raise a hand (virtually)



BREAK





# ELLUND CAPACITY AND AUCTIONS

Christian Rutherford, Energinet

# AUCTION PRINCIPLES

Specific rules for annual auctions in CAM NC

## Rules of relevance:

- TSO's must offer capacity at least 5 years ahead
- TSO's must save at least 10 per cent of capacity for short-term (quarterly or shorter – minimum requirement)
  - Energinet goes beyond the minimum requirement and saves 10 per cent for day-ahead
- TSO's must save additional 10 per cent for annual auctions, which must be saved for years 5-15 (minimum requirement)
  - Energinet goes beyond the minimum requirement, and saves 10 % also for years 2-5
  - OBS: CONSULTATION (see later slide)
- Unbundled capacity must only be offered 1 year ahead

# PRISMA AUCTIONS 5 JULY 2021

Capacity offer Ellund Entry (from Germany to Denmark)

Point/GY (in MWh/h)	Gas year 2021	Gas year2022	Gas Year 2023	Gas Year 2024	Gas Year 2025
Exit GUD/ Entry Energinet (bundled)	200	1264	1264	1441	1441
Exit OGE/ Entry Energinet (bundled)	694	844	844	844	844
Entry Energinet (unbundled)	2,380	-	-	-	-



# PRISMA AUCTIONS 5 JULY 2021

Capacity offer Ellund Exit (from Denmark to Germany)

Point/GY (in MWh/h)	Gas Year 2021	Gas year 2022	Gas Year 2023	Gas Year 2024	Gas Year 2025
Exit Energinet/ entry GUD (bundled)	0	0	-	-	-
Exit Energinet/ entry OGE (bundled)	154	0	-	-	-
Exit Energinet (unbundled)	8,846	-	-	-	-

# INCREMENTAL CAPACITY ELLUND

Long-term offer of southbound capacity 5 July 2021

- Based on incremental capacity bids for southbound capacity at Ellund
- Based on joint proposal between Energinet and Gasunie
- Test if additional capacity should be built on German side of Ellund (capacity available on Danish side)
- Capacity is offered as long-term bundled capacity 15 years ahead (starting October 2025)

Offer Level - GUD								
From	To	A	B	C	D	E	F	capacity offered
01.10.2025	01.10.2026	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2026	01.10.2027	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2027	01.10.2028	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2028	01.10.2029	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2029	01.10.2030	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2030	01.10.2031	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2031	01.10.2032	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2032	01.10.2033	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2033	01.10.2034	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2034	01.10.2035	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2035	01.10.2036	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2036	01.10.2037	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2037	01.10.2038	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2038	01.10.2039	0	0	0	0	2,500,000	500,000	2,000,000
01.10.2039	01.10.2040	0	0	0	0	2,500,000	500,000	2,000,000

# CONSULTATION ON QUOTAS

## Requirement in NC CAM

- In accordance with NC CAM Article 8 point 9, TSO's must consult the market on the quotas for saving capacity for short-term products, which should then be approved by the regulator
  - Energinet consulted the market on the short-term quota in 2012/2013, saving 10 per cent for day-ahead (going beyond the minimum requirement) - Approved by Danish regulator
- The long-term quota for annual capacity has never been officially consulted (but presented every year at Shippers Forum without comments)
  - Please forward any comments to the current quotas by **6 August 2021** to [cru@energinet.dk](mailto:cru@energinet.dk)
  - Energinet will consult with Danish Utility Regulator
  - No reply is considered as consent of the current quota levels

# MARKET MERGER IN GERMANY

Germany becomes 1 market zone on 1 October 2021: Trading Hub Europe (THE)

As a result, Ellund becomes a Virtual Trading Point (VIP)

New VIP	VIP-TSO	TSO(s) involved	IPs involved	Former VIP(s)	Introduction date	First marketing/auction
VIP DK-THE  EIC: 21Z8273645914289	GUD	OGE	Ellund (OGE), Ellund (GUD)		01.10.2021	Day-ahead-Auction on 30.09.2021

# ELLUND – MAINTENANCES ON GERMAN SIDE

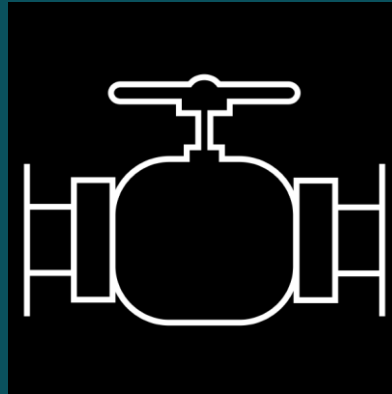
For more information, please go to: [Gasunie Deutschland Transport Services GmbH](#)

Maintainance	from	till	Firm capacity DEUDAN+GUD [kWh/h]
VDS Quarnstedt	26.04.2021	01.05.2021	2.420.000
MRS Heidenau	21.07.2021	22.07.2021	2.248.000
VDS Embsen gesamt	23.08.2021	28.08.2021	1.958.000
VDS Embsen ME02	30.08.2021	04.09.2021	3.928.000
MRS Embsen	06.09.2021	11.09.2021	1.958.000

# QUESTIONS



Contact: [cru@energinet.dk](mailto:cru@energinet.dk)

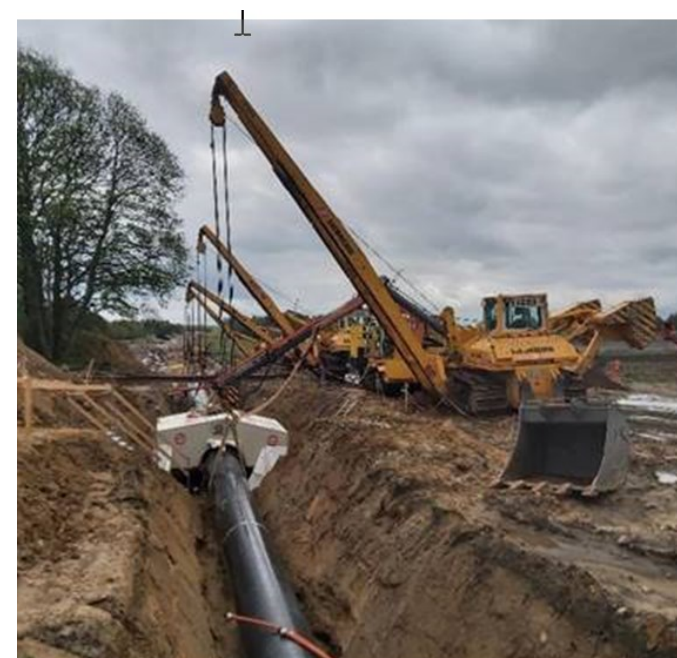
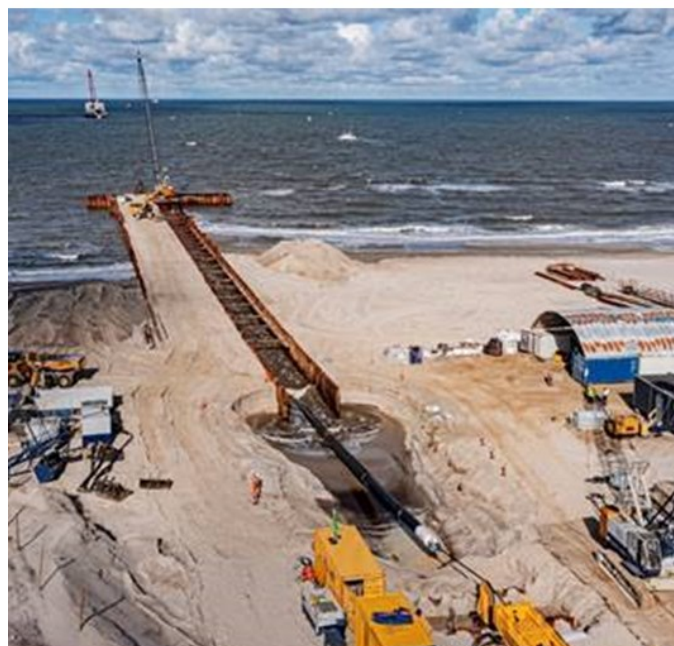
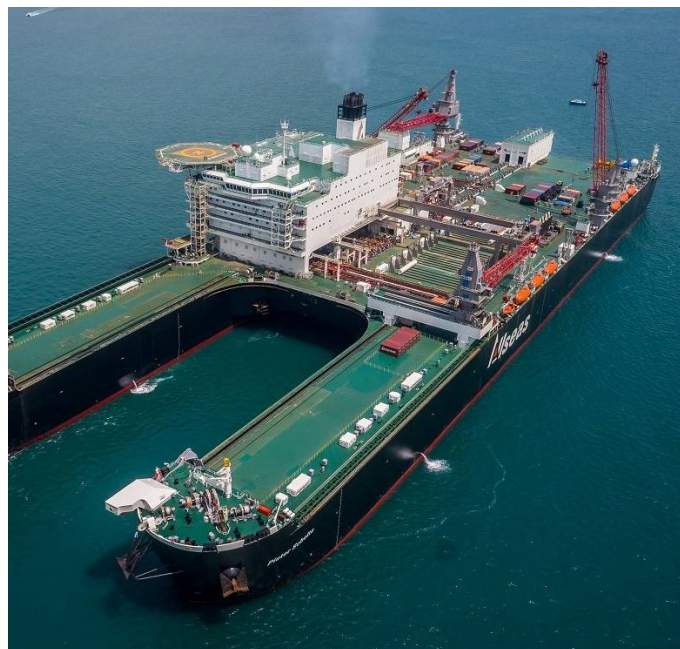


# BALTIC PIPE

Energinet

# BALTIC PIPE STATUS BEFORE MAY 31

Progressing as planned





# BALTIC PIPE STATUS AFTER 31 MAY

## ENVIRONMENTAL APPEALS BOARD REPEALS THE DANISH ENVIRONMENTAL PROTECTION AGENCY'S PERMIT FOR BALTIC PIPE

**Ruling:** Danish Environmental Protection Agency did not sufficiently describe the measures taken to protect dormice, Nordic birch mice and bats, that are protected by the European Habitats Directive Annex 4.

**Energinet reaction:** Temporary shutdown of construction activities and close dialogue with authorities

**Impact:** Is currently being determined with relevant authorities

**Next step:** Information will follow ASAP

# GAZ-SYSTEM CONTINUES AS PLANNED

*GAZ-SYSTEM informs that the construction works on the Baltic Pipe project which the company is in charge of - both onshore and offshore - are progressing without hindrance and according to schedule.*

*The decision of the Danish Environmental and Food Appeals Board shall have no effect on the implementation of the Baltic Pipe project by GAZ-SYSTEM.*

# BALANCING 2022 - STATUS

- Market consultation ended on 10 May
- Energinet and Nordion have received a total of 6 official responses from market participants
- General support of introducing within-day obligations in Danish-Swedish balancing zone – but with a number of comments, questions and remarks (see next slide)



# DATA AND DATA QUALITY

- Increased number of within-day data (from 5 times a day to every hour)
- Investments in new IT systems
- General large focus on improving data quality (e.g., processes; fallback data)

# NO PUNISHMENT PRINCIPLE

- Security net for shippers towards JEZ if data quality is poor
- Will also reduce risk of being cashed out and/or hit as causer at prices set at illiquid market situations

# SMOOTHING

- More concrete level of smoothing indicated in method application than in draft
- Smoothing profile allocated before the relevant gas day

# GREEN ZONE PUBLICATION

- Considerations on timing of publication and function - e.g., asymmetry, size (not direct part of method application)



NEXT STEPS:

- METHOD APPROVAL PROCESS AT DANISH & SWEDISH REGULATORS INCLUDING FURTHER MARKET CONSULTATION
- FURTHER MARKET INVOLVEMENT | Q3 2021

# BALTIC PIPE PROJECT

In Danish territory

Transmissions part

- Onshore Denmark
- Is part of the Danish Market Model

Upstream part

- Offshore North Sea
- Is intended to be part of the Danish Market Model



# ENTRY NORTH SEA STATUS

Proposed methodology has been in consultation

New version will be sent to the Danish regulator shortly

## The consultation

- Consultation period: 21 Dec. to 31 Jan.
- Five replies received
- Energinet will adapt the methodology:
  - Energinet proposed: Segment accounts
  - Shippers proposed: Separate legal entity
    - Is considered to increase transparency

## Delivery to regulator

- Methodology will be delivered to regulator:
  - Danish version
  - Increased focus on legal understanding (was in Chapter 1)
  - The content and solutions presented in the methodology are still the same
  - The methodology presented in the consultation process, and which the market commented on will also be delivered to the regulator.



# QUESTIONS



Contact: [cru@energinet.dk](mailto:cru@energinet.dk)





# TARIFFS 2021/2022

Nina Synnest Sinvani, Energinet

# AGENDA

- Resulting tariffs 2021/2022
- Assumptions:
  - Costbase - Overrecovery
  - Capacity/Flow
- Next step



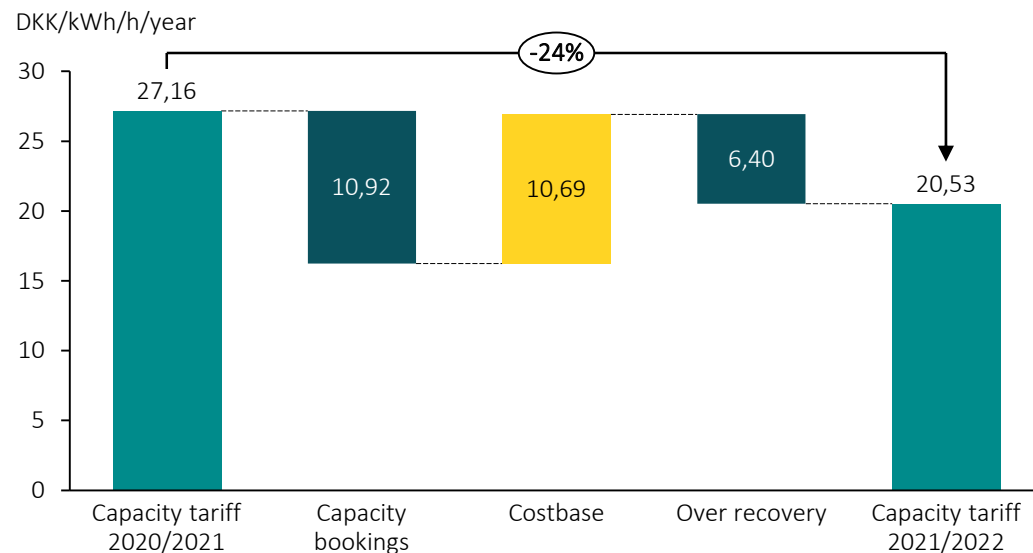
# RESULTING TARIFFS – TRANSPORT

The main tariff driver is the over recovery of 123 mDKK

## Capacity tariff:

- Increase in forecasted capacity bookings (Baltic Pipe)
- Increase in costbase (Baltic Pipe)
- Increase in over recovery,

overall leads to a decrease in capacity tariffs on 24%

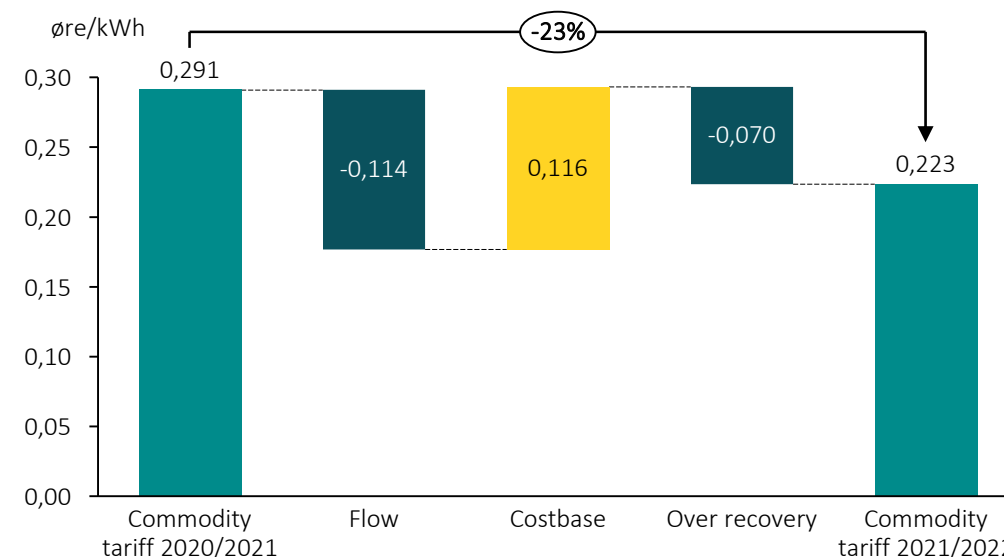


Balancing charge: 0,00019 DKK/kWh

## Commodity tariff:

- Increase in forecasted capacity bookings (Baltic Pipe)
- Increase in costbase (Baltic Pipe)
- Increase in over recovery,

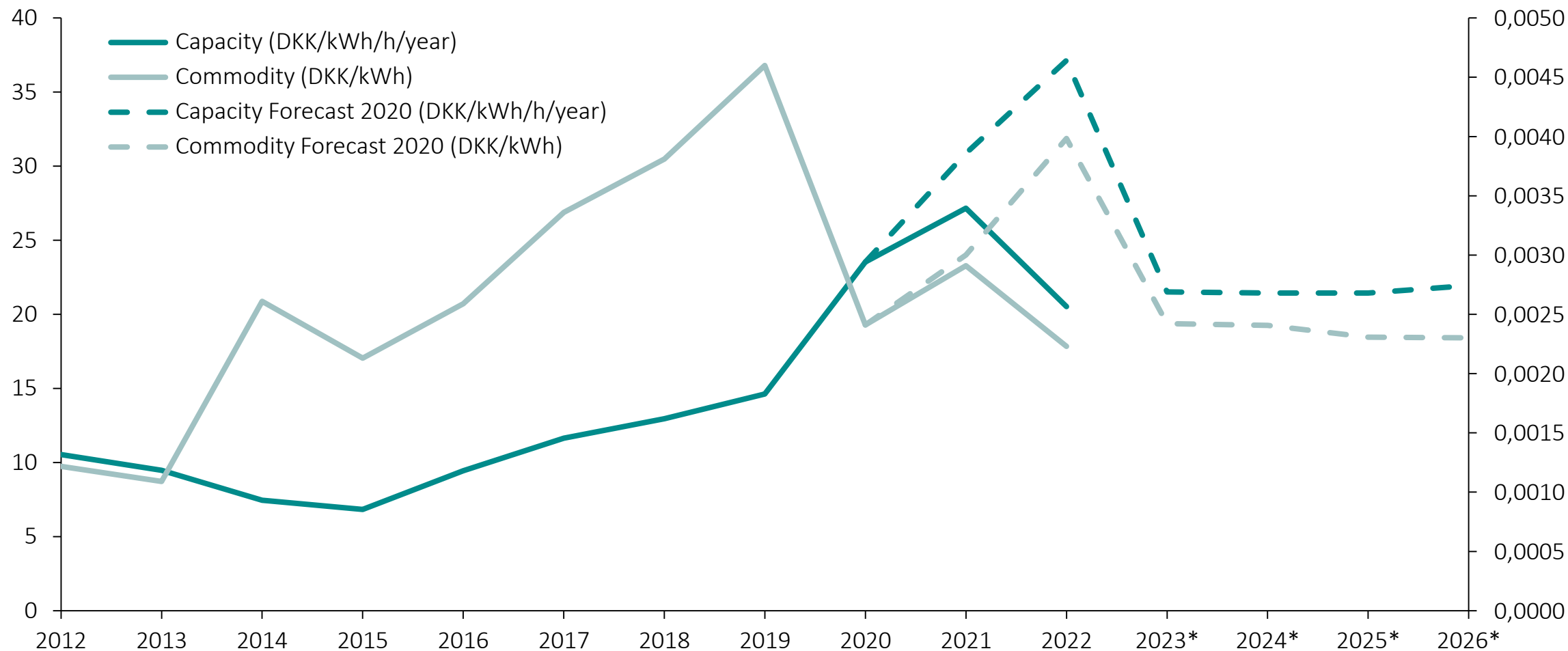
overall leads to a decrease in commodity tariffs on 23%



# DEVELOPMENT IN TRANSPORTATION TARIFFS

DKK/kWh/h/year

DKK/kWh

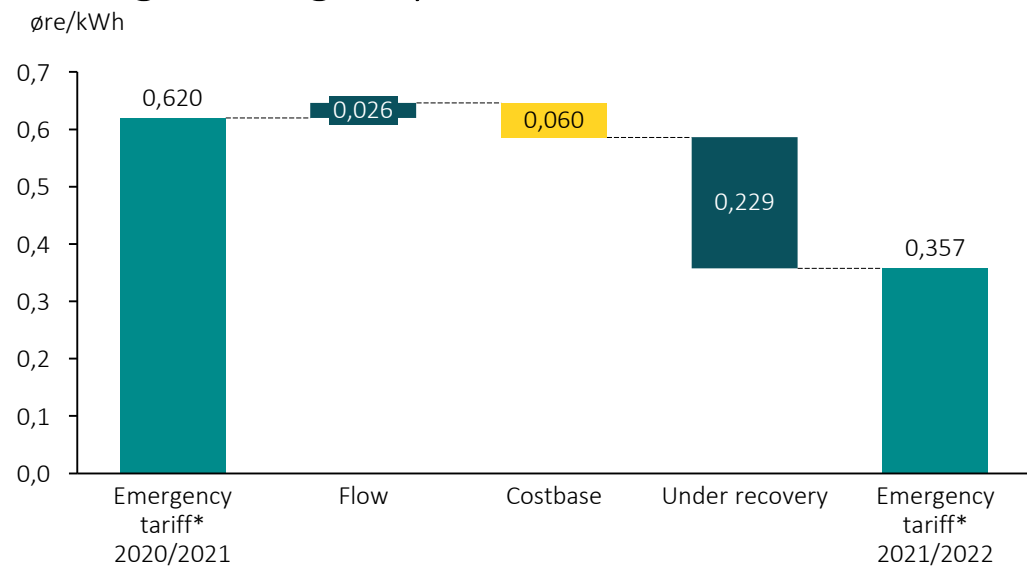


\*Expected and based on the current economic regulation

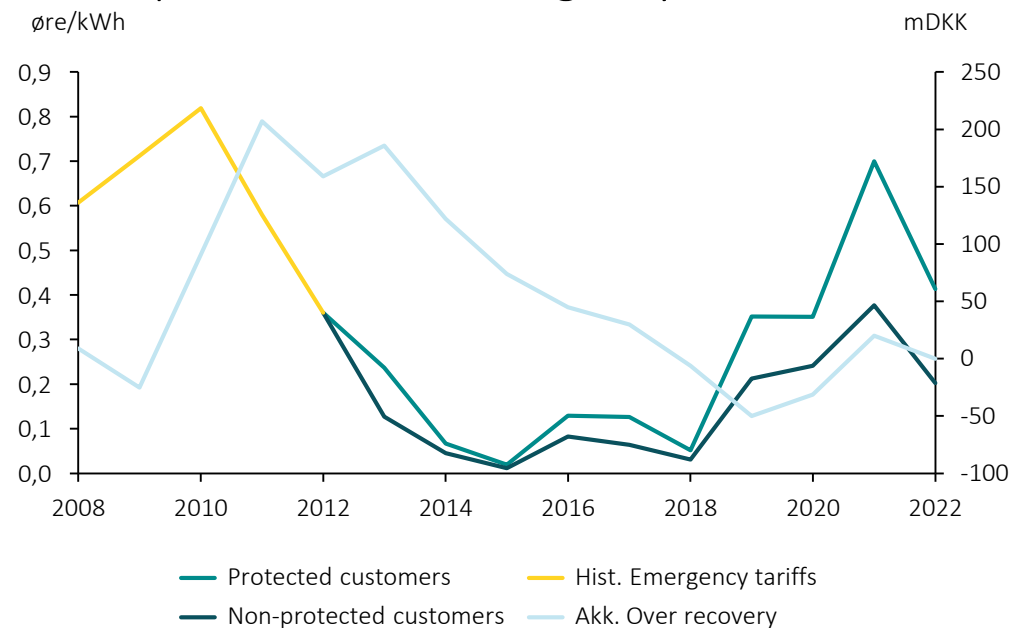
# RESULTING TARIFFS - EMERGENCY

Due to over recovery the increase in the emergency tariffs is limited

Average emergency tariff:



Development in the emergency tariff:







# ASSUMPTIONS

# COSTBASE

Increase in transportation costbase and high impact of the methodology and overrecovery

## Transportation:

Costbase (mDKK)	2020/2021	2021/2022
Capacity	223	276
Commodity	95	118
<b>Total</b>	<b>318</b>	<b>394</b>
Over recovery*	75	123

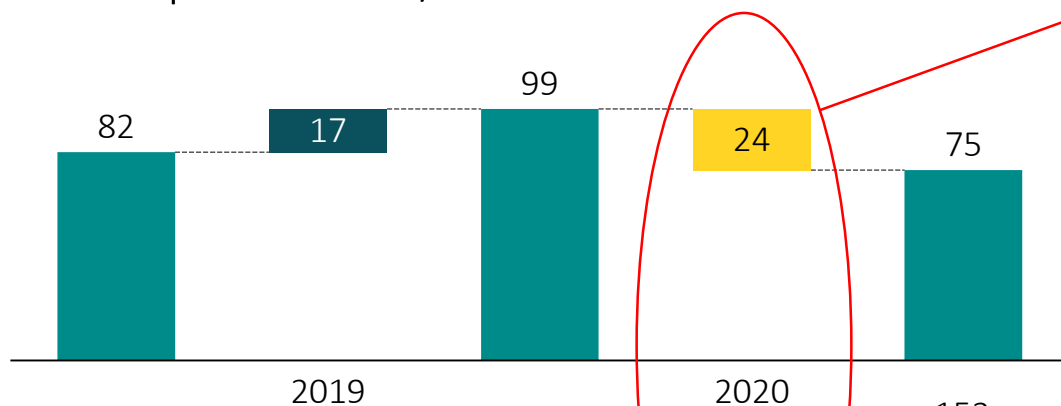
## Emergency:

Costbase (mDKK)	2020/2021	2021/2022
Protected (85%)	96	68
Non-protected (15%)	17	12
<b>Total</b>	<b>144</b>	<b>80</b>
Over recovery*	-31	20

\*Subtracted/added in the costbase

# OVER RECOVERY

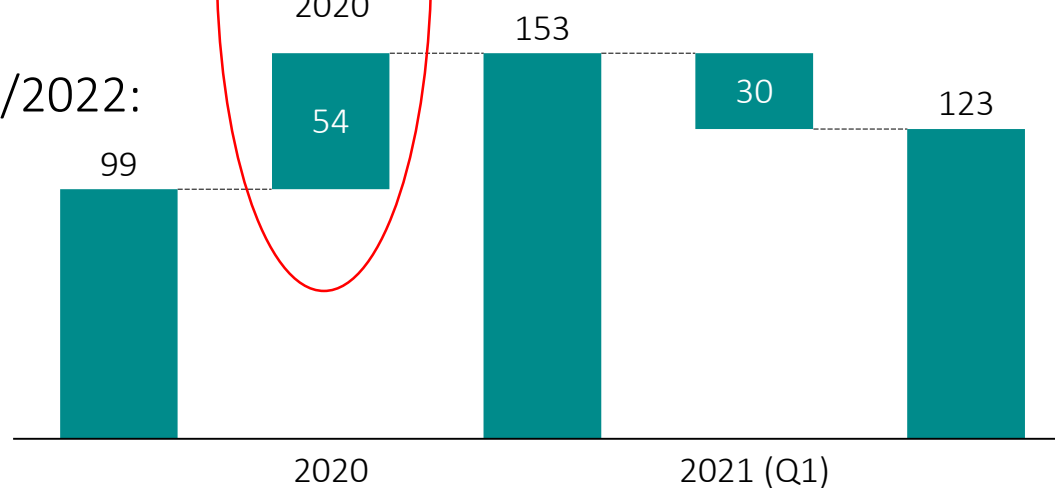
Assumptions 2020/2021:



Income increase:

- Significant change in booking behavior
- Unexpected decrease in costs

Assumptions 2021/2022:





# CAPACITY AND FLOW ASSUMPTIONS

	2020/2021	2021/2022	Change
<b>Commodity (mio. kWh)</b>			
JEZ	32,802	33,184	1%
Export Germany	0	0	0%
Exit Faxe	0	19,775	-
<i>Total</i>	32,802	52,959	61%
<b>Capacity (kWh/h/year)</b>			
JEZ	3,733,333	3,700,000	-1%
Exit Ellund	0	0	0%
<i>Exit Faxe</i>	0	2,607,200	-
<i>Exit capacity</i>	3,733,333	6,307,200	69%
Entry Nybro	210,000	210,000	0%
Entry Ellund	3,608,333	3,516,078	-3%
Entry RES	645,000	809,278	25%
Entry North Sea	0	2,607,200	-
<i>Entry Capacity</i>	4,463,333	7,142,556	60%

# NEXT STEP

We will continue to have a high involvement of the market on the tariff methodology in the coming years...

- User Group and pre-consultation on tariff methodology
- New economic regulation of Energinet



# QUESTIONS



Contact: [nsy@energinet.dk](mailto:nsy@energinet.dk)

BREAK



—  
**GAS  
STORAGE  
DENMARK**  
—



**Shippers Forum**

Mads V. Boesen

10th June 2021, online

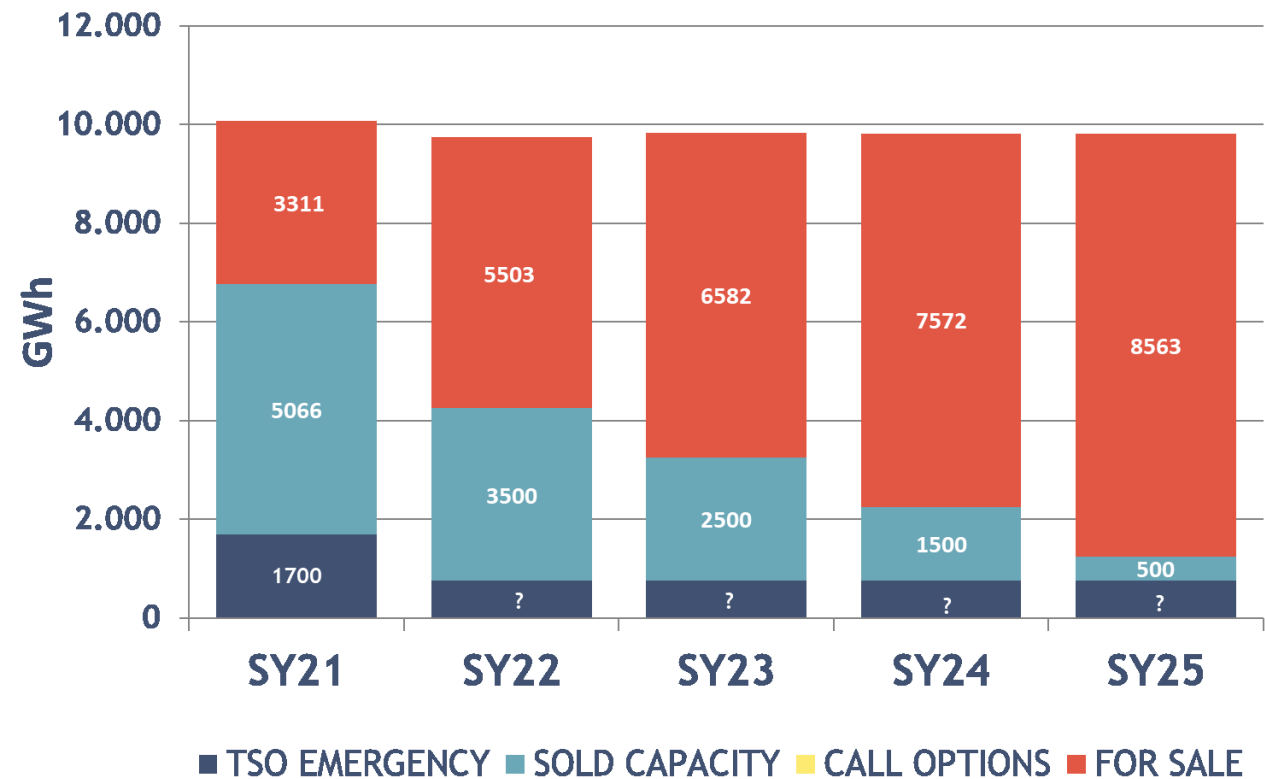


# AGENDA

- 1. Status on storage capacity 2021-2025**
- 2. Injection during tie-in periods**
- 3. Products and prices**
- 4. New storage year**

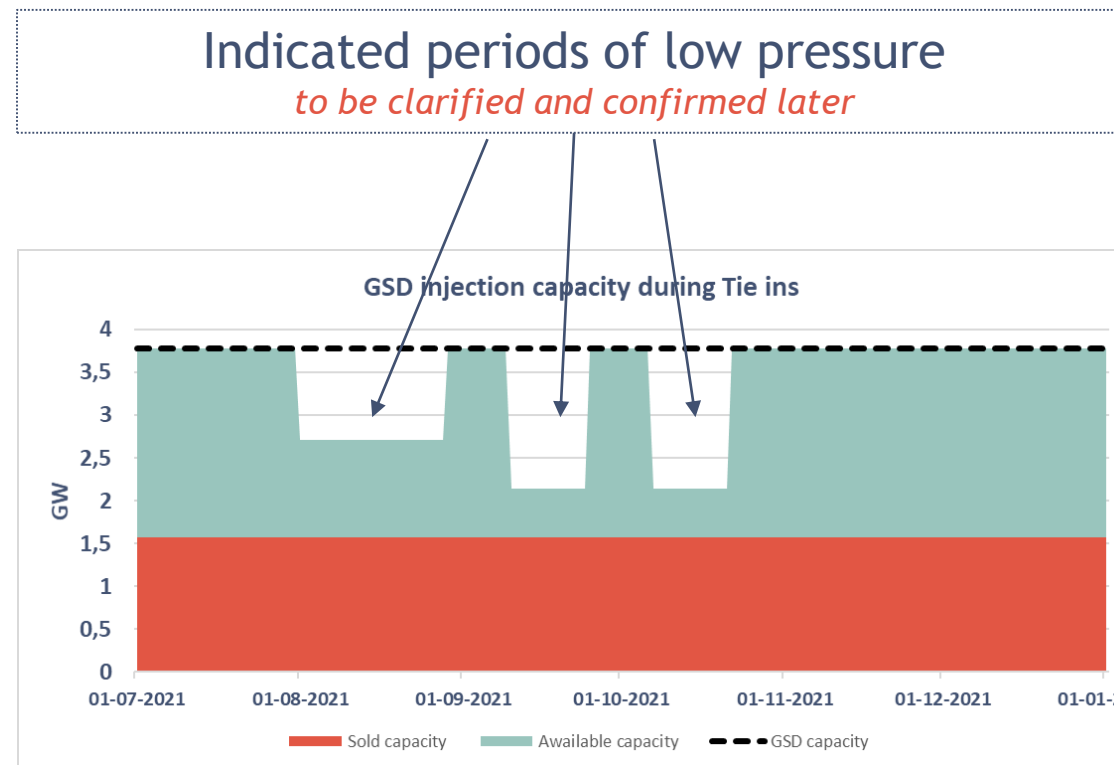
# STATUS ON STORAGE CAPACITY 2021-2025

- ☐ 3.3TWh available for sale in the remaining of SY21
  
- ☐ SY22+ is open for sale:
  - yearly capacity
  - long term deals
  
- ☐ TSO emergency volume SY22+
  - no reservation made yet



# INJECTION DURING TIE-IN PERIODS

- ❑ Due to expected tie-in work, as announced by REMIT no. 2986 from Energinet TSO The transport capacity in the transmission system is reduced, making less gas available for injection into storage
- ❑ Based on the sale status at the moment, GSD would be able to deliver 100% of the already sold injection capacity – this is subject to change, should more firm injection capacity be sold
- ❑ To avoid reduction of any sold capacity during tie-in, and to help increase storage booking, GSD intends to offer a storage product without injection capacity during the tie-in period(s)
- ❑ The product will be offered for 2.95 €/MWh (120/90 days flex) where the discount compared to Tyra-pricing will be reflecting the reduced value caused by the tie-in-work
- ❑ The product will only be restricted in the injection capacity during the period(s) where tie-in construction work is carried out (as announced by TSO)





# PRODUCTS AND PRICES

- ❑ SY 21 (rest of year): Tyra-pricing
- ❑ SY 21 tie in product
- ❑ SY 22: Tyra-pricing
- ❑ Short term capacity (prices available on home page)
- ❑ GSD is open for long term deals starting from SY-22. (fixed price or fx. based on an price index cap/floor model)

## Tyra-pricing:

- 120/60: 4.0 €/MWh/year
- 170/85: 3.5 €/MWh/year
- 170/170: 3.0 €/MWh/year

## Additional flex:

- Injection: 750 €/MW/year
- Withdrawal: 2,100 €/MW/year

## Tie-in product SY-21:

- 120/90: 2.95 €/MWh
- Other flex also available

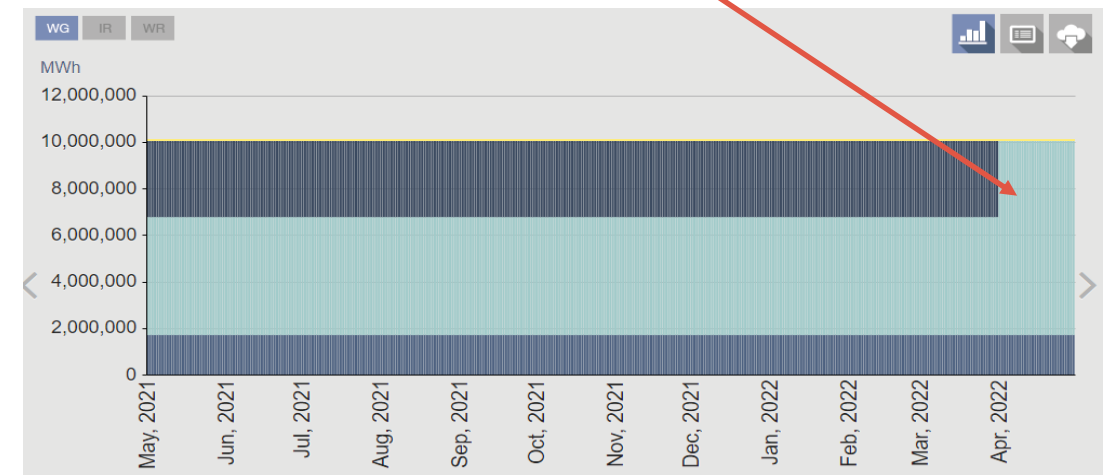
# NEW STORAGE YEAR

- ❑ GSD has started rolling transition to a storage-year-start from 1st May to 1st April
- ❑ This is done to align storage products with the traded gas contracts (summer and winter)
- ❑ The alignment has been decided according to a clear preference expressed by storage customers in the market consultation conducted by GSD in Q1
- ❑ The rolling transition aims to align all storage contracts during the next two years prior to the start of SY23 on 1st April 2023.
- ❑ As long the transition is on-going, the diagram AVAILABLE CAPACITY will display "jumps" in April\*
- ❑ GSD intends to be flexible and accommodating in addressing any issues that may arise from the transition

10th June 2021



## Overlap of capacity



\*<https://gasstorage.dk/Operational-data>  
(AVAILABLE CAPACITY)



# SECURITY OF SUPPLY

Christian Meiniche Andersen, Energinet

# Tenders

Individual Filling Requirements 2021

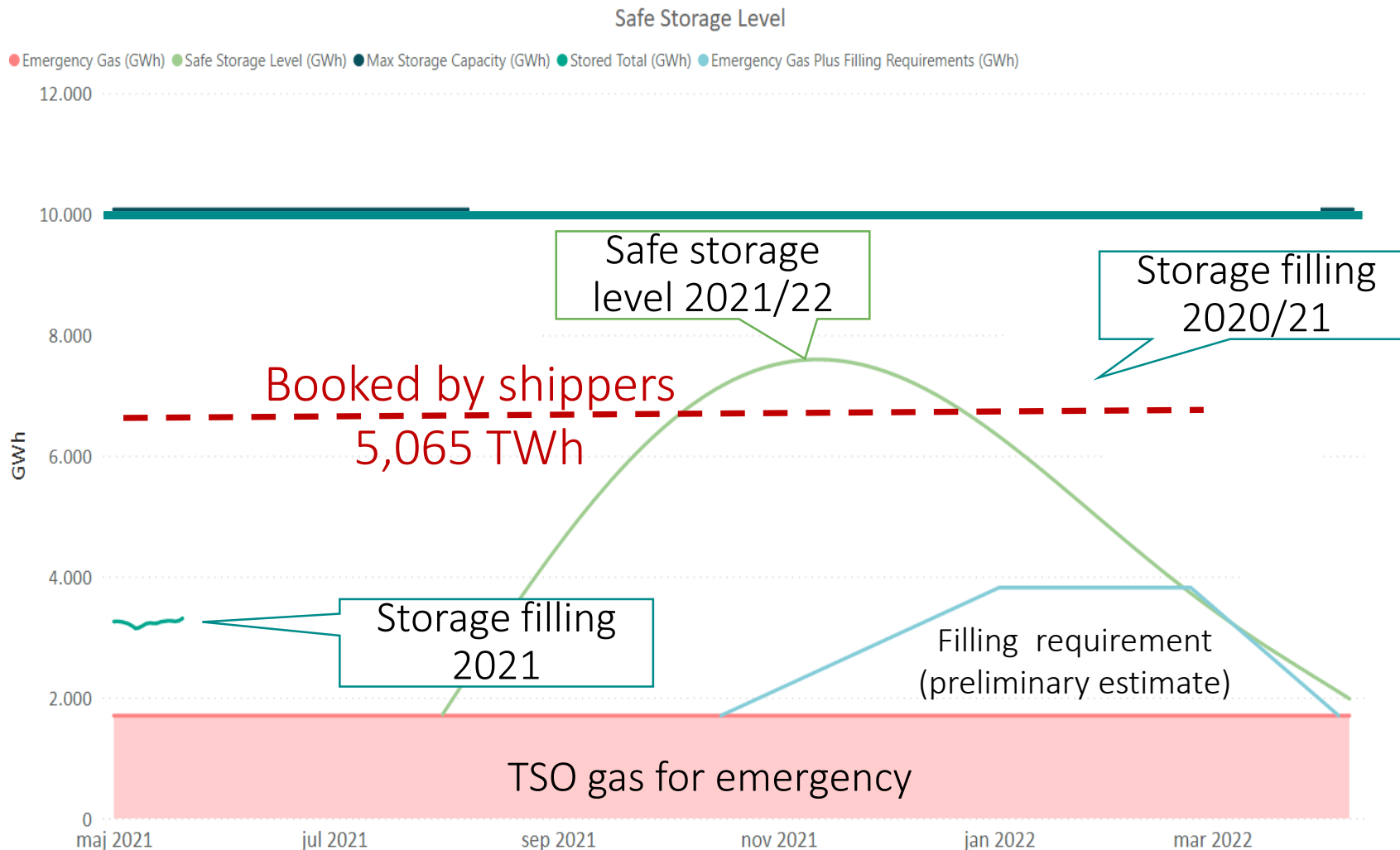
## CALL FOR TWO TENDERS TO SUPPLY INDIVIDUAL FILLING REQUIREMENTS

- This year the tender to supply individual filling requirements will be split in two
- First tender: 22 June 2021 at 12.00 (CEST)
- Second tender: 15 September 2021 at 12.00 (CEST)
- The two tenders relates to the supply of individual filling requirements up to a total of 2,100 GWh.
- The first tender relates to the supply of the filling requirements of up to 1,200 GWh.
- More information at Energinet webpage:

<https://en.energinet.dk/Gas/Gas-news/2021/05/20/Tender-2021>

# STORAGE BOOKING AND SAFE STORAGE LEVEL 2021/22

- Currently storage bookings 21/22 is less than *Safe Storage Level (SSL)*
- Risk of gas shortage >5% (100% utilization of Ellund entry rest of year)



# SUM UP

- Current bookings is app. 1 TWh less than Safe Storage Level.
- Risk of emergency spring 2022 >> 5%
- SSL assumes
  - 100% utilization of Ellund and
  - 100% availability of capacity rest of storage year

NB! Construction work on Baltic Pipe affects capacity in the transmission system in 21/22



# QUESTIONS



Contact: [can@energinet.dk](mailto:can@energinet.dk)



Security of supply  $\approx$  *Shipper's Forum* sept. 2019





# "Old" changes

*Current implications*

- Legal act N<sup>o</sup> 1294 of December 5 2019
- Changed unclear wording in the Danish Natural Gas Act
- Focus on what a transmission system operator is responsible for and also what not

# Specific change

- Wording in Danish Natural Gas Act, art. 12, paragraph 1, nr. 3, changed.

Coming from: »varetage forsyningssikkerheden i Danmark«

Going to: »varetage opgaver vedrørende forsyningssikkerheden«

- Wording accompanied by explanatory remarks

- Competence of each party in the gas sector governs the party's responsibility for security of supply
- Underlying responsibilities for transmission system operators are governed by Union Law
- No responsibility for making sure the gas is available for trade for transmission system operators



**Directive 2009/73/EF** ([Web](#))

Art. 2, № 1:  
Natural gas undertakings

Art. 9:  
Unbundling

**Regulation 2017/1938/EU** ([Web](#))

Art. 3:  
*»Natural gas  
undertakings...within their  
respective areas of activity and  
competence «*

# Security of supply

*Liability?*

- Market players are responsible for considering where the gas will flow from
- What if there is not enough gas available to supply costumers?
- Each party is responsible within their competence, i.e. market players will have to beforehand consider where the gas will flow from

# Thank you for your attention

Per Stokholm  
*pst@ens.dk*

Chris Nowak  
*cno@ens.dk*



# FINAL REMARKS

Clement Johan Ulrichsen, Energinet Gas TSO

# QUESTIONS



Contact: [cju@energinet.dk](mailto:cju@energinet.dk)