



# QUESTIONS AND ANSWERS TO THE NEW BALANCING MODEL 2022

**ENERGINET**

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## 1. General questions to the balancing model

1. If e.g., we have a shortage for H24 but in sum a surplus. If Energinet is in the yellow zone with a shortage will we pay for our cumulative imbalance?

**Answer:** no, you will only be a causer, if your accumulated imbalance is in the same direction as the total accumulated imbalance. So, in this case you are a helper and will not be charged anything.

2. Is there an overview of the increased data flow to “Shippers, as Shippers shall be informed about their Individual Accumulated Shipper Balance every Hour”

**Answer:** An overview of the dataflows related to balancing was presented at the user group on 28 October 2021. Also the dataflows are described in the balancing method application towards the Danish Utility Regulator. Both these and other material can be found here: [Developing the gas balancing model for implementation in 2022 | Energinet](#)

3. Do we receive system balance and balancing zone every hour or is it solely available online?

**Answer:** As a starting point the information will only be available online. We will investigate if it would be possible to send the data directly. However, if it is the case, we would not expect it to be ready by 1 October 2022 but would then add it afterwards.

4. How would the new balancing model work in an “emergency” situation (e.g., if access to Russian gas was suspended)?

**Answer:** For the main part, the balancing model would continue in an emergency situation just like during regular operation but with other imbalance prices (force majeure price and potentially increased imbalance payment). But the model in itself would remain the same.

5. A scenario could potentially arise where the balancing model could not be optimally maintained. In this case BfG chapter

16.3.1. describes Energinet's options in regard to balancing in the case of Emergency (Link to conditions: [Rules & Reports | Energinet](#)).

6. Is there already any information regarding the new messages & formats that will be used for the implementation of the new balancing model?

**Answer:** We have updated our documentation regarding the new balancing model which is available here: <https://en.energinet.dk/-/media/5232F9382F6941359013FAD9FA40C444.pdf>

7. Will we get the same number of forecasts for the non-daily metered marked as today?

**Answer:** Estimates/nDMS forecasts will continue to work just like today meaning the first forecast at 13:00 day ahead and 5 updates during the gas day.

8. In terms of DMS data from the distribution companies during the gas day, will there be a message on how much of the data is based on actual measurements, and how much is based on estimates?

**Answer:** It is expected that such a message will be developed, but it will not be ready for 1 October 2022.

## 2. Questions concerning smoothing

1. How will this S-curve work? Where and how will it be applied? Could you show an example?

**Answer:** we have shown an example in the slides from the user group in October 2021, which is found here: [Developing the gas balancing model for implementation in 2022 | Energinet](#)

In short, you will receive an S-max before the gas day, which is the maximum value you are allowed to differ from a flat profile during the gas day. You will be nominating your own smoothing profile, considering the S-max value and taking into account that the sum of all 24-hourly values (entry minus exit) must be zero.

Who should nominate towards the causer allocation point and smoothing allocation point?

**Answer:**

For causer allocation point this is automatically allocated directly by Energinet, in case a shipper is causer (have an imbalance in the same direction as the yellow zone trade), so no action is needed by the shipper.

For the smoothing allocation point, this is nominated by the shipper, based on the needed profile, and based on the S-max value. The smoothing profile should be nominated towards the normal nomination round at 14:00 before the gas day and can be renominated until 04:00 before the gas day.

2. As we understand we can send our smoothing profile between 13:00-04:00 day-ahead. Is it possible to renominate later e.g., through intraday?

**Answer:** No, the smoothing profile can only be (re)nominated until 04:00 the gas day before.

3. How do we receive information about available smoothing day-ahead, meaning the information vi received at 13:00 (message type)?

**Answer:** You will receive the information directly through an Edigas message type. We are currently determining the most optimal message type.

4. Presumably, the S-max is a value that we receive, is that correct?

**Answer:** Yes, you will receive a value which will be your individual S-max for the day. The individual S-max value is calculated on market shares 7 days before.

5. Will this smoothing have to be divided out over the entire day (24 hours) – meaning if we are assigned an S-max=240 that would e.g., equal 10 every hour?  
Or is the S-max a value we can smooth with every hour?

**Answer:** The S-max is an upper-limit (entry limit) that you are not allowed to exceed, but as long as you comply with this limit during all hours of the day you can nominate the hours however (as long as the sum of entry minus exit for all 24 hours = 0 )

6. When we smooth with 10 in hour 1 have we then “removed” an imbalance of 10 in all the following hours?

Meaning if we then smooth an additional 10 in hour 2 is our imbalance then 20 less than it would have been otherwise? In the case where we would then use all 240 (assuming S-max would be 240) at the start of the day would we then have a greater “imbalance” in the opposite direction at the end of the day?

**Answer:** Yes, given that the sum of all hours has to equal 0 the imbalance resulting from smoothing at the start of the day must be resolved later in the day.

7. The value that the shipper nominates on the SAP, is that only the smoothing he requires (while respecting the s-max) or the total of expected consumption + required smoothing?

**Answer:** The latter, meaning only the required smoothing.

8. How should the smoothing profile be nominated in practice?

**Answer:** The smoothing profile is a tool that shippers can use to “smooth out” the individual shippers offtake profile towards the Joint Exit Zone. The smoothing profile is nominated per hour, in opposite direction of the average offtake.

So, if the offtake in a given hour is higher than the (expected) daily average offtake, this can be considered as an exit in terms of smoothing, which then can be smoothed out by nominating an entry value towards the smoothing allocation point in that specific hour.

For the smoothing allocation point, the sum of all entry values for all relevant hours minus the sum of all exit values for all relevant hours must equal 0 for the gas day.

9. Should the specific smoothing values per hour be nominated as plus and minus values

**Answer:** No, the values should be nominated as entry and exit values.

10. Is smoothing also possible for RES entry?

**Answer:** No, smoothing is only available for the Joint Exit Zone, but will be considered as part of potential future developments to the balancing model.