

GASGRID 

Agenda

1. Opening of the Webinar
2. Status update of Balticconnector
3. Amendments to the Inkoo LNG Terminal Capacities and the Schedule
4. Amendments to the Finnish gas market model
5. Q&A
6. Closure of the Webinar





Status update of Balticconnector

Amendments to the Inkoo LNG Terminal Capacities and the Schedule

Webinar Agenda

1. LNG Terminal Inkoo update and coming Winter 2023 / 2024
2. Extended Joint Use and Capacity allocation for Winter 2023/2024
3. Capacity Allocation and Congestion management
4. Reduced Capacity Late Spot Slots for Winter 2023/2024 (14th of December until 7th of April)
5. Schedule for Winter 2023 / 2024



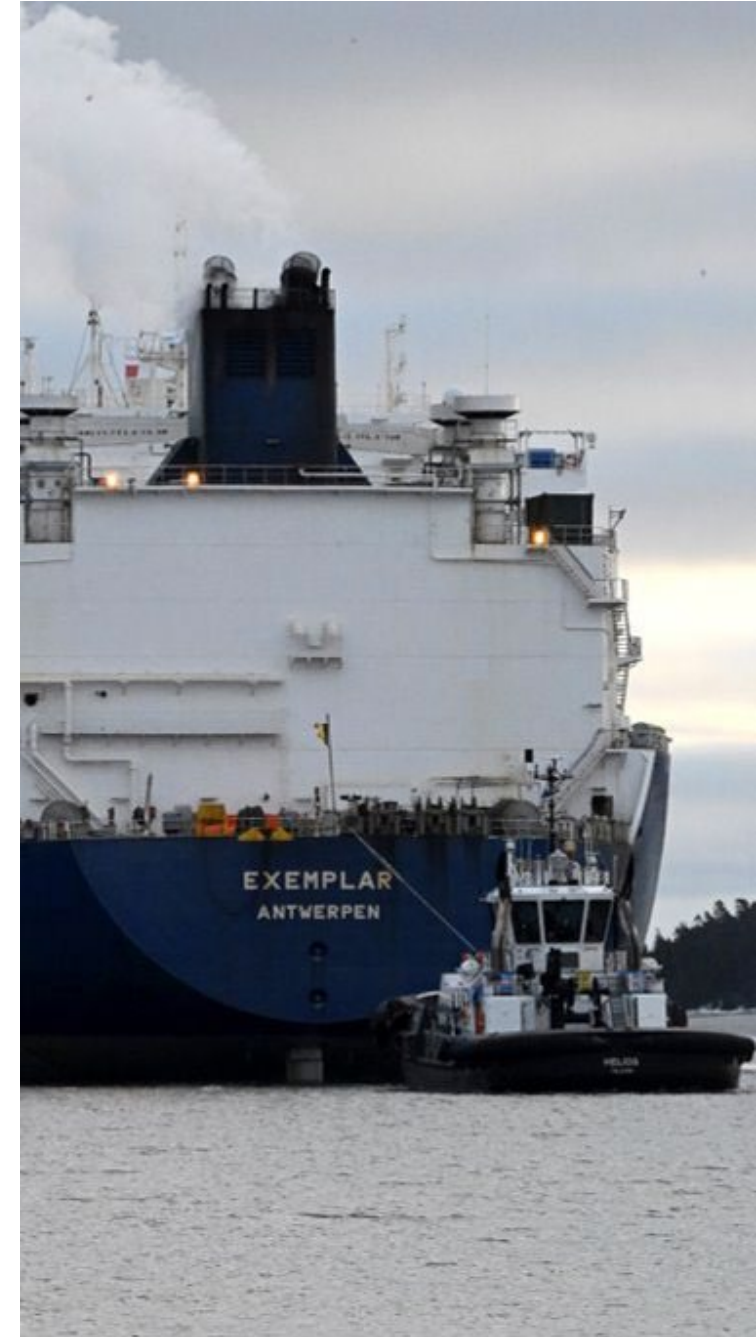
1. LNG Terminal Inkoo update and coming Winter 2023 / 2024

- Due to the disruption in Baltic Connector LNG Terminal Inkoo suspended Spot capacity offering to the markets to assess required measures to offer current free capacity in a most neutral and fair way to the market participants
- Capacity situation at LNG Terminal Inkoo is good and there is plenty of free capacity for coming winter for the market participants
- In order to offer capacity in a fair and nondiscriminatory way LNG Terminal Inkoo decided to revise current conditions for Joint Use and Service Schedule for the coming winter
- Finnish Energy Authority approved these temporary rules for Joint Use and Scheduling on the 18th of October
- LNG Terminal Inkoo will open Capacity Allocation Invitation for the coming winter with revised schedule and Joint Terminal Use during week 43
- Market participants will be able to submit considerations and suggestions to the schedule for the winter 2023 / 2024



2. Extended Joint Use and Capacity allocation for Winter 2023/2024

- Due to unavailability of Baltic Connector and changed market conditions Inkoo LNG Terminal will offer available free capacity for the period 14th of December until 7th of April with temporary Joint Use Rules approved by Energy Authority applying Joint use for the full period.
- LNG Terminal Inkoo will offer reduced size Late Spot Capacity on a demand basis for same period to allow market participants to import reduced sized cargoes.
- Current Late Spot Slots in Q4 2023 shall be converted to Spot Slots and Joint Use principle shall be applied for the full period starting from 14th of December until 7th of April 2024
- Final version of updated Service Schedule will be published along with invitation
- Spot Capacity Invitation will be organized during week 43. A UMM will acknowledge the exact timing of this.



3. Capacity Allocation and Congestion management

Spot Capacity Invitation	Allocation of Capacity	Congestion Management
<p>Floating LNG terminal Finland opens the Spot Allocation Procedure for Q4 2023 and Q1, 2024 and requests interested parties to submit their Spot Allocation Requests from xxxx.2023 xx.xx EET until xxxx.2023 xx.xx EET</p>	<ul style="list-style-type: none">• If two or more requests for the same Scheduled Slot fulfil the conditions on the same calendar day, the Terminal Operator shall prioritize the Applicant on a first-come-first-served basis, according to the timestamp of the request email.• In this case disputed slot(s) will be allocated in rounds where the Applicant with the earliest timestamp on their request will have the first choice to choose one (1) slot per round.• The order thereafter for other applicants will also be determined based on the timestamp of the request. This method will be applied until all requested slots are allocated to the Applicants. .• Applicants must nominate slots according to their priority order.	<p>In the case the sum of the Slots requested by all Applicants within the considered annual Capacity Allocation Procedure is more than the total number of Slots available to be allocated in the considered period, the congestion management method is applied. The Slots are allocated by the Terminal Operator to the Applicants proportionally and rounded to the closest integer number of Slots.</p> <p>The percentage of Terminal Capacity to be allocated to each Applicant is calculated as the ratio between the Slots requested by the Applicant and the sum of the Slots requested by all Applicants</p>

4. Reduced Capacity Late Spot Slots for Winter 2023/2024 (14th of December until 7th of April)

- Floating LNG Terminal Finland Oy will reserve the right to open Reduced Capacity Late Spot Slots for Winter 2023/2024
- Late Spot Slots will be offered on a need basis
- Late Spot Slots conditions will be applied. Therefore, Joint Use will not be applicable.
- Size of Late Spot Slot will be up to around 500GWh
- LNG must be withdrawn according to regasification period defined in Late Spot Slot invitation
- Kindly note that terminal capacity reservations will be made using the form in Annex 8 of the terminal rules.
- Applicants must submit company's relevant documentation as described in Annex 8 and clause 5 of the terminal rules. In addition, applicants are requested to nominate vessel for the requested slot for compatibility study and vetting.



5. Service Schedule for Winter 2023 / 2024

- The slot sizes for the winter period are calculated and based on 800GWH cargoes
- Terminal Operator may allow different size of cargoes for slots. However this is at Terminal Operators discretion and not being lower than Terminal Users max borrowed net position.
- The delivery windows have been matched to fit said 800 GWH cargoes based on the assessed gas usage with a flat average profile. By this the Terminal Operator can ensure a natural buffer of around 200 GWH in the Terminal.
- If a Spot Slot holder wishes to bring a cargo of different size due to market demands this will be possible. If such deviation leads to longer discharge time than given unloading time as per terminal rules based on 800 GWh Cargo size all extra costs are to be on Spot Slot holder.
- Currently six (6) Spot Slots will be available for allocation.
- One Spot Slot for March has been reserved already during the Annual Capacity Allocation and has been accommodated into the updated Schedule.

Slot name	Start date	End date [1]	Slot size and type	Delivery Window
December I	14.12.2023	30.12.2023	800GWH, Spot Slot	9-10.12.2023
December II	31.12.2023	15.1.2024	800GWH, Spot Slot	26-27.12.2023
January I	16.1.2024	31.1.2024	800GWH, Spot Slot	11-12.1.2024
February I	1.2.2024	16.2.2024	800GWH, Spot Slot	27.1-28.1.2024
February II	17.2.2024	3.3.2024	800GWH, Spot Slot	12-13.2.2024
March I	4.3.2024	19.3.2024	800GWH, Spot Slot	28-29.2.2024
March II [2] [3]	20.3.2024	6.4.2024	800GWH, Spot Slot	15-16.3.2024
[1] End of gas day is 7:00 on the following day				
[2] Spot Slot reserved during Annual Capacity Allocation				
[3] Includes 48hrs Maintenance				



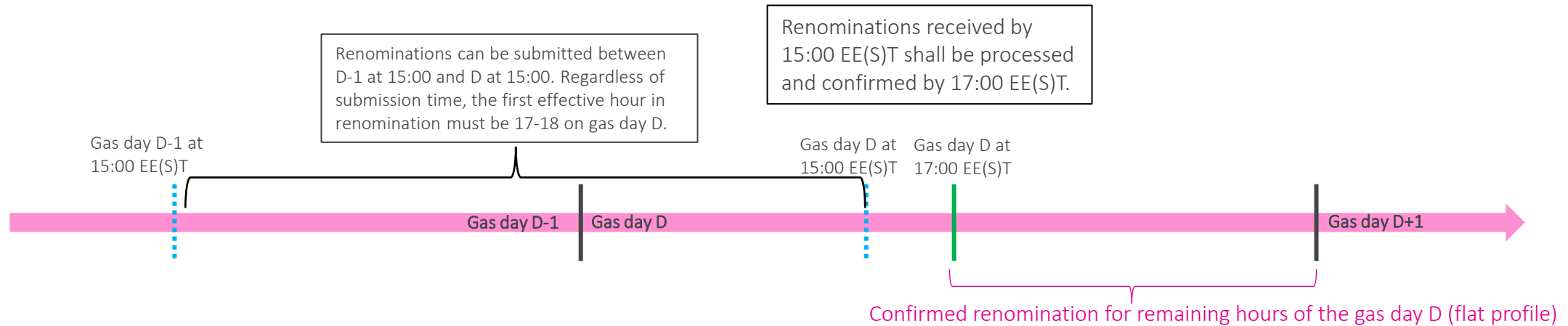
Q&A

Amendments to the gas market model in Finland

Introduction of possibility to renominate at Inkoo LNG entry point

- Gasgrid Finland and Floating LNG Terminal Finland have submitted urgent request for the Finnish Energy Authority to introduce renomination possibility at Inkoo LNG entry point.
 - The Finnish Energy Authority launched a short consultation on 20th of October which is open until 12:15 on 23rd of October.
 - It is proposed that the introduction of renominations would take effect from Tuesday, October 24, 2023.
- The urgent request was proposed due to the following reasons:
 - The flexibility offered by Balticconnector to export or import gas is out of use during the winter season.
 - Market participants are better able to meet the needs of Finnish gas users when it is possible to adjust the nomination during the gas day.
 - Renominations may increase liquidity of spot market (gas exchange) as the importers have possibility to offer gas quantities at the spot market without intolerable risk.
 - Renomination provides a tool for the balance management. In the current market situation it is crucial to minimize the imbalance, because the TSO's tools to maintain gas system balance may be limited.

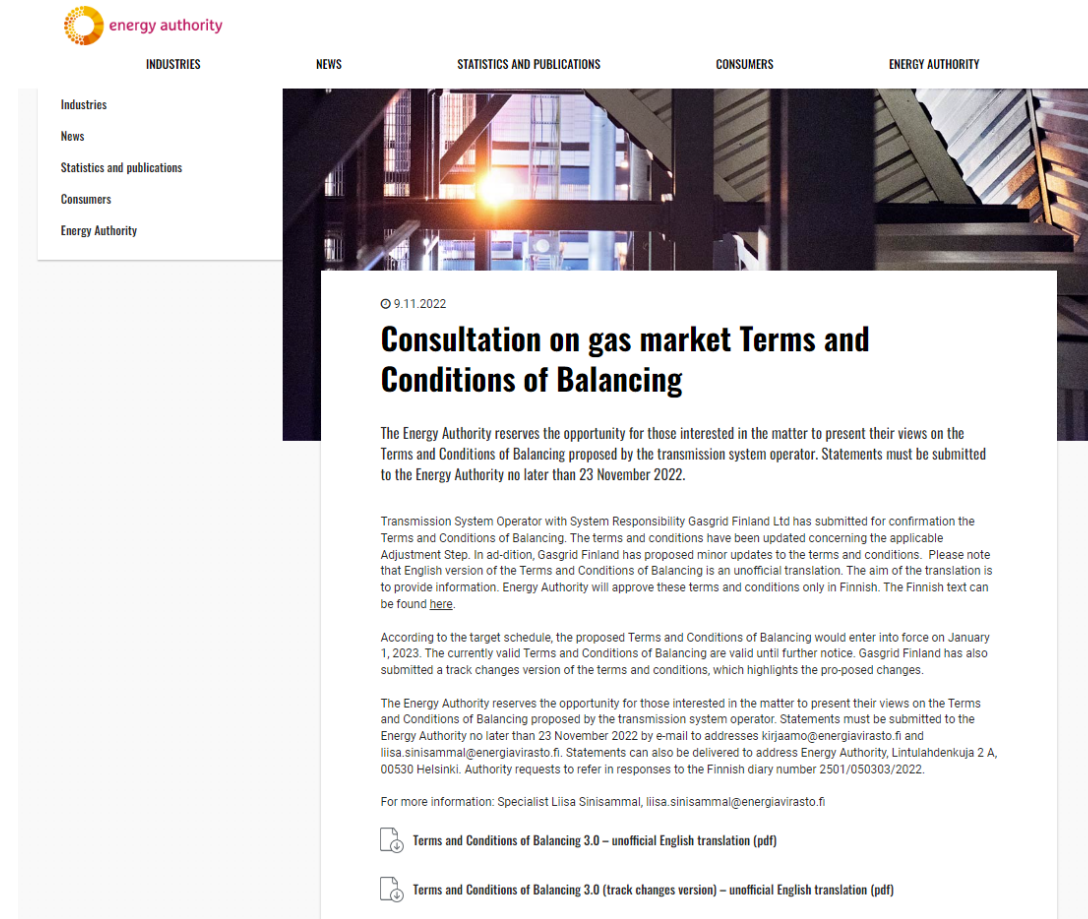
Renomination principle



- After nomination period is closed, renominations can be submitted until 15:00 EE(S)T on gas day D. The latest renomination received by above-mentioned deadline shall be processed in the matching performed by the LNG terminal operator.
- The renomination shall be made for the remaining hours of the gas day, taking into account the lead time of two full hours. This means the renomination shall be submitted for the hours starting from 17:00 EE(S)T until the end of the gas day. The past hours cannot be changed.
- The LNG Terminal Operator shall perform the matching on gas day D by 17:00 EE(S)T. The renominations that have been accepted constitute the confirmed nominations for the remaining hours of the gas day.
- In matching, LNG terminal operator and the TSO reserve the right to change the renomination submitted by the terminal user, if the transmission of the amount of energy corresponding to the renomination would be causing uncontrollable risk of endangering the gas system balance management or the renomination does not meet the criteria set by the LNG terminal operator for ensuring the continuity of regasification.

Amendments to the gas market model in Finland

- Terms and Conditions of Balancing, version 4.0
 - Public consultation is open until 31st of October
 - The new version will enter into force in 1st of January 2024
 - Link to the consultation material: <https://energiavirasto.fi/-/kuuleminen-gasgrid-finland-oy-n-ehdotuksesta-muuttaa-tasehallinnan-ehdoja> (includes unofficial English translation)
- Terms and Conditions of Balticconnector
 - Gasgrid Finland and Elering have agreed to postpone the National Regulatory Authority process regarding the Terms and Conditions of Balticconnector capacity allocation mechanism because Balticconnector will not be operational at least before 1st of April 2024.
 - Gasgrid Finland is planning to organize a unofficial consultation regarding the planned amendments to the BC rules before the rules will be submitted for the official NRA process. Planned amendments include:
 - Change in virtual capacity calculation principle
 - Introduction of the definition Shipper group in nomination processing



The screenshot shows the website of the Finnish Energy Authority. The top navigation bar includes 'INDUSTRIES', 'NEWS', 'STATISTICS AND PUBLICATIONS', 'CONSUMERS', and 'ENERGY AUTHORITY'. A sidebar on the left lists 'Industries', 'News', 'Statistics and publications', 'Consumers', and 'Energy Authority'. The main content area features a news article dated 9.11.2022 titled 'Consultation on gas market Terms and Conditions of Balancing'. The article text states: 'The Energy Authority reserves the opportunity for those interested in the matter to present their views on the Terms and Conditions of Balancing proposed by the transmission system operator. Statements must be submitted to the Energy Authority no later than 23 November 2022.' It further details that the Transmission System Operator (Gasgrid Finland Ltd) has submitted updated terms and conditions, and that the current version is valid until further notice. Contact information for Specialist Liisa Sinisammal is provided, along with links to download the 'Terms and Conditions of Balancing 3.0 – unofficial English translation (pdf)' and the 'Terms and Conditions of Balancing 3.0 (track changes version) – unofficial English translation (pdf)'.

Source: the website of the Finnish Energy Authority

Other remarks

- **Indication of reactivity** was shown by all players of the gas market. Despite BC damage did happen at small hours of Sunday, Finnish gas system remained stable and gas demand was covered by the incoming flows from LNG Terminals. The work to re-arrange the deliveries started without delay.
- **Once again, ability to adapt to the new market situation is required both from market participants and system operators.** The operators target to increase flexibility where possible (renominations and updated LNG terminal capacity and scheduling). On the other hand, balance management has become more inflexible and the TSO must make balancing actions with lower thresholds for being able to maintain gas system within the operational limits.
- Gasgrid is reminding about the ongoing Tender for Balancing Services for November 2023. The Bids can be submitted for the TSO by 27th of October.
 - [Call for tender for Balancing services](#)





Q&A