



Gas market integration?

Market Design Webinar



AGENDA

Opening of the webinar - Mika Myötyri, Gasgrid Finland

Market integration: concepts and design aspects - Dr. Leena Sivill, AFRY

Case Belgium-Luxembourg - Bert Martens, Fluxys Belgium

Coffee break

Case Denmark-Sweden – Signe Rasmussen, Energinet.dk

Short break

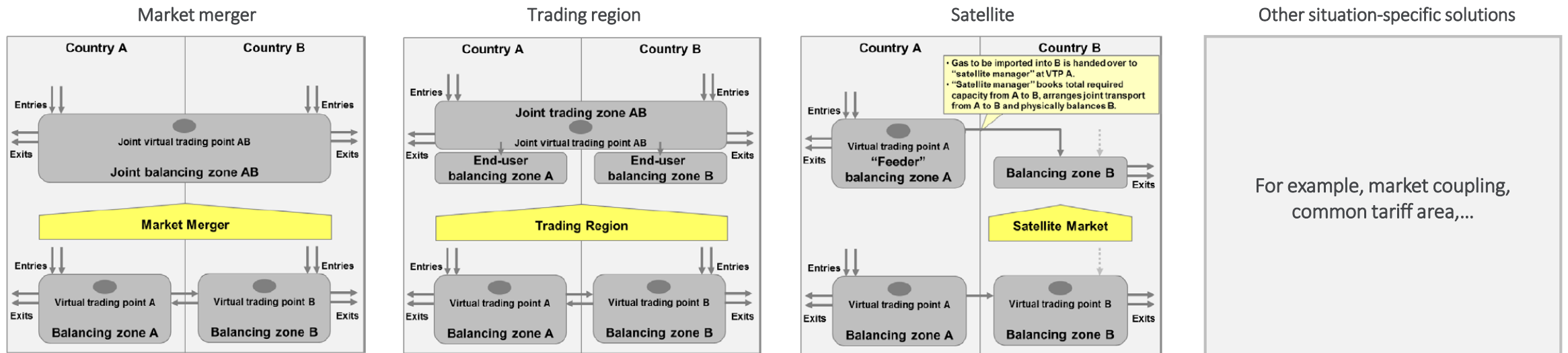
Case Estonia-Latvia - Mārcis Vārpa, Conexus Baltic Grid

Status update on regional market development in the Finnish-Baltics area - Anni Sarvaranta, Gasgrid Finland

Closing words ~15:30 - Mika Myötyri, Gasgrid Finland

‘Market integration’ in European gas target model

- Market integration is presented by ACER as a tool to improve market liquidity, reduce market concentration and increase the number of supply sources.
- ACER recommends market integration to be designed specific to the situation.



Source: ACER, 2015. <https://acer.europa.eu/Events/Presentation-of-ACER-Gas-Target-Model-/Documents/European%20Gas%20Target%20Model%20Review%20and%20Update.pdf>

Main questions for market integration

What would be the most feasible market set-up for the region over time?

What should be 'the region'? How will it change over time?

What risks are associated with different set-ups?

How to secure effective implementation and O&D thereafter?

How to navigate through different views?



Market integration layers

INFRASTRUCTURE



SERVICES



MARKET MODEL



Complete separation

- No physical or commercial connection
- No harmonisation
- No cooperation



REGULATION



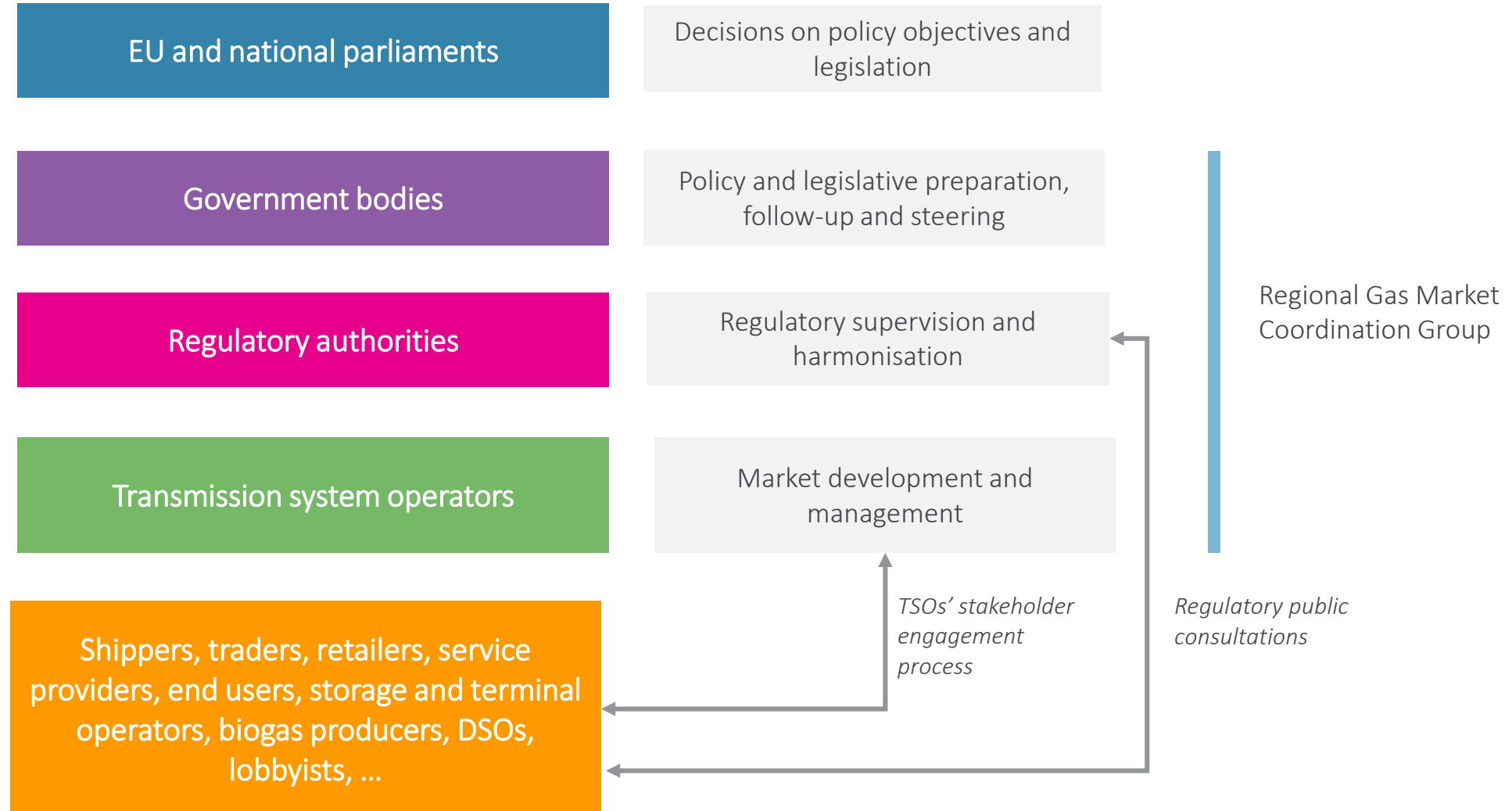
MARKET MANAGEMENT



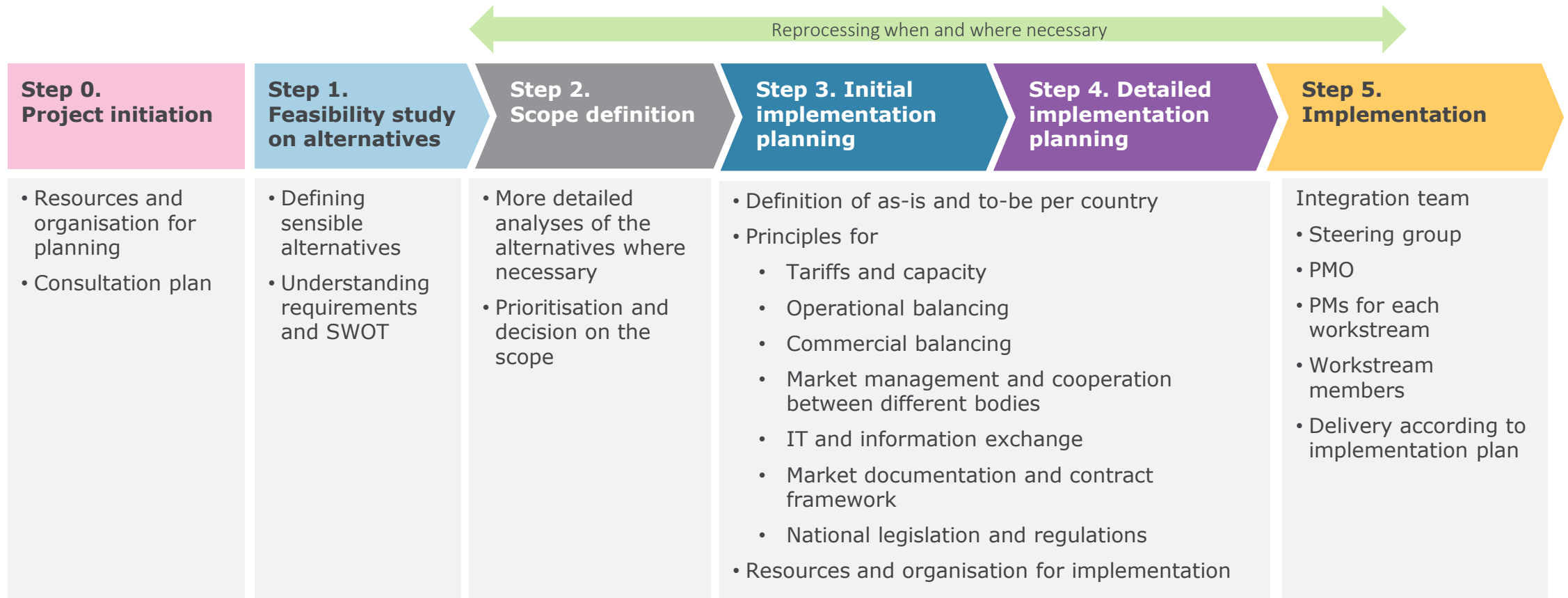
Integration to the extreme

- A single balancing zone and potential market couplings elsewhere
- Joint market area manager
- Regulations harmonised, joint balancing and transmission rules, and harmonised retail market
- Joint service platforms
- Centralised transmission system coordination
- Joint tariff and capacity planning, etc.

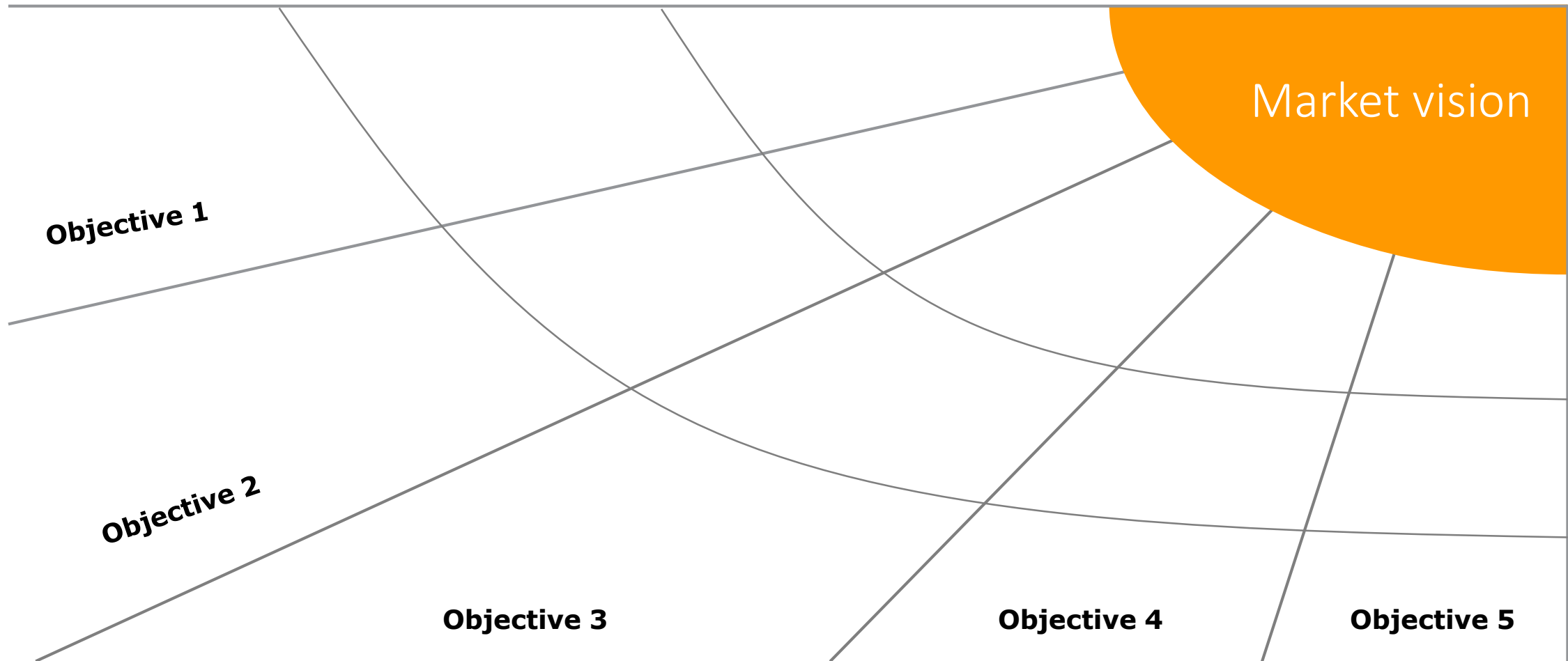
Organisation for market development



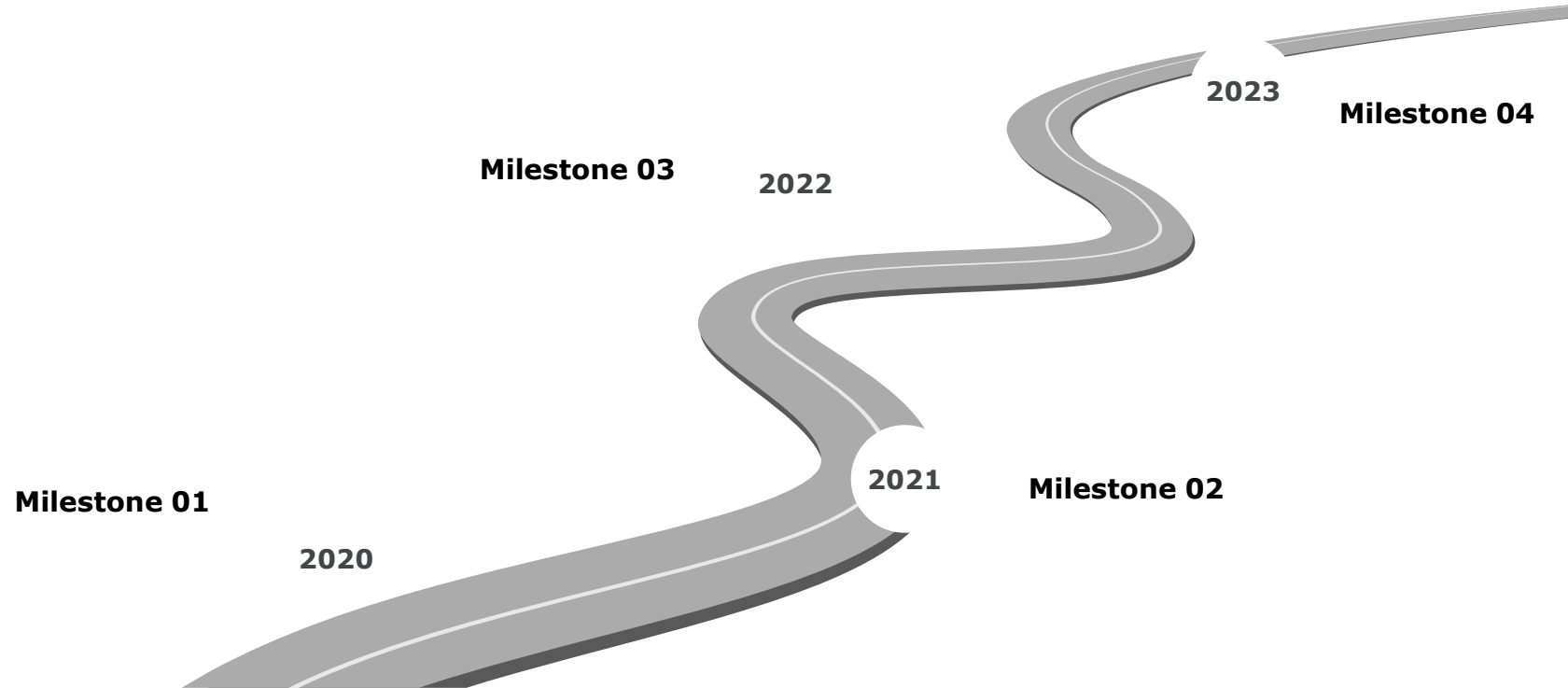
Process for market integration



A feasibility study may set the high-level goals for market integration....



...while implementation usually requires a stepwise approach.



Which milestones should be prioritised? Which milestones should be postponed until later?

Stakeholder engagement plays a major role

Objectives for market development

A well-functioning, supply-secure, reliable, cost-effective, compliant, transparent and non-discriminatory market with effective management and services that meet market participants' requirements.



Stakeholders' responsibilities

1. To evaluate the plans and proposed alternatives, their benefits, costs and risks, and
2. To provide views on how the above objectives would be best fulfilled.

Note. Integration by itself does not guarantee the delivery of the above objectives – it depends on the physical fundamentals and how the integration is implemented and operated at the detailed level.

Key take-aways

Markets are integrated case-specific.

➡ Participate to enable an effective design and operation.



Balansys and BeLux Market Design

8 October 2020

Webinar

Agenda

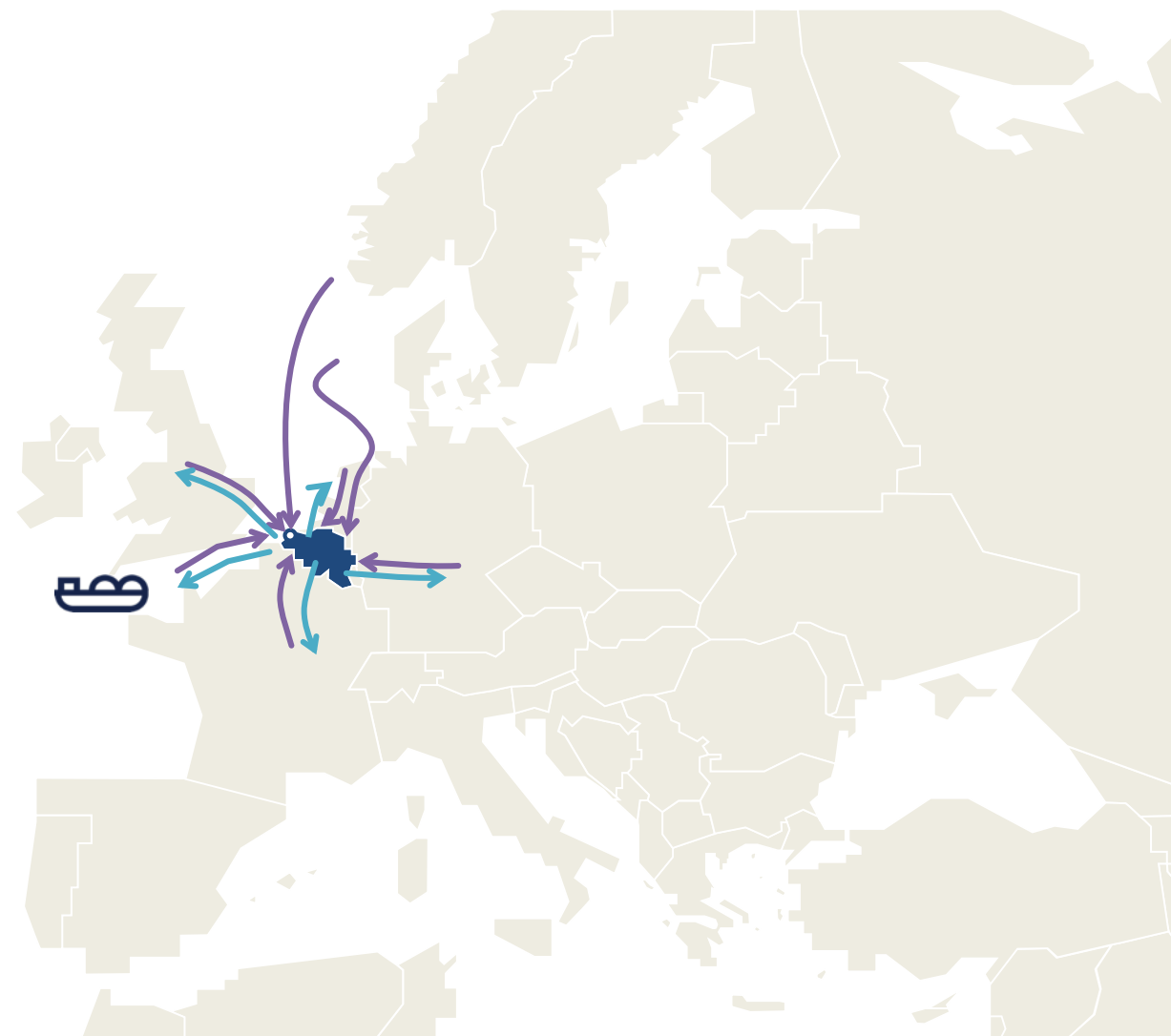
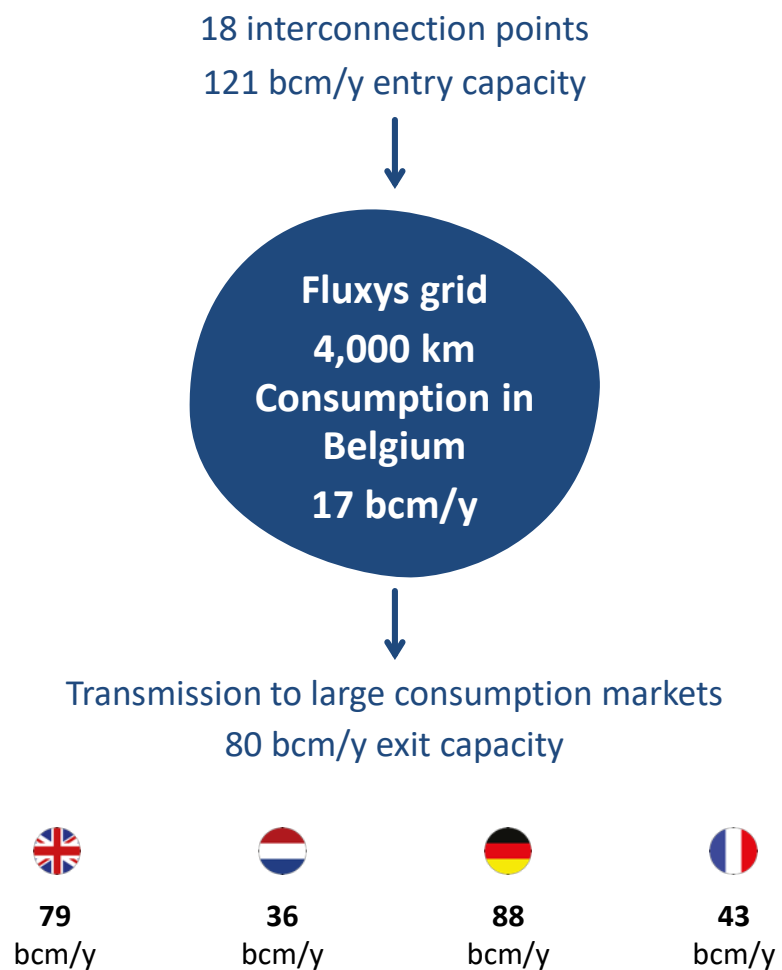
Facts and Figures

BeLux Market Design

Market involvement and interactions

Lessons learned

Transit country Belgium



Local consumption market in Luxembourg

2 interconnection points
2,9 bcm/y entry capacity



Creos grid
2,100 km
Consumption in
Luxembourg
0,8 bcm/y



Agenda

Facts and Figures

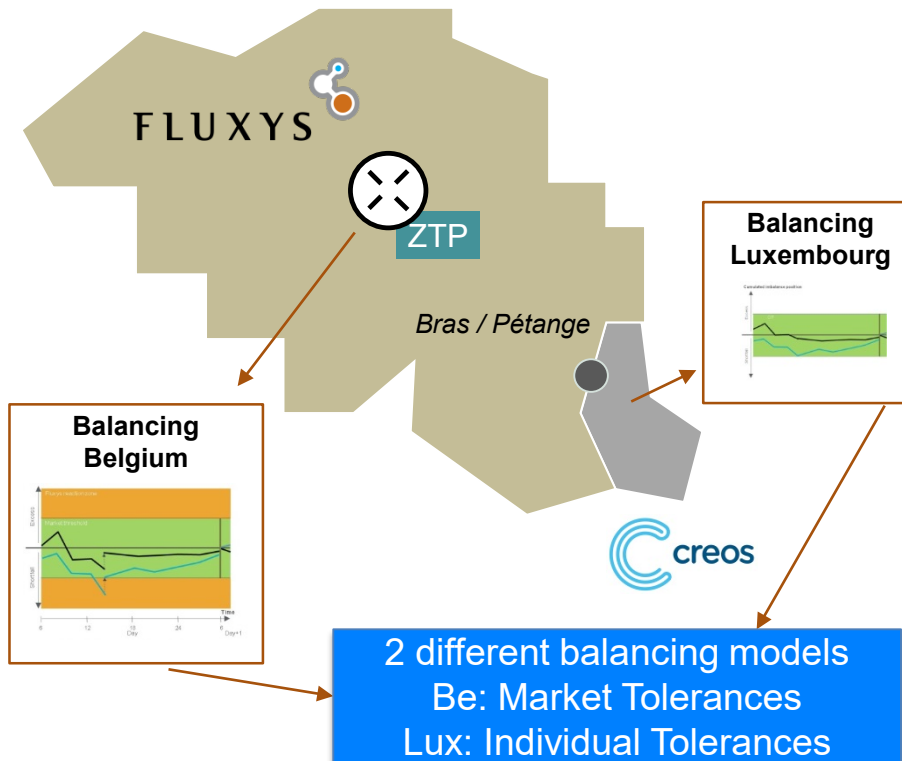
BeLux Market Design

Market involvement and interactions

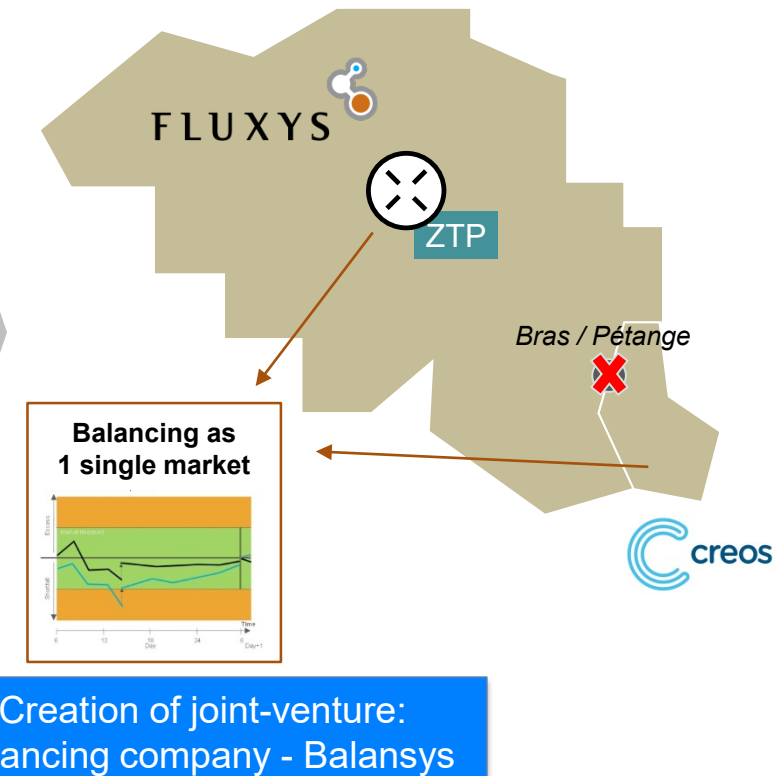
Lessons learned

Belux Market Integration

Initial situation: 2 separate markets

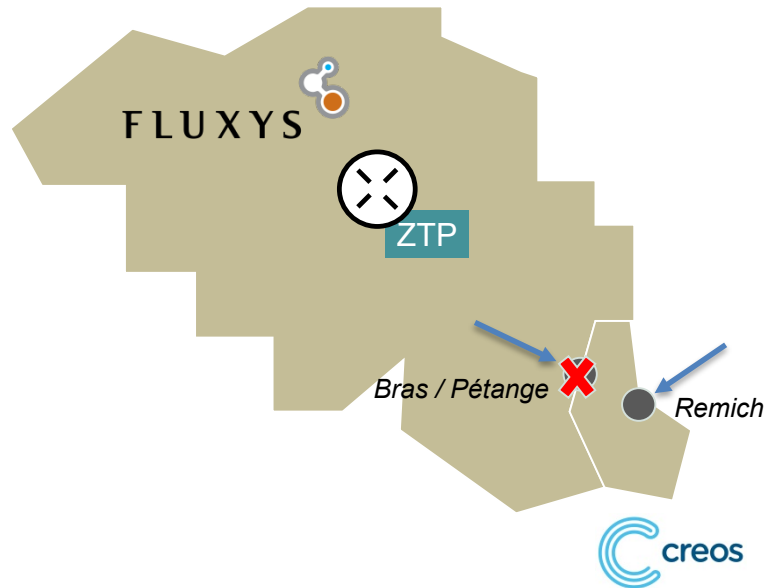


1/10/2015: integrated market



- Improved market functioning & added value for end users
- Fluxys Belgium, Creos and National Regulatory Authorities: good preparatory exercise for larger integration with other adjacent markets

Belux Market Integration: Capacity at Bras/Pétange



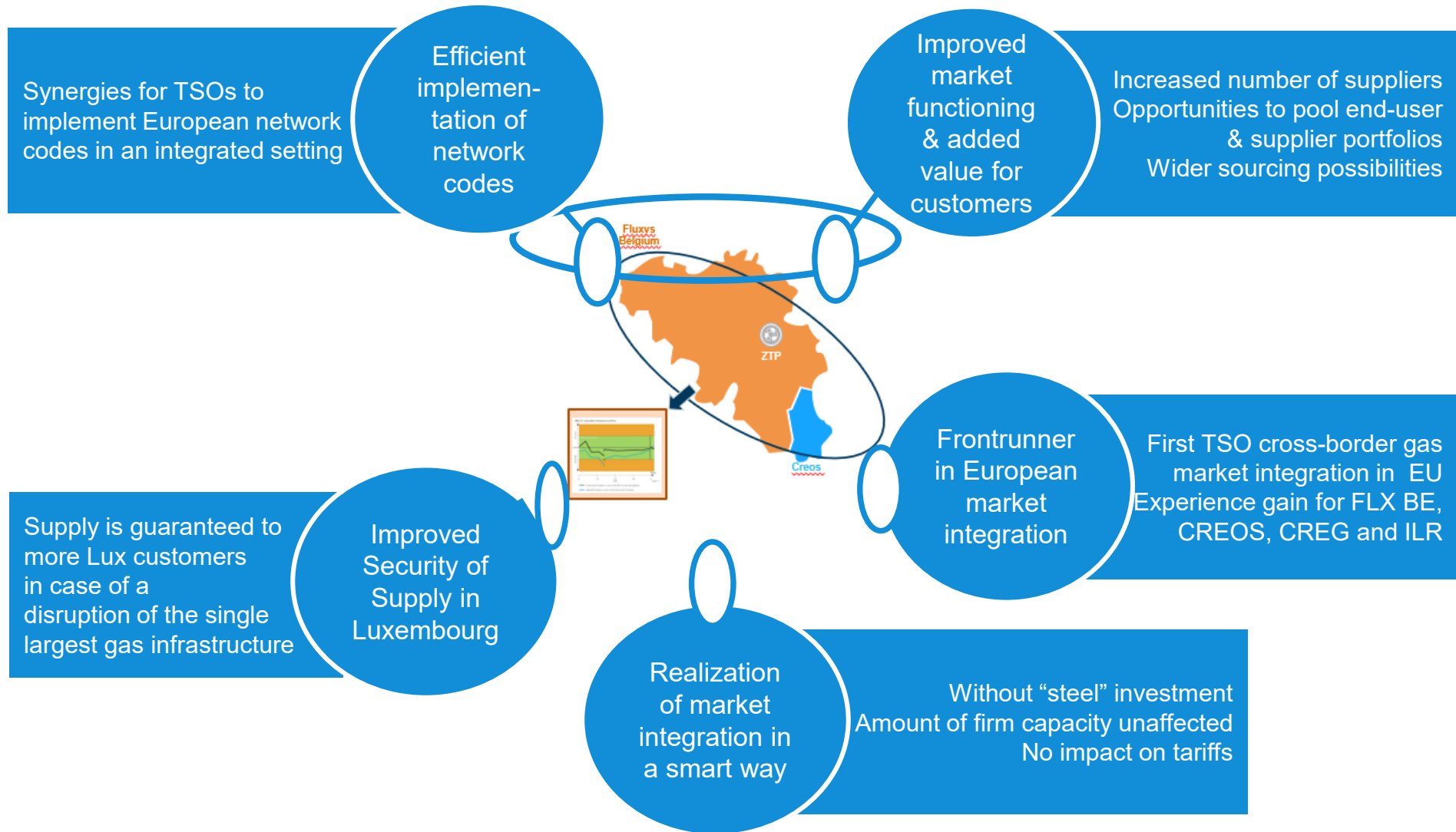
Gas flows from:

- Belgium to Luxembourg (Bras/Pétange) and
- Germany to Luxembourg (Remich)

All exit capacity (FLX side) at Bras/Pétange reserved for the internal Luxembourgish market (no transit in Luxembourg)

Creos takes over capacity cost for the capacity reservation in Belgium and allocates it to its enduser
→ no financial impact (capacity) for shippers delivering gas to Lux. endusers after market merger

Belux Market Integration: Benefits



Belux Market Integration

Phase 1: BeLux integrated market zone launched on 1/10/2015

- First cross border market integration in EU, uniting the H-gas market of Belgium and Luxembourg
- In this first transitory phase, Fluxys Belgium operates as Balancing operator for the BeLux Area



Modifications to Belgian Gas Act are required for the main following reasons:

- Delegation of balancing activities to a separate entity (i.e. BALansys) by the single Belgian TSO Fluxys Belgium, whilst the TSO remains responsible for network integrity, incident management and emergency
- Extension to Balansys of CREG's existing competences wrt Fluxys Belgium
- Enabling market integrations with TSOs not necessarily Ownership Unbundling (OU) certified, a.o. via establishment of a Compliance Programme and appointment of a Compliance Officer for Balansys → approval by ACER

Phase 2: Balansys became cross-border Balancing operator for the BeLux area on 1/6/2020

- Performance of the market-based balancing of the BeLux area
- Performance of regulatory tasks: drafting, designing and submitting of regulated documents and balancing tariff to both national regulators
- Concluding Balancing Agreements with Network

16 October 2019: ACER approves Compliance Program (needed to switch to Phase 2)

- Aiming at ensuring non-discrimination, equal treatment of market participants as well as preserving the confidentiality of commercially sensitive data
- All Balansys employees, Belgian/Luxembourg TSO's employees and subcontractors working for Balansys need to comply with Compliance Program

Balansys: Roles and Responsibilities



TSOs



Except for commercial balancing, TSOs will still perform all activities i.e.:

- Capacity management:
 - ❖ Commercialisation
 - ❖ Nomination handling
 - ❖ Allocations
 - ❖ Metering
- Network operational management:
 - ❖ Physical balancing
 - ❖ Incident management
 - ❖ Emergency measures

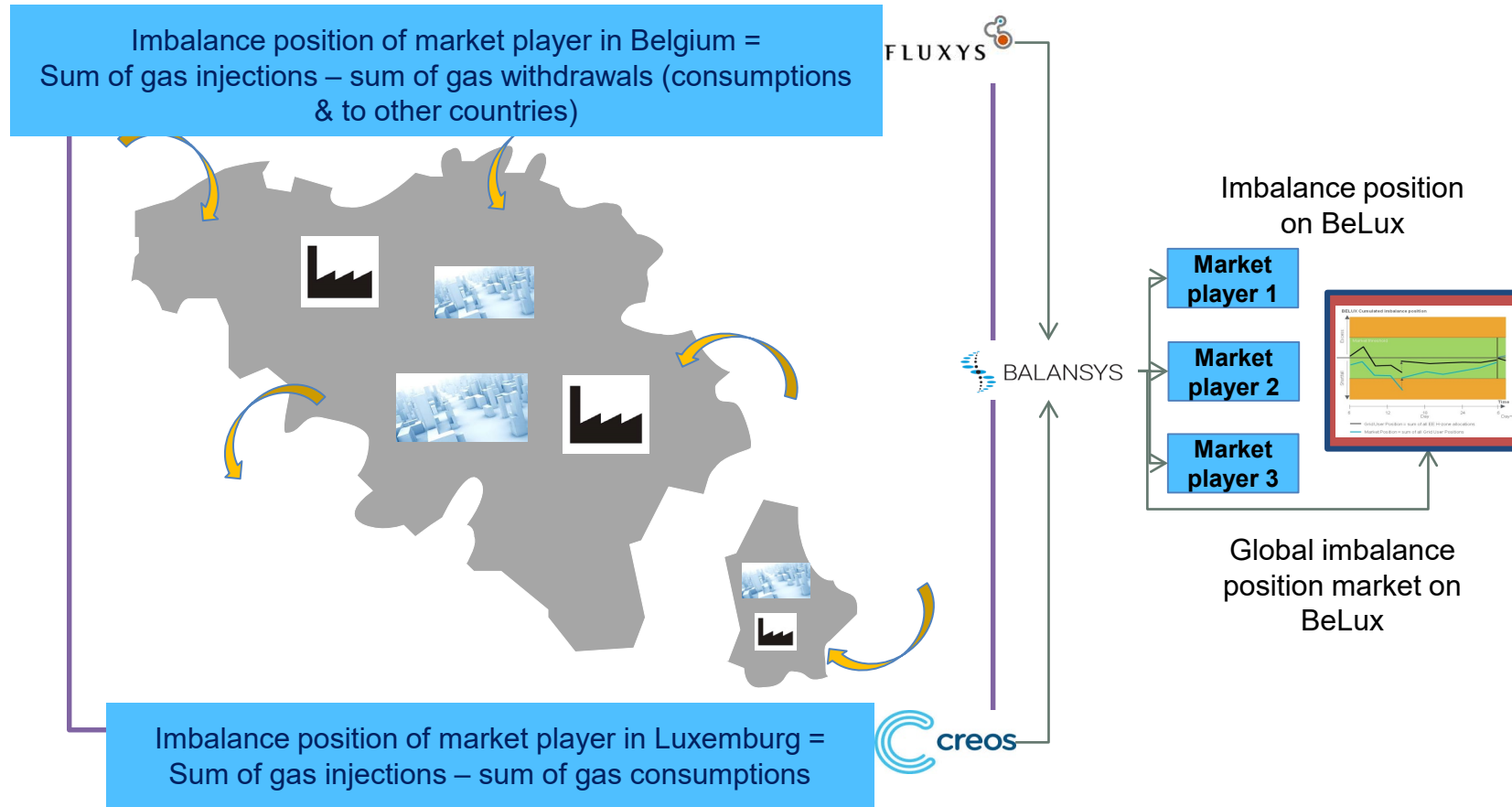


Balansys will perform tasks related to commercial balancing:

- 1 Aggregation of Network Users imbalance positions in Belgium and Luxembourg & communication of imbalance positions to Network Users
- 2 Gas transactions (sales & purchases) on exchange platform (for balancing purposes only)
- 3 Regulatory topics related to Balansys regulated documents, regulated balancing tariff and contacts with regulators on market-based balancing topics
- 4 Invoicing of balancing regulated tariffs, i.e. daily imbalance charges & neutrality charge

Balansys: Roles and Responsibilities

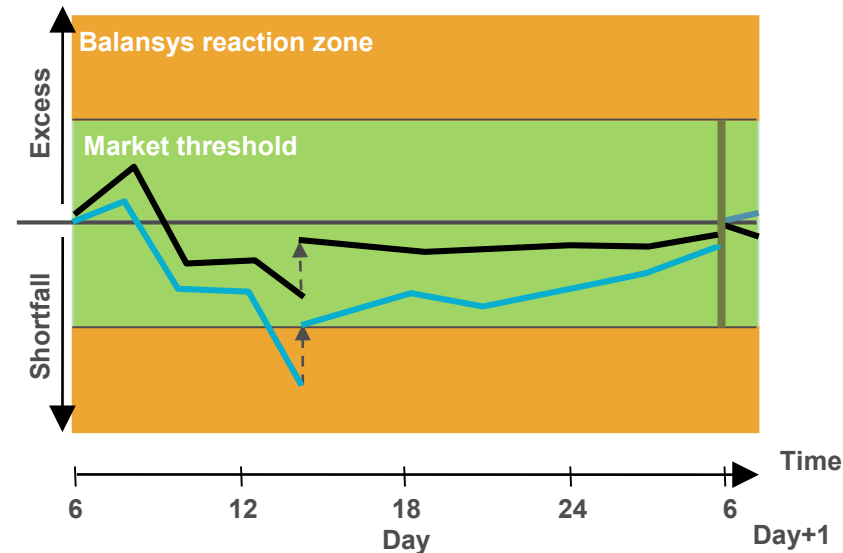
- 1 Aggregation of Network Users imbalance positions in Belgium and Luxembourg & communication of imbalance positions to Network Users



Balansys: Roles and Responsibilities

2 Gas transactions (sales & purchases) on exchange platform

Balansys will perform gas sales / purchases transactions in case the market players do not respect their obligation to remain within the limits defined by the balancing rules:

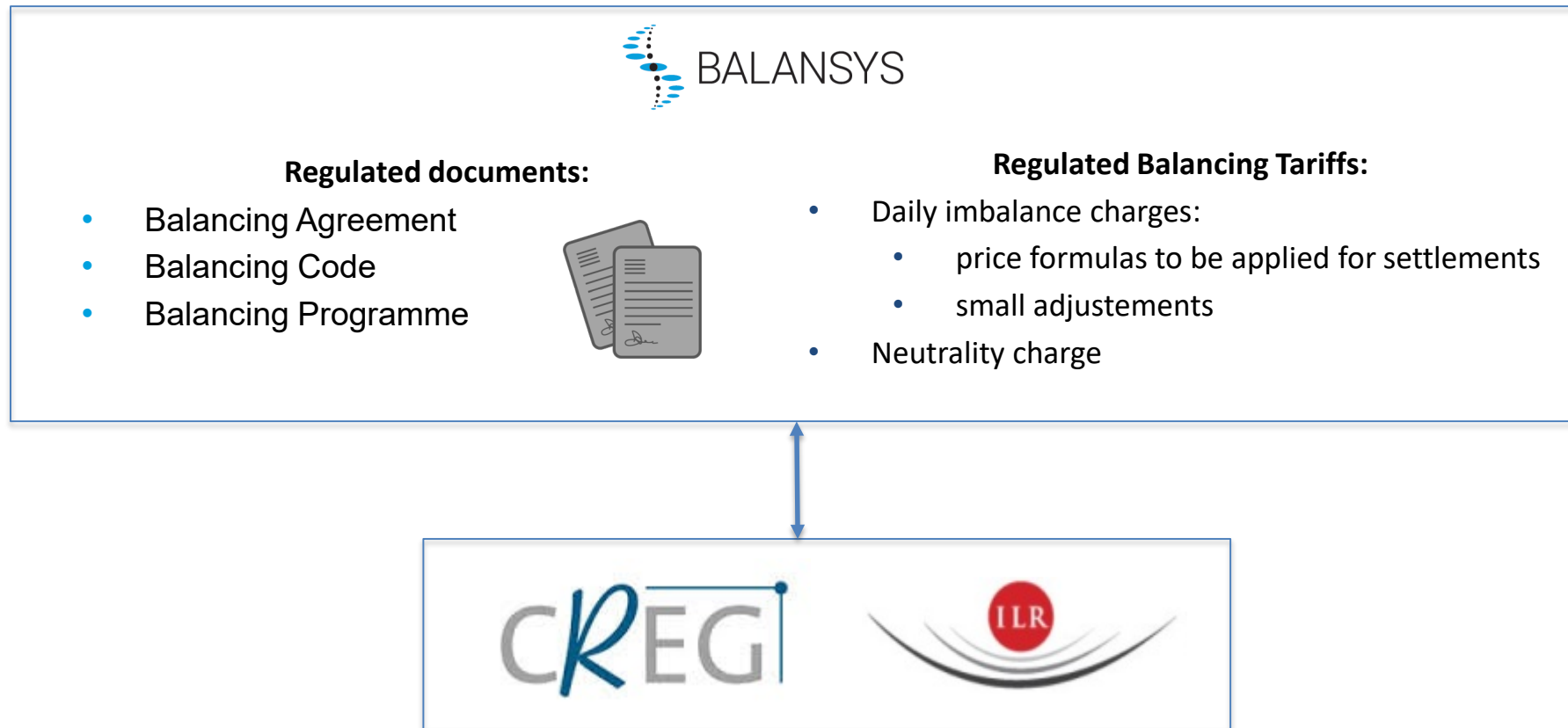


Balansys will perform these transactions on an anonymous platform on ZTP:

- Goal of these transactions is not trading, only compensation of residual balancing of the integrated BeLux area
- These transactions will also provide Balansys with a reference price for invoicing of quantities to market players for which such transactions had to be done, in accordance with the BAL NC

Balansys: Roles and Responsibilities

- 3 Regulatory topics related to Balansys regulated documents, regulated balancing tariff and contacts with regulators on market-based balancing topics

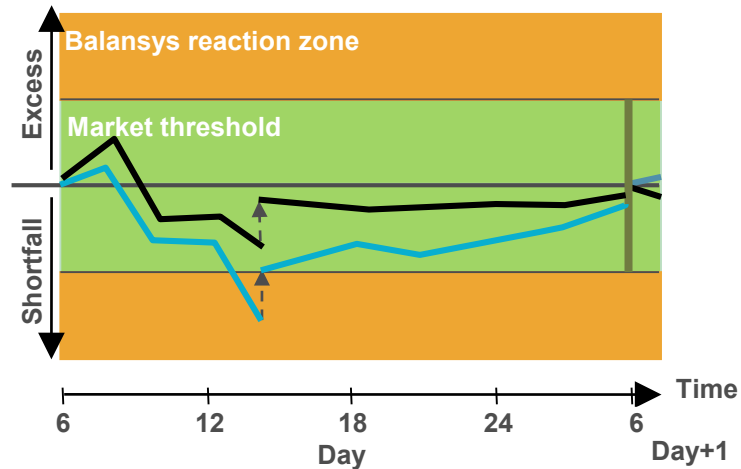


Balansys: Roles and Responsibilities

- ④ Invoicing of balancing regulated tariffs, i.e. daily imbalance charges & neutrality charge

Balansys to invoice 2 components to Network Users

1. Imbalance charges related to the within-day and end-of-day settlements of Network Users



2. Neutrality charge

Agenda

Facts and Figures

BeLux Market Design

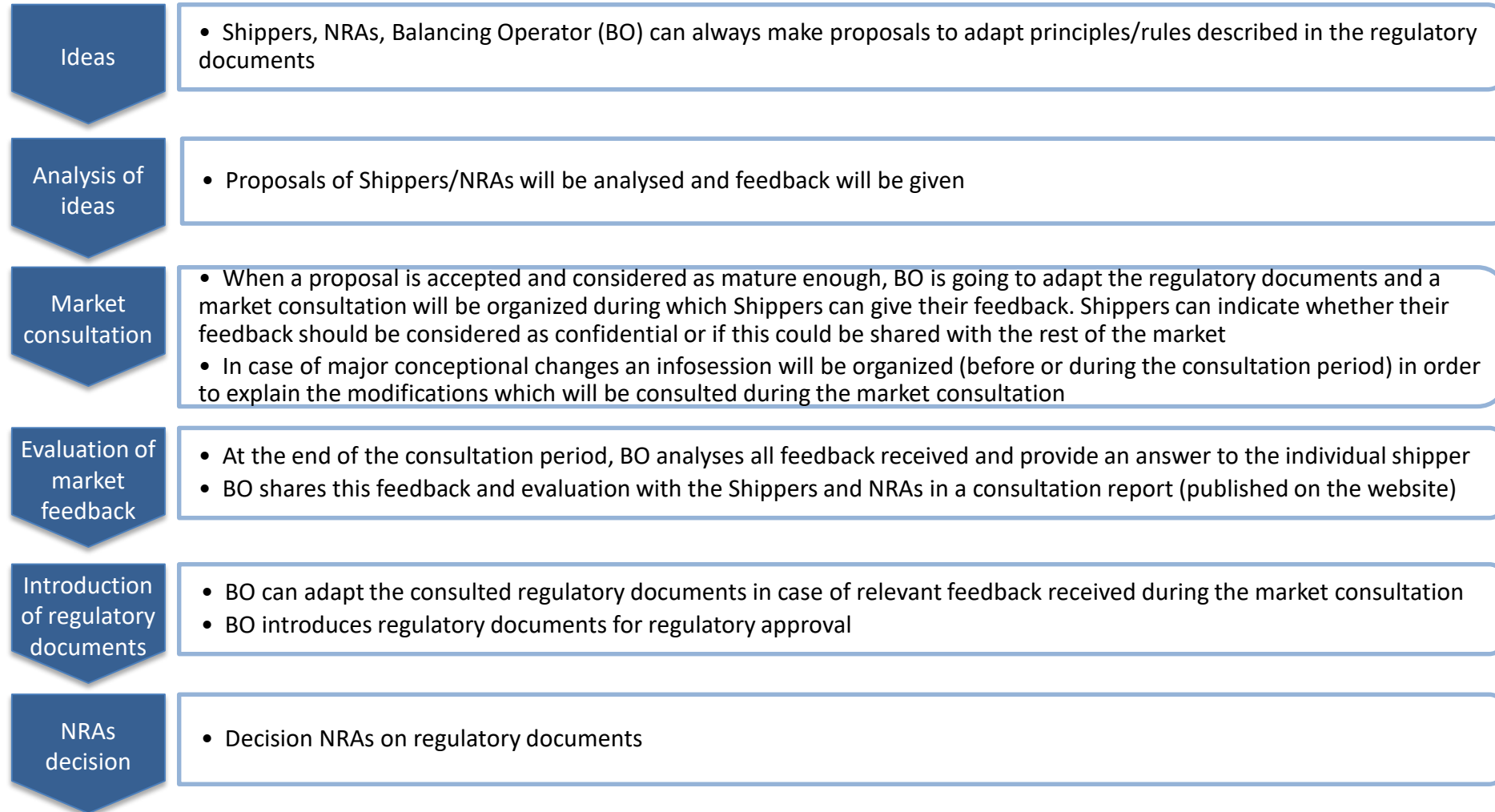
Market involvement and interactions

Lessons learned

Market involvement before the market integration

- Multiple meetings with NRAs before MI (started +/- 2 years before MI)
 - Fluxys Belgium with CREG
 - Creos Luxembourg with ILR
 - Fluxys Belgium, Creos Luxembourg with CREG and ILR
- Multiple meetings with shippers organized to inform them of upcoming market integration:
 - Set-up
 - Changes
 - Operational readiness
- Market consultation on regulatory documents (see process next slide)

Market interaction



Agenda

Facts and Figures

BeLux Market Design

Market involvement and interactions

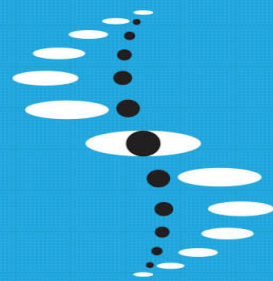
Lessons learned

Lessons learned

- Set-up of detailed monitoring of all actions early during project has been beneficial.
- Methods to control/influence as much as possible external processes should have been clearly set-up at the beginning of project.
- Legal and regulatory streams, both in time and resources, may in no case be underestimated.
- Since some commercial model incomprehensions have been noticed among shippers, a final operational info session could have been organised for shippers (even if not requested).
- Trainings of operators and further testing of new tools could have been started earlier too.

Although BeLux is a small-scale market integration, it provides with a significant experience gain

Thank you!



BALANSYS

ZEEBRUGGE

POPPEL

BLAREGNIES

JOINT BALANCING ZONE

Knowledge sharing webinar, 8 October 2020

Signe Rasmussen, Energinet Gas TSO

Agenda



- Introduction
- Governance
- The practice of the Joint Balancing Zone
- Involvement of stakeholders
- Challenges
- Future changes



INTRODUCTION

Energinet Gas TSO

JOINT BALANCING ZONE- EFFECT FROM 1 APRIL 2019

1½ year with one joint balancing zone



FRONTPAGE > GAS > SHIPPER > JOINT BALANCING ZONE

JOINT BALANCING ZONE

A Joint Balancing Zone between the Swedish and Danish gas markets was established on 1 April 2019.

BACKGROUND

The Joint Balancing Zone consist of a common Balancing Area for Danish shippers and Swedish balance administrators (BA) with effect as of 1 April 2019.

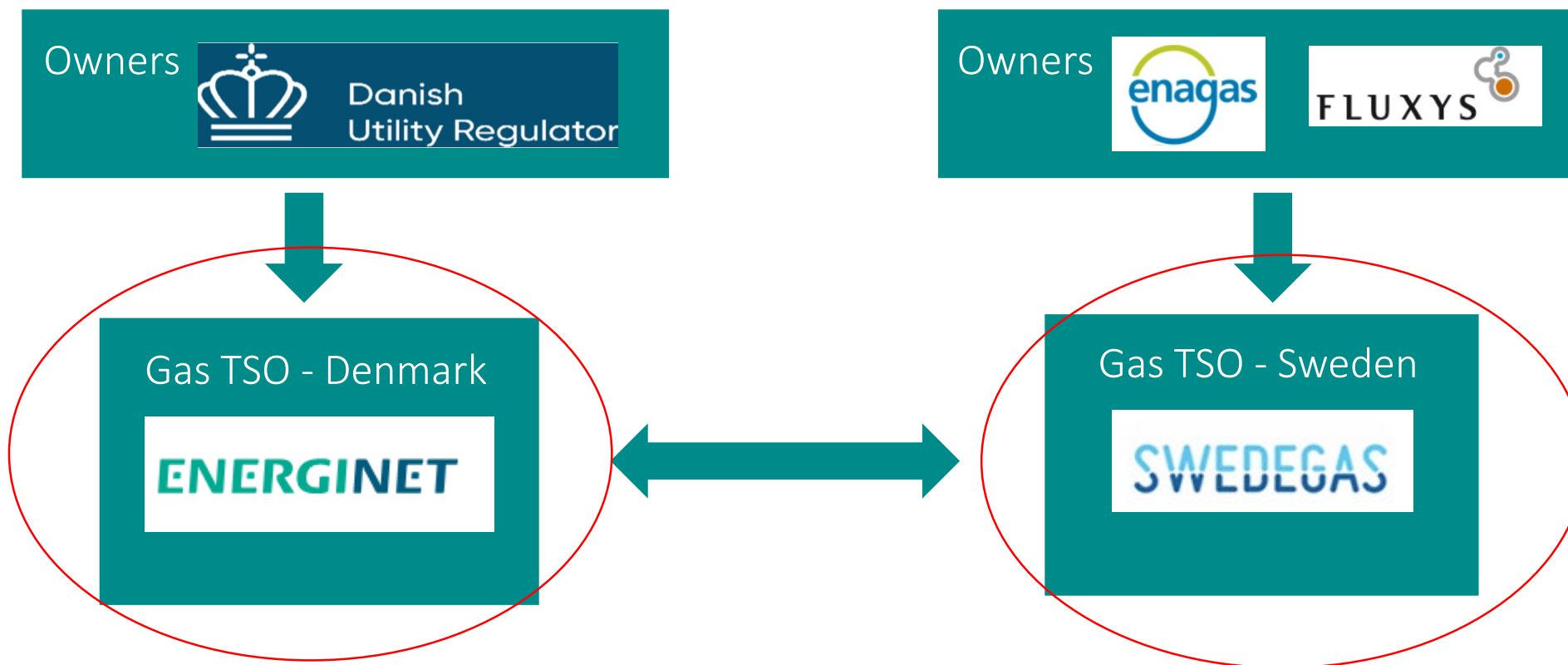
The Balancing Area includes the Swedish market area's Entry/Exit points and the Danish market area's Entry/Exit points.

Minor changes to the Danish Entry/Exit capacity model have occurred. Swedish balancing administrators



INVOLVED PARTIES

- And owners



THE DANISH GAS MARKET

- 926 km transmission pipeline
- 2 gas storages
- 6600 km distribution pipeline
- Annual gas consumption 29,000 GWh
- 20 active shippers
- 1 Distributions company
- 20 Gas suppliers

CAPACITY PURCHASE

The shipper book capacity



THE SWEDISH GAS MARKET

- Annual consumption 8512 GWh
- Annual production 418 GWh
- 9 shippers
- 1 gas storage
- 5 Distribution Companies
- 13 Gas suppliers

CAPACITY PURCHASE

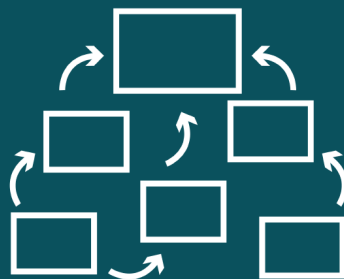
Direct end-users and DSO's book capacity



BACKGROUND

EU network code on balancing defines the standard

- Swedegas was operating under a dispensation from living up to the NC BAL
- Energinet had already implemented the NC BAL.
- A JBZ is a cost efficient way to fulfill NC BAL
- By opening the valve at Dragør the pressure level in Sweden increases and lead to an Increased security of supply in Sweden
- More gas traders on the market means increased competition to end customers in Sweden.
- In line with Gas Target Model and EU harmonization



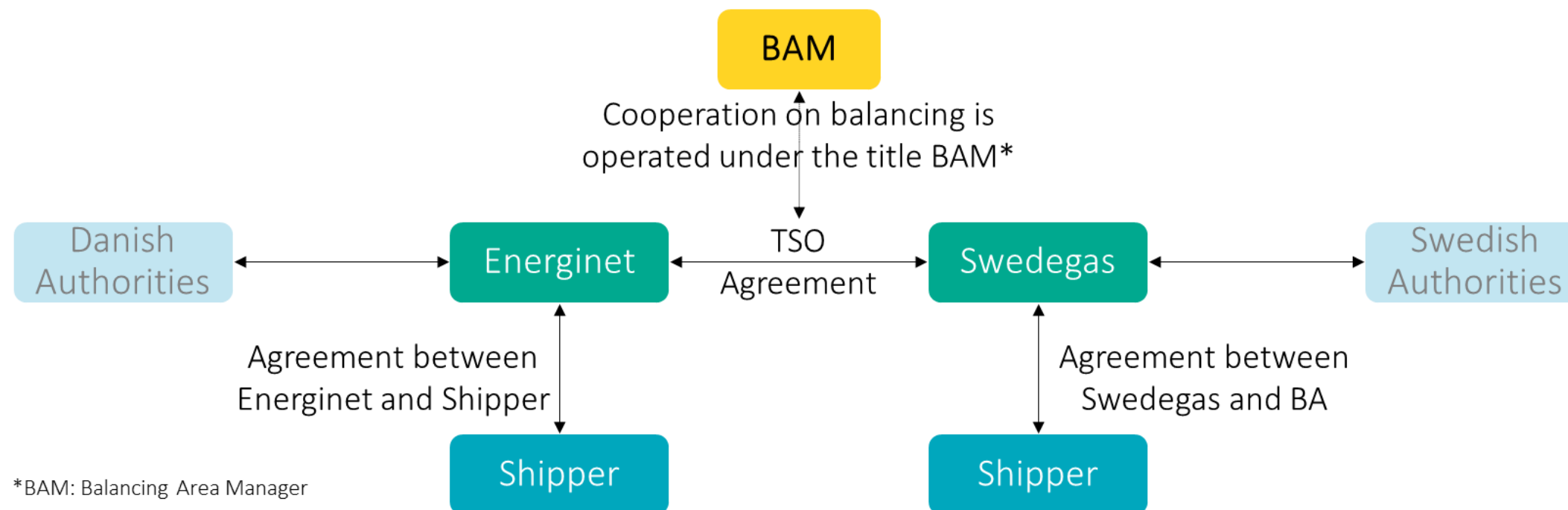
GOVERNANCE

Energinet Gas TSO

GOVERNANCE SET-UP

Balancing Area Manager = Not a legal party (simple setup)

BAM is staffed by people from Swedegas and Energinet



ECONOMI RELATED TO BALANCE

Cost of operating the balance

BAM variable cost: All cash outs (including the BAM's trades at the gas exchange) will be zero over time.

Energinet: Cost related to IT systems and employees: Balancing Charge for flow at all exit points.

Swedegas: Cost related to IT systems and employees: Yearly amount for the shippers in Sweden to pay

INCREASED LEVEL OF COORDINATION

Between Energinet Gas TSO and Swedegas

- Steering group with members from Energinet Gas TSO and Swedegas (Nordion)
 - Meetings held twice a year (subjects discussed: Status on latest year, further development etc.)
- Work meetings with employees from Energinet Gas TSO and Swedegas (Nordion)
 - Held once a week in the beginning, now on quarterly basis (daily operation, knowledge sharing)



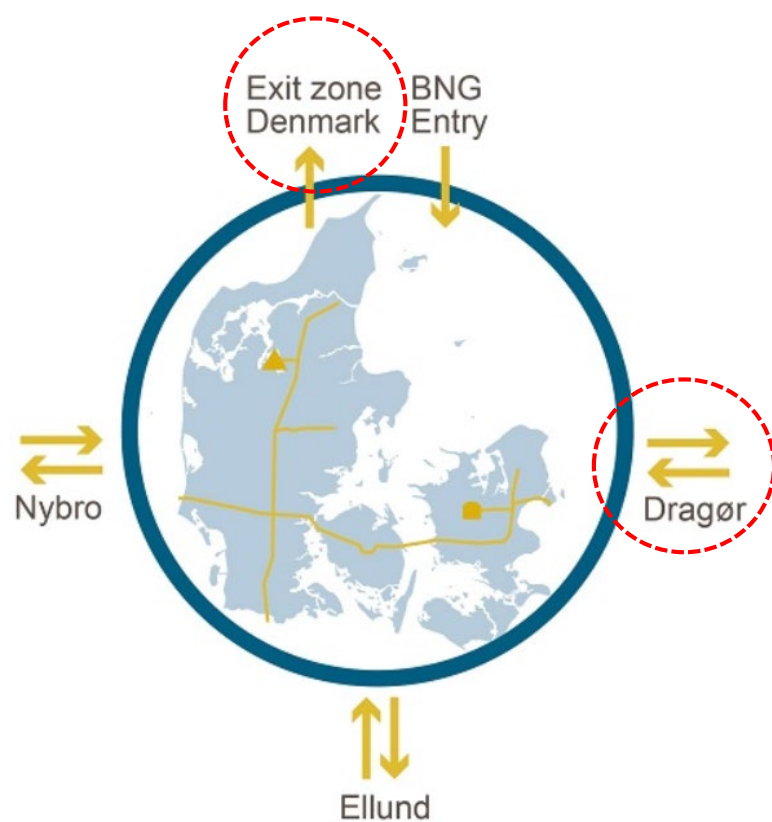
THE PRACTICE OF THE JOINT BALANCING ZONE

Energinet Gas TSO

THE DANISH CAPACITY MODEL

Tariff revenue: For gas flowing to Sweden will also be unchanged

No change in tariff structure
(capacity and volume)



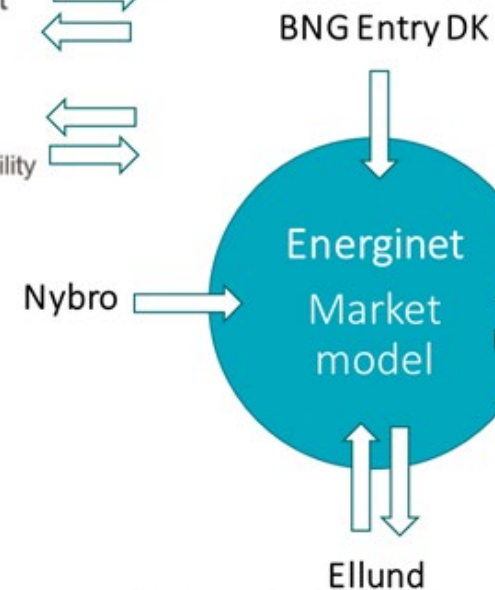
Collective Storage Point



Virtual points

GTF – Gas Transfer Facility

ETF – Exchange Transfer Facility



1. Pooling exit capacity (Sweden and Denmark)

2. Allocation per shipper per hour:

Zone Sweden:

New Swedish portfolios (= net Swedish consumption, production and storage)

Zone Denmark:

Existing DMS and nDMS portfolios

Joint Exit Zone

[Exit Zone Sweden*]

[Exit Zone Denmark]

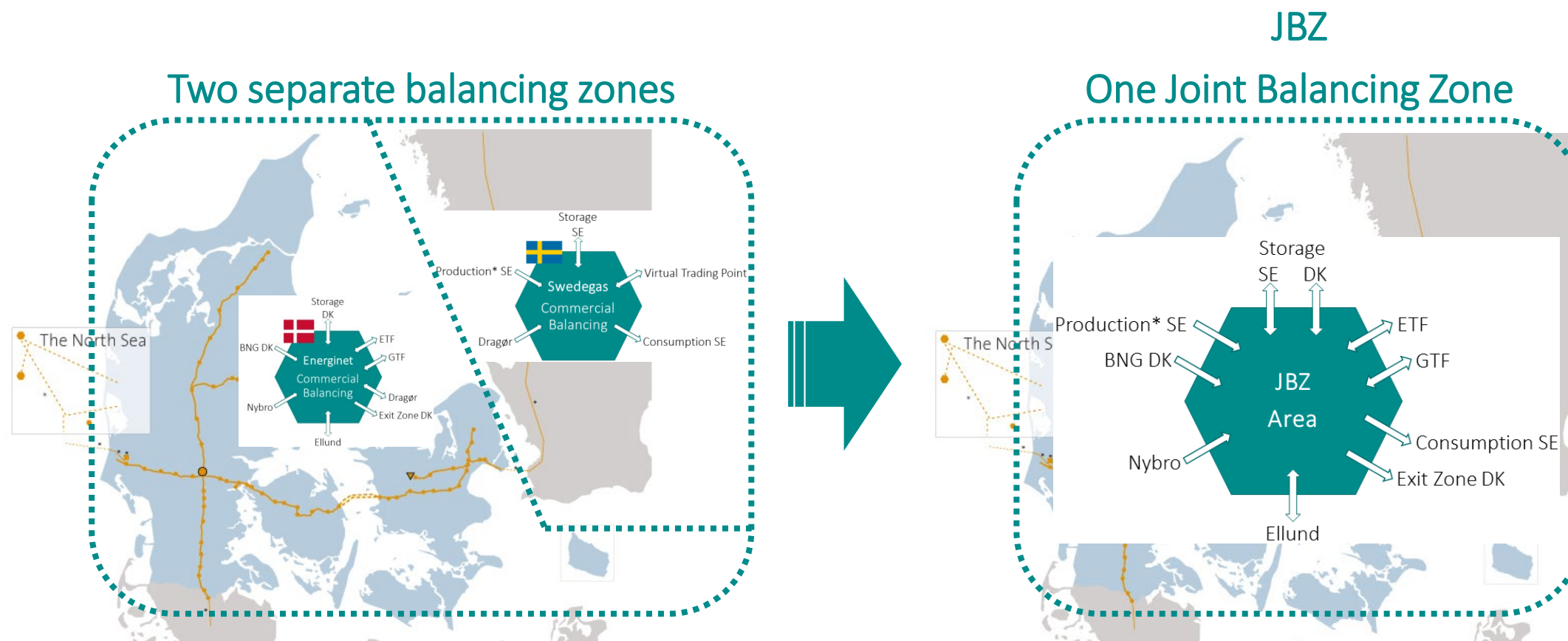
* From Sweden there can also be booked interruptible capacity in reverse direction (as Dragør today).

INCREASED FLEXIBILITY FOR SHIPPERS

Rules and flexibility of the Exit Zone Denmark applied for the Joint Exit Zone

- 1) Deadlines for capacity booking – for Swedish netconsumption – will follow the current structure for the Danish Exit Zone
 - Eg yearly capacity can be booked until 17:00 CET the day before the gas day
- 2) Size of capacity booking: The method applied in the Danish Exit Zone is also applied for the Virtual Exit Zone – including Swedish netconsumption (Overrun Charge)
 - This means that a shipper that has a flow higher than his capacity will be charged from the missing capacity
 - The charge is for a daily capacities, which are 1.4 compared to a yearly capacity of 1.0
- 3) No matching process

TWO BALANCING ZONES BECOMES ONE

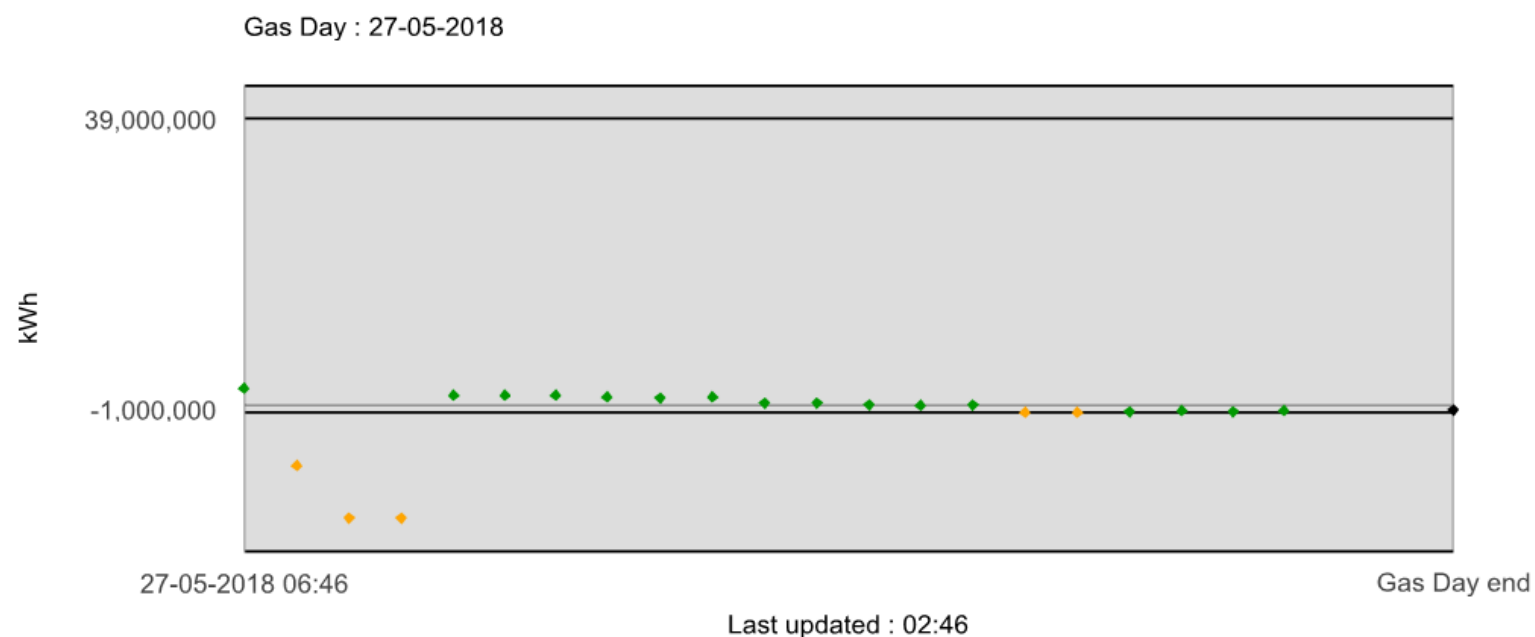


CHANGES TO THE JOINT BALANCING SYSTEM

- The Shippers active in the **Danish** market did not experience any major change
 - The method used for calculating the **green band** is not changed, but the parameters included in the calculation will also include the Swedish system
 - During normal condition, the green band will increase as the linepack from Sweden is included
- The Shippers active in the **Swedish** market did experienced some changes
 - No longer free balancing account (Before prices for imbalance outside the green band was 65/135 % of the balance base price)
 - – due to EU regulation
 - Experience shows that the positive aspects of the new commercial balancing regime is:
 - Full transparency - with the shippers balancing positions 5 times a day
 - Low cost (0.5% and 3% vs. 35%) for not being in balance

SYSTEM COMMERCIAL BALANCE

End-of-day balancing and shippers' with imbalance are cashed out



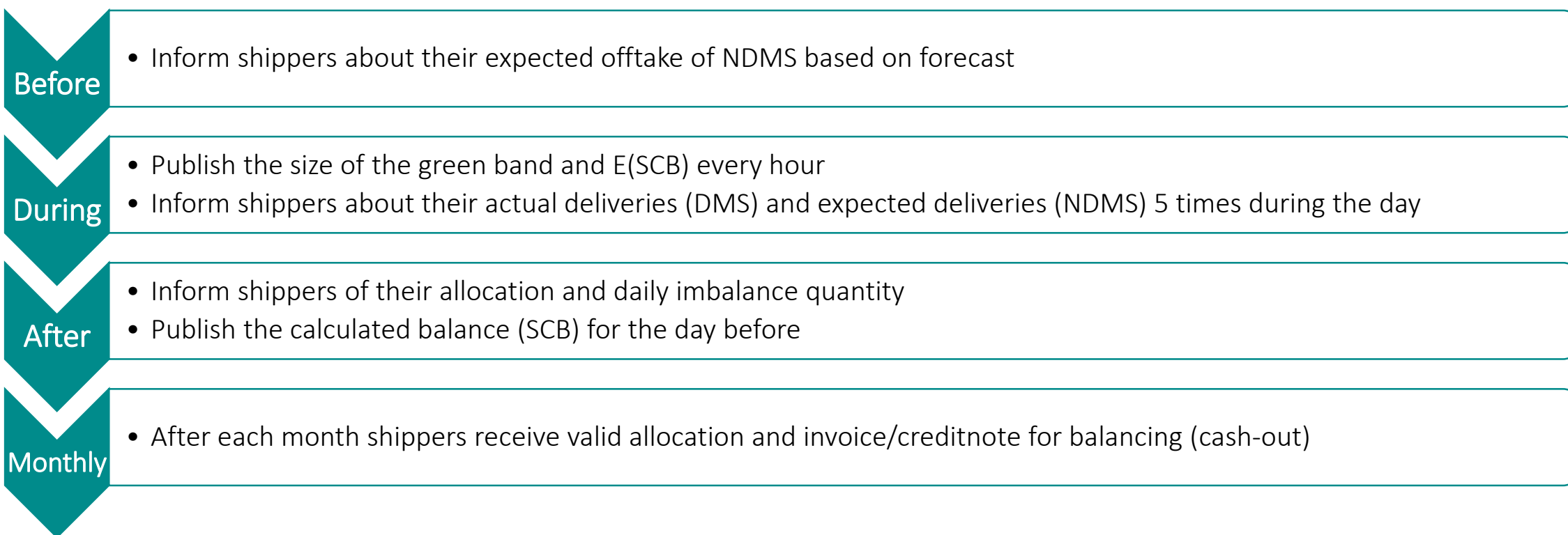
Yellow zone trades

Energinet may trade:

- Every hour between 09:00 and 18:00
- Between 20:05 and 20:15
- Between 23:05 and 23:15

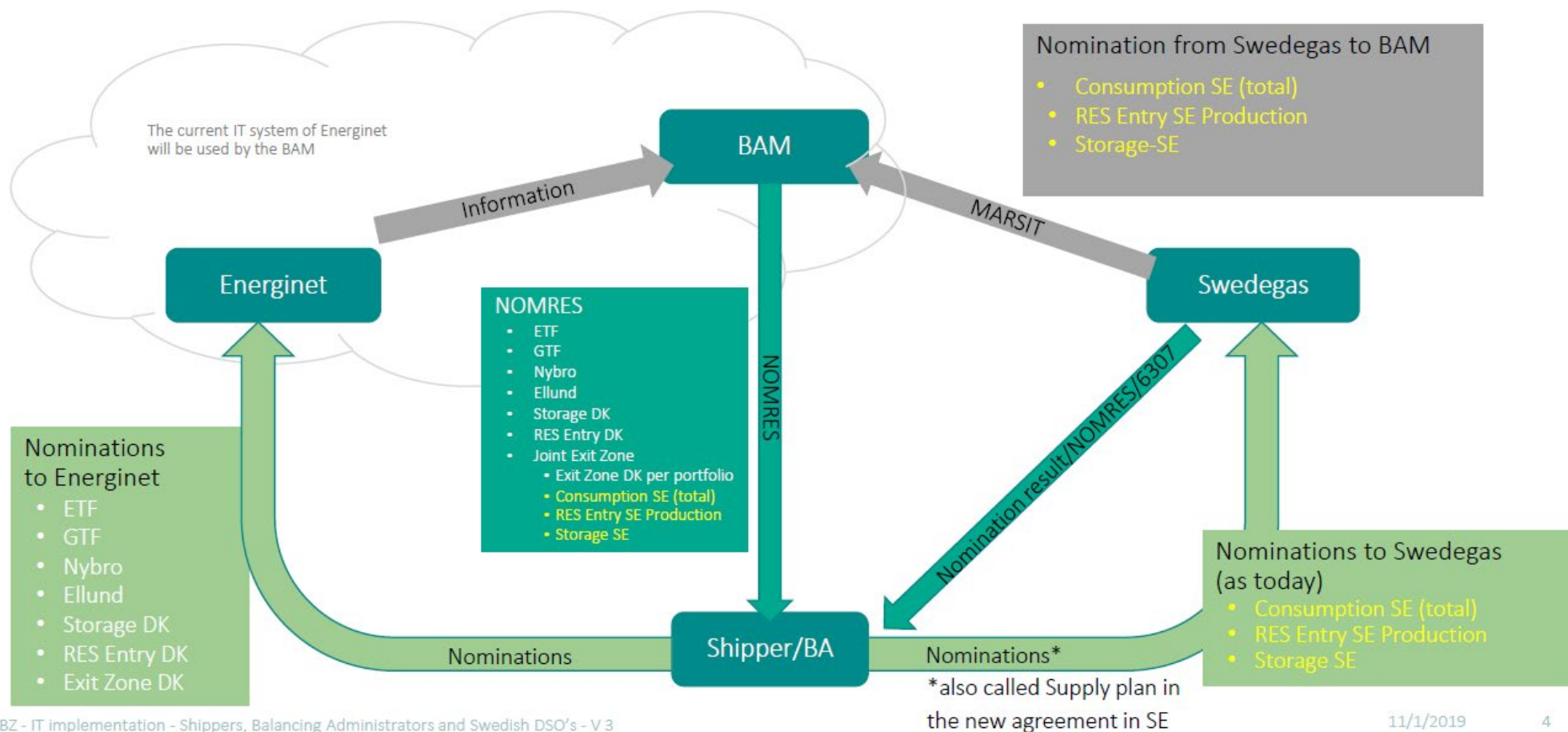
BAM'S INFORMATION PROVISIONING TO SHIPPERS

Before, during and after the gasday + after the month



DATA EXCHANGE

Nomination



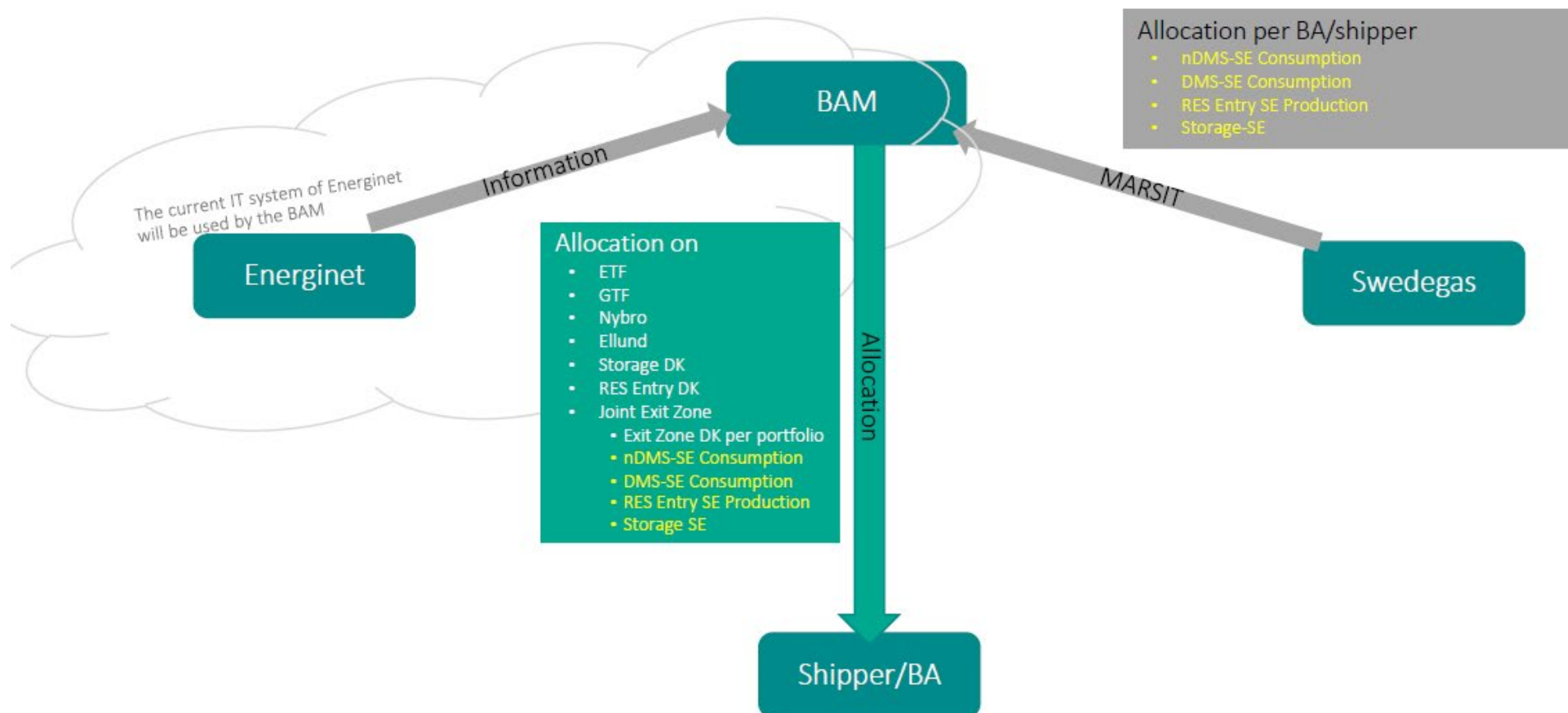
JBZ - IT implementation - Shippers, Balancing Administrators and Swedish DSO's - V 3

11/1/2019

4

DATA EXCHANGE

Allocation



FOR FURTHER INFORMATION

<https://en.energinet.dk/Gas/Shippers/Swedegas-Joint-Balancing-Zone>



INVOLVEMENT OF STAKEHOLDERS

Energinet Gas TSO

TRANSPARENCY – INTO WORK IN PROGRESS

The forums in Denmark are attended by shippers in Sweden and in Europe

All material and speeches are in English

Shipper task force Denmark

Only a few shippers and only 1 person for each shipper. Intention is that shippers shall participate in develop solutions.

User Group Denmark

All shippers can participate in an in-depth session on a specific issues e.g. JBZ

Shippers' Forum Denmark

All shippers and stakeholders are welcomed to participate – the press is also welcomed

Gasmarknadsråd Sweden

The shippers' Forum in Sweden

TRANSPARENCY – INTO WORK IN PROGRESS

One place to find latest news and the complete published material on the topic

All material is in English



<https://en.energinet.dk/Gas/Shippers/Swedegas-Joint-Balancing-Zone>



CHALLENGES

Energinet Gas TSO

REGULATORY PROCESS

- Parallel regulatory approval process in DK and SE
- High coordination between regulators
- Different ways of handling the regulatory approval process:
 - In DK the overall method is approved
 - In SE the rules are approved

RESISTANCE TO CHANGE

- Hard for shippers to accept/adapt to the changes
- Involvement of shippers in the process

TWO DIFFERENT MARKETS

- Different market models
 - Understand the two markets
- Different data set-up

ADVICES

- Make sure you have plenty of time for implementation (lot of IT)
- Involve your stakeholders
- Trust between the parties
- The parties are working towards the same goal

**TIME
GIVES
GOOD
ADVICE**

PictureQuotes.com



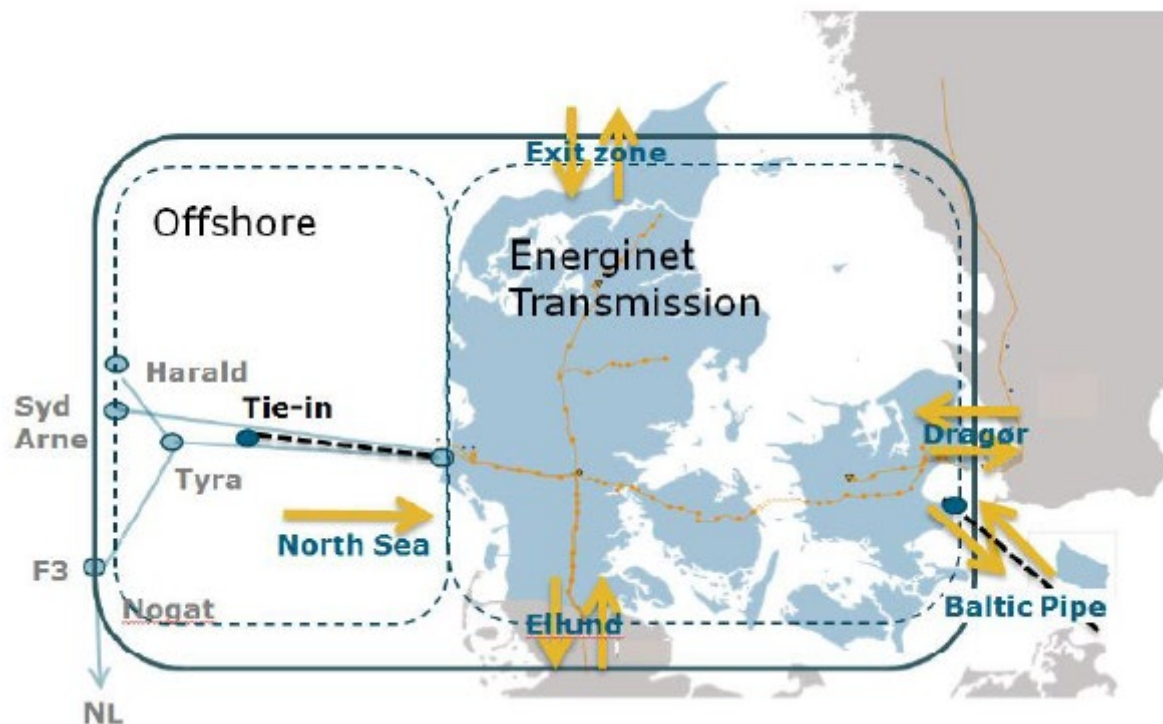
FUTURE CHANGES

Energinet Gas TSO

BALTIC PIPE – 1 OCTOBER 2022

Changes to Danish Market Model and the Joint Swedish/Danish Balancing Zone

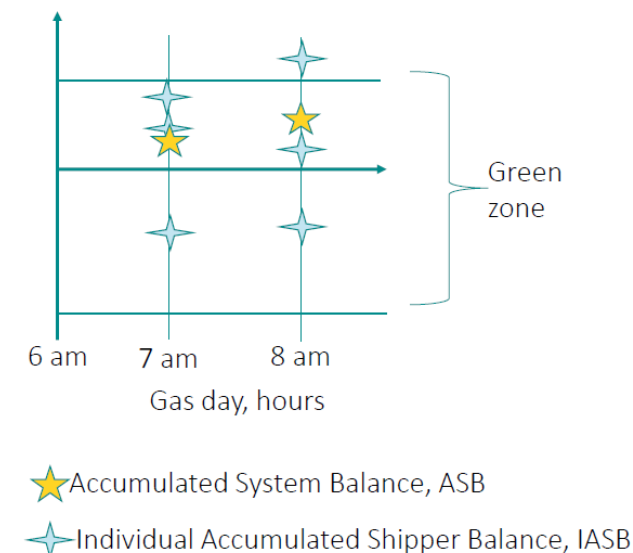
Two different regulations (off-shore and on-shore). Energinet proposes the off-shore zone to become part of the existing market model.



THE CURRENT BALANCE MODEL WILL STILL EXIST....

But 4 new concepts will be introduced:

- System-wide within-day obligation (WDO)
- Helper-causer-methodology
- New flow of data to shippers intraday – the Data model
- Less strict settlement pricing – deletion of adjustment 2 price



QUESTIONS



Contact: Signe Rasmussen +45 61244379 or slr@energinet.dk



JSC «Conexus Baltic Grid»

EE-LV COMMON MARKET AREA IN OPERATION
(JAN-AUG, 2020)

08.10.2020

Mārcis Vārpa – Head of Common Market Area Division

OVERVIEW

TOPICS COVERED

TOPICS COVERED IN THIS PRESENTATION

- 🌿 Where did we start?
- 🌿 Main concepts and changes implemented
- 🌿 First 8 months of operation in figures

BEGINNING

WHERE DID WE START?

WHERE DID WE START – LEGAL BASIS

- Towards the **Energy Union and BEMIP** action plan
- **Article 12 of Gas Regulation (EC) 715/2009**: regional cooperation of TSOs
- **Energy Development Guidelines of Latvia for 2016-2020**: involvement in the cross-border activities
- **Memorandum of Understanding** (end of 2018): key principles for further integration
- **ITC Agreement** (early 2019): fair inter-TSO revenue distribution
- **Joint Operations Agreement and Interoperability Agreement** (end of 2019): strengthening of TSO-TSO cooperation model
- **Roadmap on Regional Gas Market Integration** (April 2020) by European Commission

CHALLENGES

PREPARING FOR THE COMMON GAS MARKET

PREPARING FOR THE COMMON GAS MARKET, JANUARY 1, 2020

- ◆ Amendments to Latvian Energy Law (end of 2019)
- ◆ Latvian NRA decision on transmission tariffs (end of 2019)
- ◆ Latvian NRA decision on coordination of RPM and ITC mechanism (end of 2019)
- ◆ Harmonization of different regulatory regimes:
 - ◆ Evaluation of market models in a cross-border merger
 - ◆ Identification of market rules, that (possibly) require harmonization
 - ◆ Role of public consultation and market rules
 - ◆ Tariff setting remains national

PROCESS

MARKET INVOLVEMENT

MARKET INVOLVEMENT BEFORE INTEGRATION

- 🌿 **From March 8 to April 5, 2019 TSOs conducted public consultation** on the draft of Common Network rules and Common Balancing rules to be applied in the common zone
- 🌿 **After public consultation**, TSOs compiled the comments submitted by stakeholders and market participants. The updated rules were submitted to National Regulatory Authorities of the countries
- 🌿 **The documents are available** here:
 - [Common Network rules feedback](#)
 - [Common Balancing rules feedback](#)
 - [Presentations](#)

PROCESS

MARKET INVOLVEMENT

MARKET INVOLVEMENT AFTER INTEGRATION

- 🌱 System user survey on IT Platform performance
- 🌱 Quarterly system user webinars
- 🌱 Public consultation and later implementation of Inčukalns Underground Storage regulation (new rules effective from 07.10.2020)
- 🌱 Initiative for improvement of Common zone transmission regulation*:
 - 🌱 Customers directly connected to transmission system;
 - 🌱 Third country entry/exit point capacity allocation principles;
 - 🌱 Third country entry exit point nomination principles (schedule, nomination obligations and limitations).

* All proposed changes are “work in progress”, subject to alignment with Elering, public consultation and LAT and EST regulatory approval

COMPARISON

BEFORE AND NOW

BEFORE – COMPLICATED, MANY HURDLES

- 🌱 Know two balancing rules
- 🌱 Conclude two sets of agreements
- 🌱 Operate in two IT systems
- 🌱 Plan activities in two balancing areas

...besides different language & legislation...



COMPARISON

BEFORE AND NOW

NOW – EASY, CONVENIENT AND FLEXIBLE

- 🌿 Dedicated common balancing rules
- 🌿 Single balancing area of Estonia - Latvia
- 🌿 One-stop agency approach
(TSO-TSO cooperation model)



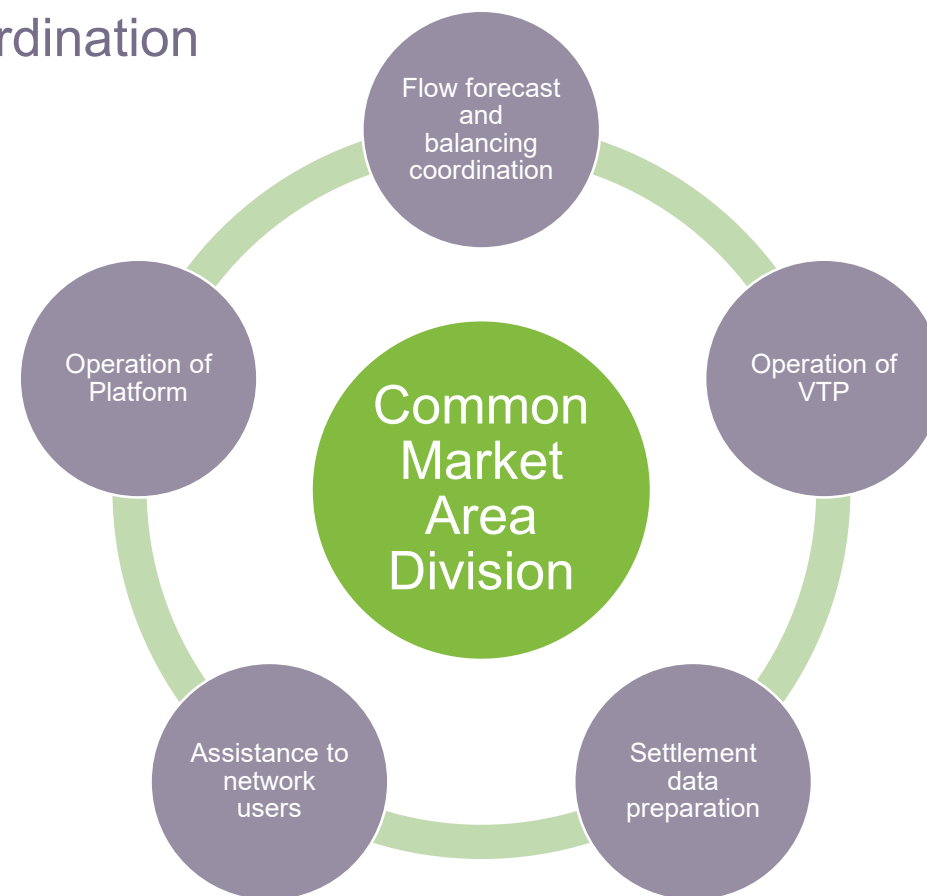
DETAILS

EXPERIENCED STAFF

SPECIAL UNIT WITHIN CONEXUS BALTIC GRID

Main tasks:

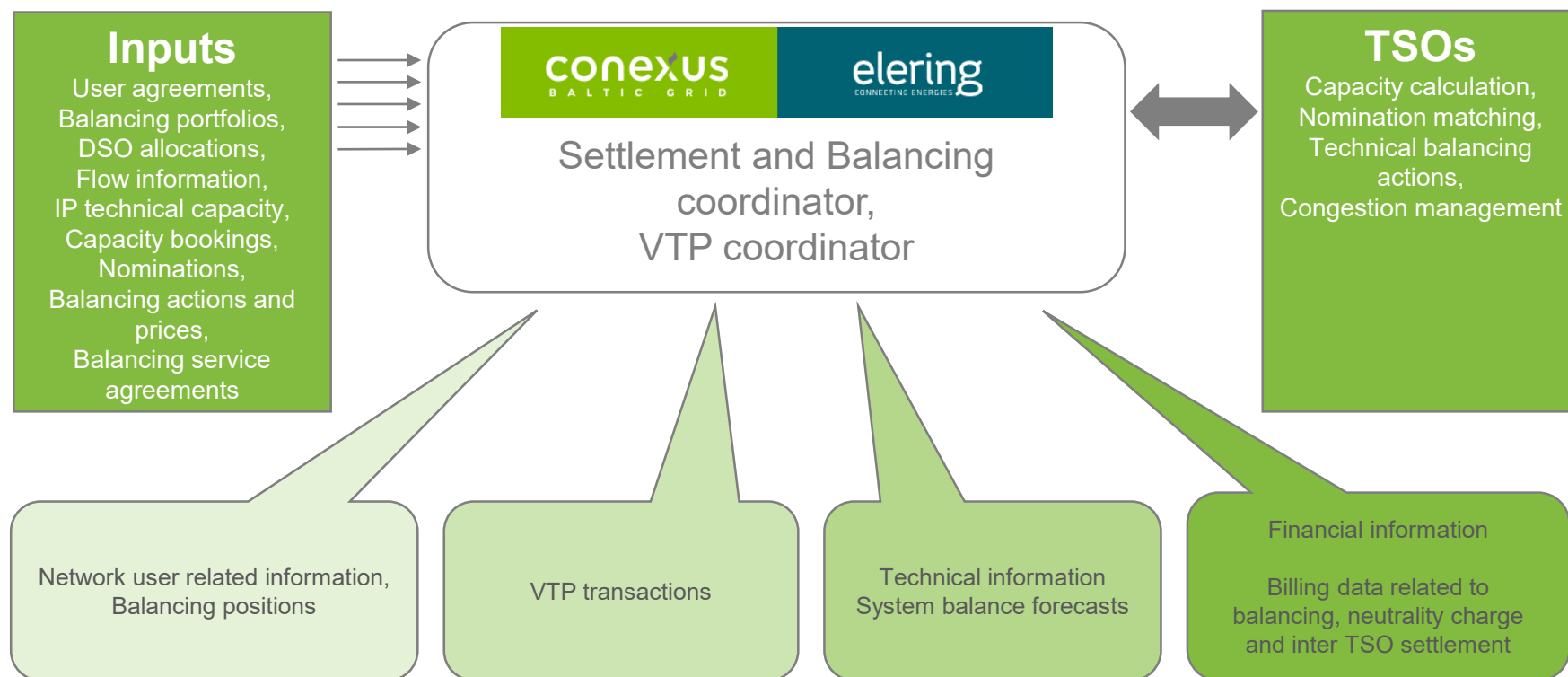
- 🌿 Flow forecast and balancing coordination
- 🌿 Operation of virtual trading point
- 🌿 Settlement data preparation
- 🌿 Assistance to network users
- 🌿 Operation of platform.conexus.lv



DETAILS

EE-LV JOINT OPERATIONS

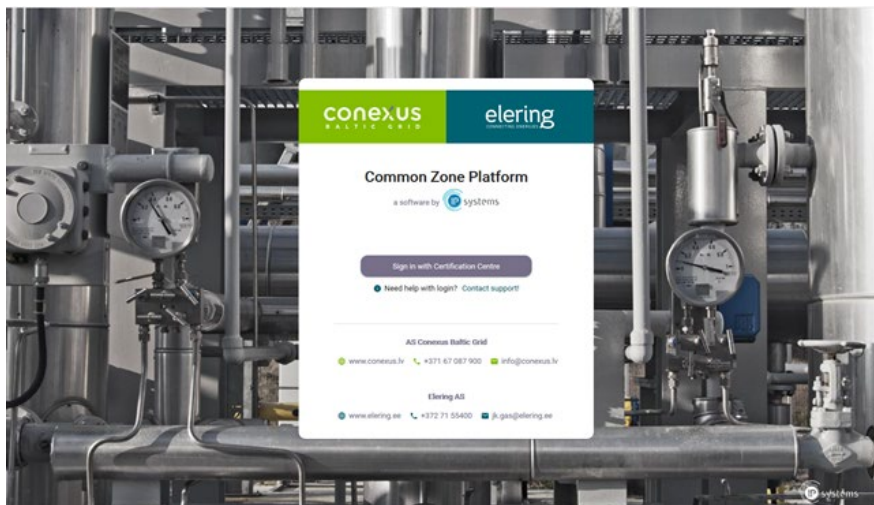
INFORMATION STREAMS AND BUSINESS PROCESSES



- 🌱 **IT system based analytical support** without transfer of decision making process
- 🌱 **Legal grounds** – Technical cooperation agreement and Joint Operations Agreement

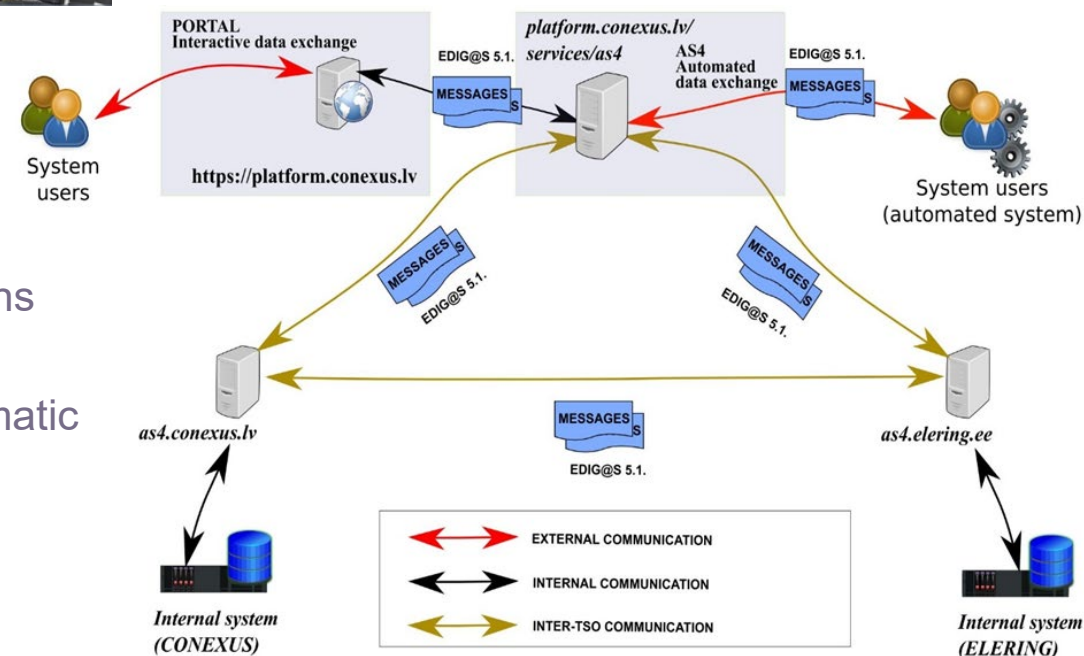
DETAILS

EE-LV JOINT OPERATIONS



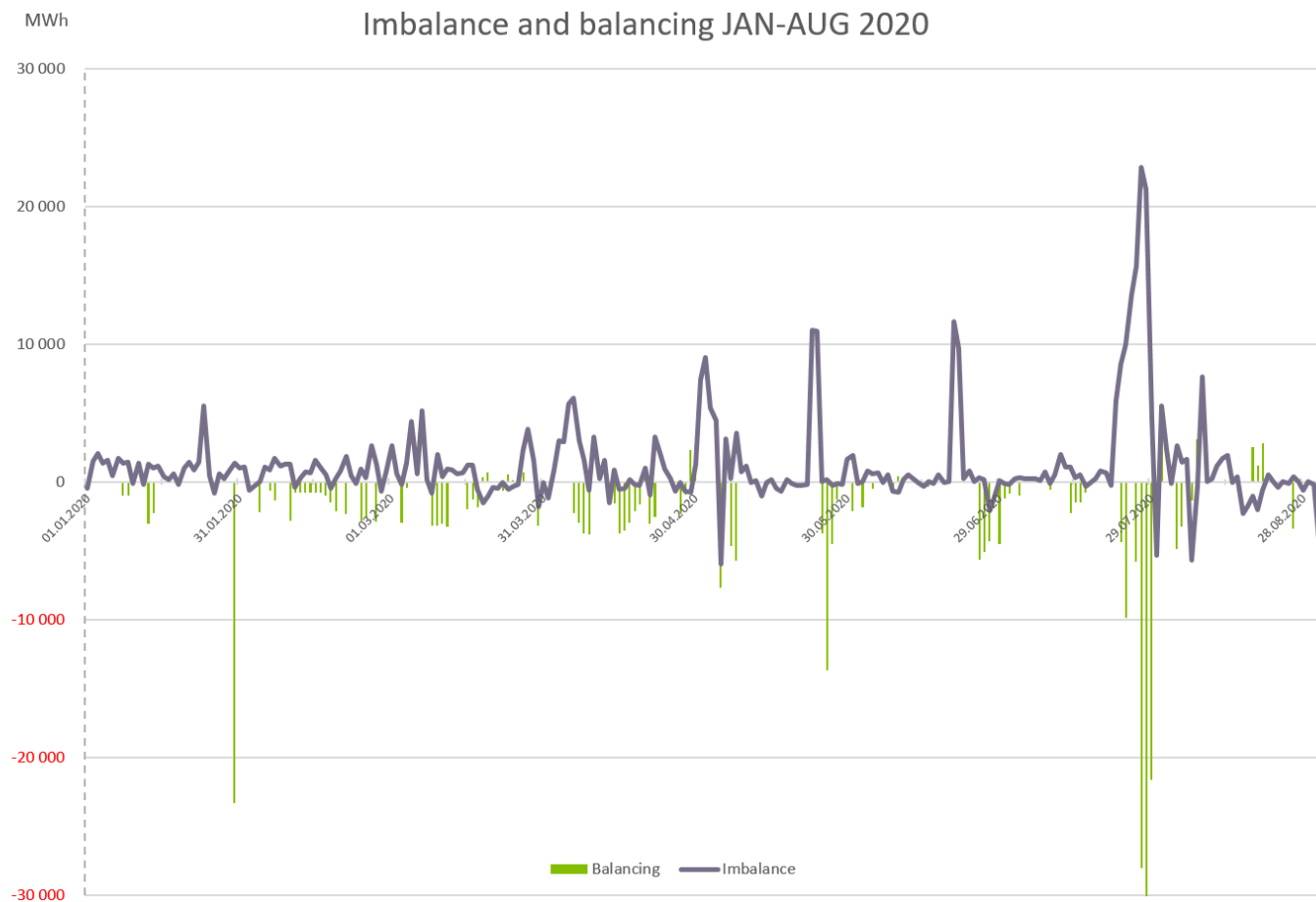
Common IT platform for communication with market participants (in operation since 11.2019)

- Single point of contact for NU daily business activities (including Inčukalns UGS).
- Interactive (web-interface) and automatic (Edig@s/AS4) communication.
- Each TSO controls its own backend system.



IN BALANCE

COMMON BALANCING AREA



Balancing actions



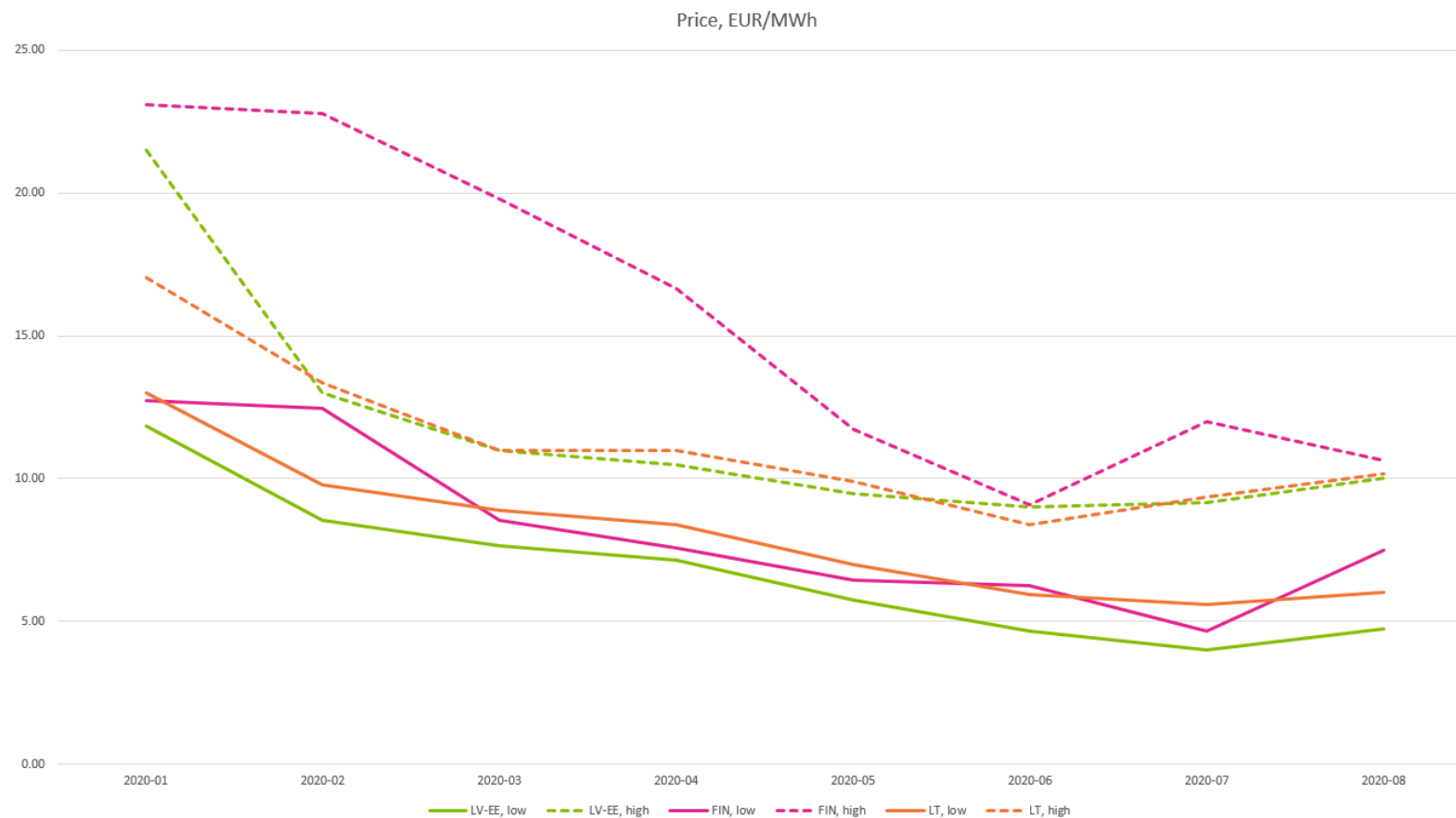
Neutrality charge, EUR/MWh

January	0.02
February	-0.01
March	0.01
April	0.00
May	0.04
June	0.01
July	0.00
August	0.00

- Active imbalance situation **monitoring and balancing**
- 88%** of balancing actions completed **via trading platform**
- Implemented **neutrality charge**

TRADE

COMPARISON PRICE LEVELS



- Lowest prices in the region – EE/LV market area, even having transactions with the lowest historical price of 4 euros per MWh concluded in July
- Baltic – Finish natural gas exchange **trade volumes have reached record-highs this year**, having already exceeded 4TWh

CONCLUSION

BENEFITS AND ADDED VALUE

COMMON BALANCING RULES
SINGLE BALANCING AREA
ONE-STOP AGENCY APPROACH
(TSO-TSO COOPERATION MODEL)

=

WIN-WIN SITUATION FOR ALL INVOLVED

- ✦ Reduced administrative burden for NU
- ✦ Increased competition and lower prices for end users
- ✦ Increased liquidity of market
- ✦ More convenient use of storage



**THANK YOU FOR YOUR ATTENTION!
IT'S TIME FOR QUESTIONS AND ANSWERS**

If there are any questions, please don't hesitate to contact us:

- 🌱 common market area: marcis.varpa@conexus.lv
- 🌱 legal: kristians.porins@conexus.lv
- 🌱 commercial: kaspars.skrabans@conexus.lv

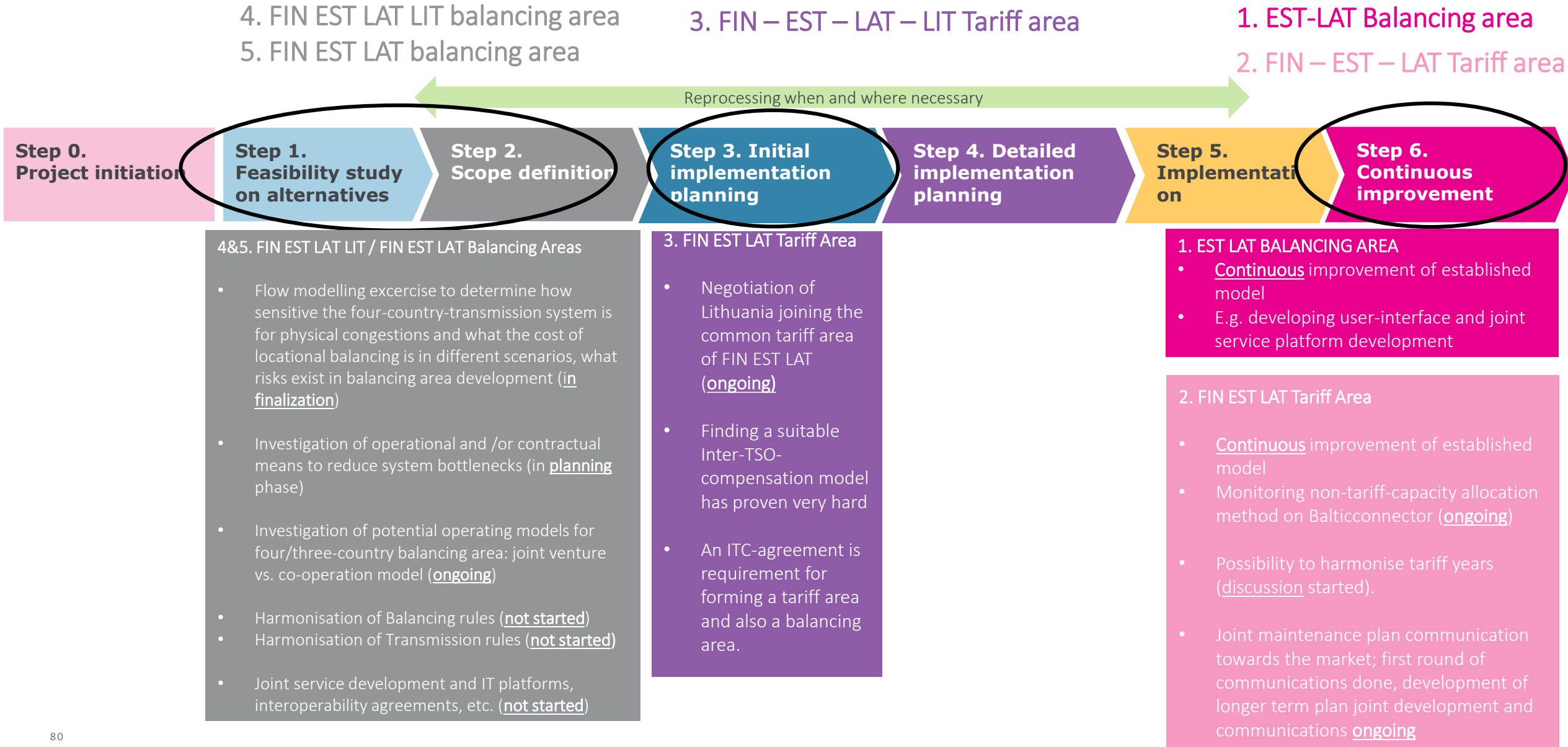
A photograph of an industrial facility, likely a power plant or refinery, featuring large, dark-colored pipes and structural elements. The scene is set against a bright sunset or sunrise, with the sun low on the horizon, creating a strong lens flare and illuminating the sky in shades of orange and yellow. The foreground shows a metal walkway with railings. The background includes some greenery and a tall light pole.

Status update on the market integration process in the Finnish-Baltic market area

8.10. Market Design Webinar
Anni Sarvaranta, SVP Strategy and Market Development

There is not ONE but FIVE integration processes ongoing or in consideration in the region

In fact, there is not ONE but FIVE integration processes ongoing in the region

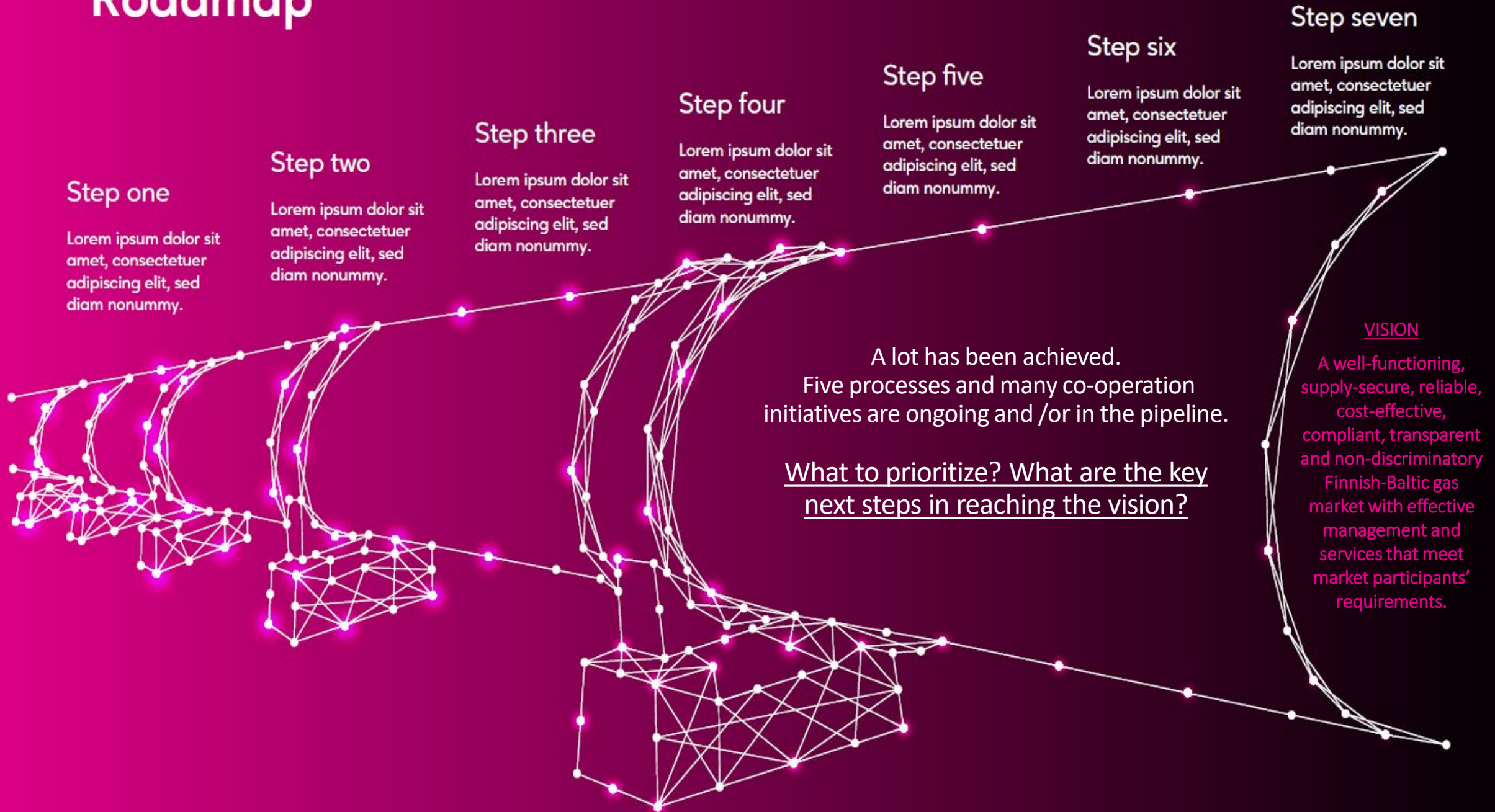


The TSOs of the area have also started sharing knowledge on “green gases” to prepare the region in meeting the needs of the energy transition

- Best practice sharing through Green Gas Coordination Group (ongoing)
 - E.g. need to harmonise Guarantees of Origin development
- Technical study on H2 injection to the current grid and storage (in planning phase)



Roadmap



MAYBE IT'S TIME TO ASK WHAT THE MARKET
MOST NEEDS.

Stakeholder engagement in market integration planning Q4/2020

Why?

- A market should be designed to serve the market participants. This is best reached, if there is **an open dialogue** with market participants through facilitated and structured workshops throughout the entire development process. This enables to:
 - a) Reach wide acceptance by market participants already before public consultations;
 - b) Secure that issues important to the market participants are identified and dealt with; and
 - c) Discuss alternative choices, their grounds and differing views.



TSO's Objectives for Q4/2020

1. Introduction to generic market design objectives and planning organisation with their roles
2. Introduction to studies conducted by the four TSOs together
3. Discussion on topics that have been identified by the TSOs as the most relevant at this point (e.g. market model, management model)

Stakeholder engagement in market integration planning Q4/2020, continued

Topics of stakeholder workshops in October – November 2020

1. **Introduction to market design** (organiser Gasgrid Finland, 8th of October in week 41)
2. **Baltic – Finnish market design: Common Tariff Area vs. Common Balancing Area** (30th of October, 9-11, week 44) (organiser: 4-country joint effort)
 - Introduction to studies conducted by the TSO's
 - Implications on price convergence and congestion management over time, capacity allocation requirements and balancing arrangements
3. **Baltic – Finnish market design: Details of full market merger** (6th of November, 9-11, week 45) (organiser: 4-country joint effort)
 - 'Full market merger': a common balancing area with or without common transmission rules and agreements
 - Management alternatives: four balancing TSOs plus coordinator vs. a single Market Area Manager

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Stakeholder engagement in market integration planning Q4/2020, continued

Who should attend?

- Stakeholders including all market roles (end-users, shippers and traders, service providers, DSOs, LNG and storage operators)
- Authorities are welcome to participate in the stakeholder workshops to monitor and participate in the discussion.
- TSOs apply a 'Code of Conduct' not to push forward their own opinions. Providing answers to questions that require no opinion is allowed.

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BALTIC GRID



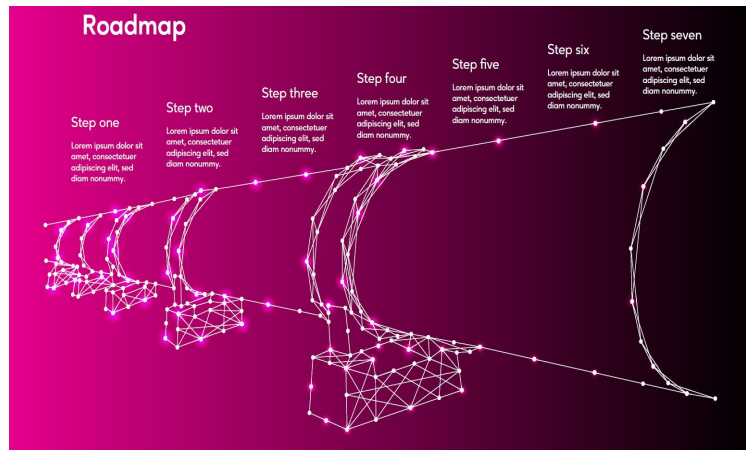
Where to attend?

- The workshops will be arranged as virtual TEAMS-meetings jointly for the entire Baltic-Finnish market region.
- WS 1: 30.10 (9-11); WS2: 6.11. (9-11)
- TEAMS: Invitations will be sent out during coming weeks from all four TSOs to their customers and stakeholders. Note: When accepting to join TEAMS-meeting, other participants will be able to see you

Stakeholder engagement in market integration planning Q4/2020, continued

Public consultation / questionnaire (right after the last workshop, weeks 46-47)

- To be arranged jointly by all the four TSOs to all stakeholders in the Baltic-Finnish market region
- Market opinion crucially important for prioritising development initiatives and to update roadmap for market development activities in the area



VISION

A well-functioning, supply-secure, reliable, cost-effective, compliant, transparent and non-discriminatory Finnish-Baltic gas market with effective management and services that meet market participants' requirements.

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GASGRID

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Thank you for your attention!

