

12/04/2021

Wholesale Market Forum

Location: Teams, 12.4.2021 12.30-15:00

Present:

Allikson Marko	Kalëjs Jānis	Niemeläinen Pentti
Baidekalns Krisjanis	Kalliokoski Maisa	Niinimäki Tiina
Balčiūnaitis Vytautas	Karinen Pekka	Nõu Kalvi
Eelmerie Teet	Karjalainen Risto	Saarela Janne
Fimaier Aleksei	Kärki Sara	Salovaara Kaisa
Grenzmänn Anni	Lappalainen Heikki	Sarvaranta Anni
Hansteen Reidar	Lappalainen Kimmo	Timgren Jusa
Haukka Jani	Liehu Tommi	Tudeberg Kenneth
Havikari Katja	Lootus Ruudi	Uski Tuomas
Hein Kaire	Lysko Darek	Uuttu Erka
Helin Kristo	Myötyri Mika	Veldemann Kaido
Kajansinkko Jukka	Niemelä Antti	

Appendix 1: Mentimeter questionnaire

Minutes

1) Opening and introduction participants

Mika Myötyri opened the meeting and presented the agenda:

Opening and introduction of participants – 12:30

2) Competition law guidelines

3) Updates from transmission business

4) Market Development – development plans and development ideas from the participants

5) Creditworthiness requirements

Coffee break (roughly in the middle of the Forum)

6) Service Development

- Demo – automatic approval of capacities and collateral monitoring in the Portal from the customer's point of view
- Service development activities: implemented, in preparation and planned.

7) Overview concerning future gases

8) Mentimeter and final words

9) Closure of the Forum – 15:00

*Market data overview (if there's time)

2) Competition law guidelines

Mittler from Gasgrid reminds the participants on the topics that are not allowed to be discussed by the participants.

3) Updates from transmission business

Sarvaranta presented the Gasgrid greetings from the transmission business

4) Market Development – development plans and development ideas from the participants

Myötyri describes upcoming market development actions.

- Minor amendments to be made to role-specific Framework agreements during Q2 (related to LNG). These will be informed separately
- No changes to the *Rules for gas transmission* foreseen before summer
- Sarvaranta comments that TSOs of the region are going through the rules in the area as a whole, and it may be that some need to change the rules based on this to harmonize them in the region
- Market data publication developments:
 - o Starting from beginning of 2021, Gasgrid publishes market data reviews on the webpages
 - o Near real-time data can be found on the ENTSOG Transparency Platform (e.g. nominations, flows)
 - o UMMs will be published in the GET Baltic UMM platform (starting from beginning of 2021 from all Finnish-Baltic TSOs)
 - o Balticconnector initial monthly capacities published on the UMM platform until the capacity uncertainty is lowered from current situation
- Myötyri describes new process for amendments of market rules, bringing up the importance of feedback on issues with the rules, and stressing that urgent amendments will still be made quickly
- Havikari asks if it's possible to update market rules without consultations, and with consultations if there is a minimum duration for it
 - o Myötyri answers that if there are very minor amendments such as changing details with small impact, consultation time is considered separately. In any case the changes would be pointed out e.g. through "track changes". If there is a possibility that consultation is needed, it will be held, and then there is a certain time frame for it. Sarvaranta comments that if comments are needed from the national regulatory authority, the process will take longer.
- Myötyri gives an update on neutrality charges, which are ensuring cost-neutrality of Gasgrid balancing services. This is an important price component for balance responsible parties
 - o Gasgrid will not gain or lose by the payment and receipt of imbalance charges; costs and benefits are corrected afterwards in order to reach a zero net result
 - o Neutrality charge unit price is defined on a monthly basis, exceptionally in 2020 the charges were invoiced at once. This year invoicing is performed once per quarter
 - o Unit price calculation method is presented
- Allikson comments that the method looks understandable, and that the only "real difference" from the Baltics is billing, which is not a significant difference.
 - o Havikari refers to the previous comment and asks if it would be possible to charge on a monthly basis
 - o Myötyri answers that this can be added to development list, but relates to the rules accepted by the national regulatory authority, and asks if this would add benefits
 - o Havikari adds that the monthly billing would benefit UPM
- A mentimeter questionnaire is presented.
- Sarvaranta comments that customer questionnaire has revealed that there is some improvement need in communication towards the market, and asks for comments (there are no immediate comments)

5) Creditworthiness requirements

- Kimmo Lappalainen describes the creditworthiness requirements, based on the documents defining them
- Veldemann asks about possibility for a more flexible way of organizing the guarantee
- Lappalainen answers that it is possible to look into possibilities and ideas
- Allikson comments that they have given this comment multiple times and asks if there are any plans to come up with something
- Sarvaranta asks if possible to have a menti-poll on this topic, on developing this aspect
- Myötyri answers that after the coffee break this can be done
- Lappalainen presents strengths, weaknesses, development paths and alternative models for “creditworthiness in practice and development”, development paths:
 - o IT- and service development
 - o Process development
 - o Contract development
- Asks for comments or suggestions
- Havikari: Agree with previous comments that multiple guarantee and cash deposit options, but if guarantee system is developed, it would be good to estimate the duration of the process for planning purposes
- Karinen: System currently unreasonably inflexible for adjusting the guarantee levels. Should be online based and easier. Answering to a follow-up question by Lappalainen, says that both cash and bank guarantees should be possible
- Allikson: Should be combination of two models, to have some sort of “baseload” amount, and additionally possibility to use cash deposit. This is how they work in many other contexts

Coffee break

- Mentimeter questionnaire is presented about guarantee options. Results show an overwhelming support for combination of bank deposits and on-demand guarantees.
- Niemelä: How is it in Baltics or Estonia, is it a similar or different model? Myötyri asks for a participant active in both markets to comment. Allikson replies that it is basically a combination. You can have one or the other, or a combination. Veldemann comments that there is a possibility to replace the guarantee with a credit rating up to a limit
- Hein points out that there are certain differences between Estonian and Latvian principles

6) Service Development

Service development activities: implemented, in preparation and planned.

- Niinimäki describes service development activities this year so far, several items presented from presentation slides, such as:
 - o Automatic capacity approval ready for deployment
 - o Calculation of remaining collateral and displaying it to shippers
 - o Booking of LNG capacity
 - o Updated gas volumes for biogas
 - o Enable integration with secondary capacity trading platform
- Niinimäki describes development activities in preparation and planned, such as:
 - o Capacity warning limits based on the estimation values shipper has post to Portal
 - o Nomination for multiple gas days
 - o Improved visualization of information
- Niinimäki asks for comments and suggestions

Demo – automatic approval of capacities and collateral monitoring in the Portal from the customer's point of view

- Niinimäki shows the customer view for deposits for collateral
- Myötyri asks how participants see a potential function in our systems, if members of balancing groups could share information with balancing responsible parties to use “as a forecast”. Suggests to be in contact if thoughts come up (no comments come immediately)

7) Overview concerning future gases

- Kärki describes themes for development and investigation on gases as part of the energy system in the future (synthetic methane, biogas, hydrogen, CO₂, different uses of gases such as raw material and traffic fuels, and system-level possibilities for gas, such as sector integration, security of supply, and energy storage)
- Kärki describes activities in Gasgrid RDI in 2020 and 2021 so far, brings up the value of feedback from customers and stakeholders
 - o Co-innovation project on hydrogen and carbon value chains (CLIC-Innovation)
 - o Joint R&D project with Fingrid regarding possibilities of sector integration and role of hydrogen
 - o Collaboration with Baltic TSOs on a R&D project regarding injection of hydrogen in existing infrastructure
 - o Participation in sector integration working group organized by Finnish government
 - o Participation in the European Hydrogen Backbone initiative

8) Mentimeter and final words

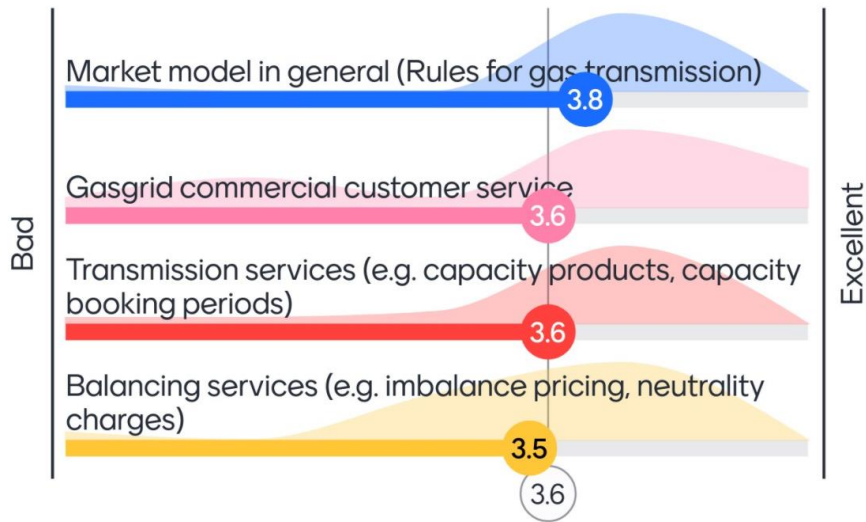
- Discussion on possibility to have “pre saved capacity booking feature as [Elering] has”. Niinimäki believed she understood what was meant, but said that she is not familiar enough with the Elering system to compare. Gasgrid encourages customers to be in contact directly with requests.
- Allikson asks about guarantee issues, when could cash guarantee be available, how does the process go?
 - o Kimmo Lappalainen answers that he can't give a timeline but that the feature is a priority and has clear support
 - o Sarvaranta comments that the timeline depends e.g. on whether system development is needed, would not promise to have a new system in place before the summer
- Mentimeter questionnaire is presented
- It wasn't time to present market data overview. It will be published among other slides after the forum.
- Meeting minutes will be available for comments before the final versions go on the web pages

9) Closure of the Forum

Appendix 1

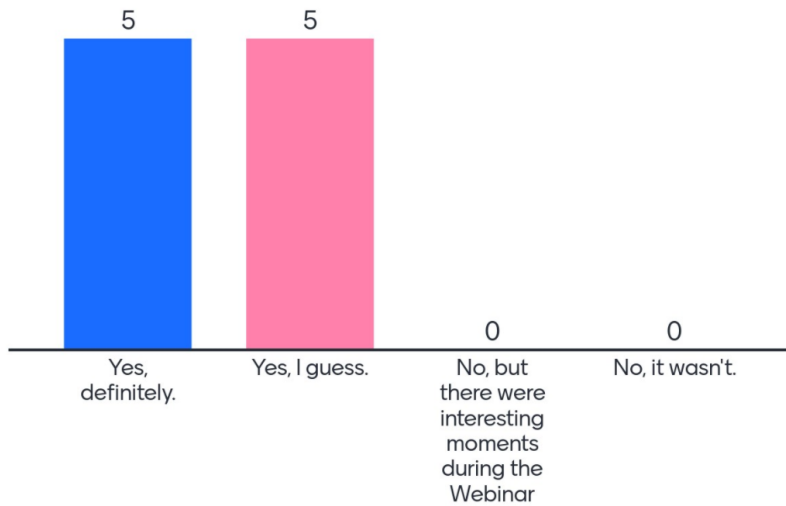
Functioning of Finnish gas market

Mentimeter



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