

28/11/2022

Wholesale Market Forum #6

Time and location: on November 22, 2022, at 12.00, Teams meeting

Present:

Avikainen	Jarkko	Juvakka	Pertti	Myötyri	Mika
Didenko	Vladimirs	Kaijansinkko	Jukka	Niinimäki	Tiina
Doroshenko	Roman	Kalējs	Jānis	Niinisaari	Joona
Fedoshejeva	Leena	Kalvītis	Kārlis	Nupponen	Anni
Fimaier	Aleksei	Karinen	Pekka	Olli	Jukka
Grenzmänn	Anni	Korpinen	Marko	Pippingsköld	Laura
Haapea	Heli	Laakso	Toni	Pirvola	Lauri
Hansteen	Reidar	Lepistö	Mikko	Salkazanovs	Artūrs
Havikari	Katja	Liukko	Tuula	Salovaara	Kaisa
Heiskanen	Niina	Lootus	Ruudi	Taškāns	Juris
Hukka	Tiina	Lysko	Darek	Timgren	Jusa

1. Opening and introduction participants

Mika Myötyri opened the meeting and presented the agenda:

- (1) Opening
- (2) News from the transmission business unit
- (3) Customer service interface
- (4) Commercial principles between TSO and Terminal Operator from shipper point of view
- (5) Balancing services (neutrality charges, updates to the Balancing rules)
- (6) Market information
- (7) Closure of the Forum

2. News from the transmission business unit (Mika Myötyri)

The terminal rules of Floating LNG terminal are in the Energy Authority's approval process. The Terminal Operator will start offering terminal capacity since the rules have been approved. Commissioning of Hamina LNG Terminal was in the beginning of October. Gasgrid has started to publish information on nominations and capacity bookings of Hamina LNG entry point at the ENTSG Transparency Platform.

The tariffs applicable from the beginning of 2023 will be published by 1st of December. Gasgrid has proposed a change in the tariff period from the current calendar year-based period to gas year-based tariff period.

The Finnish Energy Authority organized a consultation of the terms and conditions of Gasgrid Finland's transmission services and the Gas Market Rule Book where the key changes related to Inkoo LNG entry point. The consultation regarding the multipliers, seasonal factors and discounts for capacity products was open until the 25th of November. The multipliers proposed by Gasgrid can be found in the presentation material of the meeting.

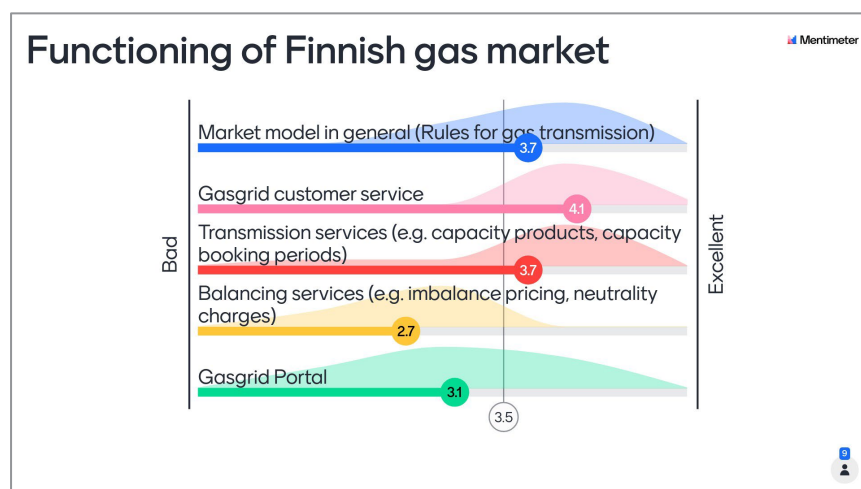
Gasgrid is tightly co-operating with Finnish electricity TSO, Fingrid in order to be prepared for the upcoming winter. One of the key issues in the co-operation is to have common understanding on the market situation and the potential gas needs in different scenarios in electricity production.

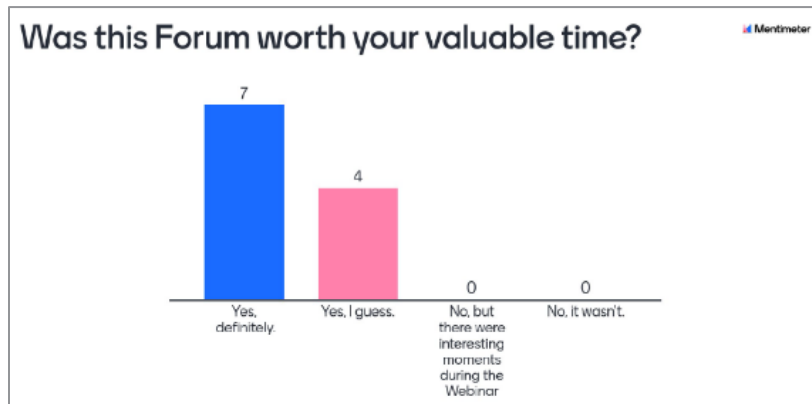
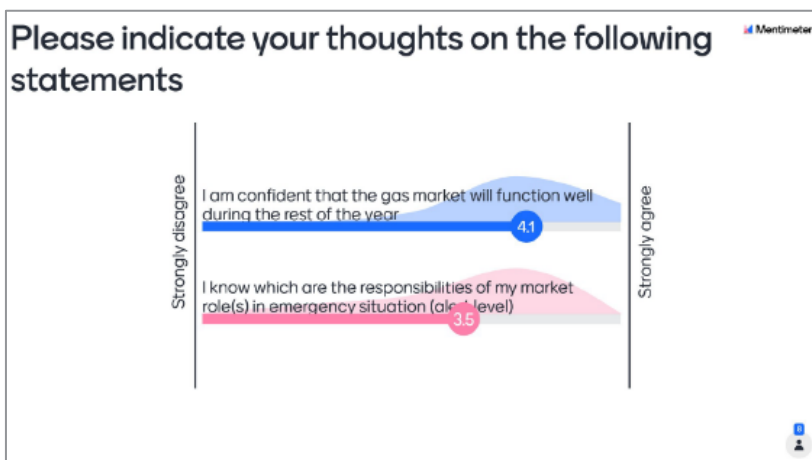
Due to fundamental changes on the gas market, the development of 4-country common entry tariff zone has been postponed. The chairs of FinBalt NRAs agreed to postpone the merger, determining that a merger could happen no sooner than October 2024.

3. Customer service interface (Niina Heiskanen)

Gasgrid implemented a new customer service system in May 2022. The goal is to improve efficiency and quality of the customer service by providing a single channel customerservice@gasgrid.fi for customer contacts. Customer Service is open from Monday to Friday from 8 am to 16 pm. The service promise is three working days. The CSAT query will be launched in December 2022 after every closed service request.

The results of the Mentimeter queries:





4. Inkoo LNG entry point (Mika Myötyri)

Mika presented the commercial principles between TSO and Terminal Operator from the shipper point of the view. All details and the charts can be found in the presentation material of the meeting.

5. Balancing services - neutrality charges, updates to the Balancing rules (Mika Myötyri)

The Transmission System Operator shall not gain or lose by the payment and receipt of daily Imbalance Charges, Within-Day Charges, balancing actions charges and other charges related to its balancing activities. The TSO shall through Neutrality Charges pass to Balance Responsible Parties

- any costs and revenues arising from daily Imbalance Charges and Within-Day Charges;
- any costs and revenues arising from the balancing actions undertaken; and

- any other costs and revenues related to the balancing activities undertaken by the TSO.

Each Balance Responsible Party shall pay to the TSO, or the TSO shall credit to the Balance Responsible Party the Neutrality Charges for Balancing for each Gas Month. The price of the Gas Month-specific Neutrality Charge shall be determined after each Gas Month. The price of the Neutrality Charge [EUR/MWh] shall be determined on the basis of the total sums of revenues relating to the Balancing minus total costs relating to the Balancing, and by dividing the result by the total amount of offtakes of all of the Balance Responsible Parties for that Gas Month. To the basket of offtakes, it is included the exits in the balancing portfolios of the Balance Responsible Parties in the Exit Zone, Virtual Trading Point (incl. gas exchange) and Balticconnector. The table of the neutrality charges 2022 can be found in the presentation material of the meeting.

6. Market information (Mika Myötyri)

The graphs of the capacity products and the consumption can be found in the presentation material of the meeting. Gas consumption in October 2022 was app. 0,5 TWh (in October 2021 app. 1,4 TWh). The cumulative gas consumption 1.1.-31.10.2022 was app. 10,0 TWh.

The gas consumption mainly covered by the entry flows through Kiemenai (direction from LT to LV). Incukalns storage continues to be filled reaching the fill rate of 60 % in mid-November. There are periods in September and October during which gas quantities were imported through Luhamaa which was caused by temporarily redirected transit flows to Kaliningrad.

Incukalns gas storage has been in the injection mode starting from the end of February when the withdrawal season exceptionally ended due to Russian invasion to Ukraine. Entry flows from Klaipeda LNG terminal has played important role to cover Finnish-Baltic gas demand. Due to low gas consumption in the region, injection to the storage has been possible despite some gas quantities were flown from Lithuania towards Poland. Injection to the storage has been possible also in autumn due to increased capacity at Kiemenai point (direction from LT to LV), physical flows from Poland to Lithuania and commissioning of Hamina LNG terminal. During last few days, storage was turned to withdrawal mode due to colder weather conditions in Finnish-Baltic region resulting higher gas consumption especially in Latvia. Currently, on 20th November, storage fill rate is app. 60 %.

Gasgrid Finland publishes transparency and market information relevant for market participants on the Gasgrid's website.

7. Closure of the Forum

The presentation slides of the meeting will be published on the Gasgrid's webpage. The meeting minutes will be available for comments before the publishing of the final version on the web page.

Mika Myötyri closed the meeting at 14.00.