

Wholesale gas market forum #6 – 22nd of November 2022

Agenda

- 1) Opening of the Webinar
- 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) Market information
- 6) Balancing services – neutrality charge
- 7) Closing words

News from the transmission business unit

- The terminal rules of Floating LNG terminal are in the Energy Authority's approval process. As soon as possible, after the rules are confirmed, the Terminal Operator will start offering terminal capacity.
 - The most relevant principles relating to the Finnish gas system are entry capacity booking principles to Inkoo LNG entry point and the nomination procedure.
- 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 ENTSOG 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.
 - Harmonization of the tariff periods of the countries belonging to the regional entry tariff zone.
 - Shippers' better ability to take into account the price level of transmission services in budgeting.
 - The gas-year-based operations are generally followed on the gas market.
- The Finnish Energy Authority organized a consultation on 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 Guarantee of Origin (GO) register works well (biogas, hydrogen). GOs can be transferred between EU/EEA countries if the GOs to be transferred meet the legal requirements for GOs. GO transfers abroad have been made as bilateral ex-domain cancellations. Gasgrid Finland processes transfer requests on a case-by-case basis, so please contact customerservice@gasgrid.fi

News from the transmission business unit

- Consultation launched by the Finnish Energy Authority regarding the multipliers, seasonal factors and discounts for capacity products is open until 25th of November. Gasgrid is proposing the following multipliers to be applied:

Entry Capacity product	Multiplier
Yearly (reference price)	1
Quarterly	1,1
Monthly	1,25
Daily	1,5
Within-day	1,7

Exit Capacity product	Multiplier
Yearly (reference price)	1
Quarterly	1,1
Monthly	1,25
Daily	1,7
Within-day	2,0

- Public consultation on the terms and conditions of balancing is open until 23 November 2022. The following changes have been proposed:
 - The TSO may set an adjustment step, the size of which can be within the range of 3 % (inclusive) - 10 % (inclusive). The TSO can adjust the adjustment step to ensure the physical and commercial balance management of the Finnish gas system or to consider the reasonableness of the balancing costs incurred by the Balance Responsible Parties for imbalance charges. The applicable adjustment step can be changed by notifying the adjustment at least three (3) full gas days before the adjustment step enters into force.
 - If the daily buy or sell imbalance charge cannot be determined in accordance with the principles described in this chapter, the default rule is used to determine the imbalance charge. According to the default rule, to determine the daily imbalance charge, the most recently determined neutral gas price is used as the neutral gas price, plus or minus the applicable adjustment step, until the daily neutral gas price can be determined again.

News from the transmission business unit

- 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.
- The market role specific framework agreements have been updated and signing process is well progressed. The last agreements are foreseen to be signed in upcoming weeks.
- 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.
 - The FinBalt TSOs and NRAs continue to strongly support and look forward to a common regional gas market which would further strengthen the security of supply in this region. Working towards this ambitious goal will continue after the market turbulence has settled and more clear understanding on the new regional market conditions is acquired.

Customer service interface

Customer Service

- Gasgrid implemented a new customer service system in May 2022
- Goal is to improve our efficiency and quality of the customer service
- CSAT query will be launched in December -22 after every closed service request
 - It is fast to answer with just one click
 - Gasgrid will get a valuable information about the quality of our customer service
- **Customer Service facts:**
 - Open from Monday to Friday 8 am to 16 pm
 - Service promise 3 working days
 - customerservice@gasgrid.fi
 - All customer service topics in one place: registration, agreements, prices, services, datahub, connection service, technical support etc.

At your service.. 😊



Anni Nuppunen
Specialist,
Operation
and Balance
Service



Heli Haapea
Service Manager



Niina Heiskanen
Customer
Service
Manager



Tiina Niinimäki
Service
Manager



Tiina Hukka
Gas Market
Specialist



Mika Myötyri
Gas Market
Manager

Other channels for contacting us

- Central Control
 - 24/7
 - keskusvalvomo@gasgrid.fi
 - +358 (0) 20 447 8713
 - Statements, On-site Pipeline Location Guidance and Works Near a Gas Pipeline
- Info
 - Safety-related observations
 - info@gasgrid.fi
 - If you notice anything unusual in the vicinity of the gas transmission pipeline, please let us know.

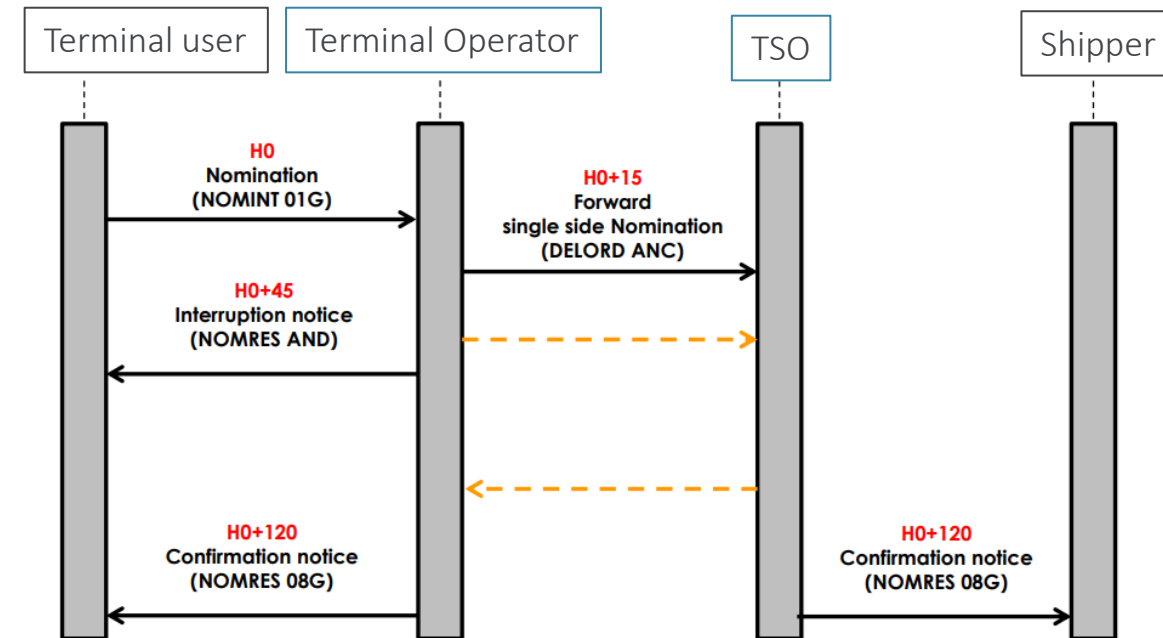
Inkoo LNG entry point - Commercial principles between TSO and Terminal Operator from shipper point of view

Inkoo LNG entry point from shipper point of view

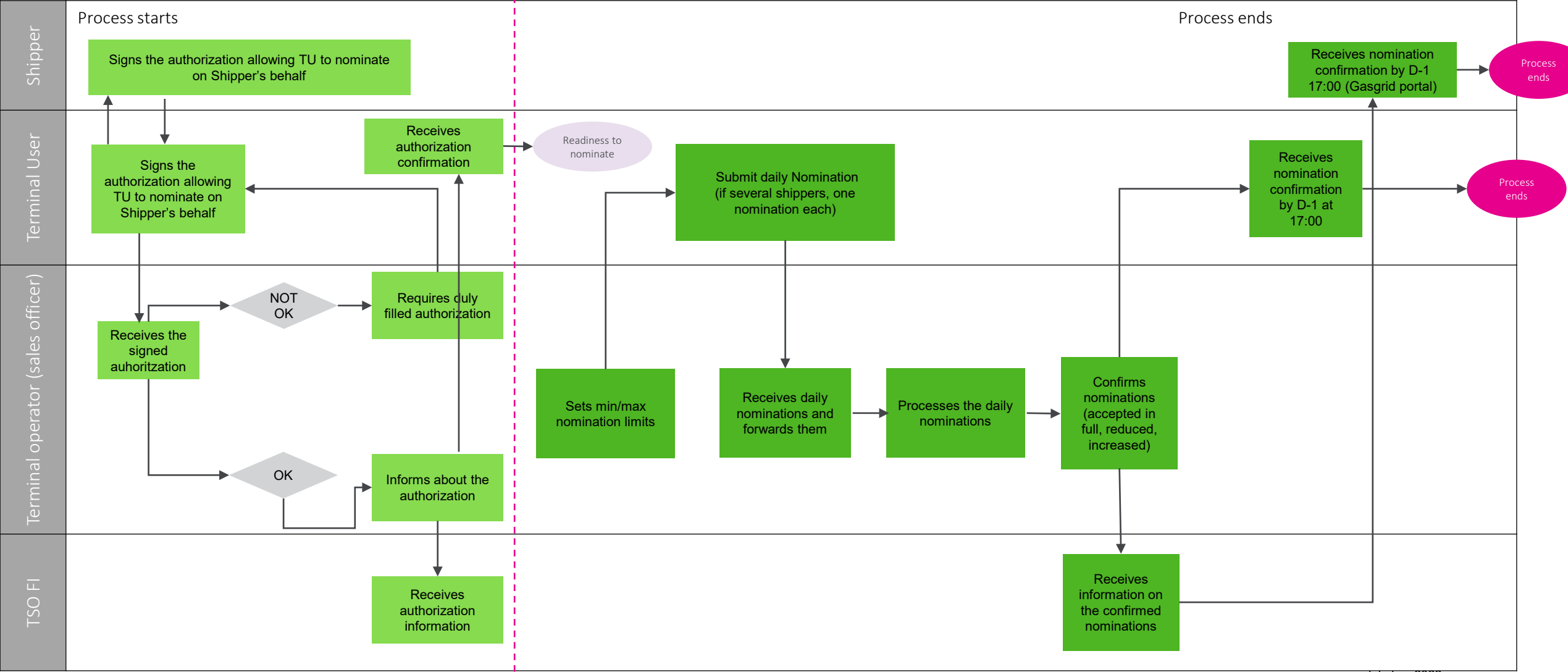
- Energy Authority organized a public consultation on the Gas Market Handbook 3.0 which is referred in the Government Decree on the Settlement and Measurement of Natural Gas Delivery. At the same time, the consultation on the terms and conditions of transmission services were organized. The consultation ended on 11th of November.
- The Terminal rule package is in the Energy Authority's approval process. The opinions received from the market are evaluated. There will be amendments made to the rules. The rules will be approved *as soon as possible in December*.
- The contents concerning Inkoo LNG entry point are not yet approved by the NRA, so the rules must be considered as initial rules.
- The following amendments related to Inkoo LNG entry point were proposed:
 - Introduction of new entry points: Hamina LNG entry point and Inkoo LNG entry point
 - Nomination rules for Inkoo LNG entry point:
 - Authorization provided by shipper for terminal user to nominate on his behalf
 - EIC code of the terminal user; EIC code of the shipper; the name of the entry point (Inkoo LNG entry point); validity period of the authorization
 - Due to single-sided nomination procedure, nomination rules for shipper are very short, because only terminal user nominates and the confirmed nominations is provided for the shipper by the TSO. The nominations rules will be defined in detail in Terminal Rules of Floating LNG Terminal Finland.
 - Entry capacity booking principles and introduction of entry capacity overrun charge at Inkoo LNG entry point.

Daily nominations at Inkoo LNG entry point

- Single-sided nominations procedure will be applied. Only Terminal Users submit nominations.
- Terminal Operator requires that terminal user has at least one authorization signed with shipper where the shipper authorizes terminal user to nominate on its behalf during the time period defined in the authorization. The authorization must be signed at least 2 business days before nominations can be submitted.
- Terminal User must submit nominations separately for each Shipper acting as the terminal user's counterparty.
 - In order to maintain commercial inventory of each terminal user and physical inventory of the LNG Terminal, the terminal operator sets requirements for the nomination quantities (min/max limits). If terminal user nominates more than max or less than min, terminal operator will decrease/increase nominations to the min/max limit. Having more than one shipper, decrease/increase will be done pro rata basis between the shippers.
 - If terminal user has several counterparties acting as a shipper in the transmission network, there is flexibility for the terminal users to nominate for the shippers, but the aggregated nominations of the terminal user must be within the limits set by the terminal operator.
- Nominations shall be submitted by the terminal users by D-1 at 15:00 EE(S)T. The nomination submission deadline is the same than in any other entry/exit points where nominations are required.
- Renomination submission is not possible.
- Each terminal user and shipper must have Energy Identification Code (EIC) in order to submit nominations.



Nominations at Inkoo LNG entry point



Entry capacity booking at Inkoo LNG entry point

- At Inkoo LNG entry point, Gasgrid has informed that the entry capacity from the Inkoo LNG entry point is 140 GWh/day.
 - Technical capacity of Balticconnector will increase to the level of 78 GWh/day (direction from FI to EE).
 - It is informed for the market that transport capability to the Finnish exit zone is on the level of 105 GWh/day. Gasgrid is currently planning and will start a capacity enhancement project in the Pölans junction point in order to increase the transmission capability at the Finnish exit zone. The project is expected to be completed latest in summer 2023. After the enhancement project, the Finnish exit zone transmission capability from the Inkoo area will be increased to the level of 135 GWh/day.
- At Inkoo LNG entry point, the same capacity booking windows will be applied than in Hamina LNG entry point or at Finnish exit zone. Gasgrid Finland offers standard entry capacity products without restriction meaning that shippers are able to book entry capacity as much as needed. This means the capacity booking windows are flexible from shipper point of view.
- If the shipper's approved nomination exceeds the shipper's total capacity at Inkoo LNG's feed point, the shipper is obliged to pay the excess capacity fee according to the price list of the transmission system operator responsible for the system.



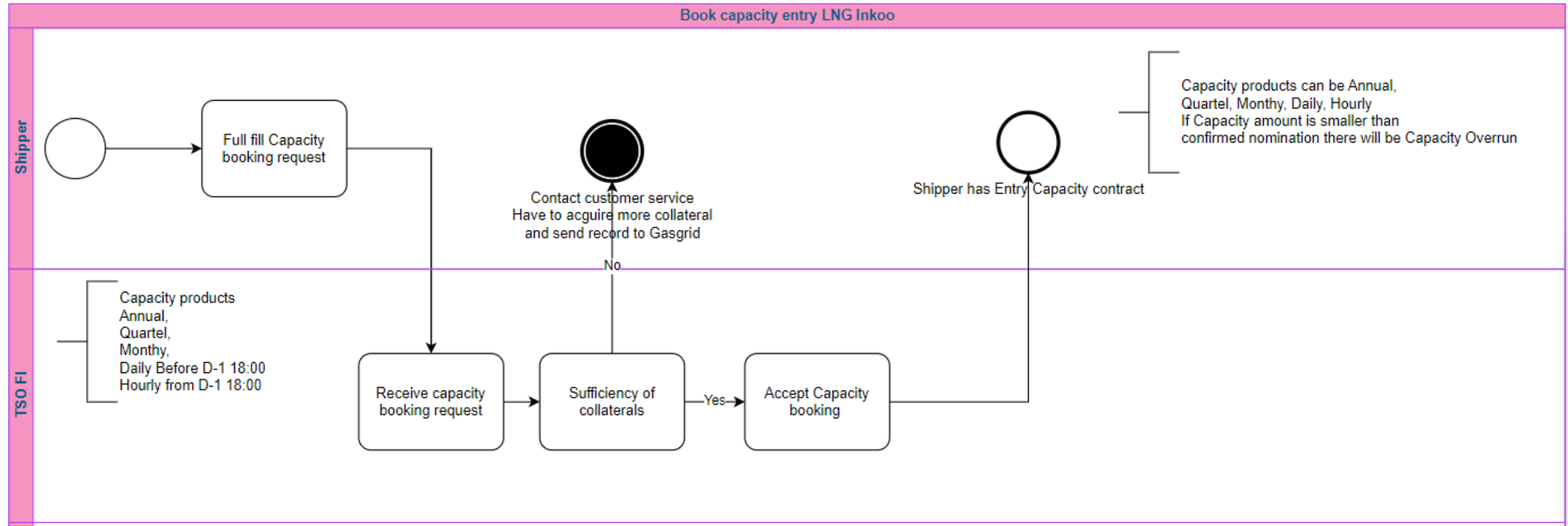
Entry capacity booking at Inkoo LNG entry point

- Entry capacity bookings will be possible to be made through Gasgrid Portal.
- If the shipper's confirmed nomination for gas day D exceeds the total entry capacity allocated for the shipper at Inkoo LNG entry point, the shipper is obliged to pay the capacity overrun charge equaling to the following formula:

$$\begin{aligned} \text{Unit price of entry capacity overrun charge} &= \text{price of yearly entry capacity} \times \text{multiplier of withi} - \text{day entry capacity product} \times 1,5 \\ &= 0,39115 \frac{\text{€}}{\text{MWh}} \times 1,7 \times 1,5 = 0,99743 \frac{\text{€}}{\text{MWh}} \end{aligned}$$

- Shipper will receive information on the confirmed nominations by D-1 at 17:00.
- If shipper has not booked sufficient entry capacity by the time of nomination submission and confirmation, there are the folloing possible alternatives:
 - Shipper may book additional day-ahead capacity by D-1 at 18 EE(S)T.
 - Shipper may book within-day capacity after D-1 at 18:00 EE(S)T, but at the latest by D at 04:00 EE(S)T.
 - If in the end of the gas day D, shipper's confirmed nomination(s) of Inkoo LNG entry point for the gas day D > shipper's allocated capacity for the gas day D, shipper is obliged to pay capacity overrun charge as part of the nomination quantity exceeding the allocated capacity.

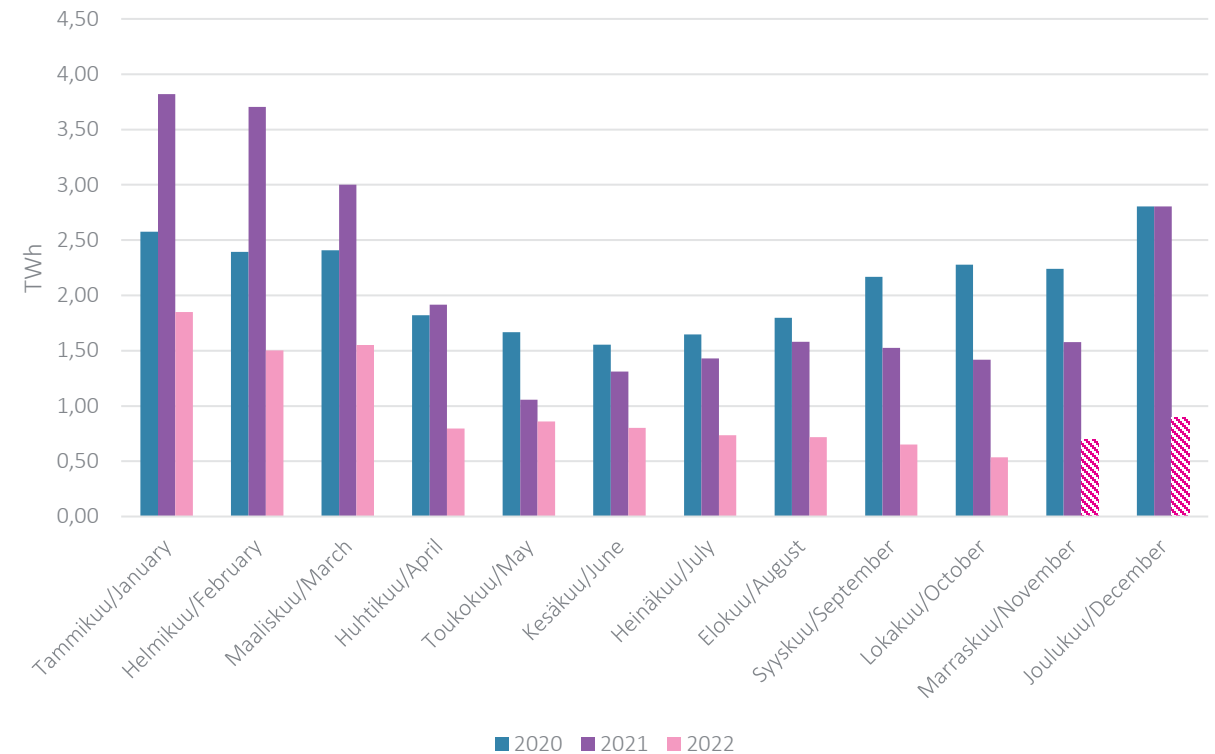
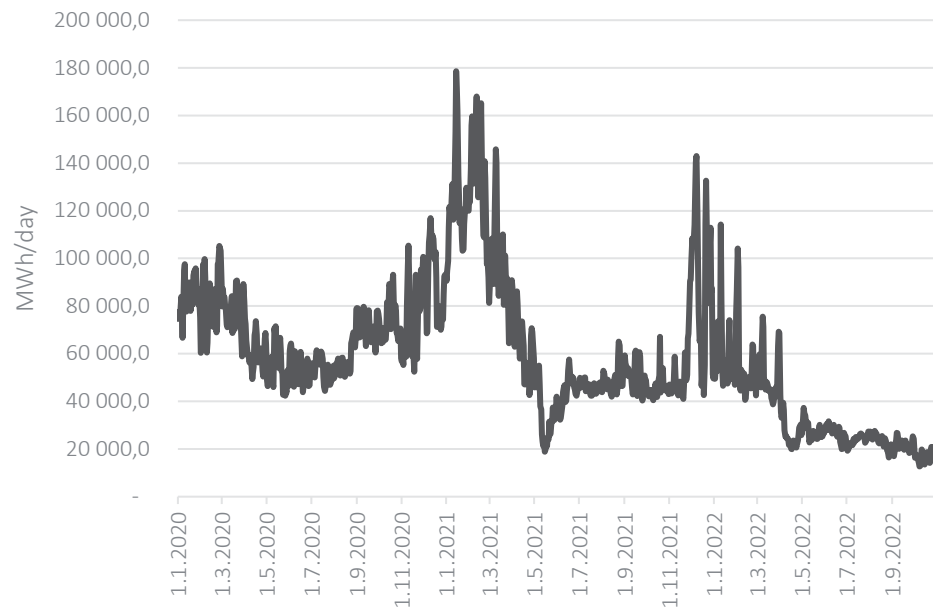
Entry capacity booking at Inkoo LNG entry point



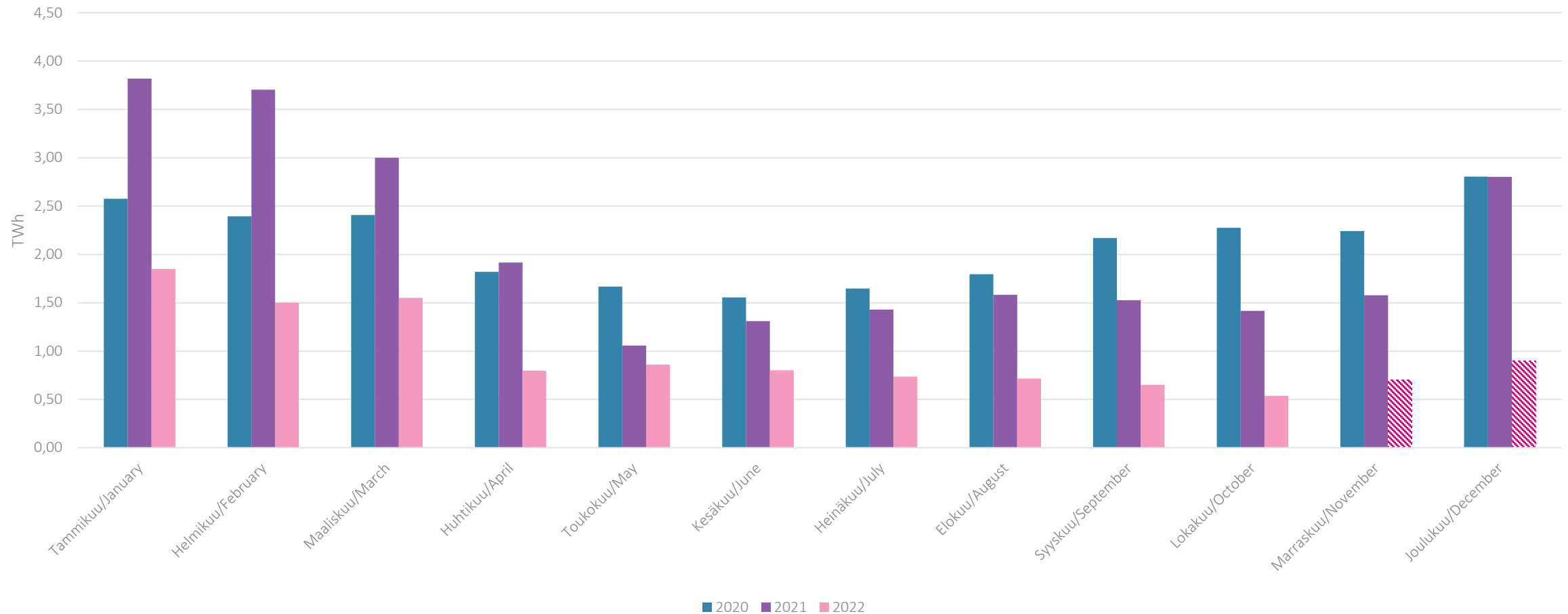
Market information

Gas consumption in Finland 2020-2022

- Gas consumption in October 2022 app. 0,5 TWh (in October 2021 app. 1,4 TWh). Highest daily consumption in October: 24.10. 20,9 GWh/day.
- Cumulative gas consumption 1.1.-31.10.2022 app. 10,0 TWh.



Gas consumption in 2020-2022

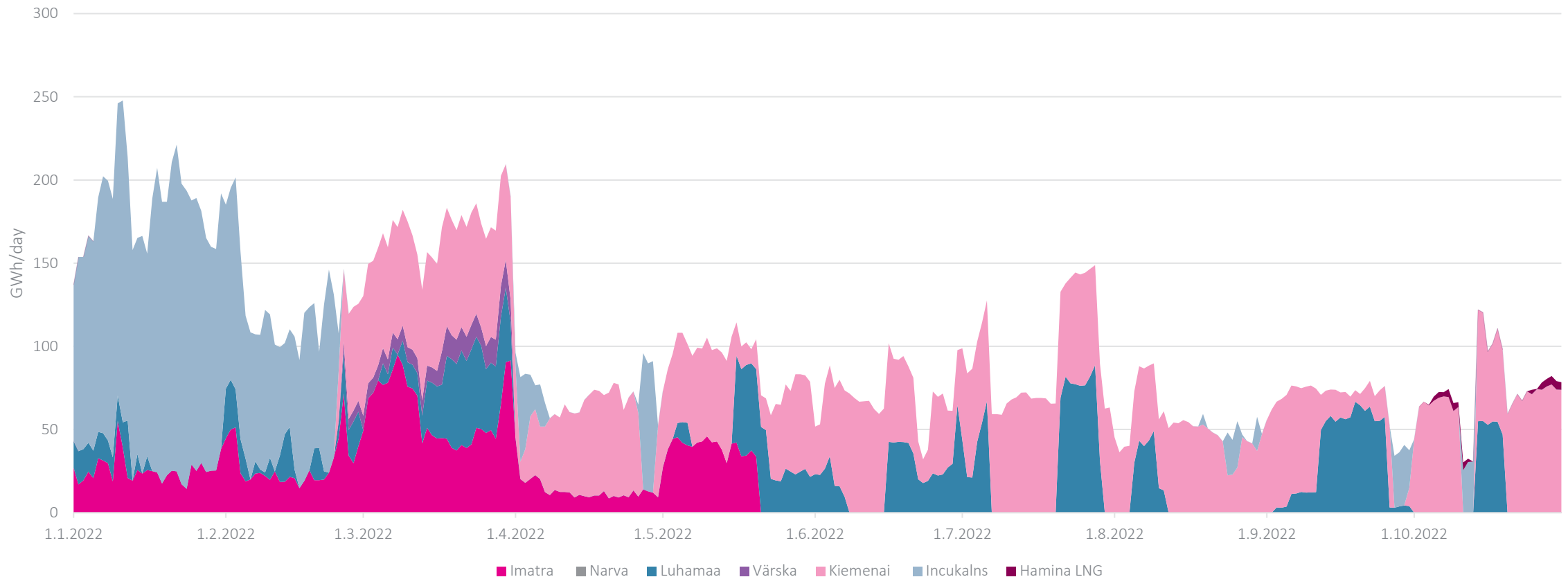


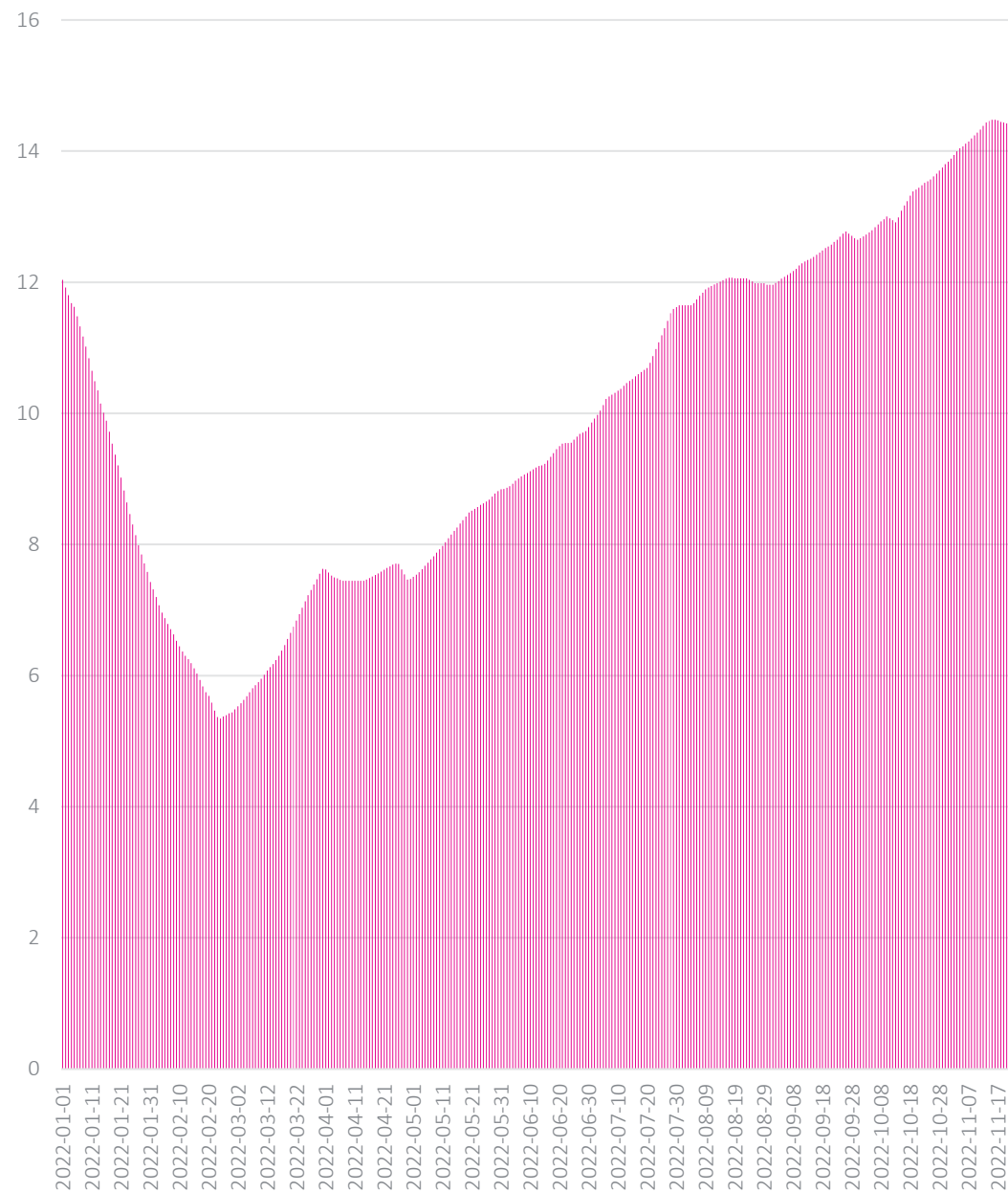
*1.1.-31.10.2022 based on metering data, November and December 2022 based on the estimate

Physical entry flows to the FINESTLAT common entry tariff zone

Gas consumption mainly covered by the entry flows through Kiemenai (direction 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

- 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 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, in 20th of November, storage fill rate is app. 60 %.

Market information



Läpinäkyvyys ja markkinatieto

Raportointi ja
markkinainformaatio

Markkinadatakatsaukset

lupauksista. Datahubissa asiakkaat saavat toimintansa kannalta keskeistä tietoa, kuten mittaus- ja lämpöarvotietoja sekä käyttöpaikkatietoja. Datahubissa ja Gasgrid-portaalissa on myös asiakkaiden liiketoimintaa koskevaa tietoa ja siksi tietojen saatavuutta rajoitetaan käyttökohtaisesti.

Julkaisemme markkinan toiminnan kannalta keskeisen tiedon GET Balticin UMM (Urgent Market Message) -alustan kautta. Näin toimimalla varmistamme sen, että markkinatoimijat saavat markkinan toimintaan keskeisesti vaikuttavan tiedon samanaikaisesti tasapuolisesti.

Materiaalia

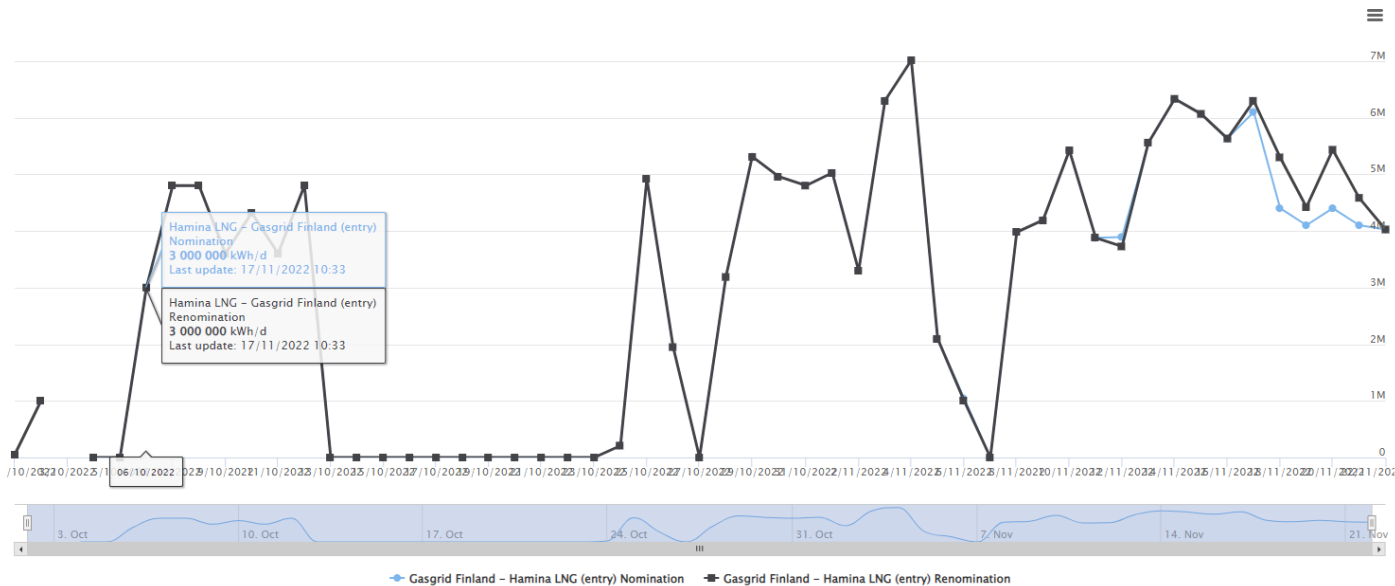
- Balance gas sell and buy prices
- Gas consumption in Finland
- Hamina LNG confirmed nominations

Markkinadatakatsaukset

Gasgrid julkaisee säännöllisesti markkinadatakatsauksia:

Markkinadatakatsaukset 2022

- Tammikuu 2022
- Tammi-maaliskuu 2022
- Huhtikuu 2022
- Toukokuu 2022
- Kesäkuu 2022
- Elokuu 2022
- Syyskuu 2022



Transparency and market information

Gasgrid Finland publishes transparency and market information relevant for market participants. Transparency plays an important role in our operations. Gasgrid Finland follows the Gas Regulation (EC) No 715/2009 which sets the minimum requirements for transparency information publication.

Gasgrid publishes the information necessary for network users to gain effective access to the system, the definition of all relevant points for transparency requirements and the information to be published at all relevant points on the [Transparency Platform offered by ENTSOG](#). At the Transparency Platform, information on both technical (e.g. physical gas flow, gas quality) and commercial information (e.g. nominations, capacity bookings) published by Gasgrid Finland and other TSOs in the area of European Union can be found.

The parameters applicable at Balticconnector interconnection point

The share of Technical Capacity allocated by the TSO for bilateral trading	90	%	-	-
The share of Technical Capacity allocated by the TSO for the gas exchange(s) for cross-border trading	10	%	-	-
The applicable tolerance* at Balticconnector entry and exit point	50 000	kWh/h	-	-
The maximum virtual capacity** which may be offered by the TSO if Balticconnector is congested to one direction	46 000	kWh/h	1 104	MWh/day

*A Shipper may renominate downward in the Balticconnector free of charge within the tolerance. For amounts exceeding this limit, the Shipper shall pay an underutilisation fee in accordance with the up-to-date price list of

Contact us:

➤ customerservice@gasgrid.fi

Read more:

- Operations in gas market disruptions
- Transparency platform
- Public UMM (GET Baltic's platform)

Balancing services – neutrality charge

Neutrality charges

- 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.

Neutrality charges 2022

The neutrality charge can be positive (+) or negative (-). If the neutrality charge unit price is positive, it means Gasgrid charges the balance responsible party. If the neutrality charge unit price is negative, Gasgrid compensates the balance responsible party.

Month	Imbalance charges (negative) - BRP is short [€]	Imbalance charges (positive) - BRP is long [€]	Physical and commercial balancing actions [€]	Other costs (personnel costs allocated to balancing, balancing system costs) [€]	Surplus / deficit of Balancing [€]	Total exit quantity [MWh]	Neutrality charge unit price [€/MWh]
01	6 498 928	-4 186 624	-2 234 298	-96 869	-18 864	3 583 606	0,00526
02	2 770 821	-2 171 965	2 120 286	-74 362	2 644 781	3 296 377	-0,80233
03	2 865 465	-3 976 681	312 763	-65 952	-864 404	4 404 580	0,19625
04	3 619 990	-1 640 734	-4 540 156	-71 697	-2 632 597	1 721 518	1,52923
05	1 519 628	-2 621 337	-1 045 702	-68 795	-2 216 207	2 419 189	0,91609
06	1 295 942	-1 456 511	-10 000	-61 481	-232 050	1 829 679	0,12683
07	4 742 669	-4 163 388	-2 002	-62 261	515 017	1 957 115	-0,26315
08	1 482 744	-4 591 579	-2	-56 707	-3 165 544	1 527 964	2,07174
09	2 622 300	-3 801 452	-16 000	-65 227	-1 260 379	1 264 804	0,99650

Closing words

- If you'll have changes in the delivery relationships, remember to notify them well in advance for the TSO.
 - A Shipper's new Market Participant (transmission network end user, retailer) shall notify the information concerning the new Delivery Relationship on the Portal of the TSO. The Shipper shall submit a notification of approval for the Delivery Relationship. The notifications shall be submitted at least three (3) Gas Days before the first Gas Day on which the Delivery Relationship is to apply.
- There are consultations open. Further information can be found from our website:
<https://gasgrid.fi/en/news/>

A photograph of an industrial facility, likely a refinery or chemical plant, during sunset. Large, horizontal cylindrical storage tanks are visible, with a walkway and railings in the foreground. The scene is bathed in the warm, golden light of the setting sun, which is visible as a bright glow behind some of the equipment. The sky is a clear, pale blue.

Thank you very much!