



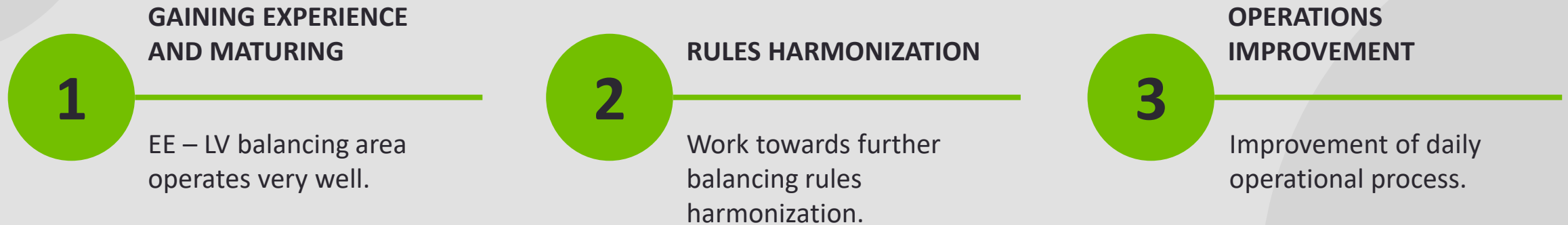
conexus
B A L T I C G R I D

Amendments to the Common Regulations for the Natural Gas Balancing

Network user meeting, 29.12.2021

Situation overview

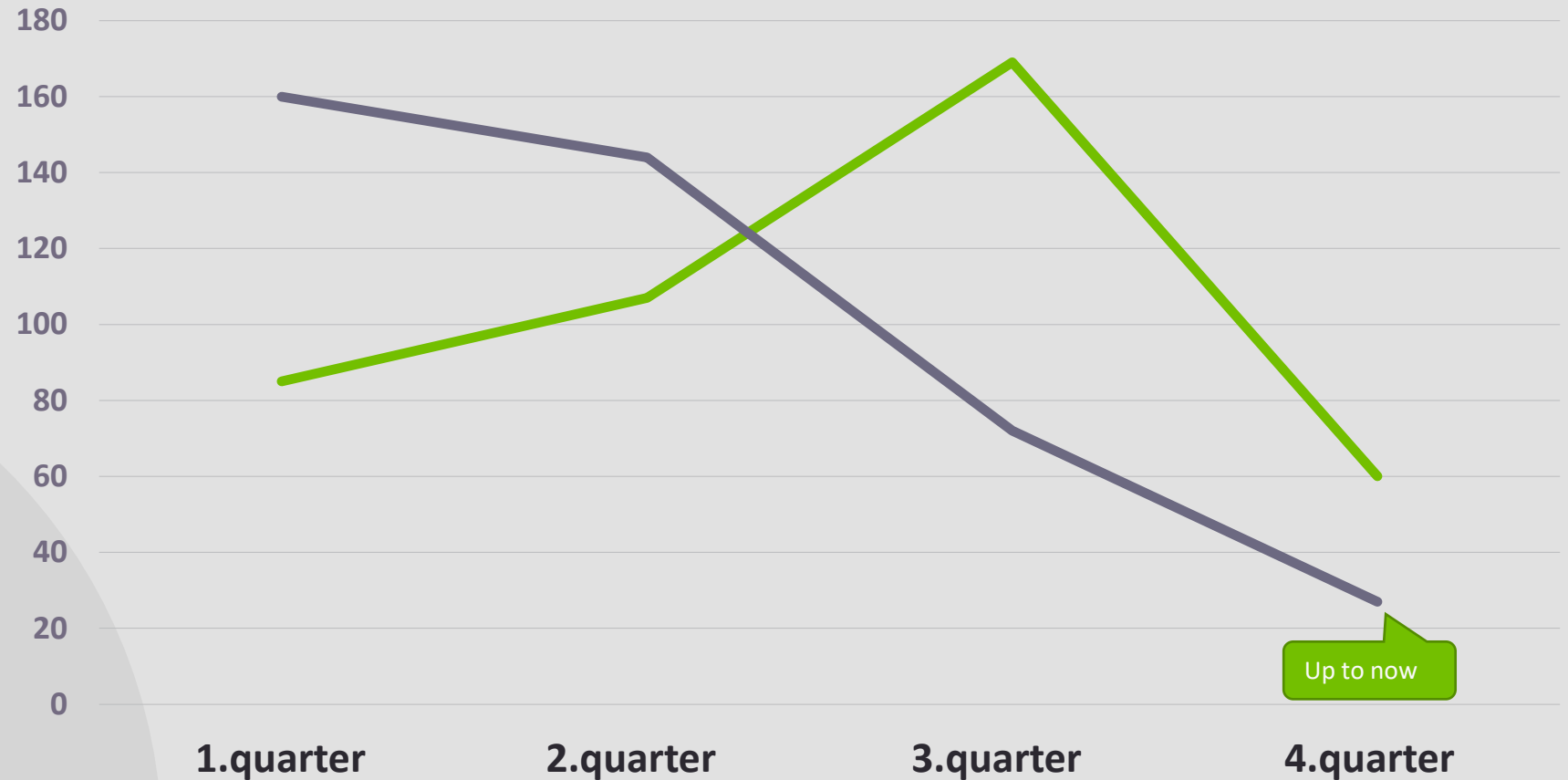
Second year of EE- LV balancing area operation is ending. The operation has been successful without any major issues. Transmission system operators are gaining more experience. EE – LV balancing area is maturing.



Balancing volume

Balancing volume (2020 | 2021):
1. quarter – 85 GWh | 160 GWh;
2. quarter – 107 GWh | 144 GWh;
3. quarter – 169 GWh | 72 GWh;
4. quarter – 60 GWh | 27 GWh.

- Year 2020
GWh
- Year 2021
GWh

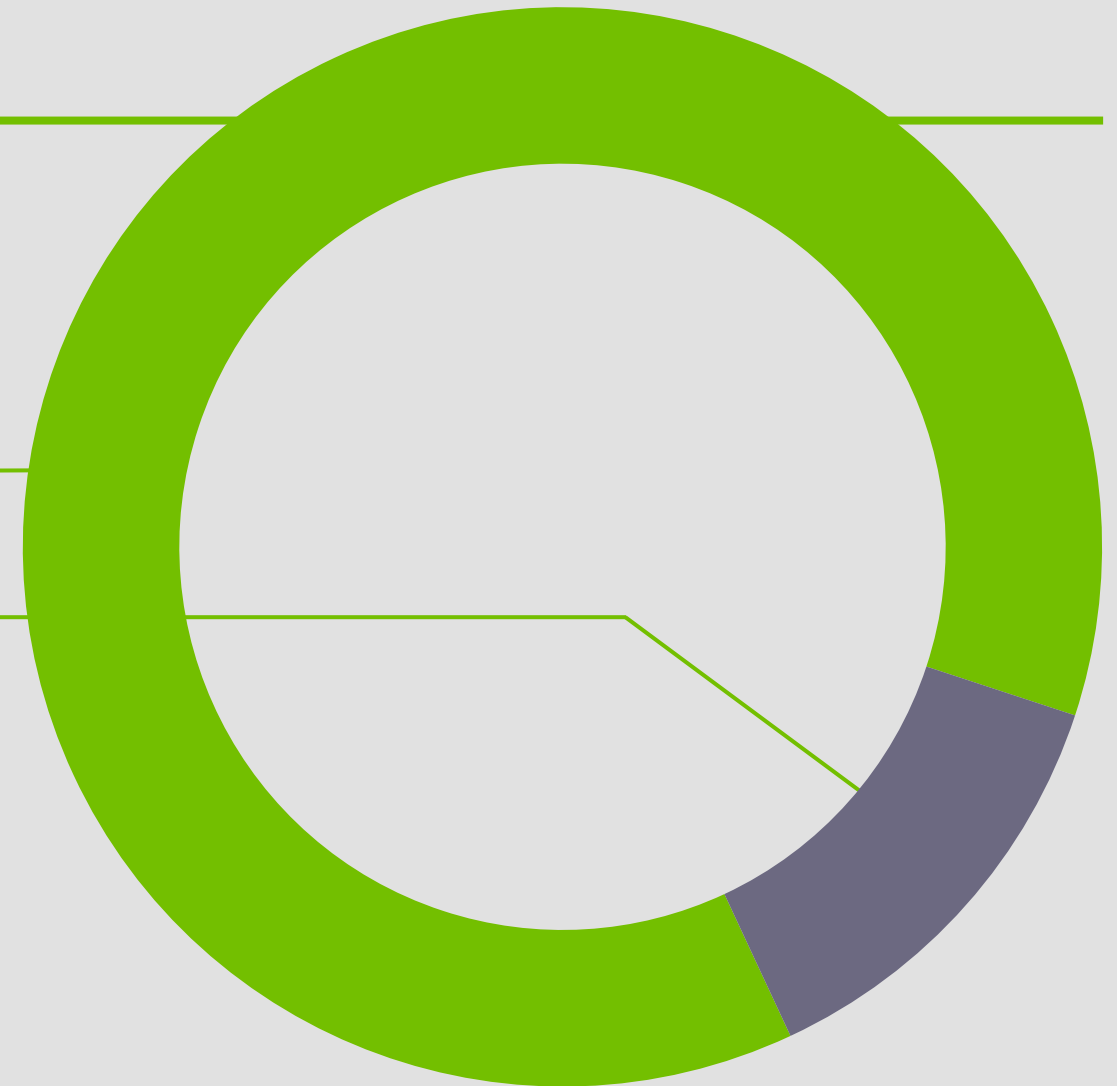


Balancing transactions

87% of balancing transactions within the period from January, 2021 till October, 2021 were completed on GET Baltic trading platform and 13% using balancing service agreements.

87% trading platform

13% agreements



Neutrality charge

Average yearly neutrality charge has been 0.01 EUR\MWh in the year 2020 and -0.02 EUR\MWh in the year 2021.

0.01 EUR\MWh (year 2020)

| Year | Neutrality Charge (EUR\MWh) |
|------|-----------------------------|
| 2020 | 0.01 |
| 2021 | -0.02 |

-0.02 EUR\MWh (year 2021)

Amendments overview



Amendments to the Common Regulations for the Natural Gas Balancing of Transmission System

In order to improve currently applied Common Regulations for the Natural Gas Balancing of Transmission System as well as implement suggestions for improvements received from network users, AS “Conexus Baltic Grid” and Elering AS have jointly drafted amendments to the common regulation and held public consultation. Amendment's draft was further improved considering comments received from network users and working closely with Latvian and Estonian national regulatory authorities.



Process step by step



Amendments to the Common Regulations for the Natural Gas Balancing of Transmission System

- Public consultation from 17.06.2021 till 09.07.2021.
- Comments received from 2 network users.
- Submitted to LV and EE NRAs on 10.08.2021.
- Working on final amendment wording till 15.11.2021.
- Date of entry into force 01.01.2022.



Featured changes



Amendments to the Common Regulations for the Natural Gas Balancing of Transmission System

- Marginal sell price and marginal buy price publication deadline changed to the next working day D+1 (previously D+3).
- Neutrality charge publication deadline and provisional imbalance settlement deadline changed to the 12th calendar day after the beginning of each month.
- Neutrality charge publication deadline changed to the 12th calendar date days after the beginning of each month.
- Pursuant to Article 31(3) of Regulation (EU) No 312/2014 of the European Commission of 26 March 2014 establishing a network code on balancing gas in transmission networks, the methodology for determining the neutrality charge has been clarified by explicitly stating that the costs incurred by the natural gas transmission system operator in the event of default of the natural gas transmission system user shall be taken into account when determining the neutrality charge.



Featured changes



Amendments to the Common Regulations for the Natural Gas Balancing of Transmission System

- Implementation of the possibility for the transmission system operator to be a self-billing provider, provided that a separate agreement has been concluded with the system user.
- Supplementing of the requirements for ensuring the confidentiality of information.
- Introduction of the personal data protection rules to ensure compliance with the requirements of Regulation (EU) 2016/679 of the European Parliament.



Featured changes



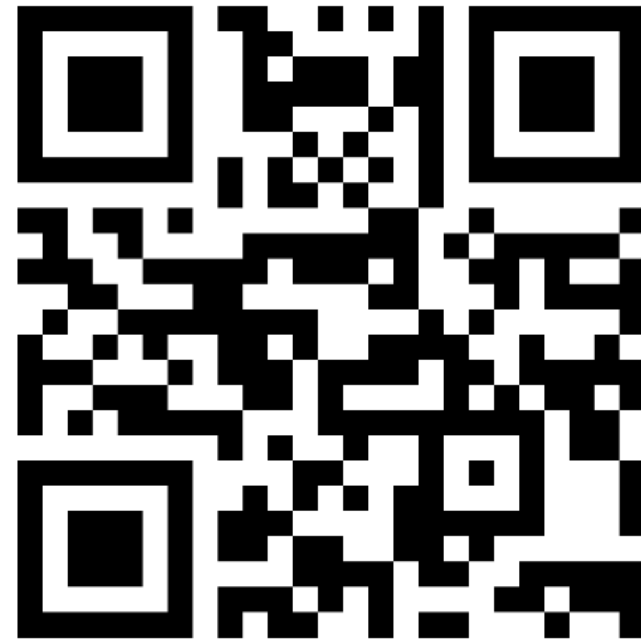
Amendments to the Common Regulations for the Natural Gas Balancing of Transmission System

- In line with the recommendations of the Agency for the Cooperation of Energy Regulators and the European Network of Transmission System Operators for Gas, clarifying the rules for the enforcement of contractual obligations, including the obligation for the natural gas system operator to monitor the creditworthiness of natural gas transmission system users to ensure that sufficient financial security is available, and providing for proactive and reactive measures to prevent balancing violations by natural gas transmission system users creating significant imbalances and failing to settle them.



Your suggestions are welcome!

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