

News regarding market merger and Cooperation Agreement Gas XII

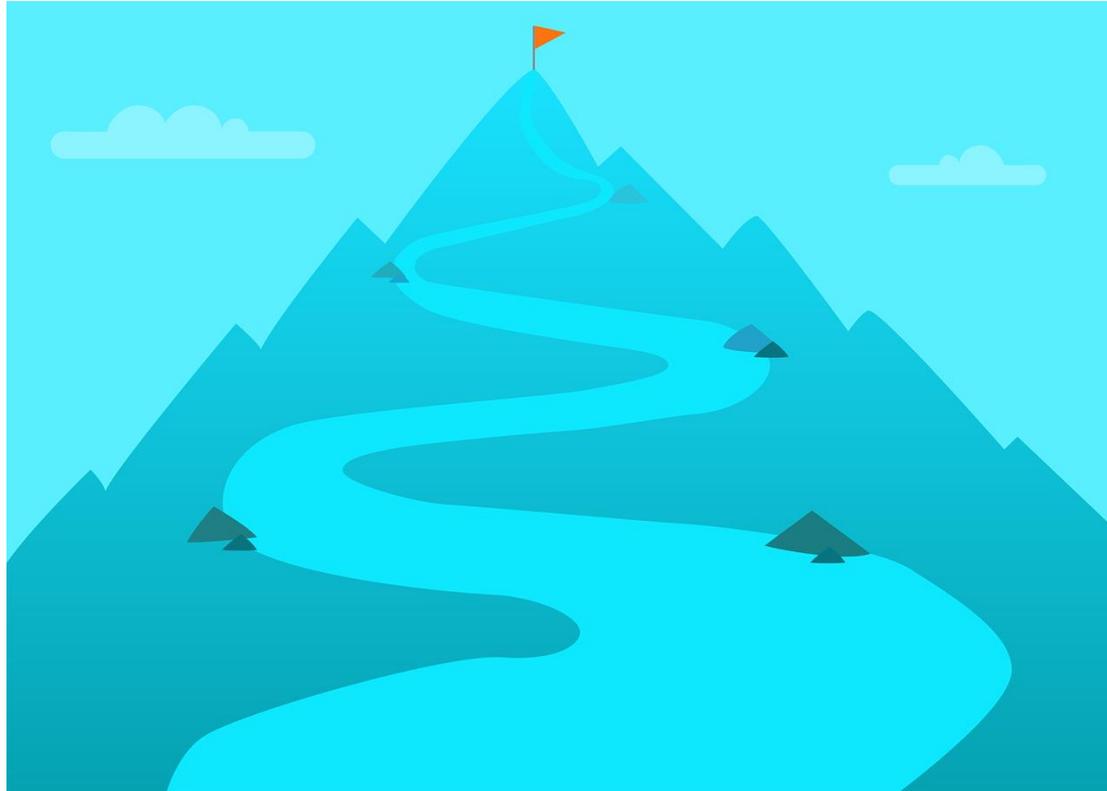
OGE Live 2021, Tobias Happle

Customers.Knowledge.Contacts.

June 23rd, 2021

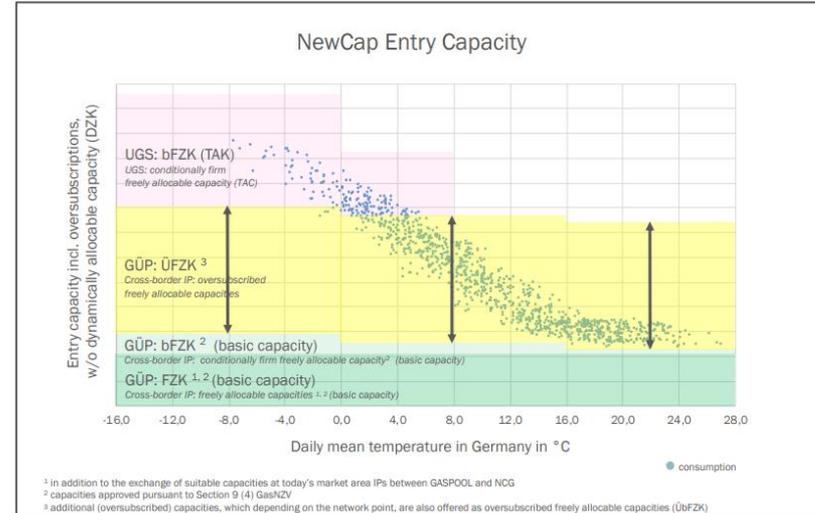


Market merger – We are almost there!



THE and NewCap – where the journey did start!

- Merger of GASPOOL and NCG market would have led to reduced firm, freely allocable entry capacity (FZK, bFZK) in the H-gas system without “counter-measures”.
- KAP+ decision (BNetzA): introduction of an oversubscription and buy-back scheme to enable the TSOs to offer additional firm capacity in the German market area up to a maximum of the capacity approved in the 2018-2028 NDP.
- Introduction of market-based instruments (MBI) for the provision of additional capacity on a firm basis.



OGE's IP-specific additional capacity for GY 2021/2022

[Link to publication:](https://oge.net/en/for-customers/gas-transmission/market-information/legal-publication/market-area-merger) <https://oge.net/en/for-customers/gas-transmission/market-information/legal-publication/market-area-merger>

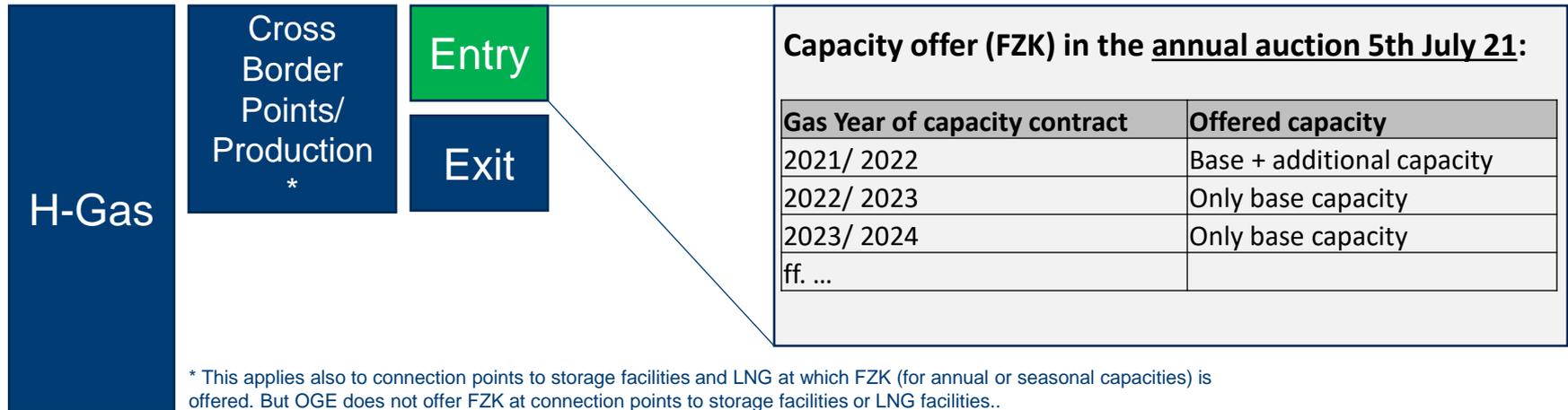


Technical Capacity according to Section 9 Para. 4 GasNZV (Gas Network Access Ordinance)

IP (According to NDP)	VIP designation, if necessary (assignment to VIP)	EIC / ETSO Code	Point Type	Flow Direction	Product	Approved technical capacity according to BK7-20-011 (Base Capacity)	Remarks	Reported additional capacity (01.05.2021) GY 21/22 (MWh/h)	Total technical capacity and additional capacity reported on 01.05.2021 for GY 21/22
Bocholtz	up to 01.10.2021: VIP-TTF-NCG-H from 01.10.2021 (expected): VIP THE-Niederlande (H)	212000000000071W	BCP	entry	FZK	600	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	2.909	3.509
Dornum		212000000000053Y	BCP	entry	FZK	10.000		7.611	17.611
Dornum GPL (ehem. JGT)		212000000000053Y	BCP	entry	FZK	1.627		4756	6383
Ellund	from 01.10.2021 (expected): VIP THE-Dänemark	2120000000000260	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	172	172
Emden EPT		2120000000000503	BCP	entry	FZK	4.700		4978	9678
Engerhufe		212000000000347H	Production	entry	FZK	6		0	6
Eynatten/Raeren	up to 01.10.2021: VIP Belgium-NCG from 01.10.2021 (expected): VIP THE-Belgien	212000000000163	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and	6022	6022
Kiefersfelden-Kufstein		212000000000038U	BCP	entry	FZK	0		0	0
Medelsheim	VIP France Germany	212000000000039S	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	0	0
Oberkappel	VIP-Oberkappel	21200000000001G	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	1.055	1.055
Oude Statenzijl	up to 01.10.2021: VIP-TTF-NCG-H from 01.10.2021 (expected): VIP THE-Niederlande (H)	2120000000000750	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	1270	1270
Riemich		2120000000000406	BCP	entry	FZK	0		0	0
Überackern		212000000000002E	BCP	entry	FZK	0		0	0
Waidhaus	VIP-Waidhaus	2120000000000236	BCP	entry	FZK	82	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	21.331	21413
Walzbach	VIP Germany-CH	2120000000001232	BCP	entry	FZK	0	The capacity is the sum of OGE shares from the former IP and the associated VIP (existing or to be set up in the future). The VIP capacity is not shown separately in the list.	0	0



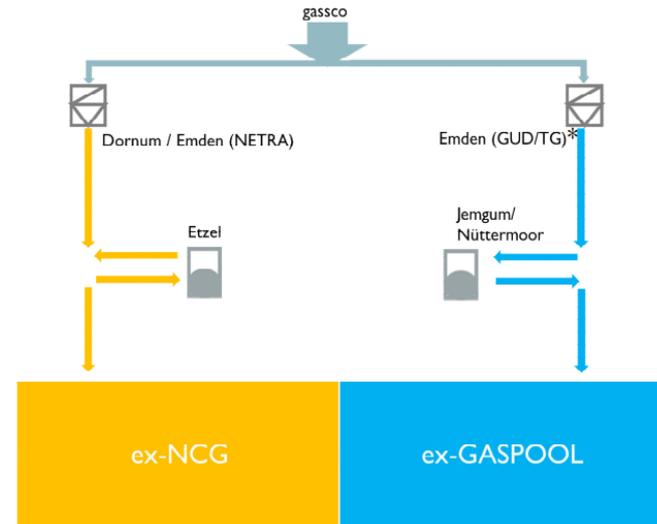
Consequence for the offer of long term capacity



- German TSOs will offer additional capacity only for the following Gas Year.
- The same scheme will be applied in the following annual auctions for yearly capacity.
- The capacity offer at L-Gas (V)IPs and H-Gas Exit (V)IP is not affected by Kap+.

Allocation of (V)IPs to congestion zones

- Bookable (V)IPs are allocated to the THE congestion zones North (ex-Gaspool) or South (ex-NCG).
- Dornum and Emden EPT (NETRA) are allocated to South (includes IP Dornum GASPOOL marketed by OGE).
- Name change of Dornum GASPOOL is currently investigated. In the future a merger of Dornum (OGE) and Dornum GASPOOL (OGE) is also possible.
- Details, which THE (V)IP is allocated to which congestion and control energy zones can be found on the website of NCG/ GASPOOL/ THE (THE point list).



Status on VIPs

New VIP	VIP-TSO	involved TSO	relevant IPs	current VIPs	Introduction date	First marketing/ auction
VIP TTF-THE-L EIC: 21Z012965309364T	TG	GTG GUD OGE	Oude Statenzijl (L) (GTG), Oude Statenzijl L (GUD), Elten (OGE), Vreden (OGE), Tegelen (OGE), Haanrade (TG), Zevenaar (TG), Dinxperlo	VIP TTF-GASPOOL-L, VIP-TTF-NCG-L	01.10.2021	Day-ahead-Auction on 30.09.2021
VIP DK-THE EIC: 21Z8273645914289	GUD	OGE	Ellund (OGE), Ellund (GUD)		01.10.2021	Day-ahead-Auction on 30.09.2021
VIP THE-ZTP EIC: 21Z102938475601E	OGE	Fluxys TENP TG GASCADE	Eynatten-Raeren (OGE), Eynatten (Fluxys TENP), Lichtenbusch (TG), Eynatten (GASCADE)	VIP Belgium - NCG	Expected on 01.04.2022	yet to be defined
VIP TTF-THE-H EIC: 21Z0019743987060	GUD	Fluxys TENP GASCADE TG OGE	Oude Statenzijl H (GUD), Bunde (GASCADE), Bocholtz (Fluxys TENP), Bocholtz (OGE), Oude Statenzijl (OGE), Bocholtz-Vetschau (TG)	VIP TTF-GASPOOL-H, VIP TTF-NCG H	Expected on 01.04.2022	yet to be defined

Additional information regarding THE

„Kap+“ decision of BNetzA:

- https://www.bundesnetzagentur.de/EN/RulingChambers/Chamber7/BK7-19-0037EN/BK7-19-0037_Beschluss_EN.html?nn=884184

Process description MBI and capacity buy back (April 2020):

- <http://www.marktgebietszusammenlegung.de/en/ruling-kap/>

List of THE entry and exit points/ Process description for control energy/ MBI/ Capacity buy back (April 2021):

- <https://www.net-connect-germany.de/en-gb/Media-centre/Information-Centre#1637114-documents-and-information-the>

Base and additional capacity of OGE according to Kap+:

- <https://oge.net/en/for-customers/gas-transmission/market-information/legal-publication/market-area-merger>

News regarding Cooperation Agreement Gas XII



Cooperation Agreement Gas

Cooperation Agreement Gas (KoV):

- Concluded between the operators of gas supply networks located in Germany. Regulates details of the cooperation between the operators for a transparent, non-discriminatory, efficient and mass business access to the gas grid since 2006. Annex 1 contains standardized terms and conditions between TSOs and shippers that shall be used by all German TSOs.
- KOV XII will be valid from 1st October 2021 on.

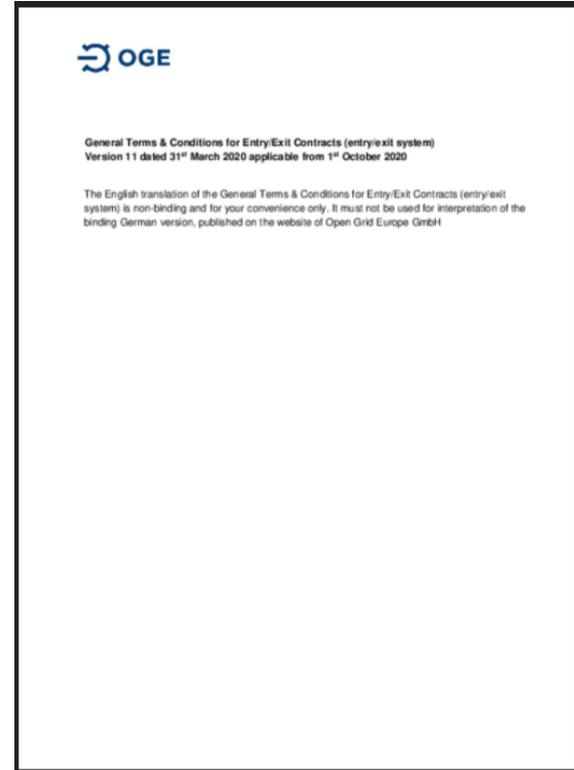
KOV: Main Part	Annex 1: Entry and exit contract (entry-exit system) between Transmission system operators and shippers
	Annex 2: Entry and exit contract (entry-exit system) between Distribution network operators and shippers
	Annex 3 - 7: ...

KOV XII: Main changes in Annex 1

Resulting changes for OGE's General Terms & Conditions for Entry/ Exit Contracts (GT&C):

- Editorial changes and deletions in context of the market area merger.
- Regulation for (re)nominations in the context capacity buy back.
- Capacity products and order of interruption
- Changes for DZK.
- Due diligence regarding nomination and renomination.
- Contract Termination in context of secondary trading.

Updated GT&C will be published end of July 2021.



KOV XII: Main changes in Annex 1

Changes due to the KASPAR decision (BK7-18-052) from 10th October 2019.

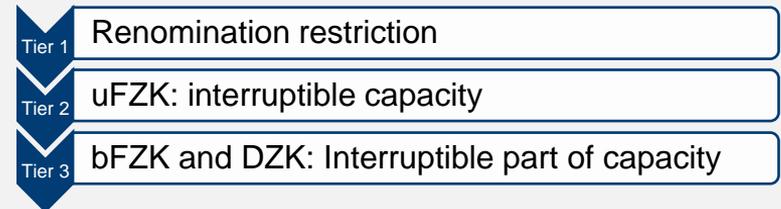
Section 9: Capacity products

- FZK: firm, freely allocable
- bFZK: conditionally firm capacity, freely allocable
 - $bFZK_{temp}$ – temperature dependent
 - $bFZK_{last}$ – load flow dependent
 - $bFZK_{komb}$ – combination of temperature and load flow dependent
- DZK – firm, dynamically allocable
- uFZK – interruptible, freely allocable

Section 29 (4): Interruption of interruptible capacity

Section 29a: Reduction procedure for firm capacity nomination

Order of interruption of interruptible capacity:



Interruption within one tier:

- 1) Time stamp
- 2) Pro-rata

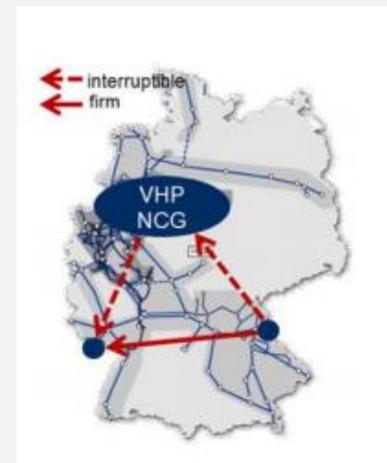


KOV XII: Main changes in Annex 1

Changes due to DZK product harmonization.

Section 5 (4a): General entry and exit requirements Section 9 (3): Capacity products

- For transit: DZK can be assigned to a FZK balancing group (assignment to DZK balancing group is not mandatory anymore).
- For supply of power plants: DZK must be assigned to a DZK balancing group. Capacity allocation/ usage restrictions is possible. TSO can instruct market area manager to unlink DZK balancing group from billing balancing group.*
 - Technical feed in and offtake notices or equivalent can prove balance of Entry and Exit and prevent the separation of balancing groups.*



*in this context also changes in Section 15a and Section 29b.

KOV XII: Main changes in Annex 1

Due Diligence regarding Nomination and Renomination.

Section 12 (13-15): Nomination and Renomination at cross border interconnection points Section 13 (11): Nomination and Renomination

- Specification of "gas industry diligence" in the context of nominations.
- TSOs have far reaching rights to demand profound evidence from shippers in the event of suspicious behavior*. Shippers do have 10 working days to provide evidence.
- TSO can claim a contractual penalty from the shipper in the event of systematically implausible and network-damaging nomination behavior. Claims for consequential damages are also possible.
- Shipper is liable for the behavior of his balancing group manager.

*also applies to LNG and storage facilities, Section 13 (11).



KOV X XII: Main changes in Annex 1

Contract Termination in context of secondary trading.

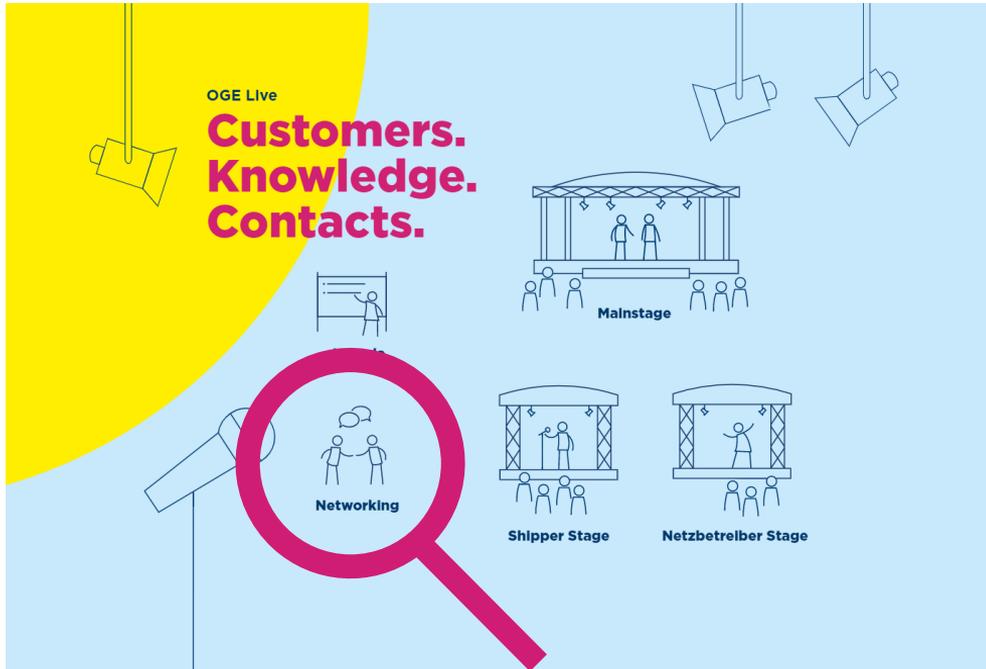
Section 19 (3): Secondary Trading*

- Capacity assignment to third party only possible for timeframes for which fees have already been published.
- At OGE capacity contracts at (virtual) cross border interconnection points and connections points to storage facilities are affected.
- Implementation on PRISMA is currently assessed.



*in this context also changes in Section 20 (3), Section 25 (3) and Section 41 (2).

Personal contact and the opportunity to ask questions



In our **networking area** you have the opportunity to exchange ideas with the speaker and / or with each other on the topic.

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We look forward to meeting you!

**Thank you for your
attention!**

