

# Notes on the Annual Auction 2022

Webinar, 09.06.2022



# Agenda

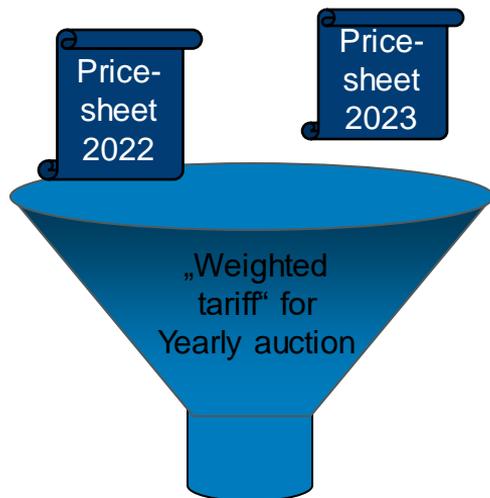
1. Tariff Information (postage stamp tariff, tariff publication, weighted tariff)
  
2. Annual Auction 2022
  - General Information
  - Periods of capacity marketing
  - Additional capacities GY 2022/23 (KAP+)
  - VIP
  - Price Steps
  - Security Deposit
  - Competitive Marketing at Storage Connection Points



# 1. Tariff Information

# Tariff Basics

Since 2018, the Network Code on Harmonized Transmission Tariff Structures (NC TAR) has set the requirement that the fees for the coming calendar year have to be published before the auction of the corresponding annual products.



Due to different network fees for the calendar years 2022 and 2023 the following applies:

For capacity contracts with the duration 01.10.2022 – 01.10.2023, a „weighted tariff“ based on the respective price sheets will be applied in the auction.



# Network Tariffs 2023 published on 30 May 2022

- Based on the REGENT 2021 decision of the German regulator BNetzA, decided and published in September 2020, a uniform postage stamp tariff continues to apply also for the unified single market area in Germany.
- Annual tariffs for the Market Area Trading Hub Europe GmbH:
  - For **Calendar Year 2022:** 3.51 €/(kWh/h)/a
  - For **Calendar Year 2023:** 4.82 €/(kWh/h)/a

*„Due to the geopolitical situation, changed gas flows due to Ukraine war and consequently adjusted market booking behaviour were assumed in part. In addition, the significantly increased costs for fuel gas will also lead to an increase in the fee.”*



# OGE Tariff Information regarding 2023



Price sheet, Network access / pdf / 383.81 KB

## Information on tariff and multipliers of Open Grid Europe GmbH

for the yearly product of the gas year 2022/2023

[Preview](#) [Download](#)



Price sheet, Network access / pdf / 422.87 KB

## Fees charged by Open Grid Europe GmbH at interconnection points according to Regulation (EU) 2017/459 in the Trading Hub Europe GmbH market area

Valid from 01 January 2023, 06:00 a.m., until 01 January 2024, 06:00 a.m.

[Preview](#) [Download](#)



Price sheet, Network access / pdf / 209.95 KB

## Fees charged by Open Grid Europe GmbH at storage facilities in the Trading Hub Europe GmbH market area

Valid from 01 January 2023, 06:00 a.m., until 01 January 2024, 06:00 a.m.

[Preview](#) [Download](#)

<https://oge.net/en/for-customers/gas-transmission/shippers/overview-shippers>



# Published fees

Network fees for transports from 01.01.2022 on:

		Entry/ Exit network fee [EUR/ kWh/h/ a]				
		FZK	DZK	bFZK at VIPs	bFZK at storage points	uFZK
<b>01.01.2022 - 31.12.2022</b>	<b>H-Gas</b>	3,51	80% of FZK	90% of FZK	80% of FZK*	max. 80% of FZK*
	<b>L-Gas</b>	3,51	90% of FZK	./.	90% of FZK*	max. 90% of FZK*
<b>01.01.2023 - 31.12.2023</b>	<b>H-Gas</b>	4,82	80% of FZK	90% of FZK	80% of FZK*	max. 80% of FZK*
	<b>L-Gas</b>	4,82	90% of FZK	./.	90% of FZK*	max. 90% of FZK*

- Additional general discount of 75% at connection points to storage facilities (exemption: usage as border point).
- \*Possible additional product-runtime specific discount for uFZK depending on past interruptions.

# „Weighted Tariff“ for Gas Year 2022/23

— THE Network fee for the annual product of the gas year 2022/2023:

The network fee for the annual product shown on PRISMA for the gas year 2022/2023 is a weighted fee, rounded up to eight decimal places and calculated as follows:

$$\frac{\text{Yearly demand charge 2022}}{365} * \text{number of days [Q4 2022]} + \frac{\text{Yearly demand charge 2023}}{365} * \text{number of days [Q1 – Q3 2023]}$$

whereas:

— Yearly demand charge 2022:	3.51 €/(kWh/h)/a
— Yearly demand charge 2023:	4.82 €/(kWh/h)/a
— Number of days in Q4 2022:	92
— Number of days in Q1 – Q3 2023:	273

Due to rounding differences, the published fee on PRISMA can slightly differ from the invoiced fee. The monthly invoice amount will be based on the fee valid for the respective month.



# Note: Our fee calculator

<https://oge.net/en/for-customers/gas-transmission/shippers/booking/fee-calculator>



Fee calculator

## Calculating fees - the easy way

Network fee, biogas contribution fee and market area conversion levy, metering point operating fee: The calculation of transportation fees has become more and more complex due to the various capacity products, fee components and the various fee factors to be taken into account.



# **2. Annual Auction 2022**

# Yearly Auction - some figures for OGE

- Will start on 04.07.2022
- Approx. 250 auction products
- At approx. 40 entry and exit points (border-crossing points, VIPs, storage points)
- FZK, bFZK and DZK capacities
- Capacity offer for usually 5 years

PRISMA Transport Storage Reporting UMM Register Login

Auctions FCFS Booking Capacity Linking Secondary Trading Network Points

## ← Yearly auctions

Start of auction: 04.07.2022 09:00

📅 01.10.2022 06:00 – 01.10.2043 06:00

🕒 07d 00:30:31 until start of auctions 1792 auctions available

Units: kWh; Subunit ⚙️  
Showing 10 results per page

### Auction offer

#### Find network point

Filter for network points

Network point name	TSO	Direction	Marketable	Category	Product runtime	Starting price	
VIP THE-ZTP (THE -> ZTP)	Open Grid / FLX BEL	Bundle	2,716,800 kWh/h	DZK / Firm	01.10.2036 06:00 - 01.10.2037 06:00	455.98575789 cent/kWh/h/Runtime	Details
VIP THE-ZTP (ZTP -> THE)	FLX BEL / Open Grid	Bundle	1,272,504 kWh/h	Firm / FZK	01.10.2036 06:00 - 01.10.2037 06:00	615.57577665 cent/kWh/h/Runtime	Details
VIP THE-ZTP (ZTP -> THE)	FLX BEL / Open Grid	Bundle	1,272,504 kWh/h	Firm / FZK	01.10.2035 06:00 - 01.10.2036 06:00	616.4242234 cent/kWh/h/Runtime	Details
VIP THE-ZTP (THE -> ZTP)	Open Grid / FLX BEL	Bundle	2,716,800 kWh/h	DZK / Firm	01.10.2035 06:00 - 01.10.2036 06:00	456.6142421 cent/kWh/h/Runtime	Details
VIP THE-ZTP (ZTP -> THE)	FLX BEL / Open Grid	Bundle	1,272,504 kWh/h	Firm / FZK	01.10.2034 06:00 - 01.10.2035 06:00	616.00000001 cent/kWh/h/Runtime	Details
VIP THE-ZTP (THE -> ZTP)	Open Grid / FLX BEL	Bundle	2,716,800 kWh/h	DZK / Firm	01.10.2034 06:00 - 01.10.2035 06:00	456.29999995 cent/kWh/h/Runtime	Details
VIP THE-ZTP (THE -> ZTP)	Open Grid / FLX BEL	Bundle	2,716,800 kWh/h	DZK / Firm	01.10.2033 06:00 - 01.10.2034 06:00	456.29999995 cent/kWh/h/Runtime	Details



# Basics for the annual auction 2022

- Decisions KAP+ and KOMBI from regulator BNetzA have been necessary as prerequisite.
- As of 01.10.2021 at H-Gas Entry points technical available capacity will be published as base capacity and additional capacity. Both capacity types will be offered together in the same capacity product.
- The introduction and use of market-based instruments (MBIs) enables TSOs to offer additional capacity on a firm basis.
- Offer of additional capacity is in the responsibility of each TSO.
- During the KAP+ test phase German TSOs agreed on offering additional capacity only for the next upcoming gas year.
- Amount of total capacity offer equivalent to NDP 2018 level (plus any TSO specific reallocation not evident in the NDP)



# Gas years being marketed in 2022 annual auction

Product GY	H-Gas Entries	All other auction relevant (V)IPs
<b>2022/23</b>	Base + additional capacity. (In total: previous capacity)	Not restricted, previous capacities
<b>2023/24</b>	Base capacity only	Not restricted, previous capacities
<b>2024/25</b>	Base capacity only	Not restricted, previous capacities
<b>2025/26</b>	Base capacity only	Not restricted, previous capacities
<b>2026/27</b>	Base capacity only	Not restricted, previous capacities
<b>2027/28 – 2036/37*</b>	Base capacity only	Not restricted, previous capacities

\*Capacity at VIP THE-ZTP also offered beyond gas year 2026/27



# Information about additional capacities for the gas year 2022/2023 according to decision KAP+

According to tenor 3 lit. a) of the BNetzA decision regarding “the approval of an oversubscription and buy-back scheme of the transmission system operators for the offer of additional capacity in the single German market area” (KAP+) from 25.03.2020 (BK7-19-037) BNetzA was informed on 29 April 2022 about the amount of additional capacity of all transmission system operators. Based on this, OGE provides a listing on its basic and additional capacities as a download.

# IP-specific additional capacities GY 2022/2023 (1/2)

Technical Capacities (in MWh/h) for the Gas Year 2022/2023 in accordance with Section 9 (4) of Gas Network Access Ordinance (GasNZV) of Open Grid Europe GmbH

IP designation uniformly to NDP	VIP designation (if applicable) (assignment to VIP)	EIC / ETSO Code	Point type	Flow- direction	Product	Approved technical capacity (base capacity) according to BK7-21/105	Reported additional capacity (additional capacity) on 29 April 2022	Sum of base capacity and additional capacity
Bocholtz	(VIP-TTF-NCG-H) since 1 April 2022: VIP TTF-THE-H	21Z000000000071W	IP	entry	FZK	600*	2,909	3,509
Dornum		21Z000000000053Y	IP	entry	FZK	8,046	9,565	17,611
Dornum GPL (ehemals JGT)		21Z000000000053Y	IP	entry	FZK	1,798	4,585	6,383
Ellund	since 1 Oct. 2021: VIP DK-THE	21Z0000000000260	IP	entry	FZK	0*	172	172
Emden EPT		21Z0000000000503	IP	entry	FZK	4,700	4,978	9,678
Engerhufe		21Z000000000347H	Production	entry	FZK	6	0	6
Eynatten/Raeren	(VIP Belgium-NCG) since 1 April 2022 VIP THE-ZTP	21Z0000000000163	IP	entry	FZK	0*	6,022	6,022

\* capacity = sum of OGE shares from the former IP and the associated VIP;  
here: VIP capacity is not shown separately in the list



# IP-specific additional capacities GY 2022/2023 (2/2)

Technical Capacities (in MWh/h) for the Gas Year GWJ 2022/2023 in accordance with Section 9 (4) of Gas Network Access Ordinance (GasNZV) of Open Grid Europe GmbH

IP designation uniformly to NDP	VIP-designation (if applicable) (assignment to VIP)	EIC / ETSO Code	Point type	Flow direction	Product	Approved technical capacity (base capacity) according to BK7-21/105	Reported additional capacity (additional capacity) on 29 April 2022	Sum of base capacity and additional capacity
Kiefersfelden-Kufstein		21Z000000000038U	IP	entry	FZK	0	0	0
Medelsheim	VIP France Germany	21Z000000000039S	IP	entry	FZK	0*	0	0
Oberkappel	VIP Oberkappel	21Z000000000001G	IP	entry	FZK	0*	1,055	1,055
Oude Statenzijl	(VIP-TTF-NCG-H) since 1 April 2022: VIP TTF-THE-H	21Z0000000000075O	IP	entry	FZK	0*	1,270	1,270
Remich		21Z00000000000406	IP	entry	FZK	0	0	0
Überackern		21Z0000000000002E	IP	entry	FZK	0	0	0
Waidhaus	VIP Waidhaus	21Z00000000000236	IP	entry	FZK	82*	21,790	21,872
Wallbach	VIP Germany-CH	21Z0000000001232	IP	entry	FZK	0*	0	0

\* capacity = sum of OGE shares from the former IP and the associated VIP;  
here: VIP capacity is not shown separately in the list



# Current Status on VIPs

OGE is VIP-TSO for the following VIPs:

- VIP Waidhaus
- VIP Oberkappel
- VIP THE-ZTP

OGE is also involved in the following VIPs:

- VIP DK-THE (VIP-TSO: Gasunie Deutschland Transport Services GmbH)
- VIP TTF-THE-H (VIP-TSO: Gasunie Deutschland Transport Services GmbH)
- VIP TTF-THE-L (VIP-TSO: Thyssengas GmbH)
- VIP France-Germany (VIP-TSO: GRTgaz Deutschland GmbH)
- VIP Germany-CH (VIP-TSO: Fluxys TENP GmbH)



# Price steps in PRISMA auctions

- Several capacity auctions had to be cancelled in the past months.
- Offer and demand of capacity could not be aligned with predefined price steps during auction runtime.
- ***Need to dynamically adapt large price steps (LPS) to market situation.***

## **Basic approach:**

- (V)IP specific LPS: orientation on price spreads between respective markets and transport costs.
- Cancellation of auctions shall be prevented: offer and demand shall be aligned within under ½ of possible auction rounds to provide planning security for shippers.
- The estimated LPS will generally be split between OGE and adjacent TSO.
- If no increased spread is present, standard LPS will be used/ reinstated.
- ***Dynamical price steps in place since May 2022.***



# Security Deposit (1/2)

- ***In principle, no additional security deposit is required for participation in the annual auction.***
- A security deposit can be demanded by a registered shipper according to Section 36 Paragraph 2.a) of our Terms and Conditions in particular if he
  - is in arrears with a significant amount, i.e. usually at least 10% of the charge payable by this shipper according to the last invoice or a request for a down-payment, and has failed to make the payment in full upon receipt, after having gone into arrears, of an explicit request for payment in writing threatening withdrawal of the shipper's network access and termination of the shipping contracts or
  - has been in arrears twice in twelve months with payments due.
- In addition, according to § 36 section Paragraph 2.d) of our Terms and Conditions, a security deposit may be required, if the TSO acting in good faith has reasonable doubts due to actual indications that the shipper will not meet its contractual obligations.

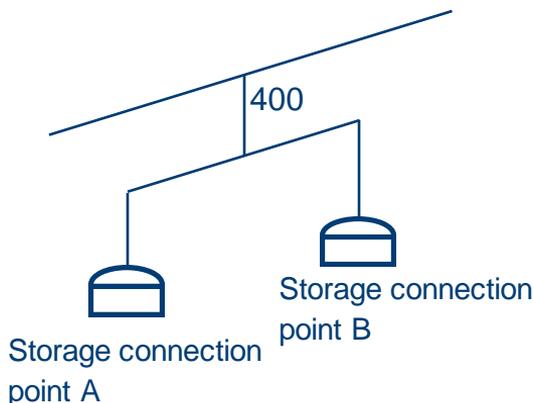


## Security Deposit (2/2)

- In addition, a TSO can request a security deposit from a shipper in accordance with Section 36 Paragraph 2.d) of our Terms and Conditions, *„...if, according to information obtained from a generally recognised credit agency or rating agency, the shipper does not have an appropriate credit rating.*
- *Without limitation, the shipper’s credit rating shall be deemed inappropriate if it fails to meet at least one of the following requirements:*
  - *Standard & Poor’s long-term rating of BBB- or better,*
  - *Fitch rating of BBB- or better,*
  - *Moody’s long-term rating of Baa3 or better, or,*
  - *Dun & Bradstreet Risk Indicator 3 or better*
  - *Creditreform rating (credit index score 2.0) of risk class I or II (in accordance with Creditreform Rating Map Germany as amended from time to time))...“*



# Competitive Marketing at Storage Connection Points



Past:	With competi <sub>2022</sub> :
Storage point A: marketable: 100	Storage point A: marketable: 400
Storage point B: marketable: 300	Storage point B: marketable: 400
	in competition: 400

- In the past: capacity was split between both storage points (for example, Storage point A: 100 kWh/h, Storage point B: 300 kWh/h)
- With competitive marketing (1<sup>st</sup> April 2022): 400 kWh/h can be offered at both storage points.
- Allocation takes place using the PRISMA auction algorithm
  - The customer who is willing to pay the most is awarded the contract

## Caution! – Change in publication of technical available capacity

The complete technical available capacity of all competing storage connection points is shown for each bookable point!

# Which storage connection points are marketed competitively?

## Entry/Exit Etzel H-Gas in competition

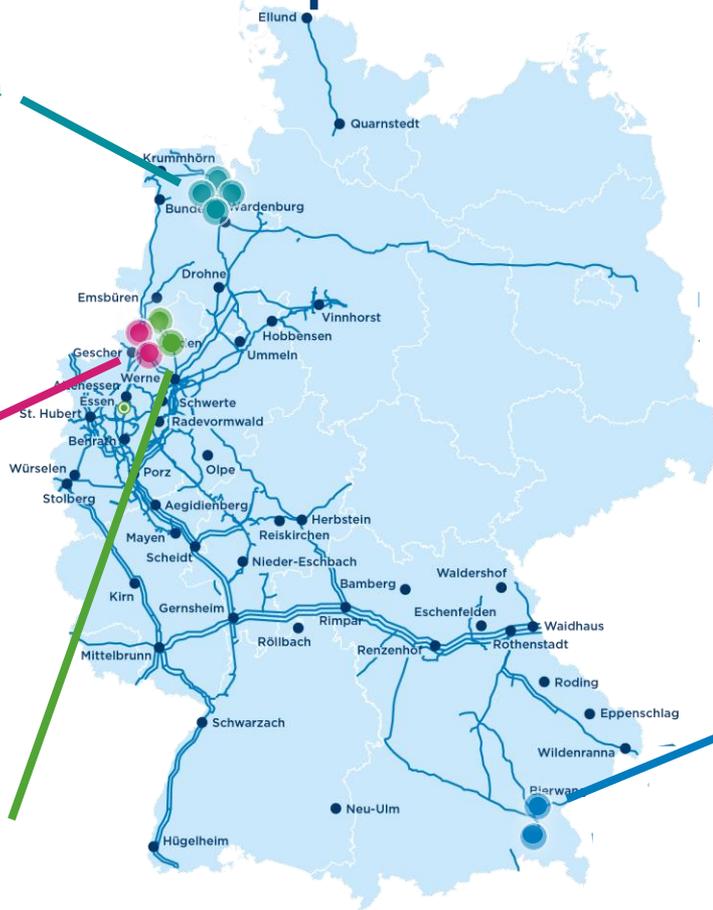
- Friedeburg-Etzel, Schienenstrang, EGL
- Etzel (Speicher Crystal), Bitzenlander Weg 10
- Friedeburg-Etzel, Bitzenlander Weg 2
- Etzel (Speicher ESE), Bitzenlander Weg 3

## Entry/Exit Epe L-Gas in competition

- Speicher Epe L
- Speicher Gronau-Epe L1
- Speicher Gronau-Epe L2

## Entry/Exit Epe H-Gas in competition

- Speicher Epe H
- Speicher Gronau-Epe H1



## Entry/Exit Süd H-Gas in competition

- Speicher Bierwang
- Speicher Breitbrunn

# „Notes on the Annual Auction“ - Contacts



webinar

## Customer Service Office:

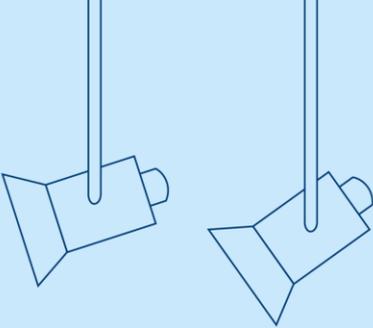
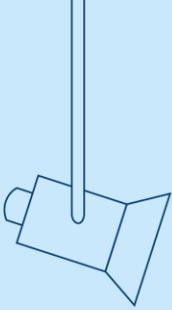
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## Your Key Account Managers:

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- Sabine Ebert
- Tobias Happle
- Stephan Kern
- Sabine Roßa
- Frank Scharwat
- Tobias Schlimgen
- Thomas Stang





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**Thank you for your attention**

**The presentations shown will soon be available on the OGE website.**

**We will also email the presentations to all participants.**