

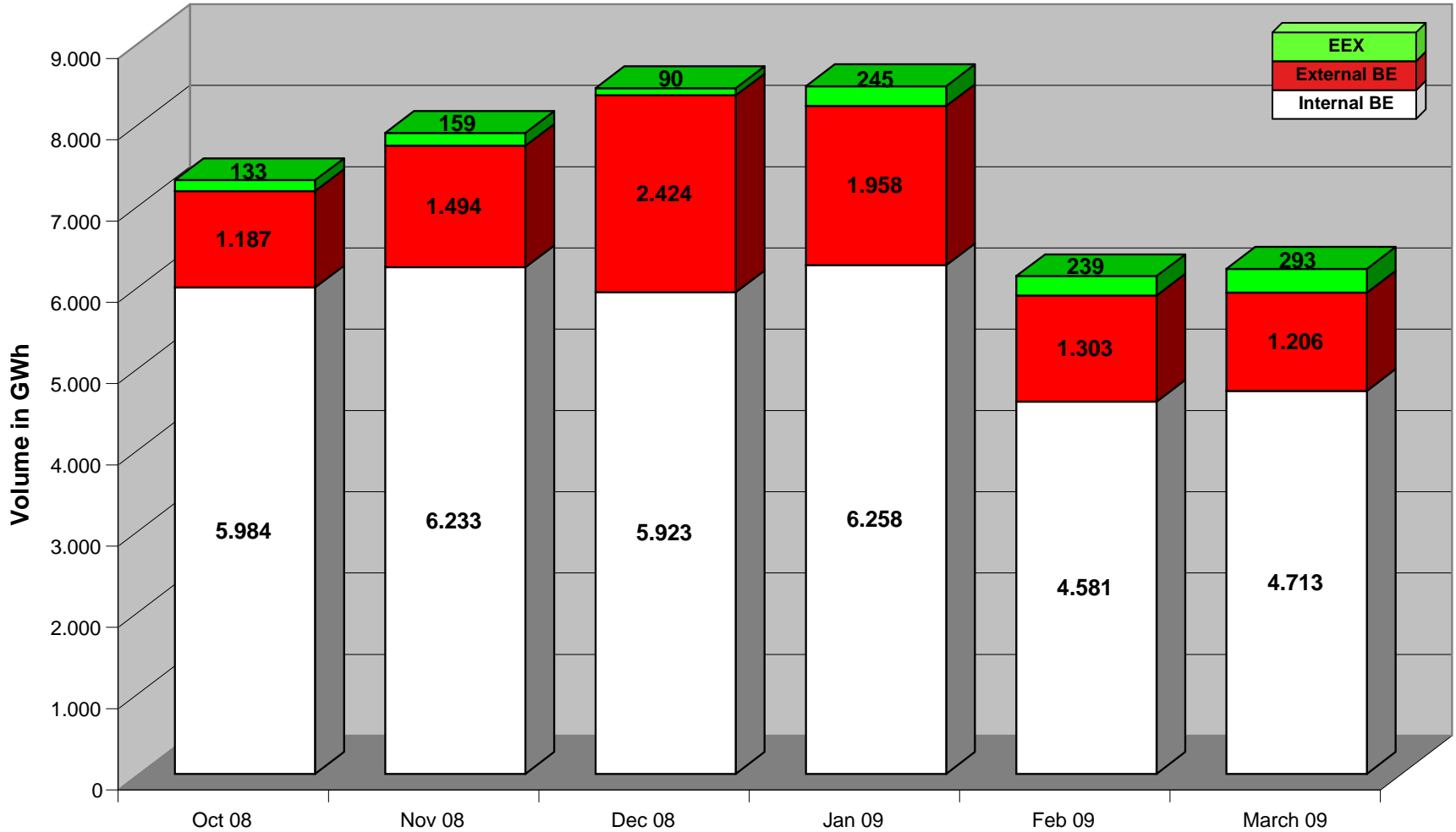
System balancing energy trade in Germany

3rd EEX Trader Workshop Gas – System Balancing Energy Market Gas

Sirko Beidatsch, EEX AG

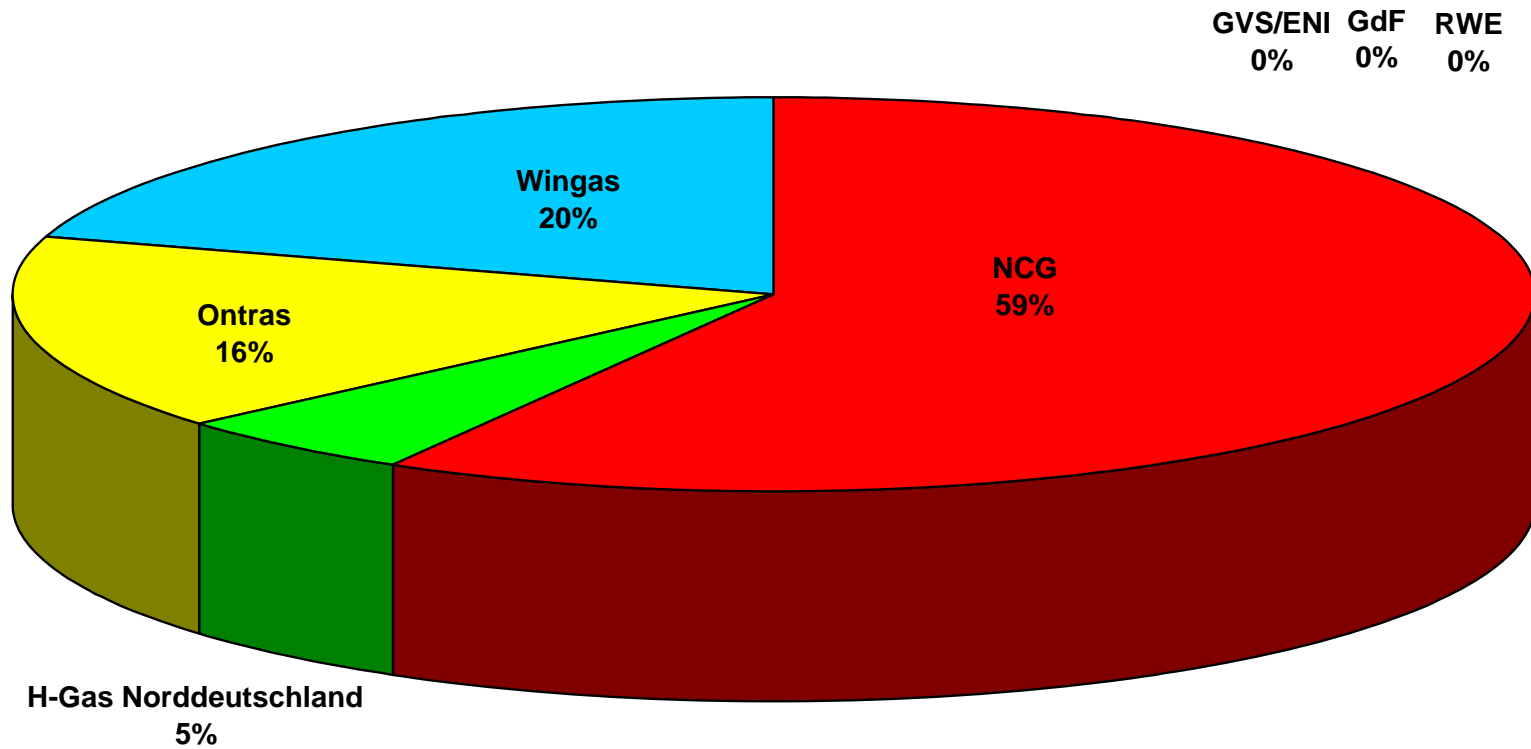
Balancing Energy usage in winter 08/09

Usage of balancing energy at the TSO vs. EEX




Internal balancing energy usage

Shares of the TSO on the usage of internal balancing energy in Q4/08 and Q1/09



Guidelines for the trade of external balancing energy/publications

- Decision concerning GABi Gas
 - „The purchase and the sale of gas volumes is operated by the TSO on the gas trading market in their own or other market areas. (4.4.3.4 (1))
 - In order to use the external balancing energy the TSO have to publish volumes and fees and if necessary it also need to be declared. (4.4.3.4 (2))
 - Balancing Energy need to be purchased by transparent, no discriminating and a market oriented procedure“. (3. Anlage 2)
 - For purchase and sales of balancing energy are daily products to prefer. Products should be designed in a manner, that smaller market participants could trade them as well. (3.3.2. Anlage 2))
- KoopV 3
 - Under allocation of the balancing energy... the balancing energy volumes can be retrieved through the TSO by a defined call for tenders. (§32 Anlage 3)
- Practical definition of the GY 08
 - All TSO decided initially for the call for tenders due to
 - short-term realizable until the start of the GY 08
 - conform to the law also under perpetuation and usage of historical grown business relations
 - Liquidity of the VHP only available in one market area

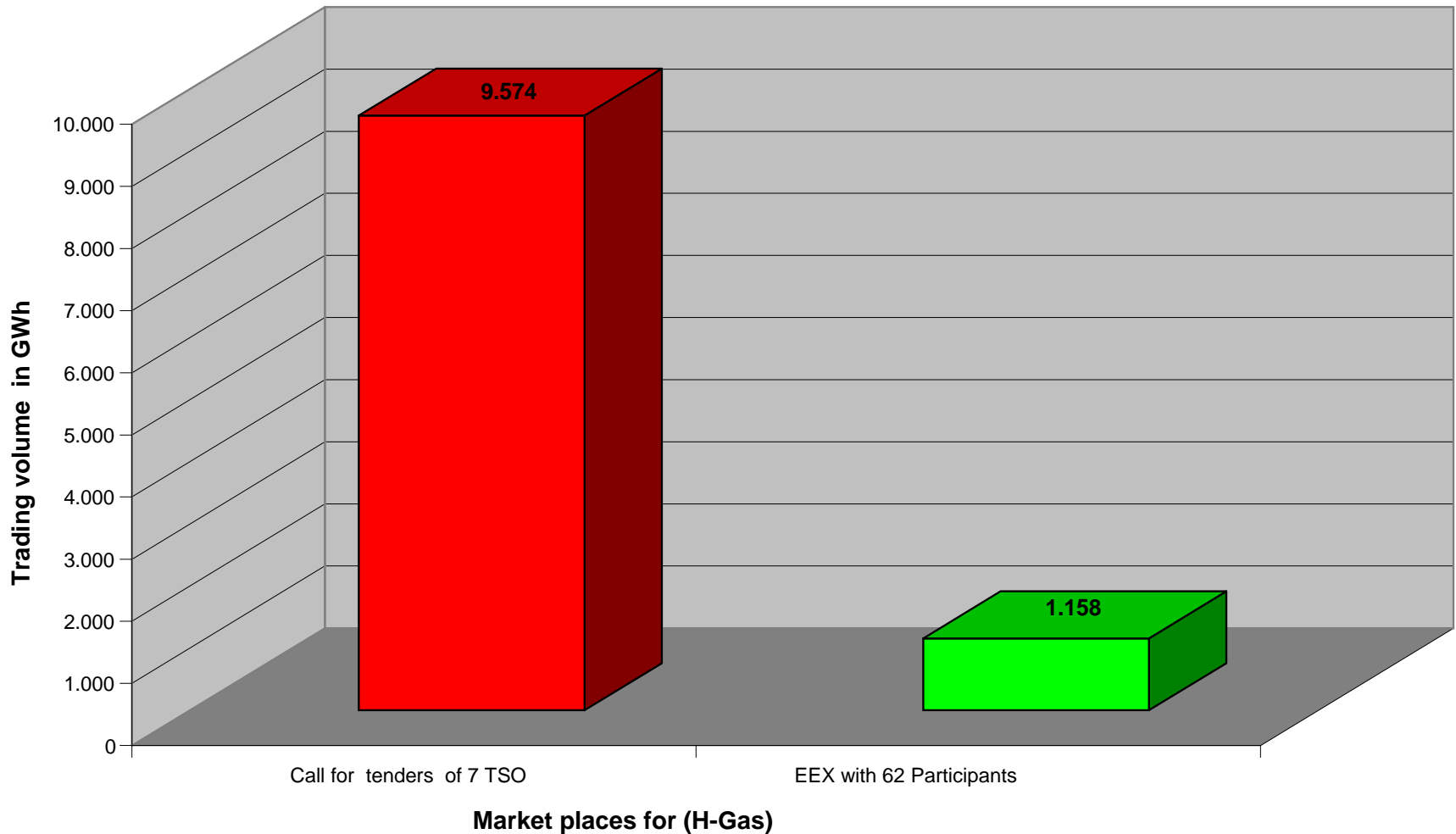


Wingas	NCG
GVS/ENI	GuD
GdF	Ontras
RWE	

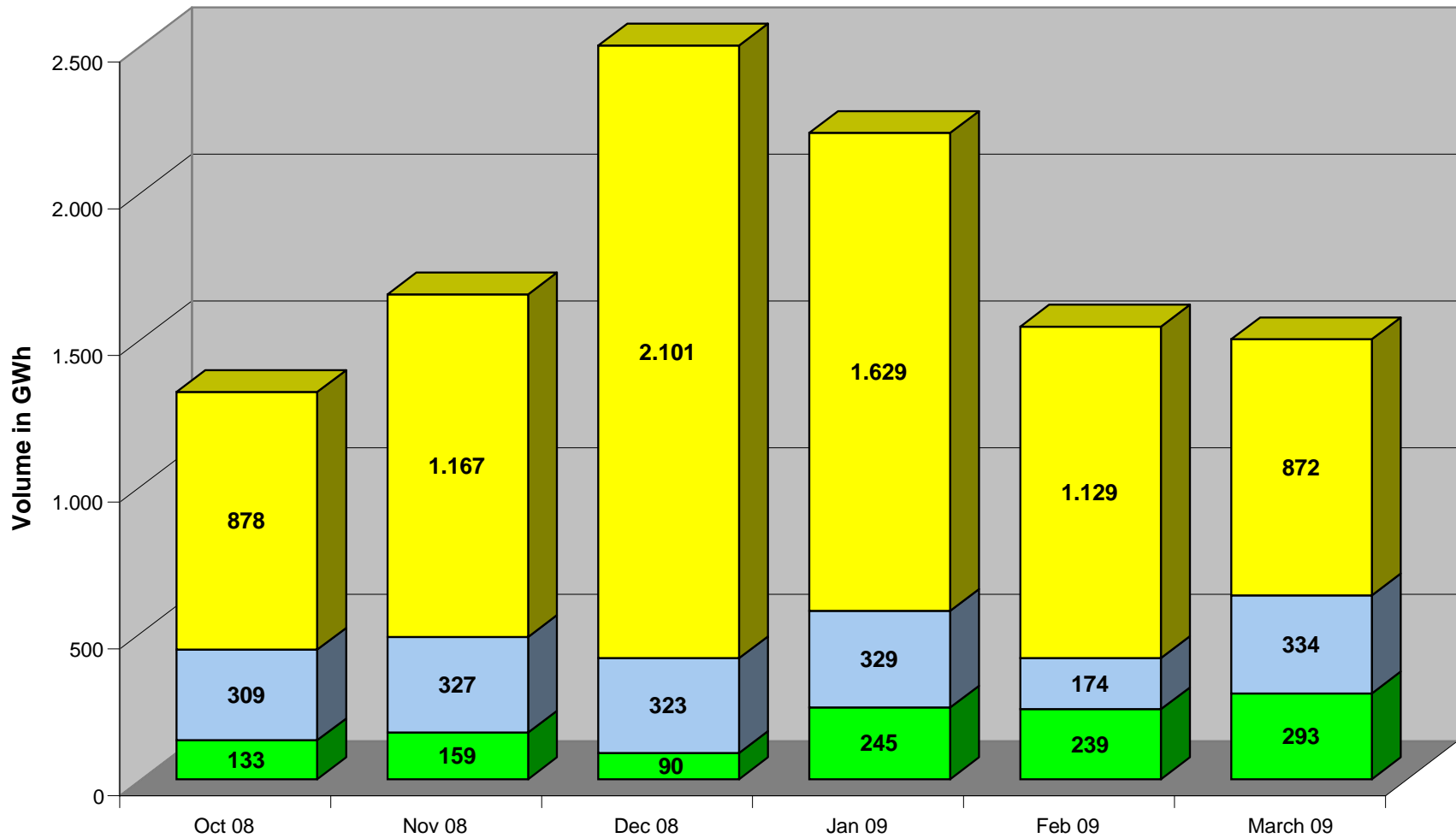
- Call for tenders
 - No standardized trading products
 - Not wholesale suitable
 - Bilateral trade – trading partner known
 - Trade with a few participants
 - Purchase/Sale to market prices with markup and deficits
 - Pooling of subcritical trading volume not possible
 - No market based price formation
 - Increase of the balancing energy costs
 - Exclusion of the market participants possible (deposit of securities, good rating, minimum contract size)
- Exchange trade
 - Standardized trading products
 - Wholesale suitable
 - Anonymous trade – trading partner unknown
 - Trade with currently 62 exchange participants
 - Purchase/ Sale to market prices without markup and deficits
 - Pooling of subcritical trading volume possible
 - Market based price formation
 - Reduction of balancing energy costs
 - Exclusion of exchange trader impossible (financial and physical coverage occurs by the ECC, pooling of volume)

Balancing energy trade in winter 08/09

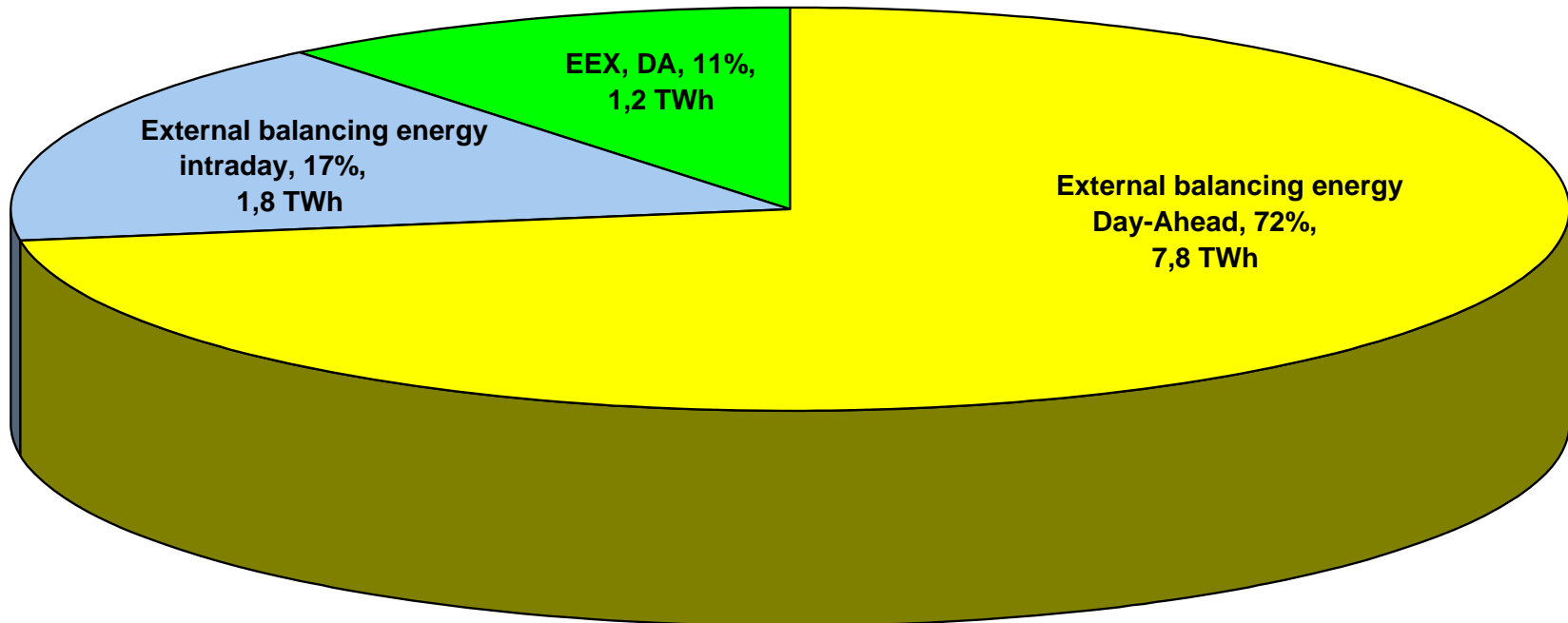
Trading volume of external balancing energy vs. EEX in Q4/08 and Q1/09



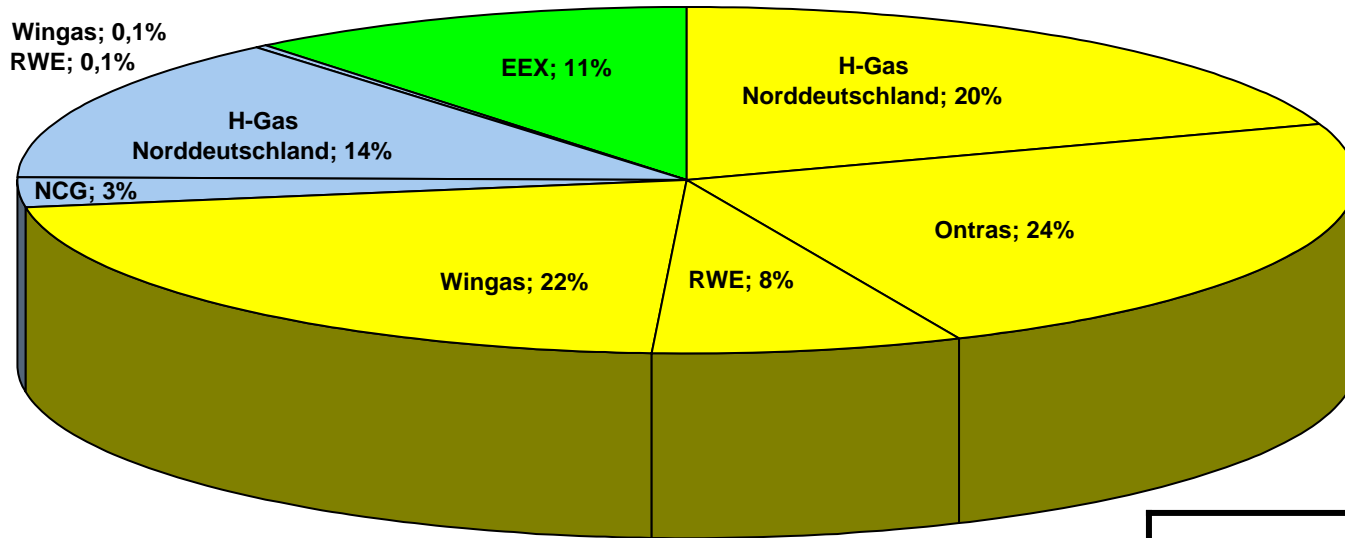
Trading volume of intraday and day-ahead products



Trading volume of external balancing energy vs. EEX in Q4/08 und Q1/09



Usage of external balancing energy of the TSO vs. EEX in Q4/08 und Q1/09

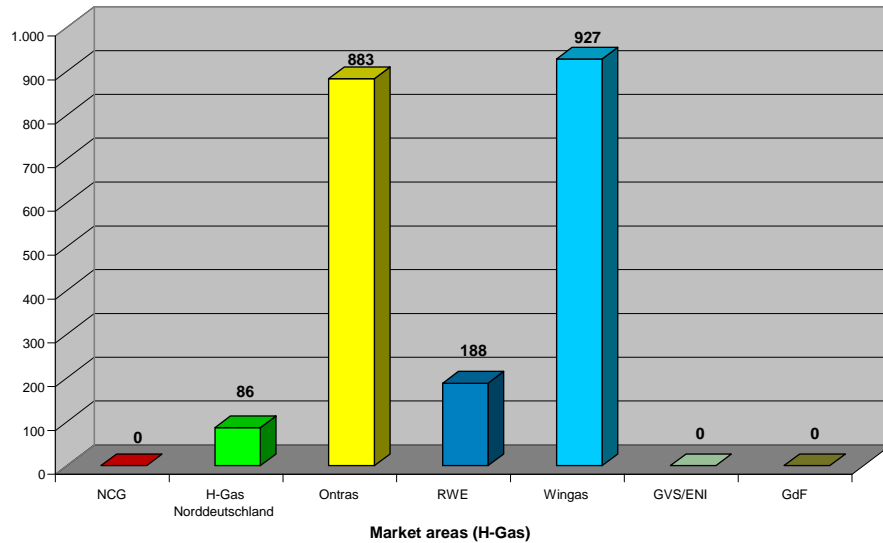


Volume in GWh	DA-BKN	Intraday TSO	DA-EEX
NCG	0	288	
H-Gas Norddeutschland	2,103	1,486	
Ontras	2,534	0	
RWE	828	14	
Wingas	2,314	8	
GVS/ENI	0	0	
GdF	0	0	
Sum	7,778	1,796	1,158

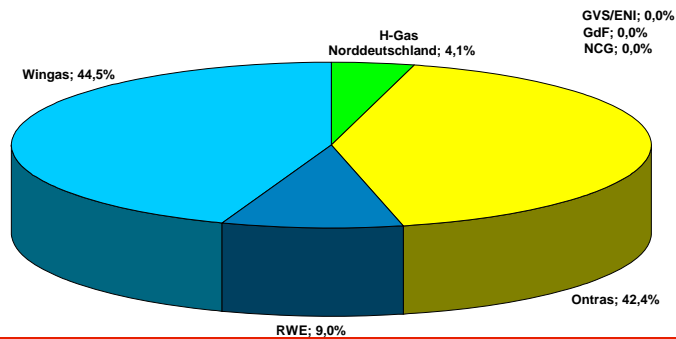
Traded Day-Ahead volumes by the TSO

Purchase

Purchase of the daily volume in Q4/08 and Q1/09

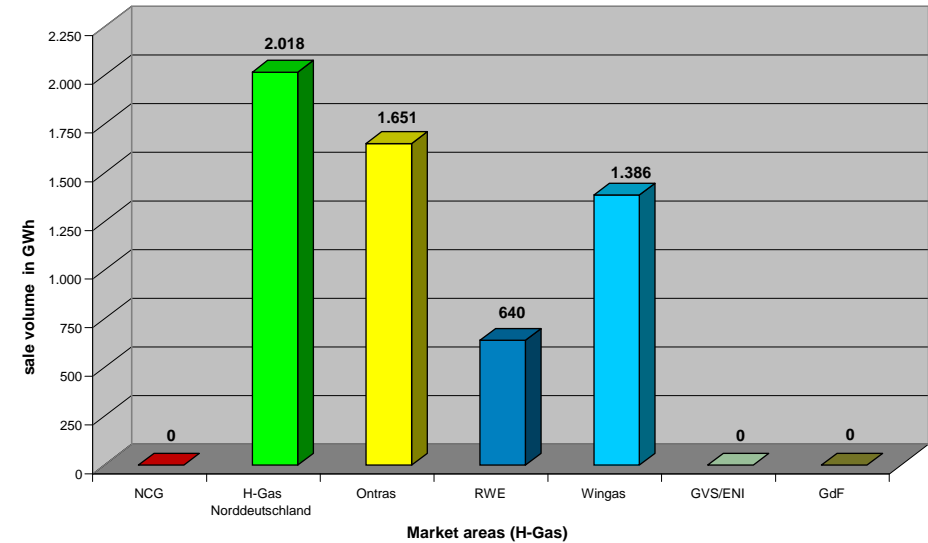


Shares of the TSO on the purchase of daily volume in Q4/08 und Q1/09

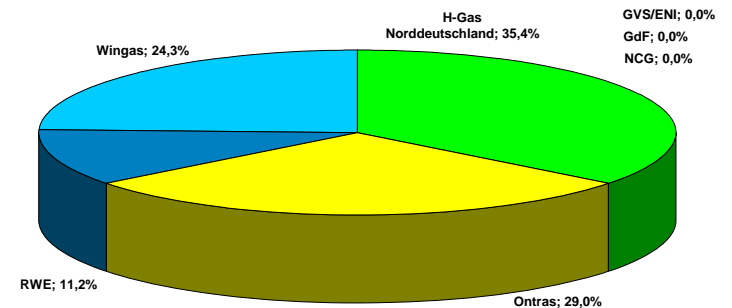


Sale

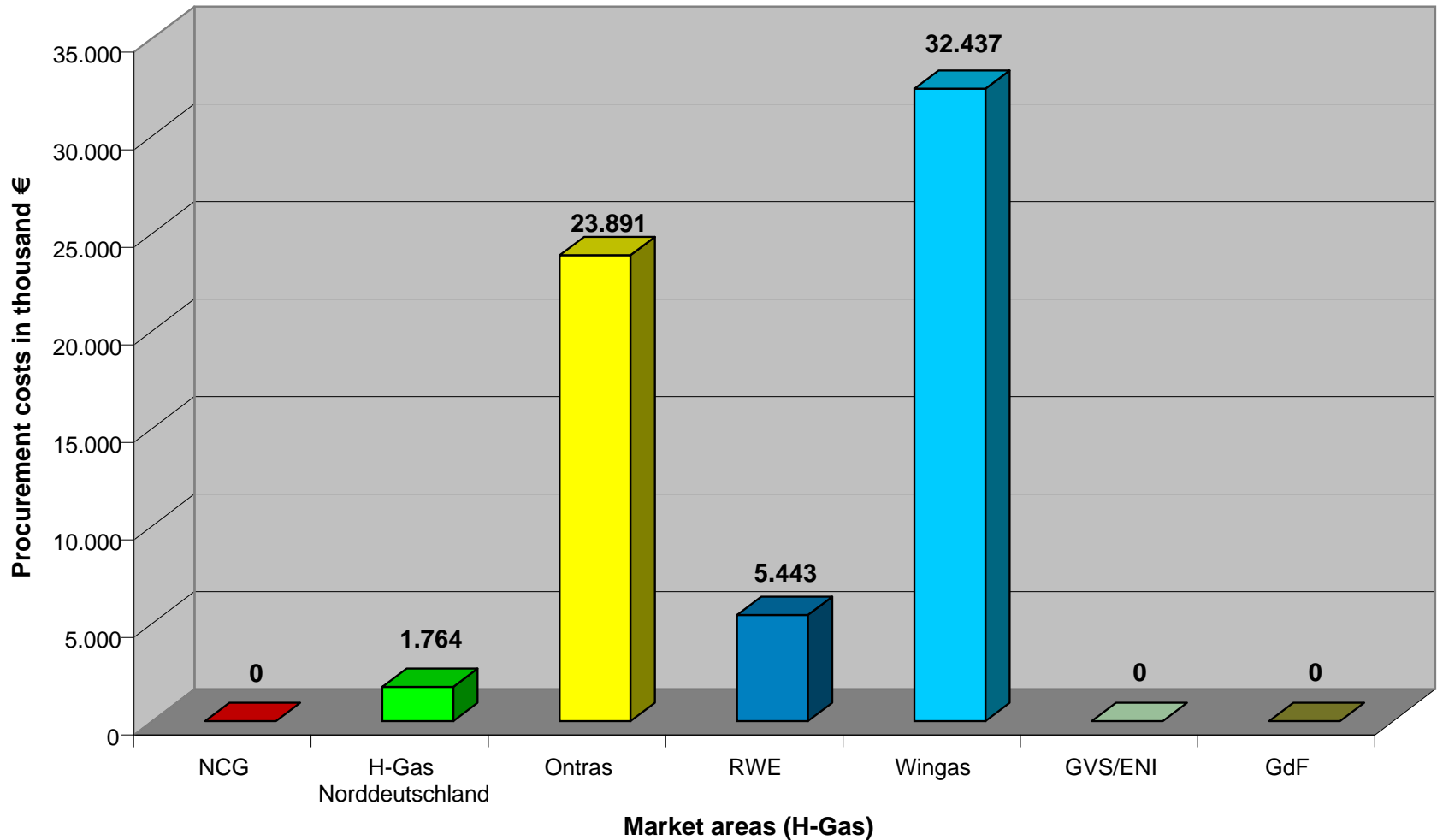
Sale of the daily volume in Q4/08 and Q1/09



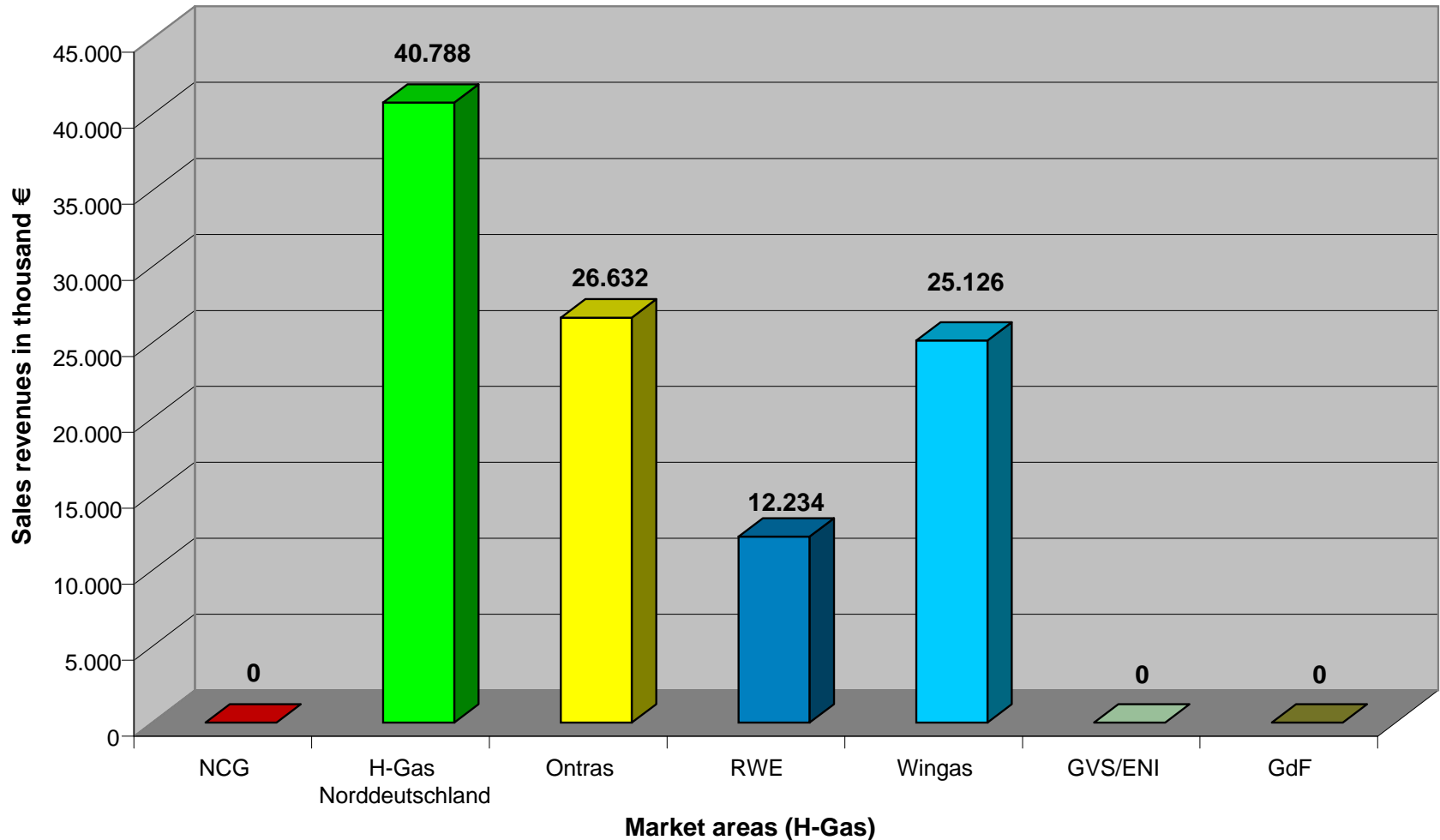
Shares of the TSO on the Sale of daily volumes in Q4/08 und Q1/09



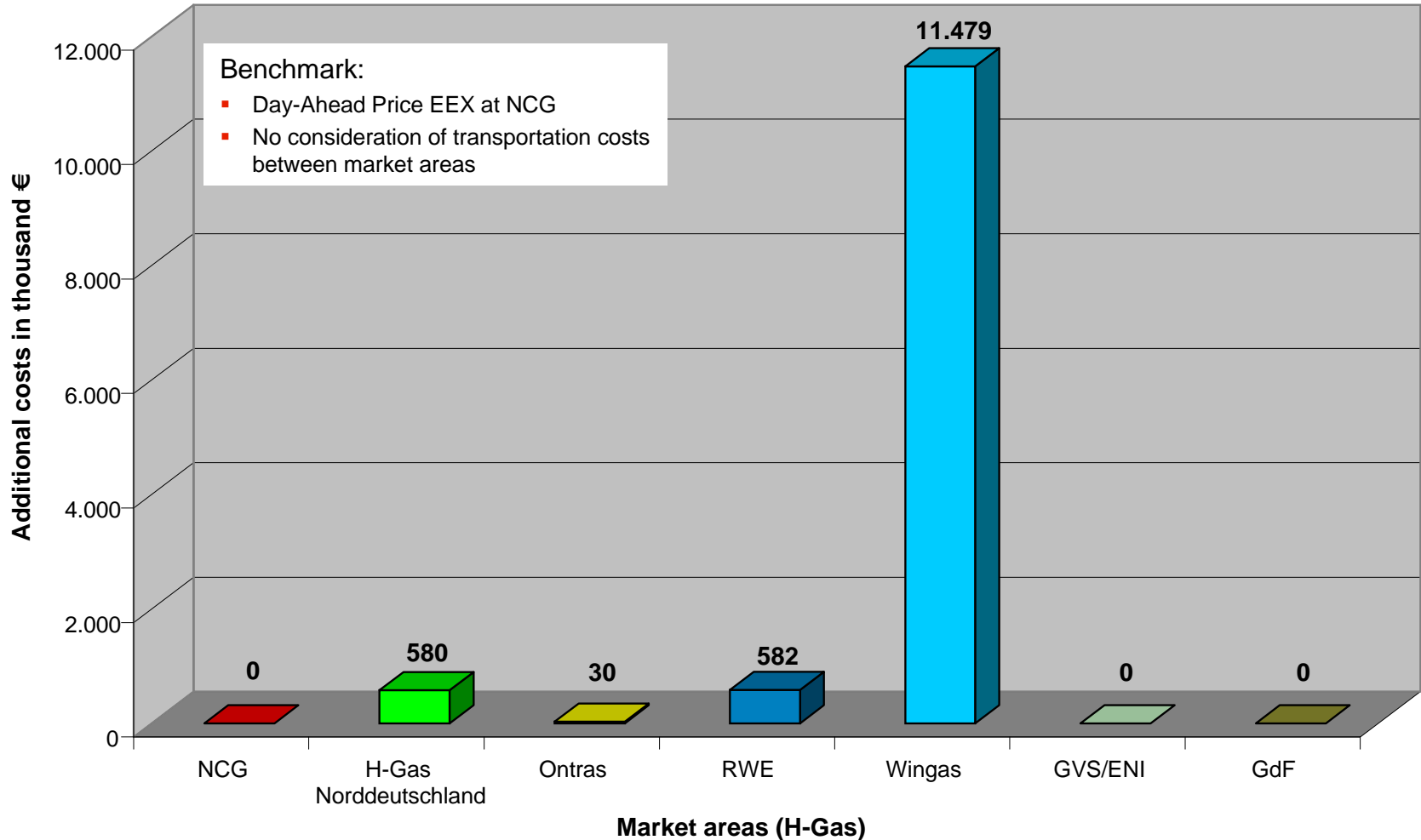
Comparison of the procurement costs for daily volumes in Q4/08 und Q1/09



Comparison of the sales revenues for daily volumes in Q4/08 and Q1/09

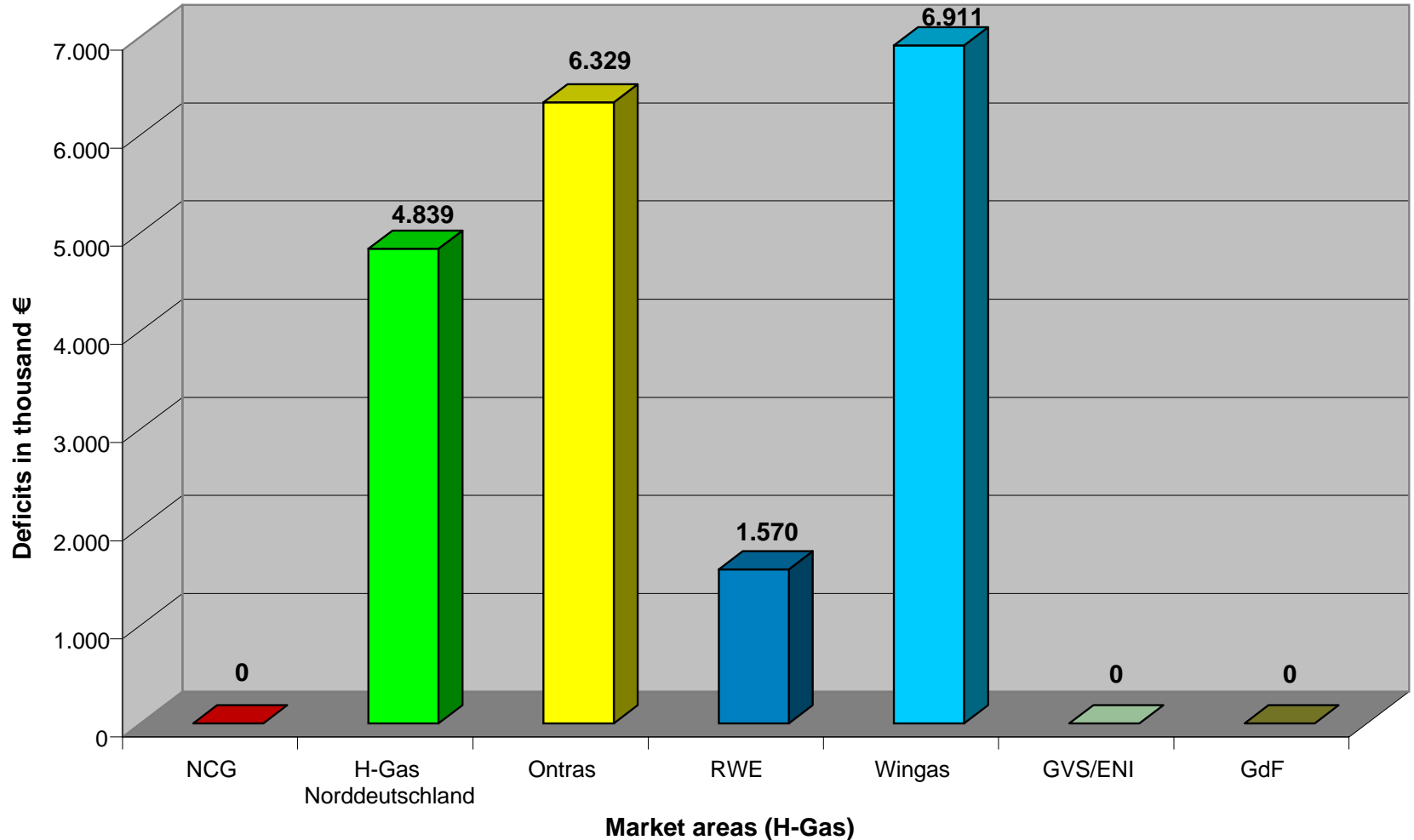


Additional costs through call for tenders vs. exchange trade in Q4/08 and Q1/09 - DA

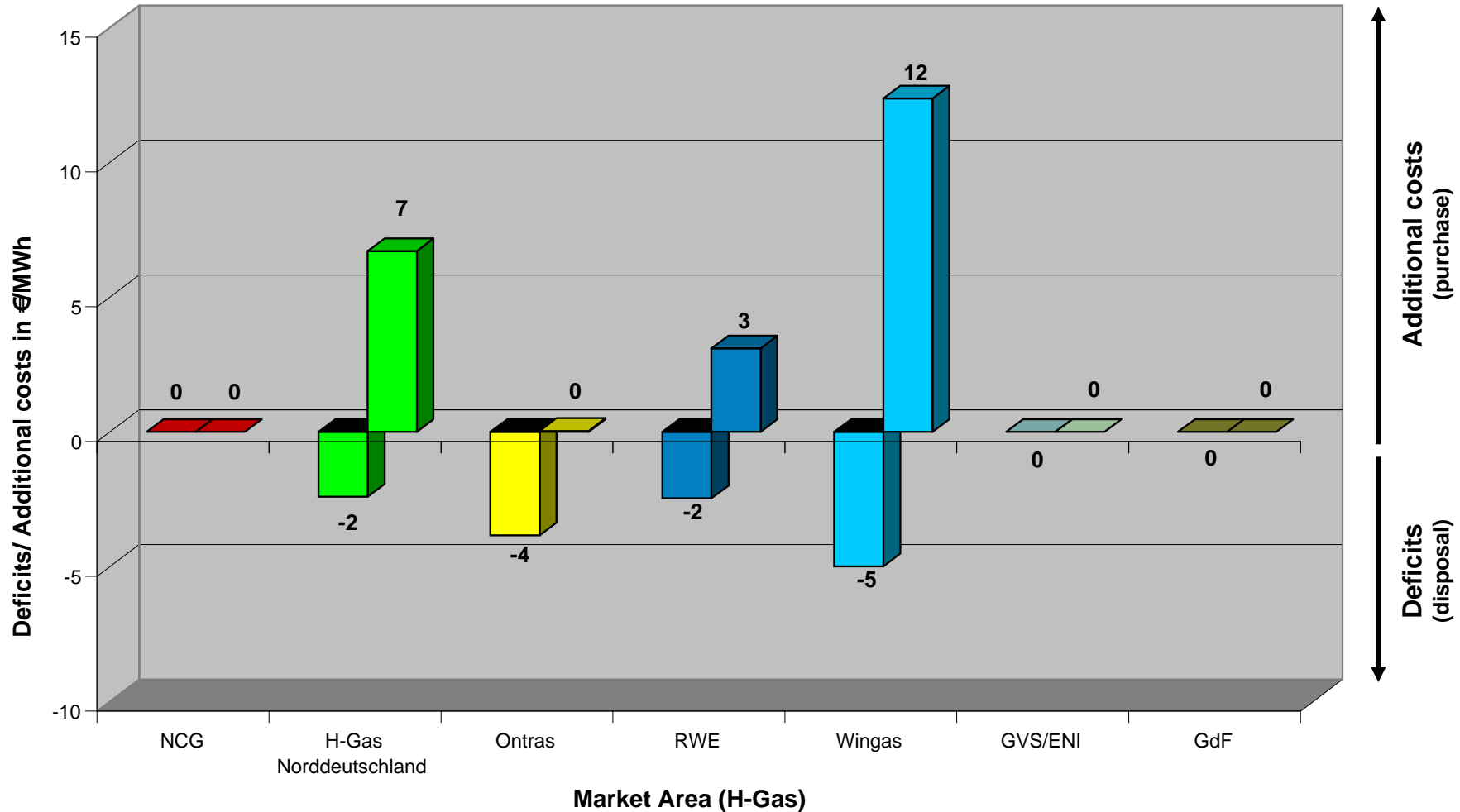


Profitability of TSO's Day-Ahead-Trade 4/6

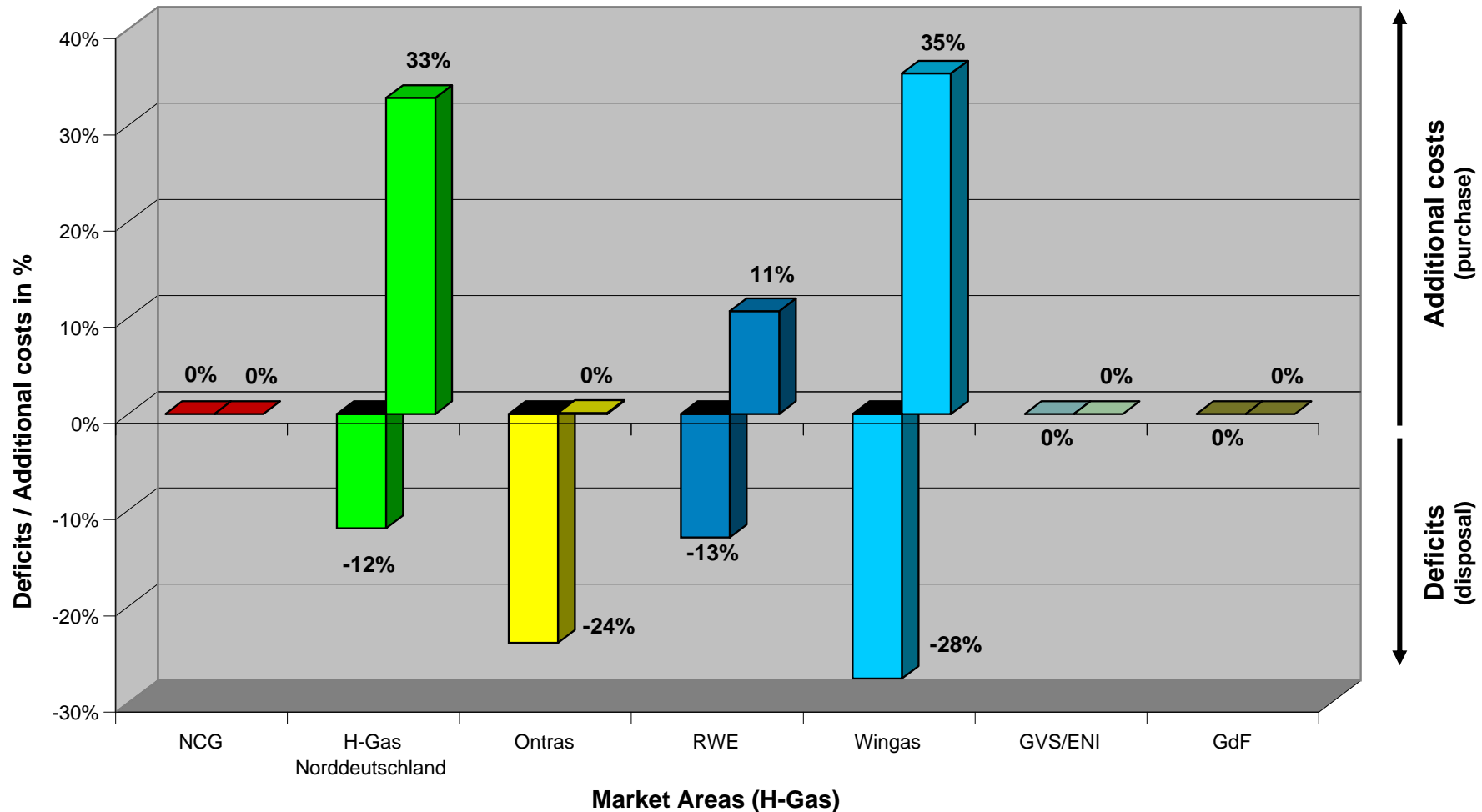
Deficits through call for tenders vs. exchange trade in Q4/08 and Q1/09 - DA



Benefits through exchange trade vs. call for tenders in Q4/08 und Q1/09 - DA



Benefits through exchange trade vs. call for tenders in Q4/08 and Q1/09 - DA



Thank you for your attention!

Excursus: Development of the APX OCM NBP

