November 13, 2025

Knowledge that moves you forward – The Balancing Group Contract in Brief

Agenda

Basics

The Balancing Group Contract is Annex 4 of the Gas Cooperation Agreement (KoV).

Legal basis for KoV: § 20 (1b) sentence 5 EnWG.

Developed by the negotiation delegation with associations BDEW, VKU, and GEODE.

Market Area Manager is obliged under § 3 (2) GasNZV (from 01.01.2026 GaBi Gas 2.1) to offer a standardized Balancing Group Contract.

Market Area Manager is generally subject to a contracting obligation.

GasNZV expires on 31.12.2025 following the European Court of Justice ruling of 02.09.2021 (Case C-718/18).

Previous GasNZV rules are largely transferred to GaBi Gas under decision BK7-24-01-008 ("GaBi Gas 2.1").

New version of the Balancing Group Contract published last week with other KoV documents, reflecting changes from the BNetzA decision.

Structure and Additional Components

Contract consists of §§ 1–45 and two appendixes:

§§ 1–3: Subject, Contract Components, Registration

§§ 4–25b: Balancing topics

§§ 28, 29: Security and Advance Payment

§§ 30–44: Standard legal clauses (e.g., amendments, termination, applicable law, jurisdiction)

Annexes:

Appendix 1: Definitions

Appendix 2: Supplementary Energy Balancing Provisions for Biogas

Supplementary Terms and Portal Usage Terms are also part of the contract.

Registration

Governed by § 3 and Terms of Portal Use

Market Area Manager has a contracting obligation.

Extensive requirements for applicants.

Additional requirements in Portal Terms, including data protection compliance for ID documents.

Goal: Protect the market area from dishonest participants.

Linking of Balancing Groups

Governed by § 17.

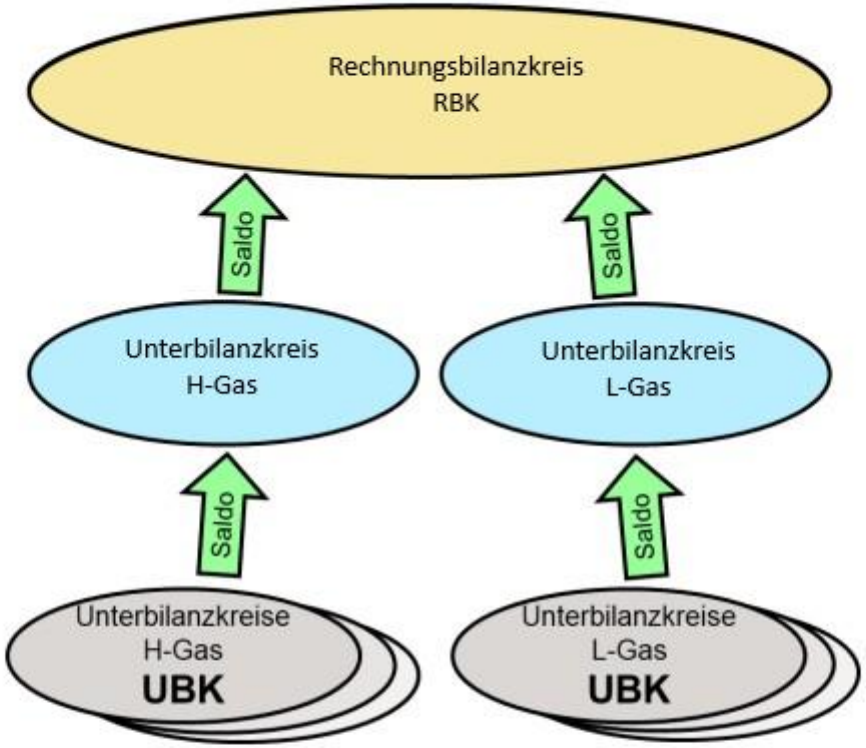
Balancing energy, conversion charges, and flexibility costs billed only to the designated “accountable balancing group manager.”

Linking results in netting of balancing energy between linked groups.

Liability risk for sub-balancing groups in § 17 (2).

Further details in a separate agreement (Annex 5 of KoV).

Sub-balancing groups may apply for direct payment for balancing and conversion charges under § 17a.



Security and Advance Payments

Governed by § 28 (Provision of Security) and § 29 (Advance Payment).

THE may require collateral or advance payment in justified cases:

Payment delays, enforcement measures, poor rating.

Worst rating applies for assessment.

Types of collateral: bank guarantees, corporate guarantees, cash deposits.

Initial collateral: €100,000; further rules in § 28 (6).

Advance payment rules similar to collateral; new provision for biogas balancing groups in Annex 2.

Missing or late advance payment allows THE to terminate immediately

Termination

Termination

Ordinary termination generally only by balancing group manager.

Extraordinary termination rights for Market Area Manager:

§ 37 (3)(a): repeated serious breach despite warning.

§ 37 (3)(b): failure to provide collateral or advance payment.

§ 37 (3)(c): intentional/grossly negligent false or incomplete information during registration.

§ 37 (4): special circumstances justify termination considering both parties’ interests.

Includes example of severe intraday underfeeding and procedure.

Cross-default clause: Market Area Manager may terminate other contracts of the same manager in certain cases.

Contract may be terminated if balancing group unused for over a year; manager may object.

Questions and Answers

Thank you for your attention!

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