

SBI - FAQ

Questions and answers on the topics:

- General information on the SBI product
- Participation in the tender
- Functionality and obligations
- Pricing
- Data transmission and transparency

Disclaimer: This FAQ is intended to answer frequently asked questions about the discussion status of the SBI product as of 21.01.2025. This does not mean that a tender is planned or that the product parameters presented here correspond to those of the final product. These are just considerations regarding a possible product design.

As of: 10.02.2025

General information on the SBI product

What is the SBI product?

The SBI product is intended to incentivize traders to make injections despite potentially inadequate summer/winter spreads so that the legally defined storage level targets are met. If THE awards the contract, the supplier is obliged to have injected 100% of the quantity contracted by THE into a storage facility by the cut-off date of November 1.

What are the differences between SBIs and SSBOs?

The SBI product replaces the SSBO product. In contrast to the previous SSBOs, the new product is a pure filling product with a consistent focus on the storage phase; a call-off option is not part of the product. The SBI product will be tendered throughout Germany without further limitation to zones.

Why has THE developed the SBI product?

In accordance with the regulations in Section 35c (1) of the Energiewirtschaftsgesetz, which were amended with effect from April 1, 2024, the market area manager must procure strategic instruments to promote the achievement of the filling level targets to an appropriate extent. To implement these requirements, Trading Hub Europe GmbH (THE) has developed a new product in recent months - in close coordination with the Federal Ministry for Economic Affairs and Climate Action (BMWK) and the Federal Network Agency (BNetzA) - which will completely replace the previous Strategic Storage Based Options.

Please note that product development has not yet been completed.

Participation in the tender

When will the tendering process begin?

No tender is currently planned.

Which gas storage facilities are approved for the SBI product?

Once the draft product has been finalized, a list will be published containing all gas storage facilities relevant to the SBI product. In principle, this list includes all gas storage facilities covered by the Gas Storage Act.

Can I participate with already booked storage capacities?

Yes, regardless of whether storage capacities have already been booked in advance of the tender or not, you can take part in the tender.

Is there a minimum amount for bids?

The smallest bid quantity is 1 MWh. There is no fixed lot size, so that each supplier can individually determine the quantities they wish to bid.

Can suppliers exclude existing quantities or the use of individual storage facilities from their bids?

No, the initial and final filling levels as well as the storage movements of all storage facilities listed in the storage list and used by the supplier are always considered.

Is a price ceiling defined for bids?

To cap overall costs an internal reservation price will be set. Awards are only made up to this ceiling. The reservation price will not be published.

Are the lower spread limit and the upper threshold for the deduction set and published once in advance or can the values change depending on the situation even after publication?

The spread floor and the upper threshold for the deduction serve as an essential calculation basis for the submission of bids and are therefore fixed and published before the respective tender.

Does the bid have to include a fixed price for the entire fulfillment period or can it vary over time?

The bid to be submitted must include a fixed price for the entire fulfillment period.

How are bids with the same price ranked?

In this case, the bid submitted first is given preference over the bid submitted later.

Functionality and obligations

What are the contractual obligations of the SBI product?

Fulfillment of the contract is determined by a storage level corresponding to the award as of 01.11. over all storages in use by the supplier and covered by the Gas Storage Act.

Does participation in the SBI product exempt me from complying with the filling level requirements?

No, the SBI product does not override any legal requirements. The use-it-or-lose-it mechanism also remains in place.

Are the storage movements considered collectively across all storage facilities used by the provider if they are covered by the Gas Storage Act?

Yes.

Can a provider choose which of its storage facilities are used to fulfill the SBI product?

No, the entire storage portfolio - if they are covered by the Gas Storage Act - used by the provider is always considered.

How is the filling of German storage facilities from abroad taken into account? Can customers inject and withdraw from the Netherlands as before?

All storage facilities covered by the Gas Storage Act are eligible for the SBI product. The country of origin is not relevant during injection or withdrawal.

Pricing

What are the exact prices used to calculate the reference spread?

To determine the “Reference Spread” for injections on a given day (“Day D”), THE uses the following prices:

- the index price “EEX THE Natural Gas Futures” (EUR/MWh) published by EEX AG (“EEX”) as the settlement price, valid for quarter 1 of the calendar year following the service period (hereinafter: “Future Price”) and
- the index price “EEX THE Natural Gas Spot” (EUR/MWh) published by EEX in the version “THE Day Ahead” or “THE Weekend” as “End of Day Index” (hereinafter: “Spot Price”). The “THE Weekend” price is used for the spot price if day D falls on a weekend or on delivery days before or after a weekend that are public holidays according to the EEX trading calendar for natural gas products. In all other cases, the “THE Day Ahead” price is used as the spot price.

The reference spread for day D is generally formed from the Future Price and Spot Price published with the date of the previous day (“Day D-1”). If no price is published for the respective Future Price and/or Spot Price with the date of day D-1, the published price with the most recent date before day D-1 is always used in the reference spread. The most recent data available at the time of settlement as published by the EEX is decisive for settlement.

Data transmission and transparency

Are bid awards published?

Yes, the bid awards will be published anonymously on THE's website shortly after they are issued.

How are storage movements to be submitted to THE?

Suppliers shall fill in an Excel template provided by THE on a monthly basis and send it to THE by e-mail, showing the daily gas storage movements of the respective previous month at all gas storage facilities used by the supplier that are covered by the Gas Storage Act.

Will THE publish the relevant costs for newly injected gas over all suppliers on a daily basis?

No.

The presentation slides contain an example of the relevant calculations – will THE publish a calculation sheet?

No.