

## **Press Release**

## NetConnect Germany publishes product description "Demand-Side-Management"

Ratingen (Germany), 5 August 2016. NetConnect Germany GmbH & Co. KG (NCG) has published the product description of the new long-term balancing gas product "Demand-Side-Management" (DSM). The development of the DSM product, in order to realise the demand-side flexibility potential in Germany, ensued in accordance with the policy paper on key principles for measures to improve natural gas supply security published on 16 December 2015 by the German Federal Ministry for Economic Affairs and Energy (BMWi) and in close cooperation with the BMWi, the German regulator Bundesnetzagentur as well as the market.

The introduction of the DSM product by 1 December 2016 will facilitate the participation in the balancing market for industrial enterprises and their gas suppliers. In case of a call the balancing gas supplier is obliged to reduce the physical withdrawal of one or more industrial customers in its balancing group construct in the amount of the offered quantity while maintain the corresponding delivery to the system. Call orders for delivery of the DSM service will be issued if and when needed, as is the case for the established long-term balancing products (Long-Term Options), at rank 4 of the merit order list.

In order to implement the above-mentioned policy paper NCG will launch a tender process for the period from December 2016 to March 2017, with contracts to be awarded for a total of 9,800 MW for each month. The breakdown of these requirements for each of the balancing zones in the NCG market area is presumably as follows: H-gas North: 1,250 MW / H-gas Middle: 1,250 MW / H-gas

**NetConnect Germany** handles the operational management of the market area cooperation between bayernets GmbH, Fluxys TENP GmbH, Thyssengas GmbH, Open Grid Europe GmbH, GRTgaz Deutschland GmbH and terranets bw GmbH. Its gas market area, which stretches from the North Sea coast down to the Alps, is the largest German market area, with around two thirds of all end-user gas volumes in Germany being transported via the NCG market area.

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South: 4,850 MW / L-gas West: 1,850 MW / L-gas East: 600 MW. The gas requirements may be procured through Long-Term Options as well as through the DSM product.

Tendering for the NCG market area will take place in parallel for each of the months stated above between 17 October 2016 and 2 November 2016. Contracts will be awarded by NCG on 9 November 2016.

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