

GASPOOL taking measures for the next winter season

Berlin (Germany). GASPOOL Balancing Services GmbH (GASPOOL) has carried out an in-depth review of the past winter months and is currently developing measures to be able to address the potential system balancing and gas quality conversion requirements in the GASPOOL market area in the upcoming winter season. The measures will be presented at a workshop for traders and balancing group managers due to take place in early September 2018 in Berlin.

GASPOOL managing director Jörg Ehmke comments: "In our next long-term tendering round, which is currently planned to be held in November, we are going to increase the reserve volumes to be held available under Long-Term Option contracts so that we will be able to respond swiftly and flexibly if we should again experience tight balancing situations similar to those seen in the winter months of the 2017/2018 gas year, which particularly affected the low-cal sector." An additional tendering exercise was already held in early July, when GASPOOL invited bids for Flexibility Service contracts for up to 5,000 MWh/h.

In addition, GASPOOL has now defined a set of criteria on which it may base a future decision to apply for an exception from the current conversion fee validity framework that will allow it to raise its conversion fee at short notice for a specified period, which is an option available under the so-called "Konni Gas" decision that governs the German gas quality conversion mechanism under which market participants can have gas quantities virtually converted between the two types of gas – low-cal ("L") and high-cal ("H") – used in Germany. "Our analysis of the situation seen in the last winter has shown that the conversion fee cap currently set at 0.45 EUR/MWh has only marginally operated as an incentive for market participants to procure sufficient supplies of low-cal gas so they would be able to deliver the required quantities to the market area as and when needed. The criteria we have now defined provide us with a transparent basis for a potential application to the regulator that allows us to take action when necessary," adds managing director Sebastian Kemper.

In case an exception does become necessary, GASPOOL has developed a range of criteria that relate to the MAM's "single buyer" status and the scale of market participants' virtual H-to-L conversion activities. The scarcity situation for low-cal gas will also be a factor to be taken into account in the decision.

Background and context

The net quantities of low-cal gas that were delivered in the last winter via balancing actions almost quadrupled compared with the previous winter (2016/2017), shooting up to almost 11,000 GWh. One of the main reasons for this development was the uptake in the virtual conversion quantities converted by market participants, which had been picking up rapidly in the months from January 2018.

GASPOOL has published a comprehensive fact sheet describing last winter's system balancing developments and conversion costs, which form the background against which the new measures have been developed. The fact sheet can be downloaded from the GASPOOL website at www.gaspool.de

About GASPOOL

GASPOOL Balancing Services GmbH is a Berlin-based joint venture of GASCADE Gastransport GmbH, Gastransport Nord GmbH, Gasunie Deutschland Transport Services GmbH, Nowega GmbH and ONTRAS Gastransport GmbH.

The object of our company is the operation of the GASPOOL market area in Germany, which connects around 350 downstream natural gas transportation networks. Following the integration of the market area H-Gas Norddeutschland, Jordgas Transport GmbH also joined the market area cooperation.