
Press Release

Successful introduction of the balancing gas target model in the NCG market area

Ratingen (Germany), 30 January 2014. The target model for a harmonised procurement of balancing gas, which NetConnect Germany (NCG) started implementing on 1 October 2013, has been successfully introduced in the NCG market area.

In line with the target model NCG primarily focuses its balancing activities on trading balancing gas on the Leipzig-based European Energy Exchange (EEX). Thanks to the introduction of quality-specific order books, since 1 October 2013 NCG has been in a position to meet quality-specific as well as global balancing requirements by trading on the EEX for products with delivery at the Virtual Trading Point. The liquidity for trades transacted through the quality-specific order books has also been rising steadily. Presently more than 90% of the gas quantities required to ensure system stability can be procured through the exchange using a market-based approach. Since the target model was introduced the procurement prices for balancing gas have remained on a constant level. Torsten Frank, Managing Director of NCG, comments: "To a large extent the prices have been moving in a range reflecting the spread between the charges for positive and negative portfolio imbalances."

In addition to procuring balancing gas through the quality-specific EEX order books NCG continues to satisfy quality-specific balancing requirements in the low-cal L gas system through trading at the Title Transfer Facility (TTF) in the Netherlands in situations where a merit order rank of 2 applies. NCG's bilateral balancing platform – which is still used to satisfy quality-specific and locational balancing requirements – also remains a key balancing tool to ensure system stability.

From 11 to 13 February 2014 NCG will be exhibiting together with all of the NCG market area cooperation partners at the E-world energy & water 2014 in Essen! Please feel free to visit us at stand 418 in hall 2. We are looking forward to seeing you there!

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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