
Press Release

NetConnect Germany changes tendering rules for long-term balancing services for low CV gas

Ratingen (Germany), 16 October 2017. NetConnect Germany GmbH & Co. KG (NCG) is modifying its contractual framework for the tendering of long-term balancing services to be provided in the low CV sectors of its market area with effect from 1 January 2018.

From 1 January 2018 providers submitting bids for long-term Rest-of-the-Day contracts for the supply or receipt of low CV gas may no longer deliver the physical effect they are required to provide on receiving a call order from NCG by nominating or renominating gas flows at cross-border interconnection points. Instead they will have to deliver this physical effect using other entry and/or exit points located on the low CV networks in the market area, e.g. at market area interconnection points, storage points or exit points to industrial sites.

Long-term contracts for balancing services are tendered out by NCG to secure its market area against so-called “dynamic effects” in certain balancing zones as well as to ensure greater supply security as called for by the German Federal Ministry for Economic Affairs and Energy (BMWi) in a policy paper on key principles for measures to improve natural gas supply security published in December 2015. The current changes to the contractual arrangements come after discussions with the competent authorities for the future development of the bilateral balancing products procured by NCG for use at level 4 of the merit order used by the German market area managers for their system balancing actions. As part of these discussions the general framework for long-term balancing services tendered out for delivery in the low CV sectors was also addressed.

Neither the long-term balancing product variant “Hour” nor “Rest-of-the-Day” contracts for the supply or receipt of high CV gas are affected by the current changes.

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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