



**TRADING
HUB
EUROPE**
keep in balance

Review and current developments



2021/2022 winter review

- **Gas storage levels**
 - Storage facilities in Germany only 70% full in October 2021 (levels not seen for years)
 - At this time, the Rehden storage facility has a filling level of just under 9%; there was practically no injection into storage in Rehden during the summer of 2021
- **Gas prices**
 - Steady increase since May 2021
 - The 100 EUR/MWh mark is exceeded at the beginning of October 2021
- **Average system balancing price**
 - Approx. 100 EUR/MWh (Oct 21- April 22) vs. 19.13 EUR/MWh in prior year
- **Nord Stream 2**
 - Completed but not put into operation

Amendment of the Energy Industry Act (EnWG)

Overview

- **Amended EnWG defines minimum filling levels for gas storage facilities**

- 1 October → 80%
- 1 November → 90%
- 1 February → 40%

Increased later by way of an Ordinance to 85 % and 95 %, respectively

- **EnWG provides for a graduated model for storage filling**

- Initially market-based filling supplemented by SSBO tenders
- Storage facilities can also be filled by THE (stage 3)

- **Gas storage neutrality charge introduced to cover costs**

- THE's costs and revenues from storage activities are passed on to the network users
- New charge (gas storage neutrality charge) is introduced for this purpose

- **Time limitation**

- The Act expires on 1 April 2025

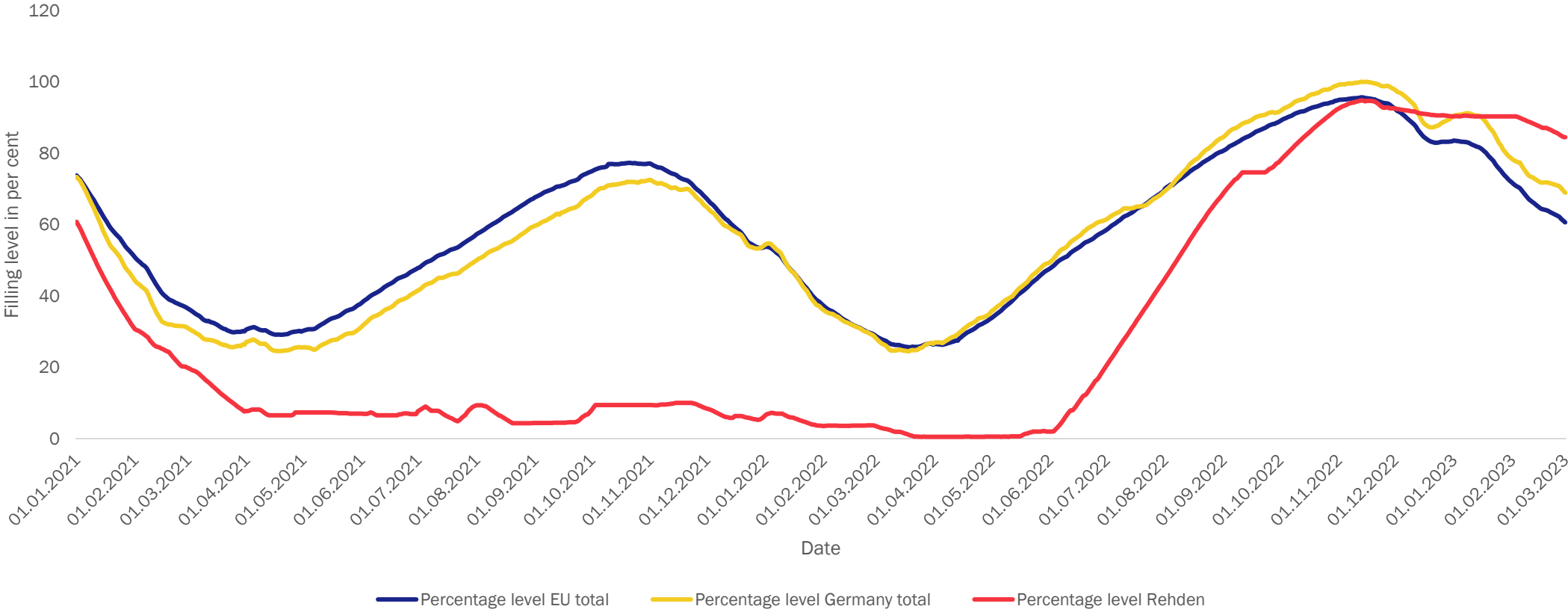
- **In early June, the Federal Ministry for Economic Affairs and Climate Action (BMWK) issues the Gas Storage Filling Ordinance (GasSpBefüllV)**

Implementation of EnWG 2022 by THE

- **Stage 1 SSBO product**
 - This product is designed as a "hybrid product" with two combined contract components (reporting date-based injection commitment and a partial quantity to be kept available for the MAM to call off at any time (call option)).
 - In 2022, THE issues two SSBO tenders, thus contracting approx. 84 TWh
 - THE announces first SSBO tender just four days after the amended EnWG comes into force
- **Storage facilities filled by THE**
 - THE starts injecting gas into the Rehden storage facility at the beginning of June 2022
 - In the following weeks and months, Rehden is followed by other storage facilities
 - On 31 October 2022, THE ends storage injection as scheduled
 - On 6 February 2023, THE announces that, in agreement with the authorities, storage capacities have been contracted for the 2023/2024 storage year, so that procured quantities can be kept in storage; at the beginning of April, THE announces that 37 TWh were left in storage at the end of the 2022/2023 storage year, and approx. 12.5 TWh were sold by THE by 31 March 2023

Storage levels until March 2023

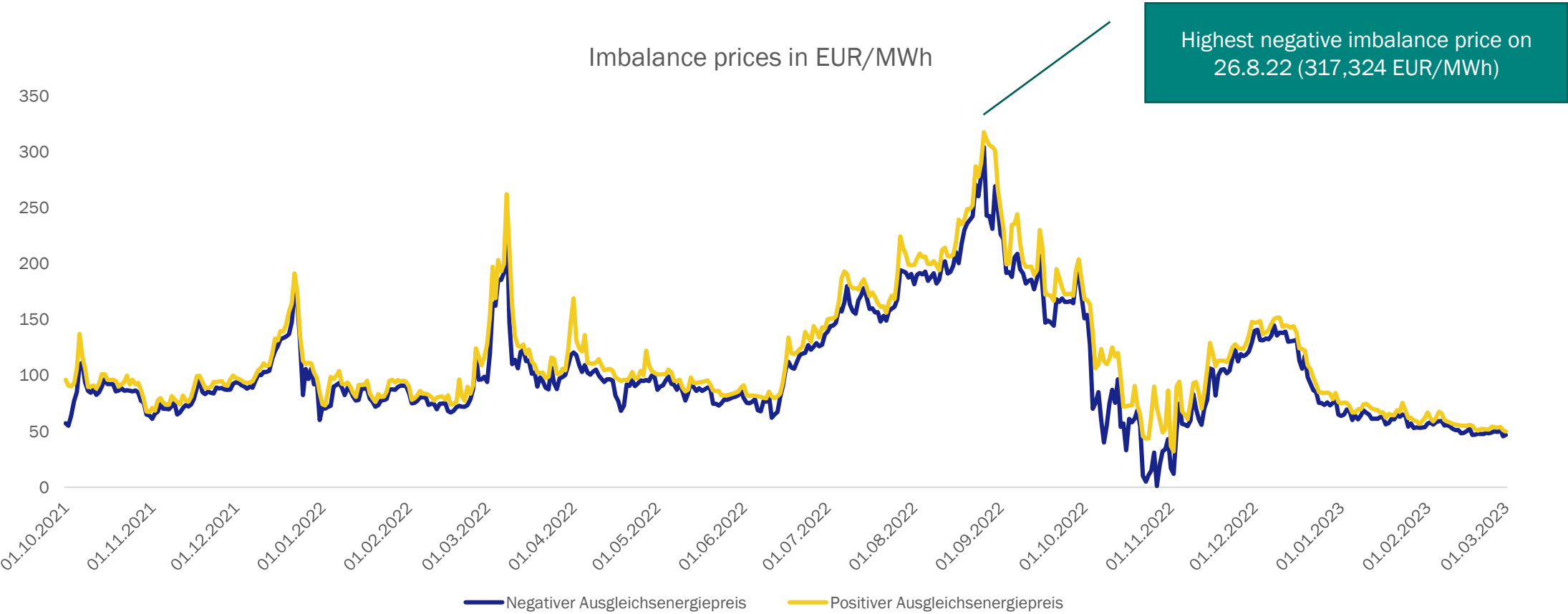
EU, Germany and Rehdén



Source: Gas Infrastructure Europe

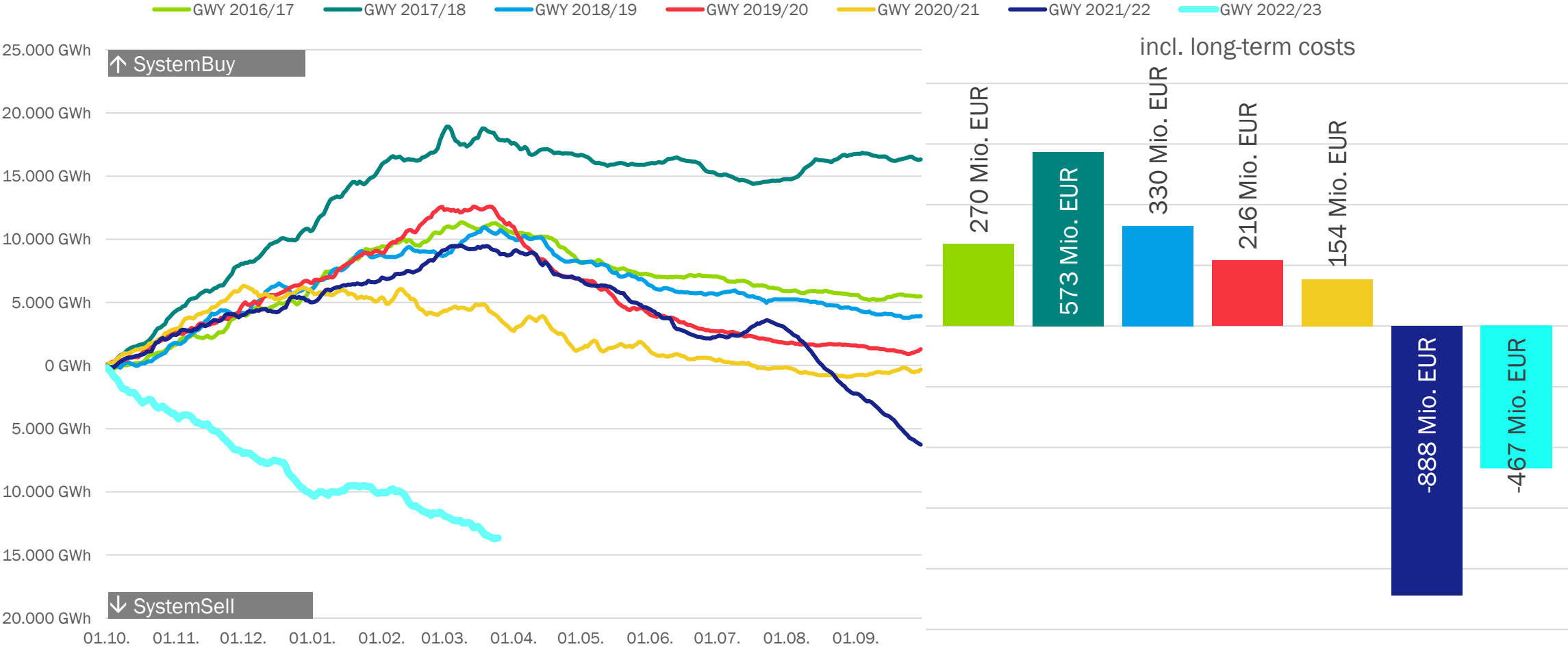


Development of imbalance prices (October 2021 – March 2023)



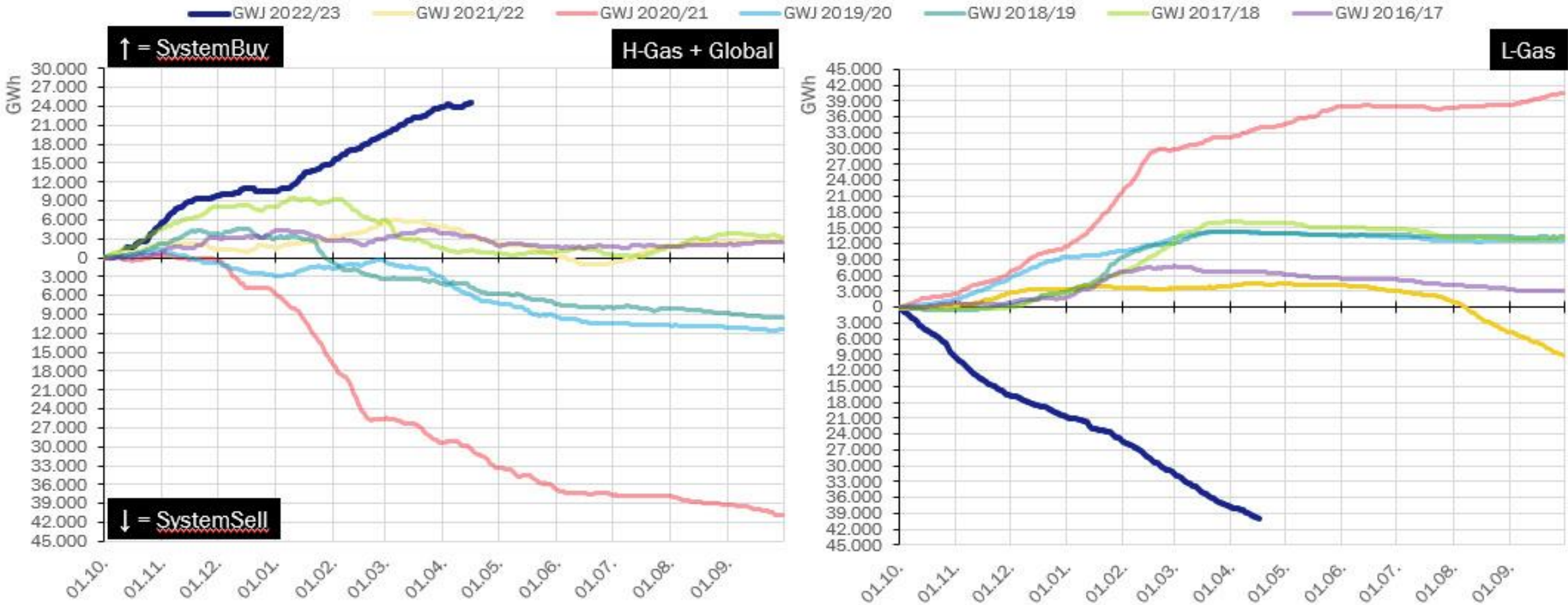
Balancing actions per GY

Cumulated gas quantities and costs



Cumulative use of balancing actions

Net quantities, annual comparison by gas quality

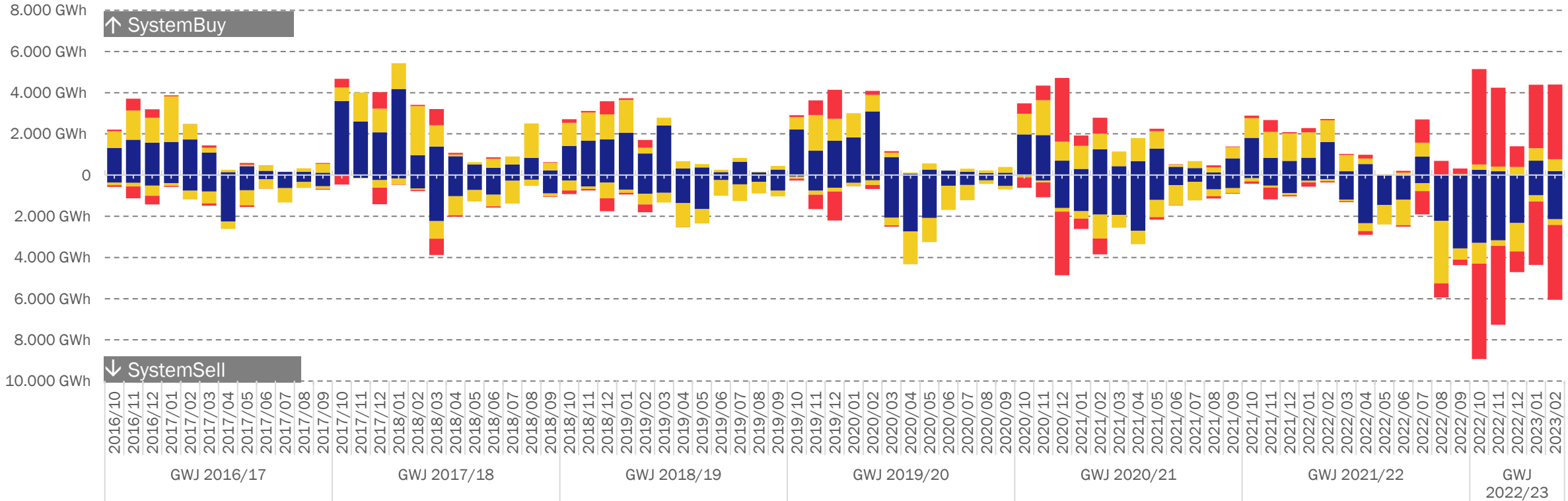


Reasons for balancing actions

DSO/BGM share of balancing actions per month

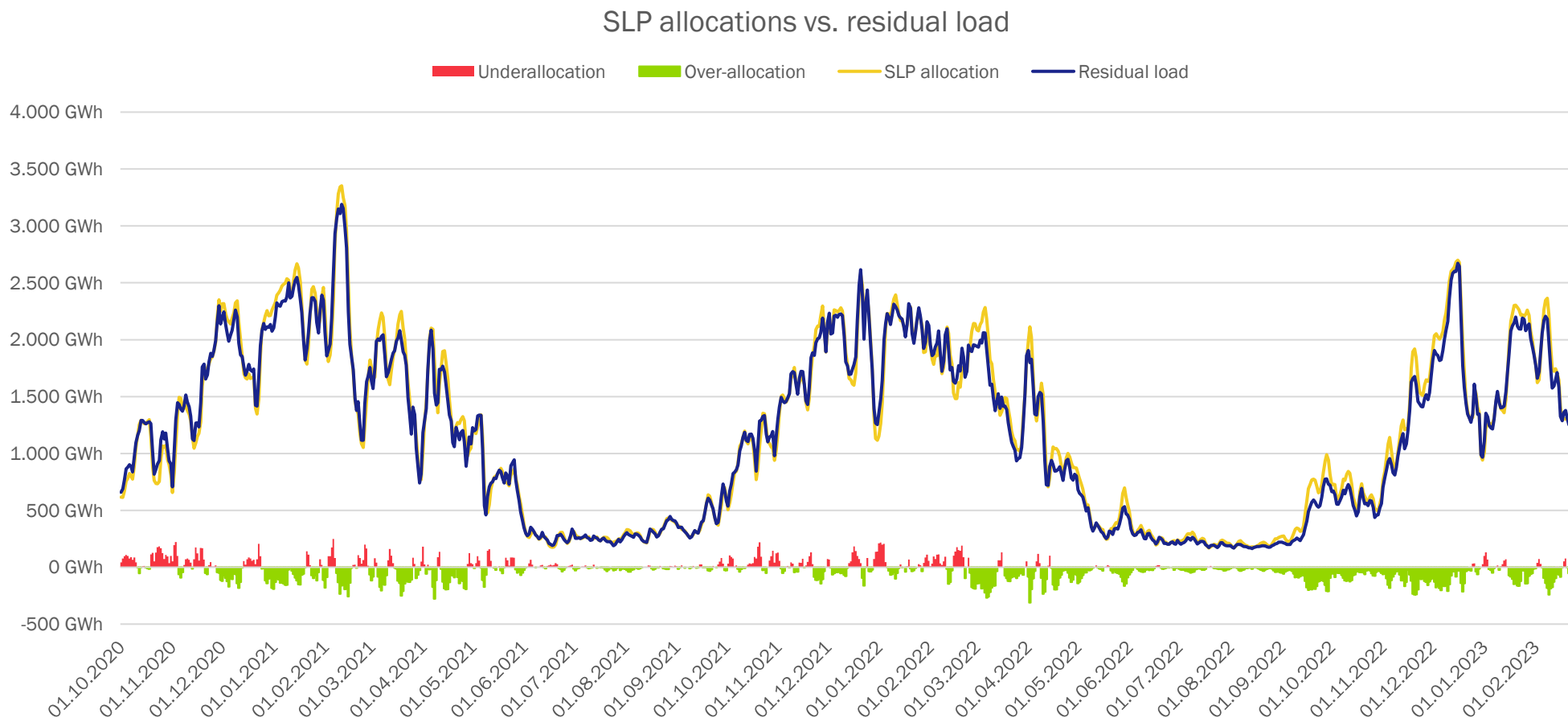
Reasons for balancing actions

■ VNB-Anteil an RE ■ BK-Anteil an RE ■ Konvertierung

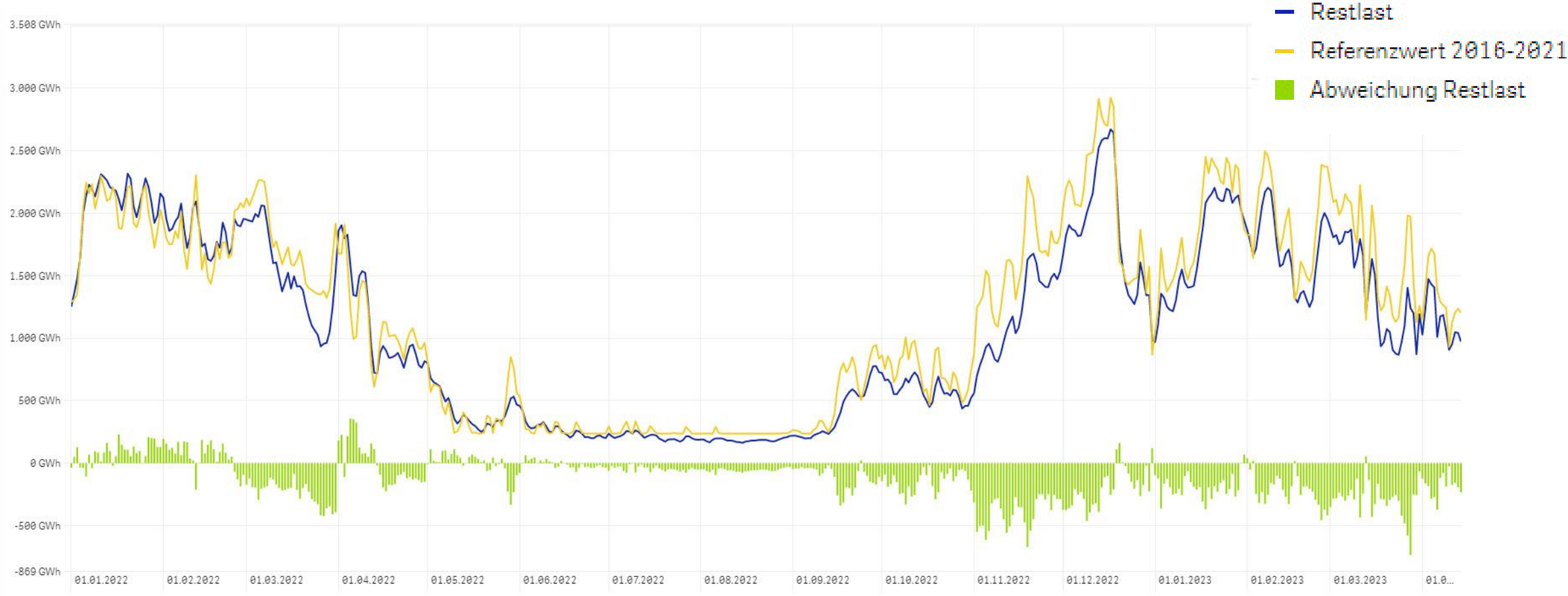


SLP allocations vs. residual load

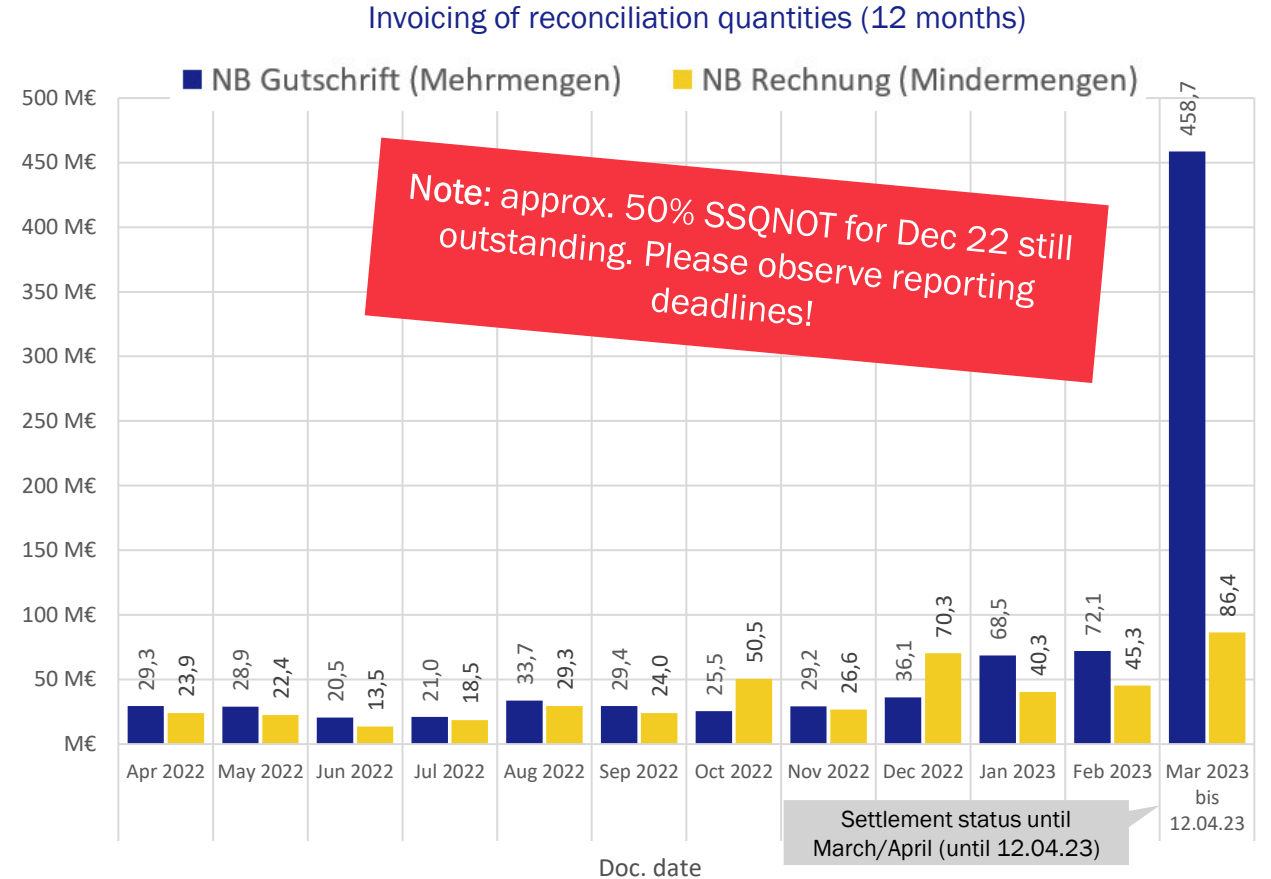
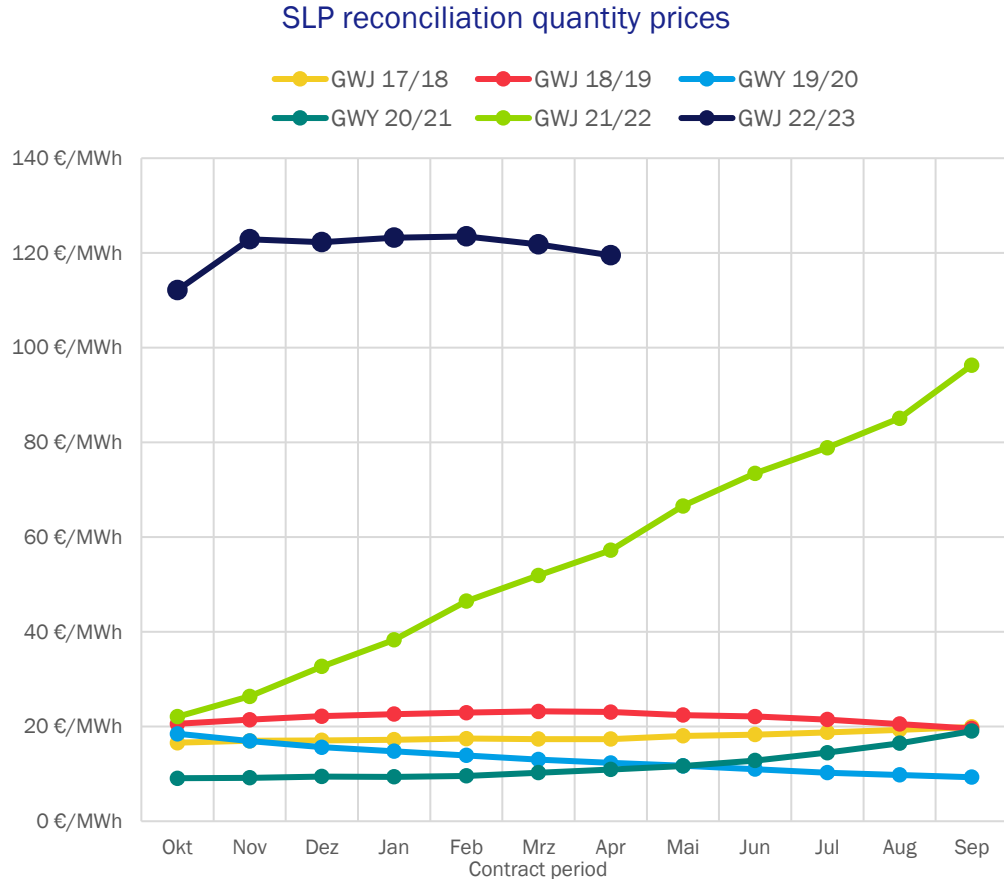
SLP allocations and residual load per gas day



Residual load vs. temperature-adjusted residual load



Current invoicing of reconciliation quantities: Strong price increase and high positive reconciliation quantities



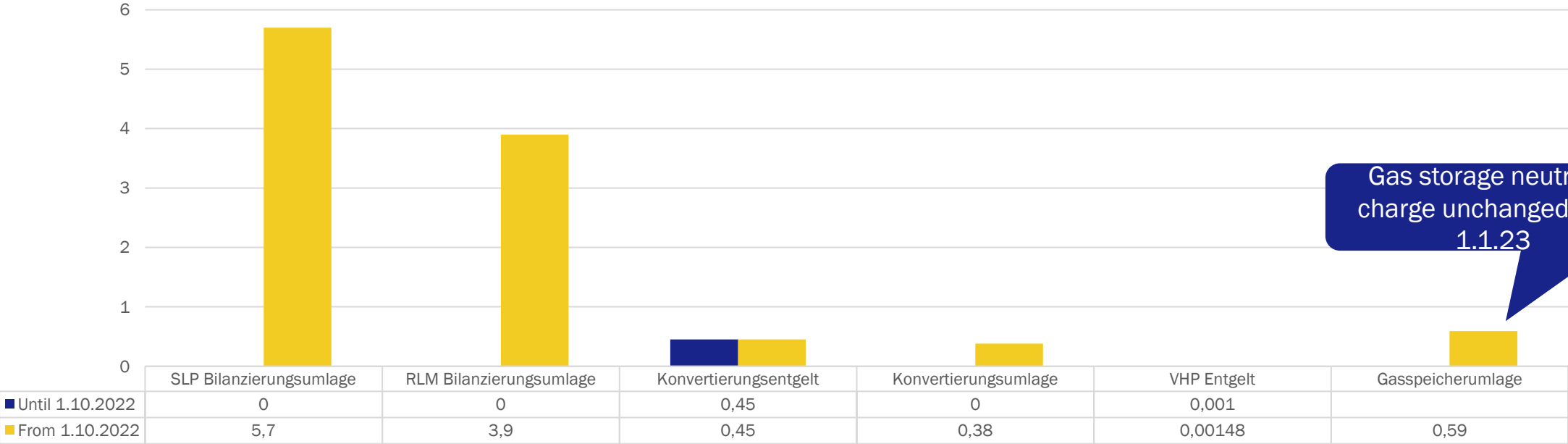
- Extreme spot market prices in 2022 result in high SLP reconciliation quantity prices (prices for positive/negative reconciliation quantities are based on a "12-month average gas price" at the EEX and are used with a one-month delay).
- In 2022, there is a significant increase in positive reconciliation quantities (SLP over-allocation in network balancing accounts).

Further topics from GY 2022/2023

- **KoV XIII.1 enters into force on 1 October 2022**
 - The new KoV (Cooperation Agreement) had become necessary following the various statutory changes regarding security of supply.
- **Over-allocation in SLP area**
 - BNetzA has asked network operators to monitor their network balancing account (NBA) balances for systematic over-allocation and to take countermeasures if this is the case.
- **Keep in Balance AG**
 - In August 2021, Keep in Balance AG (a fully owned subsidiary of THE) was appointed by E-Control as the Balancing Entity for the Austrian gas market. The other contender, an Austrian company, has appealed against the decision. Proceedings are still ongoing.

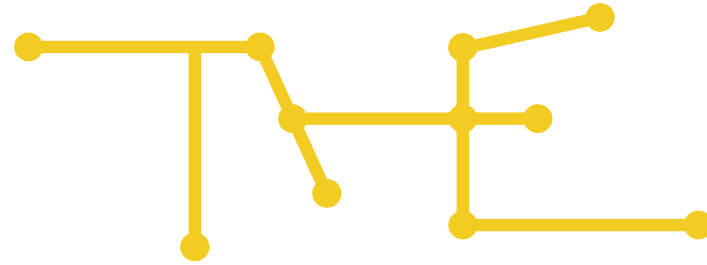
Development of fees and charges

Fees and charges in EUR/MWh



Current developments

- **Gas supply in Germany is stable**
 - Security of supply is guaranteed
 - A gas shortage situation was prevented last winter
- **Current storage levels are significantly higher than in 2021**
 - The overall average storage level is high (64% on 04.04.23)
- **Gas consumption down**
 - Overall, less gas was consumed in the current winter (approx. 7 - 12%)
- **Wholesale prices**
 - Wholesale prices have fallen in recent weeks and have settled at 45-50 EUR/MWh
 - Nevertheless, gas prices are expected to remain volatile at a higher price level than in previous years
- **Federal Network Agency discontinues publication of indicators until further notice; the Situation Report is published once a week**



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keep in balance

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