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Recommendations by EFET Deutschland as a supplement to the official "Transitional arrangements for the market area merger"¹

The "Transitional arrangements for the market area merger"¹ published on December 23rd, 2020 contains various regulations between network operators or market area managers and market participants, but neither regulations nor recommendations for processes and coordination between market participants themselves. As the European Federation of Energy Traders, we would like to fill this gap and at least give recommendations to all member companies. The recommendations may and should also be passed on to non-member companies in order to cover as many market participants as possible.

Recommendation 1: Use the offered process to merge your balancing groups

According to Chapter 2.3 of the transitional regulations, the two MGVs will publish an initial 1:1 balancing group (BG) mapping list of all existing BG numbers to THE balancing group numbers on their homepage on March 1st, 2021. The balancing group responsible parties (BRP) can then adjust their new structure in the new THE portal starting June 1st, 2021.

This means existing NCG and GPL BGs are not automatically merged! For each existing balancing group, a BRP will receive a new, empty THE balancing group with the same number of subgroups and the same balancing group connections (1:1 mapping). Since the balancing groups are initially empty, BRPs could get the idea of simply communicating the balancing groups that are still necessary to their trading partners or customers. However, we explicitly recommend using the merger process offered by THE². This will only be possible during the period from June 1st, 2021 to June 30th, 2021 inclusive.

As part of this merger process, BRPs are allowed to terminate their empty THE balancing group envelopes and the corresponding subgroups that are not required and enter one of their other THE balancing groups as a successor (also possible for subgroups) This constitutes an n: 1 mapping which is also entered into the official BG mapping list (see recommendation 2).

In principle, counterparts are of course free to use all offered THE balancing groups. In this case, however, all trading partners would nominate for trading deals concluded in the former Gaspool market a different THE balancing group

¹See https://www.net-connect-germany.de/Portals/2/0_0_0_1_1_1_Anlage%203%20zum%20LF%20BKM%20Teil%201_final_EN.pdf?ver=2021-01-13-085751-503

² More detailed information will be provided by the market area manager at the market dialogue in February and in later special information events.

compared to trading deals that had been concluded in the former NCG market area in the new THE market area. Everyone should be aware of this fact and the potential risk of mismatches from September 30th, 2021 with various trading partners.

Recommendation 2: Use the published BG mapping list

On July 1st, 2021 the BG mapping list in the final state will be published on the new website at www.tradinghubeurope.eu and the portal from the market area manager THE. This list contains a successor code for THE for each previous balancing group and each subgroup in the current market areas NCG and GPL. By using the merger process (see recommendation 1) the same THE-balancing group codes may appear multiple times. EFET Deutschland recommends using this official BG mapping list for the adjustment in your own nomination system instead of a bilateral communication of the codes with all trading partners (see recommendation 3). The BG mapping list should also be used by operators of storage, production, biogas and PtG plants (hereinafter: plant operators) instead of asking each customer bilaterally for the new BG codes. Furthermore, the list can also be used by suppliers to make the necessary "master data changes" according to GeLi Gas for all non-daily metered and within-day metered delivery points. This should be done timely from July 1st, 2021.

Recommendation 3: Avoid contradicting bilateral communication

By using the BG mapping list, the trading partners should already be aware of the balancing group codes to be used for the nomination for the majority of all BRPs, suppliers and plant operators. Therefore, bilateral communication of new balancing group codes should be avoided. Merely a brief information that the official BG mapping list contains correct assignments for your own balancing groups, seems to make sense.

Otherwise, bilateral communication should only take place if the official BG mapping list does not contain the correct assignments from existing NCG/GPL to new THE balancing group codes due to special constructions or because the adjustment period has been missed. In this case it should be explicitly mentioned that the new THE balancing groups codes communicated through this bilateral communication deviate from the BG mapping list. Such communication should take place as soon as possible and not just before October 1st, 2021.

EFET Deutschland

Tel.: +49 (0) 30 2655 7824

de@efet.org