

Draft

Energie-Control Austria Executive Board Ordinance on Provisions for the Gas Market Model (Gas Market Model Ordinance 2012)

In exercise of section 41 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, *BGBL.* (Federal Law Gazette [FLG]) I no 107/2011, in conjunction with section 7 para. 1 *Energie-Control-Gesetz* (E-Control Act), FLG I no 110/2010, as published in FLG I no 107/2011, the following ordinance is issued:

Title 1

Principles

Scope of Application

- Section 1.** (1) The provisions of the present ordinance apply to natural gas undertakings and system users.
(2) **NOT YET COMPLETED**

Definitions

Section 2. (1) For the purpose of this ordinance, the term

1. “entry/exit point” shall mean a bookable entry or exit point in the market area;
2. “day-ahead capacity” shall mean daily capacity bookable on the day before delivery;
3. “firm capacity” shall mean capacity that is guaranteed and may only be interrupted in cases of force majeure and planned maintenance;
4. “decoupled capacity” shall mean capacity that enables firm transports in the entire market area and gives access to the virtual trading point;
5. “bundled capacity” shall mean exit capacity and the corresponding entry capacity bookable by system users as one;
6. “bundled nomination” shall mean one nomination at a bundled entry/exit point;
7. “bundled entry/exit point” shall mean a unit made up of a bookable exit point and a bookable entry point, connecting a domestic and a neighbouring market area, at which system users can book bundled capacity;
8. “rest of the day capacity” shall mean capacity bookable on the day of delivery for the rest of that same day;
9. “within day capacity” shall mean capacity bookable on the day of delivery for periods of time on that same day;
10. “physical balancing energy” shall mean the balancing energy volumes actually procured by the market area manager or the distribution area manager;
11. “online platform” shall mean the platform pursuant to section 39 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011;
12. “SLP consumer” shall mean a consumer that has an annual consumption of less than 400,000 kWh and has been assigned a standardised load profile by the competent distribution system operator.

NOT YET COMPLETED

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(2) In addition to the above, the definitions of section 7 Natural Gas Act 2011 and those pursuant to Article 2 Regulation (EC) No 715/2009 shall apply.

Title 2
Rules Governing the Eastern Market Area
Part 1
Access to the Network and Capacity Management
Chapter 1
Access to the Transmission Network
Capacity Offers

Section 3. (1) As a rule, the firm capacity offered by transmission system operators shall be decoupled.

(2) In close cooperation with the transmission system operators and the distribution area manager, the market area manager shall evaluate and, where necessary, implement the below measures to increase the amount of announced firm decoupled capacity in accordance with section 35 para. 1 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 to the extent that is economically feasible for the overall network, in the following order:

1. Contractual arrangements with third parties for flow commitments;
2. Offers for entry and exit capacity which are, notwithstanding para. 1 above, subject to certain allocation restrictions.

(3) Services according to para. 2 above shall be procured through the online platform in non-discriminatory and transparent procedures under appropriate conditions. The market area manager, in close cooperation with the transmission system operators and the distribution area manager, shall take the economically reasonable measures as referred to in para. 2 in the order given in para. 2 if they are shown by an examination to be possible and suitable for increasing the decoupled capacity on offer. In examining economically reasonable measures to increase the offer of decoupled capacity, the market area manager, the transmission system operators and the distribution area manager shall work together with the aim of keeping application of the measures referred to in para. 2 to a minimum. The transmission system operators shall notify the amount of technical capacity determined on the basis of paras 1 to 3 to the regulatory authority prior to allocating capacity according to sections 6 through 8.

(4) To increase the volume of decoupled capacity on offer beyond that notified to the regulatory authority pursuant to para. 3, the transmission system operators may introduce oversubscription procedures under which they offer firm decoupled capacity on a short-term basis in addition to the technical capacity already announced. In particular, they may buy back firm capacity from system users where this is necessary to maintain technically reliable operation of the network. Security of supply to consumers shall not be impeded by any such buy-back procedures.

(5) To verify that network expansion adequately responds to capacity needs pursuant to section 35 para. 2 Natural Gas Act 2011, the market area manager shall cooperate with the transmission system operators to hold a standardised, binding open season procedure on the online platform, coordinate it with neighbouring system operators and publish its results.

Capacity Products

Section 4. (1) Entry/exit at each interconnection point at market area borders in the transmission network shall be merged into one bundled entry/exit point for each flow direction if the neighbouring system operator enables so.

(2) At bundled entry/exit points, system users can book bundled capacity on a firm or interruptible basis. This shall not apply to contracts concluded before 1 January 2014 (existing contracts), except where system users that hold exit and the corresponding entry capacity request that their contracts be changed. To the extent that capacity is captured by an existing contract on one side of the entry/exit point, the corresponding capacity on the other side may be marketed as unbundled for no longer than until the end of term of such existing contract.

(3) At bundled or unbundled entry/exit points, transmission system operators may offer bundled or unbundled capacity subject that is to certain allocation restrictions.



Section 5. (1) Transmission system operators shall combine the entry capacity at all interconnection points that connect the eastern market area with the same neighbouring market area into one entry zone that makes it possible for gas to be fed in on the basis of an entry capacity booking at a single entry point, as far as this is technically reasonable and economically feasible.

(2) Para. 1 above shall apply mutatis mutandis to the exit capacity at all interconnection points that connect the eastern market area with the same neighbouring market area.

(3) The obligation pursuant to section 3 shall remain unaffected thereby.

Capacity Allocation

Section 6. (1) The transmission system operators shall auction firm entry and exit capacity on the online platform in a transparent, non-discriminatory procedure for the first time in good time before 1 January 2013. Auctioned capacity shall be awarded at the equilibrium price. If the capacity allocated in the auction does not match demand, access to the network shall be deemed refused to the extent of the non-allocated capacity.

(2) Day-ahead capacity shall be allocated in daily auctions at 15.00 hrs for the following day.

(3) Within-day capacity and interruptible capacity shall be allocated by the transmission system operators on a first come first served basis.

Section 7. (1) Interruptible capacity shall be offered by the transmission system operators on the online platform. In allocating interruptible capacity, transmission system operators may create categories that reflect the probability of interruptions.

Section 8. Sections 4, 5, 6, 14 and 15 shall not apply to exit capacity from the transmission network into the distribution network in the market area, into storage or for consumer supply, or to entry capacity from storage or from production of natural gas or biogas into the transmission network. Such capacity shall be allocated on a first come first served basis. Bookings for such capacity shall be made by the distribution area manager or the connected storage system operator, consumer or producer of natural or biogenic gas pursuant to sections 22 and 23.

Contract Duration

Section 9. (1) At borders with neighbouring states, 20 percent of the technical annual capacity at each entry point shall be reserved for capacity products with contract durations of up to and including one year. 65 percent of the technical annual capacity at each entry point may be allocated to products with contract durations of more than four years. At borders with neighbouring states, 20 percent of the technical annual capacity at each exit point shall be reserved for capacity products with contract durations of up to and including one year. 65 percent of the technical annual capacity at each exit point may be allocated to products with contract durations of more than four years. Capacity contracts in existence at the time of entry into force of this ordinance shall be exempted from this paragraph.

(2) In individual cases, the percentages pursuant to para. 1 above shall be adjusted so as to conform to the rules and resulting technical annual capacity in the neighbouring state. Advance notice of any such adjustments and the grounds for them shall be given to the regulatory authority.

(3) For points combined into entry or exit zones under section 5 above, paras 1 and 2 shall apply accordingly in respect of the annual capacity of the entry or exit zone.

(4) The duration of contracts for interruptible capacity shall not exceed one year.

Online Platform for Capacity Offers

Section 10. The market area manager shall, in cooperation with the transmission system operators, organise the establishment and operation of the online platform on which capacity pursuant to section 4 is offered (primary capacity platform).

Section 11. (1) System users may resell or sublet entry and exit capacity to third parties. Such reselling or subletting shall take place exclusively through the online platform (secondary capacity platform). The price for entry and exit capacity offered may not be significantly higher than the original price payable to the transmission system operator for the corresponding primary capacity. The seller shall publish, on the online platform, anonymous information about the price at which the capacity was traded on the online platform. Anonymity of trading in relation to buyers, sellers and third parties must be safeguarded.



(2) In addition to the search procedure, the online platform shall enable at least one of the capacity trading procedures listed in items 1 to 3 below. The market area manager shall enable the procedures after having consulted the market participants.

1. Auction procedure: Bids are made in response to an offer, and the highest bid is successful. The starting price shall correspond to the charge set in accordance with section 70 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011.
2. Buy-it-now procedure: The first bidder in response to a fixed price offer obtains the capacity.
3. Keyed procedure: An anonymous invitation to tender is issued, and anonymous bids are submitted to the tenderer, who can choose from among them.
4. Search procedure: Offers are submitted in response to a capacity search, and the searcher can choose from these.

Section 12. (1) The operator of the online platform shall enable system users to handle primary and secondary capacity purchases in an automated way and on a suitable scale for general business.

(2) On the primary and secondary capacity platforms all the offers of like capacity and all the demand for like capacity shall be made transparent for system users.

Section 13. (1) Notwithstanding sections 10 and 11, bundled capacity at cross-border interconnection points may be allocated through another platform. This shall be notified to the regulatory authority in advance.

(2) The information to be published on the online platform pursuant to section 39 paras 2 and 3 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 shall be accessible to system users without having to register.

(3) Usage of the platform shall be free of charge.

Day-Ahead Use-It-Or-Lose-It Mechanism

Section 14. (1) Responsibility for nominating and renominating shall lie with the balance responsible party designated by the system user for these tasks.

(2) The balance responsible party shall nominate the gas volumes to be transported as usage of firm capacity at an entry/exit point by 14.00 hrs on the day before delivery. Should the transmission system operator not receive any nomination by this time, the nominated value shall be assumed to be zero. To enable bundled nominations, the balance responsible party on whose balance group the nomination impacts must have authorised the nominating balance responsible party to do so in writing vis-à-vis the relevant transmission system operators.

(3) The nominating balance responsible party may replace its initial nomination by a renomination with a lead time of at least two hours on the full hour. Renomination shall be permitted up to 90% and down to 10% of the total capacity booked by the network user at the entry/exit point. Where initial nominations were for at least 80% of the booked capacity, renominations may extend nominations by up to half of the capacity not initially nominated. Where initial nominations were for no more than 20% of the booked capacity, renominations may reduce nominations by up to half of the capacity initially nominated. Acceptable renominations shall be rounded (half away from zero) to whole kilowatt hours per hour.

(4) Nominations shall be allocated first to firm, then to interruptible capacity products.

(5) Should a renomination of firm capacity exceed the limits stated in para. 3 above, it shall be accepted to the extent of the booked capacity. The part of the renomination exceeding the limits shall be treated as a nomination of interruptible capacity and be interrupted first.

(6) Should a renomination of firm capacity fall below the limits stated in para. 3 above, it shall be accepted. Should such renomination create the need for an interruption in the other direction, it shall be increased to meet the limits.

(7) The renomination limits stated in paras 3 to 6 shall not apply to system users whose firm capacity rights account for less than 10% of the announced technical annual capacity at the entry/exit point.

(8) Where several system users introduce an entry/exit point to the same balance group, the renomination limits shall be calculated from the total capacity booked by members of that balance group at the entry/exit point.

(9) Nominations shall be made for each flow direction separately. Bundled capacity shall be nominated through bundled nominations.



(10) Day-ahead capacity shall be nominated until 20.00 hrs. Renomination of day-ahead capacity after 20.00 hrs shall not be admissible. Day-ahead capacity shall be left aside when calculating the renomination limits pursuant to para. 3 above.

(11) Booked capacity shall be introduced to balance groups without delay to enable short-term (day-ahead) capacity booking and capacity usage.

(12) A system user whose capacity has been offered by the transmission system operator in accordance with para. 3 continues to be obliged to pay the entry or exit charges.

(13) Where the system operators of neighbouring systems in other states apply similar provisions, transmission system operators may deviate from the renomination limits pursuant to paras 3 to 6 at the interconnection points with such neighbouring systems if this is necessary to ensure system compatibility. In particular, cross-border bundling of capacity shall not be complicated. Advance notice of any such deviations and the grounds for them shall be given to the regulatory authority.

(14) Paras 1 through 13 shall also apply to contracts concluded before the entry into force of this ordinance.

Long-Term Use-It-Or-Lose-It Mechanism

Section 15. (1) System users shall be obliged, until the nomination deadline, to offer fully or partially unused firm capacity as secondary capacity on the online platform or to surrender it to the transmission system operator for the period and to the extent of non-use without delay.

(2) The transmission system operators shall fully or partially withdraw from system users firm capacity which is systematically unused, if and to the extent that

1. other system users request firm capacity at the particular interconnection point and there is contractual congestion; and either
2. the system user uses less than on average 80% of its contracted firm capacity with a contract duration of at least one year or recurring quarters covering at least two years; or
3. the system user systematically underutilised its booked firm capacity with a contract duration of more than one year or recurring quarters covering at least two years during three months in the last calendar year. One of these three months must have been the month of October, November, December, January, February or March.

(3) Capacity shall not be withdrawn under para. 2 above if the system user immediately provides written proof confirming that

1. it has offered the capacity in accordance with para. 1 on the secondary market for a price that is not significantly higher than the original price payable to the transmission system operator for the corresponding primary capacity or surrendered the capacity to the transmission system operator for the period and extent of non-use;
2. it still needs all the capacity to meet existing contractual obligations, from gas procurement or supply contracts in particular; or
3. it has various contractual gas procurement alternatives for which capacity has been booked at different entry points that it uses as alternatives, and that it has made available on the secondary market or surrendered to the transmission system operator capacity that is not required, for the period and to the extent of non-use.

(4) The transmission system operator shall inform the regulatory authority without delay when a situation as described in para. 2 arises or when proof in accordance with para. 3 is provided.

(5) The rights and obligations of the capacity contract shall remain with the system user as long as and to the extent that the capacity is not reallocated by the transmission system operator. As far as collateral is concerned, the relevant provisions in the system operator's general terms and conditions shall apply.

(6) Transmission system operators shall retain the information as referred to in paras 2 and 3 for each system user, particularly information about the booked and actually used capacity, for a period of five years and make such information available to the regulatory authority if it so requests.

Chapter 2

Access to the Distribution Network

Application for System Access

Section 16. (1) Access to the distribution network is governed by the provisions of sections 27 through 29 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011. Applications for access to a system shall contain at least the information listed in annex 1.

(2) If the ordinance pursuant to section 70 Natural Gas Act 2011 sets a rate for this purpose, consumers whose agreed consumption exceeds 100,000 kWh/h and whose consumption values are available to the distribution system operator online may file applications for curtailable system access.

(3) Once the distribution system operator has approved a system access application, it shall proceed to send the system user the system access contract without delay.

Application for Admission to the System

Section 17. (1) For first connections to a system or changing existing connections, parties entitled to system access shall apply with the distribution system operator. The distribution system operator shall be responsible for establishing an operational line from the connection point to the entry point or end of the distribution system. The distribution system operator's responsibilities shall include construction, maintenance and decommissioning of this connection line. Distribution system operators shall react to complete system admission applications within an appropriate period that does not exceed 14 days; such reaction shall contain a concrete proposal on the way forward, in particular as regards a contact person, the expected duration of the connection process and making an appointment. Cost estimates shall comply with the minimum requirements stated in annex 1.

(2) The distribution system operator shall connect the applicant's installation to its distribution system at a suitable connection point, having due regard for the applicant's economic interests.

(3) Applications for admission to a system shall contain at least the information listed in annex 1. Once the distribution system operator has approved a system user's system admission application, it shall proceed to send the system user the system admission contract without delay.

(4) If other system users make use of a connection line within ten years of its being commissioned, the distribution system operator shall divide the system admission charge among the relevant system users so that the shares reflect their contracted maximum capacities at the time of cost division. The distribution system operator shall reimburse the excess charge collected resulting from such redistribution to the system users that paid for the construction or their legal successors, except in cases where the distribution system operator only charged a prorated share of the system admission charge from the start, anticipating that further connections would be made.

(5) The distribution system operator may request collateral in accordance with the general terms and conditions for the distribution network. Where as system users have borne the cost of grid connection themselves, the charge for admission to the grid shall be reduced accordingly.

(6) The distribution system operator shall charge the system user for the costs of already performed and prepaid works for the expansion of the distribution system necessary to enable connection, as far as these costs are not remunerated through the system admission charge or the system utilisation charge, in proportion to the agreed extent of system usage. Such system provision charge shall be invoiced to system users in accordance with the *Gas-Systemnutzungstarife-Verordnung* (Gas System Charges Ordinance).

Capacity Expansion

Section 18. Applications for capacity expansion pursuant to section 33 para. 2 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 shall contain the same information as system access applications under section 16. Handling of capacity expansion applications shall comply with the requirements set out in annex 1.

Capacity Management at Distribution Level

Section 19. The distribution area manager shall set the maximum firm capacity to be booked at each internal interconnection point from the transmission to the distribution network in the market area together with the relevant transmission system operator once a year for the following calendar year, in accordance with the capacity needs resulting from the approved long-term plan pursuant to section 22 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011. The transmission system operators shall permanently reserve the firm capacity booked in a year



for the next year. The amount of firm capacity to be reserved shall be adjusted as part of the long-term planning process pursuant to section 22 Natural Gas Act 2011. For 2013, the booking shall result from section 170 para. 6 Natural Gas Act 2011.

Section 20. In the interest of a market area free of congestion, there shall be no capacity management and no congestion management at balance group level at the interface between the market area's transmission and distribution networks.

Section 21. The provisions of chapter 1 shall apply mutatis mutandis to entry/exit points at market area borders at distribution level ("small cross-border", except for "network islands"). Entry/exit capacity offers and allocation at market area borders at distribution level shall be the task of the distribution area manager. Capacity shall be marketed on the online platform.

Chapter 3

System Access for Storage System Operators and Producers of Natural or Biogenic Gas

Section 22. (1) Storage system operators shall set the maximum firm capacity to be reserved for injection into and withdrawal from storage together with the system operator to whose system the facility is or is to be connected once a year for the following calendar year. The system operators shall permanently reserve the firm capacity booked in a year for the next year. Booking less annual capacity than has been permanently reserved shall only be permissible insofar as the system operator can market the capacity elsewhere. To increase the annual booking beyond the reserved firm capacity, a system access application pursuant to section 16 must be filed.

(2) The system utilisation charge according to section 73 para. 5, or, as applicable, section 74 para. 2 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 shall be derived from the contracted capacity agreed between the storage system operator and the system operator pursuant to para. 1 above.

(3) The provisions of chapter 2 shall apply to storage system operators at distribution level as well as to those at transmission level.

(4) The rights and obligations necessary to enable operation shall be agreed between the distribution area manager and the storage system operators in the distribution area in contracts that comply with the general terms and conditions of the distribution area manager.

Section 23. (1) Producers of natural or biogenic gas shall set the maximum firm capacity to be reserved for production together with the system operator to whose system their facility is or is to be connected once a year for the following calendar year. The system operators shall permanently reserve the firm capacity booked in a year for the next year. Booking less annual capacity than has been permanently reserved shall only be permissible insofar as the system operator can market the capacity elsewhere. To increase the annual booking beyond the reserved firm capacity, a system access application pursuant to section 16 must be filed.

(2) The system utilisation charge according to section 73 para. 6, or, as applicable, section 74 para. 3 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 shall be derived from the contracted capacity agreed between the producers of natural or biogenic gas and the system operator pursuant to para. 1 above.

(3) The rights and obligations necessary to enable operation shall be agreed between the distribution area manager and the producers of natural or biogenic gas in contracts that comply with the general terms and conditions of the distribution area manager.

Part 2

Balancing, Clearing and Settlement

Chapter 1

Basic Principles of the Balancing Regime

Section 24. (1) Every system user that is active in the eastern market area must be part of a balance group that is registered with the market area manager. A balance group brings together the infeed and takeoff of one or more system users in the market area and offsets them against each other. For every balance group a balance responsible party shall be nominated to the market area manager. A balance responsible party may establish several balance groups.

(2) Responsibility for balancing regarding all gas volumes that involve nominating and scheduling shall lie with the market area manager, in cooperation with the clearing and settlement agent. Responsibility for

balancing regarding deviations of actual consumption from consumption schedules shall lie with the clearing and settlement agent. In both cases, clearing shall be executed separately for each balance group and shall be calculated in energy units.

(3) All balance groups and their direct members shall have access to the market area's virtual trading point.

(4) The balance responsible parties shall take measures that are suitable to ensure that volumes fed in and volumes taken off in their balance group are properly balanced during a balancing period. The balance responsible parties shall bear economic responsibility in relation to the market area manager and the clearing and settlement agent for the imbalances of their balance groups.

(5) The balancing period shall be the gas day. The gas day shall begin at 6.00 hours and end at 6.00 hours on the following day. Supply to consumers with a balancing period that corresponds to the gas day shall be constant throughout the gas day (24 equal hourly values). Any renominations shall also be constant, for the rest of the gas day.

(6) Notwithstanding para. 5 above, the balancing period for consumer facilities with load profile meters and a contracted consumption of more than 50,000 kWh/h shall be one hour.

(7) The balance responsible parties shall submit schedules and nominations to the relevant contract partner in the market area with a lead time of at least two hours.

(8) Trading and transfer of gas volumes between balance groups shall only be possible at the virtual trading point. Trading after the end of the balancing period shall not be admissible.

(9) Balancing energy shall be procured primarily through trade in standardised products pursuant to section 41 on the gas exchange at the virtual trading point.

Registration in the Market Area

Section 25. (1) The market area manager shall organise the balance groups and assign a unique ID to each contract partner and each balance group; this ID shall be quoted in all communications, including data transfer, between the contract parties.

(2) The market area manager shall conclude contracts with the balance responsible parties based on the approved general terms and conditions pursuant to section 16 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011. In addition, the market area manager shall conclude contracts on behalf and for account of the operator of the virtual trading point with the balance responsible parties based on the approved general terms and conditions pursuant to section 31 para. 3 Natural Gas Act 2011. The operator of the virtual trading point shall authorise the market area manager to conclude contracts on its behalf and for its account.

(3) If a balance responsible party's balance group also handles gas at distribution level for consumers or in connection with storage, production or small cross-border transfers (section 21), it shall notify the market area manager thereof at the time of registering the balance group or, if the balance group has already been registered, as a prerequisite for taking up such activities.

(4) The market area manager shall conclude contracts with the balance responsible parties on behalf and for account of the distribution area manager based on the approved general terms and conditions pursuant to section 26 Natural Gas Act 2011, as well as on behalf and for account of the clearing and settlement agent based on the approved general terms and conditions pursuant to section 88 Natural Gas Act 2011. The clearing and settlement agent and the distribution area manager shall authorise the market area manager to conclude contracts on their behalf and for their account. The market area manager shall inform them about the conclusion of contracts. The market area manager shall be authorised to conclude contracts with the balance responsible parties after the credit check pursuant to para. 8 has been concluded.

(5) Within five working days of receiving a complete application, the market area manager shall submit a contract offer to the applicant.

(6) The market area manager shall offer contracts pursuant to paras 2 and 3 on the online platform. The pertaining documents shall be available through the online platform as well.

(7) Prior to concluding contracts with the operator of the virtual trading point, balance responsible parties shall fulfil all prerequisites for balancing through the natural gas exchange at the virtual trading point which are listed in the general terms and conditions of the operator of the virtual trading point.



(8) The clearing and settlement agent shall perform a credit check pursuant to section 40; this credit check shall be repeated and updated on a regular basis, at least once a year after the annual accounts have become available. The clearing and settlement agent may request collateral from the balance responsible parties in accordance with section 39.

(9) Before taking up activities, balance responsible parties shall prove to their contract partners that they can execute data exchange, scheduling and nomination procedures in accordance with the formats, interfaces, communication channels, security standards and contents defined in section 42 at all times. For this purpose, the market area manager shall coordinate a dry run with the relevant contract partners in the market area.

(10) Once all necessary contracts and documents are available and the dry run pursuant to para. 9 has been successfully concluded, the market area manager shall inform the regulatory authority in writing that the prerequisites for taking up activities as a balance responsible party are fulfilled.

Chapter 2

Balance Groups

Balance Group Membership

Section 26. (1) Balance groups may have the following types of members:

1. Consumers
2. Natural gas undertakings
3. Producers

(2) Membership is established either by contracts with a balance responsible party (direct membership) or by contracts with suppliers that are balance group members (indirect membership). Indirect balance group members do not have any direct contractual relationship with the balance responsible party.

(3) Insofar as balance group members have one or more metering points, balance group membership is established through such metering points. A balance group member's metering point may be assigned to one balance group only. Should a balance group member have several metering points that are assigned to the same balance group, this shall not make it a multiple member; it shall only be one member in the balance group.

(4) If a balance group member intends to conclude contracts with the clearing and settlement agent regarding balancing energy procurement or supply, with the market area manager or the distribution area manager regarding flow commitments or for energy trades through an energy exchange or an energy exchange's clearing house on behalf and for account of the balance responsible party, it shall inform the balance responsible party of such intention. Balance group members may only make or accept offers for concluding such contracts subject to the agreement of the balance responsible party. The balance responsible party may only withhold its agreement if there is reason to believe that a contract would endanger the fulfilment of tasks and obligations by the balance responsible party or the direct balance group member. Such reason shall be stated in writing.

(5) The direct balance group members shall support the balance responsible party in fulfilling its tasks and obligations. This duty to support shall particularly apply to

1. Contributing to forecasting infeed and/or takeoff of natural or biogenic gas, as well as to submitting the necessary schedules and nominations;
2. Submitting the data that are a crucial prerequisite for the balance responsible party to fulfil the tasks and obligations listed in section 91 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 to the extent necessary for this purpose, subject to section 7 *Datenschutzgesetz* (Data Protection Act) 2000;
3. Abiding by the gas specification pursuant to annex 2 point 2 when injecting into the market area; and
4. Providing the data necessary for preparing the long-term plan and the network development plan.

Balance Responsible Parties

Section 27. (1) Where balance responsible parties represent the balance group members in executing their tasks and obligations stated in section 91 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, they shall act as indirect representatives. Direct representation only applies if such has been individually agreed on.

(2) Capacity entered into a balance group by balance group members pursuant to section 29 shall be administered by the balance responsible party.



Compensation and Remuneration of Balance Responsible Parties

Section 28. (1) The balance responsible parties shall pay the balancing incentive markup pursuant to section 32 to the market area manager, as well as the imbalance charges pursuant to section 38 and the clearing fee pursuant to section 89 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 for all their balance group members to the clearing and settlement agent and shall pass these costs on to the balance group members.

(2) How exactly these costs are passed on, and particularly the key that governs their distribution, shall be agreed between each balance responsible party and its direct balance group members. Discriminatory treatment of individual members shall not be admissible. The allocation key agreed with the regular balance group members shall also apply for assigned balance group members.

(3) The balance responsible parties' fee for their services shall be agreed between each balance responsible party and its direct balance group members.

Entry of Capacity into Balance Groups

Section 29. (1) To enable the nomination of gas volumes at physical entry/exit points, the capacity booked at these points must be entered into a balance group. Based on the entry/exit contract concluded between the system operator and a system user, the latter enters entry/exit capacity at market area borders to a balance group by informing the system operator thereof, making reference to the balance group's ID.

(2) Balancing activities at the virtual trading point shall not require separate information.

Special Balance Groups for Determining System Losses and Own Consumption

Section 30. (1) Distribution system operators and transmission system operators shall establish special balance groups for the purpose of determining system losses and own consumption as well as metering divergences in compliance with the below provisions.

(2) Balance responsible parties under para. 1 above shall not require a formal licence to carry out their activities. To establish the special balance groups, private-law contracts regarding the rights and obligations of the contract parties shall be concluded between the transmission system operator concerned and the market area manager, and between the distribution system operator concerned and the clearing and settlement agent.

(3) System operators which operate both transmission and distribution lines may establish joint special balance groups for both types of systems or form separate ones.

(4) The special balance group for system losses, own consumption and metering divergences shall draw up schedules for losses and own consumption.

(5) It shall be admissible for several system operators to form a joint special balance group.

(6) Should several system operators form a joint special balance group, such balance group shall inform the market area manager of the participating system operators.

(7) Special balance groups pursuant to para. 1 may not contain metering points of consumers.

(8) The participating system operator(s) shall nominate a balance responsible party for the special balance group pursuant to para. 1.

(9) The losses schedule shall build on the known overall network losses and the previous year's own consumption. These parts account for a percentage of the total energy supplied through each system and shall be calculated in line with the following principles:

1. The system operator(s) shall use precise, metered values for scheduling.
2. Should no meter readings be available or should meter reading not be economically feasible, values from the previous year or the best possible estimates shall be used for scheduling.
3. Should the data available to the system operator(s) from own calculations be more accurate, these shall be used for scheduling.
4. Should construction works create the need for the system operator(s) to empty and refill parts of the system(s), the volumes required shall be determined accurately and be included in the schedules.

(10) System losses and own consumption shall be covered by gas purchased from a commercial balance group at market prices.

(11) Losses schedules shall be sent to the market area manager or clearing and settlement agent either monthly, together with the aggregate meter readings, or on a daily basis.



(12) Where several system operators have formed a joint special balance group, the balance responsible party of such balance group may send the market area manager, after consulting with the latter, either overall schedules or separate schedules for each system operator.

(13) The special balance group shall verify whether the calculation model for determining system losses and own consumption is accurate each year and, if necessary, adjust it.

Information and Data Flows Among Market Participants

Section 31. (1) The flows of information and data among the market participants are regulated in annex 3 table 1.

(2) All data shall be sent in the formats specified in section 42.

(3) The market area manager shall

1. publish the market area's position on its online platform each hour;
2. send the offtake volumes and imbalances of each balance group to the relevant balance responsible parties;
3. publish all relevant capacity at the market area's entry/exit points on the online platform;
4. publish the imbalance prices for discrepancies between consumer schedules and meter readings on the online platform;
5. publish the forecasts for standardised load profiles pursuant to section 34 on the online platform;
6. publish the storage data pursuant to para. 10 item 2 on the online platform;
7. publish the amount and calculation method of the balancing incentive markup on the online platform.

(4) The distribution area manager shall

1. send the nominations and schedules for entry/exit points at market area borders in the distribution network to the market area manager;
2. send the forecasts for standardised load profiles, aggregated per balance group, to the market area manager and the relevant balance responsible party;
3. send production and storage schedules for each balance group to the market area manager;
4. send each balance group's consumer schedules to the market area manager and the clearing and settlement agent, differentiating between schedules for consumers with contracted capacities below and above 50,000 kWh/h;
5. send the nominations for each virtual and physical interconnection point from the transmission into the distribution network to the transmission system operator.

(5) The clearing and settlement agent shall

1. send the imbalance prices calculated pursuant to section 38 to the market area manager so that they can be published on its online platform;
2. send the standardised load profiles to the market area manager so that they can be published.

(6) Balance responsible parties shall, for each balance group separately,

1. send the nominations for infeed and takeoff at each entry and exit point to the transmission system operator, and for each entry and exit point at market area borders in the distribution network to the distribution area manager;
2. send the schedule or nomination for injection and withdrawal to the relevant storage system operator;
3. send the injection schedules for production facilities to the relevant producer;
4. send the trade nominations to the operator of the virtual trading point;
5. send the consumer schedules, separated according to the consumer categories stated in section 24 paras 5 and 6, to the distribution area manager.

(7) Transmission system operators shall

1. send each balance group's allocated entry and exit nominations at each entry/exit point to the market area manager;
2. send hourly information pursuant to section 35 regarding the linepack available to the market area at transmission level to the market area manager.

(8) Distribution system operators shall



1. send the consumer meter readings to the clearing and settlement agent, the distribution area manager and the relevant balance responsible party;
 2. inform the balance responsible parties about the standardised load profiles assigned to the consumers in their balance groups;
 3. draw up the forecasts for standardised load profiles pursuant to section 34 together with the distribution area manager and send them to the market area manager;
 4. send the large consumer meter readings for each supplier separately to the clearing and settlement agent on a daily basis, for the purpose of determining and evaluating open positions as part of the risk management process.
- (9) The operator of the virtual trading point shall
1. send each balance group's net trade volumes at the virtual trading point to the market area manager.
- (10) Storage system operators shall
1. send each balance group's allocated schedules, separately for infeed and takeoff and as overall schedule for each storage site, to the distribution area manager or the transmission system operator, as applicable;
 2. send information about the gas volumes injected and withdrawn, the available capacity and the working gas volume to the distribution area manager on a daily basis.
- (11) Producers shall
1. send each balance group's allocated production schedules, as well as an overall schedule for each production site, to the distribution area manager or the transmission system operator, as applicable.

Chapter 3

Balancing and Clearing

Balancing and Clearing in the Market Area

Section 32. (1) The clearing and settlement agent shall cooperate with the market area manager and use one system to balance and clear any imbalances in the market area except for the discrepancies between consumer schedules and their actual consumption.

(2) Balancing and clearing shall be executed for each balance group separately; it shall rely on the allocated nominations at the entry/exit points to and from the market area as listed in annex 4, received by the market area manager and the clearing and settlement agent from the transmission system operators and the distribution area manager on an hourly basis, as well as the netted hourly trade volumes at the virtual trading point and the notified consumer schedules.

(3) Discrepancies between nominated and metered values shall be offset among the network operators by way of operational balancing agreements (OBAs). At entry/exit points where no OBA is in place yet, such discrepancies shall be borne by the system operators. The balance responsible party shall assume that confirmed nominated volumes correspond to allocated volumes. OBAs shall also be concluded between the system operators at the interface between transmission and distribution level and between those in the distribution area.

(4) The market area manager and the clearing and settlement agent shall net the volumes nominated by the balance responsible parties and inform them of any imbalances over the day. Should the relevant balance responsible party fail to renominate within one hour, thereby eliminating any daily imbalances, gas shall be purchased or sold at the virtual trading point to ensure that the balance group is in balance. Such exchange transactions at the virtual trading point shall be executed on behalf and for account of the balance responsible party.

(5) Transactions according to para. 4 above shall not be made if the balance responsible party's imbalance over the day is less than the minimum trade size at the exchange of 1 MWh/h. Should it be impossible to balance the group by the end of the day due to the lead times at the virtual trading point, the imbalance shall be taken into account in the following gas day's balancing process.

(6) To incentivise balance groups to avoid imbalanced hourly nominations during the balancing period, the market area manager shall collect a balancing incentive markup for hourly discrepancies between injection and withdrawal in a balance group. The amount of this markup shall reflect the cost involved in within-day balancing pursuant to para. 7. The market area manager shall recalculate this markup annually, based on the gas needed for hourly imbalances during the previous year and the costs connected to it. The calculation and the resulting



balancing incentive markup shall be notified to the regulatory authority and published on the online platform. For the period from 1 January 2013, the markup shall be capped at 0.4 cent/kWh. The market area manager shall send the regulatory authority an annual report on the within-day balancing measures that were taken to uphold network integrity.

(7) The clearing and settlement agent shall cooperate with the market area manager to calculate the market area's position on an hourly basis. The market area manager shall procure, including a certain time lag and employing linepack pursuant to section 35, any physical balancing energy needed for within-day balancing of the transmission network on the natural gas exchange at the virtual trading point, on its own behalf and for its own account. Should this be insufficient to ensure network stability, the market area manager may, in cooperation with the clearing and settlement agent, impose within-day obligations on those balance groups that are causing the hourly imbalances and therefore endanger system stability.

(8) The distribution area manager shall calculate the position of the distribution network in each hour and procure, employing linepack pursuant to section 35, any physical balancing energy needed for within-day balancing of the distribution network on the natural gas exchange at the virtual trading point or from the merit order list, on behalf and for account of the clearing and settlement agent.

(9) The balancing incentive markup shall be charged monthly, within five working days after the end of the month in question.

Balancing and Clearing of Consumers

Section 33. (1) The clearing and settlement agent shall be responsible for balancing all discrepancies between consumer schedules and meter readings.

(2) Clearing for the consumer categories defined in section 24 para. 6 shall be based on the schedules submitted by balance responsible parties for consumers with a contracted consumption exceeding 50,000 kWh/h and the network operator's meter readings, following an hourly rhythm.

(3) Clearing for the consumer categories defined in section 24 para. 5 shall be based on the consumer schedules submitted by balance responsible parties and the load profiles, following a daily rhythm.

(4) Financial settlement of the volumes determined in accordance with paras 2 and 3 shall rely on the imbalance prices set following section 38. This shall take place monthly, within five working days after the end of the month in question.

(5) The distribution area manager shall primarily use the market area's linepack as in section 35 to balance deviations from the consumer schedules. If needed, the distribution area manager may also procure gas pursuant to paras 8 and 9.

(6) Together with the distribution system operators, the distribution area manager shall use the standardised load profiles published by the clearing and settlement agent to draw up consumption forecasts for consumers with standardised load profiles each day for the next day and send such forecasts to the market area manager and the relevant balance groups.

(7) The balance responsible parties shall notify their schedules for consumers with standardised load profiles, drawn up in accordance with the forecasts for standardised load profiles published by the market area manager pursuant to para. 6, and shall update them twice a day as defined in section 34 para. 2.

(8) The distribution area manager shall calculate the position of the distribution area for each hour and procure the physical balancing energy needed for the secure operation of the distribution network on the natural gas exchange at the virtual trading point, on behalf and for account of the clearing and settlement agent.

(9) Should there be no suitable offers on the gas exchange at the virtual trading point, or should the distribution area manager need locational or short-term products to maintain operational security of the distribution network, it may procure gas from the merit order list pursuant to section 37.

(10) The imbalances calculated for each balance group pursuant to paras 2 and 3 shall be corrected using actual withdrawal and injection meter readings no later than 14 months after financial settlement in accordance with para. 4 above has taken place.

(11) The meter readings of consumer installations with load profile meters that are enabled for remote reading shall be provided to the relevant suppliers without undue delay, at least on a daily basis.

Standardised Load Profiles

Section 34. (1) The distribution area manager shall cooperate with the relevant distribution system operator to draw up consumption forecasts for each network area, balance group and type of standardised load profile, using adequate temperature forecasts, by noon each day for the next day and send such forecasts to the market area manager.

(2) The distribution area manager shall update the standardised load profile forecasts pursuant to para. 1 twice a gas day, using recent temperature forecasts and cooperating with the distribution system operator concerned, and shall send such updated forecasts to the market area manager.

Interconnection Point Agreements and Linepack

Section 35. (1) The interconnection point agreements to be concluded in accordance with section 67 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 shall ensure the efficient deployment of linepack as control energy.

(2) The market area manager shall use the data provided by the transmission system operators each hour in accordance with para. 7 below to calculate how much linepack is available in the transmission network.

(3) The market area manager shall use the linepack at transmission level and, in coordination with the distribution area manager, that at distribution level to balance the network until the balancing energy it has procured becomes physically available.

(4) In addition to the linepack at distribution level, the distribution area manager may use the linepack at transmission level to balance short-term pressure fluctuations in the distribution network, subject to advance coordination with the market area manager.

(5) The transmission system operators shall record use of transmission linepack in an account. The distribution area manager shall commit to returning the transmission linepack used by way of distribution linepack, purchases of balancing energy at the virtual trading point or from the merit order list in coordination with the market area manager without undue delay.

(6) There shall be no separate compensation for the availability and deployment of control energy, neither bilaterally between the system operators nor from the market area manager, distribution area manager or clearing and settlement agent. The availability and deployment of control energy from interconnection point agreements shall be recorded as foreseen in such agreements; where the tolerances are exceeded, the energy shall be returned as agreed. Control energy from interconnection point agreements that is used for the distribution network shall be recorded in accounts established for this purpose by the clearing and settlement agent. If energy that is to be returned pursuant to interconnection point agreements must be procured on the gas exchange, the related costs shall be considered as control energy costs of the distribution network.

(7) All transmission system operators and the distribution area manager shall inform the market area manager about their available linepack volumes and the use of their linepack on an hourly basis and whenever requested to do so. The market area manager shall in turn inform the transmission system operators and the distribution area manager about the hourly available linepack. This communication shall at least include information about

1. the maximum hourly linepack (positive and negative);
2. the available linepack beyond the daily linepack (weekly schedule);
3. the available daily linepack.

(8) The rights and obligations necessary for implementation shall be laid down in bilateral contracts between the market participants concerned.

Chapter 4

Settlement Rules

Prerequisites for Balancing Energy Providers

Section 36. (1) Market participants that wish to trade on the gas exchange at the virtual trading point must be members of a balance group in the market area, must have the agreement of their balance responsible party, must have concluded the contract with the operator of the virtual trading point and must be admitted to exchange trading in accordance with the criteria published on the website of the operator of the virtual trading point.

(2) Balance group members that have successfully completed registration as balancing energy providers pursuant to annex 5 may offer balancing energy through the merit order list, provided that their balance



responsible party agrees pursuant to section 26 para. 4. As part of the registration process, balance group members must prove that they have at their disposal appropriate flexibility instruments such as gas in storage with injection/withdrawal capacity or gas at entry/exit points to and from the market area, that they are metered online and that data is transmitted to the distribution area manager. Balancing energy providers shall inform the clearing and settlement agent about the points at which they will offer balancing energy.

(3) The clearing and settlement agent shall keep an up-to-date list of balancing energy providers and send it to the distribution area manager after each update.

(4) Balancing energy providers may start offering balancing energy two days after they have been registered with the clearing and settlement agent and a balancing energy point has been established for them at the distribution area manager.

(5) Balancing energy providers must ensure that upon a request for balancing energy by the distribution area manager, the corresponding volumes are actually fed into the market area's network or taken off from it.

Merit Order List

Section 37. (1) The balancing energy providers on the merit order list must technically ensure that 30 minutes upon the distribution area manager accepting their offer, balancing energy is actually fed into the system or withdrawn from it to the extent, with the load and at the entry/exit point specified in their offer.

(2) The distribution area manager must ensure that the balancing energy it has procured is actually taken up by the network or can be taken off.

(3) Offers shall be accepted in units of one full hour that start at the full hour; a lead time of 30 minutes shall apply for accepting temporal and locational offers at entry/exit points in the distribution area or at large, remote-metered customers' facilities.

(4) Offers must comply with the below provisions for injection or withdrawal and shall only be made through the online platform provided by the clearing and settlement agent.

(5) Balancing energy providers shall direct their offers to the clearing and settlement agent. Offers shall state the provider ID assigned by the market area manager, the hour(s) of the day and the amount of capacity for which the offer is made, the energy price offered and the entry/exit point concerned.

(6) Offers shall be made by 16.00 hrs (market close) for the following gas day; on days before Saturdays, Sundays and statutory holidays, they shall be made for the time up to and including the next working day. After market close, the offers shall be binding on the providers and cannot be changed or withdrawn anymore. Under exceptional, reasoned circumstances, such as in the case of technical difficulties, subsequent weekend days and holidays or where insufficient offers have been received, the clearing and settlement agent may postpone market close on short notice after having informed market participants.

(7) Should the distribution area manager be of the opinion that the available balancing energy offers are insufficient, it shall inform the clearing and settlement agent thereof without delay and state the reasons for its view.

(8) The clearing and settlement agent shall then reopen the market, set a new time for market close and inform all balancing energy providers. Such information shall be an invitation for the balancing energy providers to make new offers in addition to those that have become binding in accordance with para. 6 above.

(9) If requested so by the distribution area manager, the clearing and settlement agent shall keep the market open for new offers continuously. The clearing and settlement agent shall inform the market participants of such continuous market opening in advance. In continuous market situations, the offers submitted shall be sent to the distribution area manager at times set and published by the clearing and settlement agent. Offers submitted up to these times may not be changed or withdrawn afterwards.

(10) The clearing and settlement agent shall separate the offers into offers for positive (infeed) and negative (takeoff) balancing energy and sort them by their energy price (merit order list). Of two offers with the same price, the one with the larger volume shall come first. Of two offers with the same price and volume, the one received earlier shall come first.

(11) The clearing and settlement agent shall assign a unique number to each offer.

(12) The minimum duration for offers shall be one hour, the minimum size 1 MWh/h.

(13) The offers shall state fixed prices.



(14) The distribution area manager may accept offers from the list for at least 1 MWh/h and up to the entire volume on offer, in discrete steps of 1 MWh/h.

(15) The clearing and settlement agent shall send the merit order list to the distribution area manager immediately after market close or, in case of continuous market opening, at the times specified and published by the clearing and settlement agent. The distribution area manager shall then accept the providers' offers for positive or negative balancing energy as needed, following the merit order list.

(16) The distribution area manager shall be obliged to accept offers in the order given on the merit order list. Should this be impossible due to network congestion or technical difficulties, and should system control and balancing energy management be insufficient, the distribution area manager may take the following measures:

1. Deviating from the order of the merit order list when accepting balancing energy offers;
2. Accepting offers for positive and negative balancing energy at the same time if these can be executed at different locations.

(17) If the distribution area manager deviates from the order of the merit order list, it shall inform the clearing and settlement agent, the balancing energy providers that were skipped and the regulatory authority of its reasons for doing so within three working days.

(18) The distribution area manager shall accept offers for the balancing energy needed on behalf and for account of the clearing and settlement agent. Acceptance of an offer shall establish a contract between the clearing and settlement agent and the provider. In accordance with para. 2, offers shall be accepted with a lead time of 30 minutes before delivery. If the distribution area manager accepts offers more than 30 minutes in advance and fails to cancel by e-mail at least 30 minutes ahead of delivery, acceptance shall be binding.

(19) Balancing energy offers shall be accepted by sending an e-mail to the provider, to the e-mail address stated on the merit order list. The balancing energy provider must provide a phone number at which a person who is technically responsible and authorised to enter into contracts can be contacted by the distribution area manager and the balance responsible party during the entire time of the submitted offer.

(20) The balancing energy purchased by the distribution area manager shall be recorded in the balance group for balancing energy and in the balance group that sold the balancing energy for the purpose of determining imbalance charges pursuant to section 87 para. 4 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011.

Imbalance Prices

Section 38. (1) For offsetting deviations of consumer meter readings from consumer schedules, the clearing and settlement agent shall set imbalance prices that reflect market prices for each gas day.

(2) The imbalance price for consumers as defined in section 24 para. 6 shall be calculated as volume-weighted hourly average price. The distribution area manager's balancing energy purchases from the virtual trading point and those from the merit order list shall be weighted equally to arrive at this price.

(3) The imbalance prices for consumers as defined in section 24 para. 5, as well as for infeed from biogas facilities, shall be calculated as volume-weighted prices for positive and negative balancing energy that reflect the market prices for each gas day. The daily imbalance prices shall be calculated from the balancing energy purchased by the distribution area manager on the gas exchange at the virtual trading point and the offers it has accepted from the merit order list. For the former, the highest-priced bids and the lowest-priced offers (marginal prices) shall be used. For the latter, the clearing and settlement agent shall calculate a volume-weighted daily average price.

(4) In calculating the imbalance prices pursuant to para. 3, the marginal prices for the balancing energy purchased by the distribution area manager at the virtual trading point shall be weighted at 60%; the volume-weighted daily average price of the accepted offers from the merit order list shall be weighted at 40%. Should the distribution area manager have used only one of these purchasing options, this shall be weighted at 100%.

(5) Balancing energy prices shall be stated in EUR/MWh and rounded away from zero to three decimal places.

(6) If the distribution area manager does not require balancing energy during a day, the applicable daily imbalance prices shall be those of the previous day and the applicable hourly imbalance prices shall be the average of the distribution area manager's last five balancing energy purchases for each direction.

Chapter 5 Collateral and Credit Checks

Section 39. (1) The network operators and contract partners of balance responsible parties may request the latter in their general terms and conditions to deposit adequate collateral to cover for the financial consequences of late payment or default.

Section 40. (1) The clearing and settlement agent shall evaluate the overall economic, corporate, financial and staffing situation of undertakings that have applied to become balance responsible parties. The clearing and settlement agent may entrust third parties with performing such credit checks.

(2) The credit check executed by the operator of the virtual trading point and the gas exchange's clearing house shall follow the rules laid down in the general terms and conditions of the operator of the virtual trading point pursuant to section 31 para. 3 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 and the clearing terms and conditions of the clearing house.

Chapter 6 Virtual Trading Point

Section 41. The operator of the virtual trading point shall develop the products needed by the market area manager and distribution area manager to maintain network balance.

Chapter 7 Formats for Data Exchange, Schedules and Nominations

Section 42. (1) Data, schedules and nominations shall be recorded and transmitted in the below formats; balance responsible parties shall support at least one of these formats:

1. Edig@s, in accordance with the specifications in annex 6 chapter 1
2. KISS-A, in accordance with the specifications in annex 6 chapter 2
3. MSCONS, in accordance with the specifications in annex 6 chapter 3

(2) In addition to the formats listed in para. 1 and if agreed by the contract parties, information may be exchanged through a web-based platform.

(3) All schedules and nominations shall contain hourly information.

(4) The smallest unit for schedules and nominations between the market participants in the market area shall be 1 kWh. As all information exchanged must be stated in either "MWh" or "kWh", a restriction to no more than three decimal places for schedules and nominations applies. Numbers shall be rounded away from zero.

(5) If corresponding schedules or nominations do not match, the receiving party rule shall apply.

Title 3 Tyrol and Vorarlberg Market Areas Principles

Section 43. (1) The market areas Tyrol and Vorarlberg shall follow uniform rules regarding system access, balancing, clearing and settlement.

(2) Such rules shall facilitate cooperation with the neighbouring upstream market area with a view to partially or fully supplying consumers in Tyrol and Vorarlberg from such upstream network as well as cross-border balancing.

(3) Unless provided otherwise in this title, the provisions of titles 1 and 2 of this ordinance shall apply.

Network Access

Section 44. (1) The distribution area manager shall book exit capacity from the neighbouring upstream market area at the cross-border points into Tyrol and Vorarlberg.

(2) Scheduling and nominating shall give suppliers direct access to the virtual trading point in the neighbouring upstream market area without the need for separate capacity bookings in such neighbouring upstream market area.

Balance Groups

Section 45. (1) To supply consumers in Tyrol or Vorarlberg, suppliers must be members of a balance group registered in Austria.

(2) Each balance group in Tyrol and Vorarlberg shall have a corresponding balancing group in the neighbouring upstream market area.

(3) Balance responsible parties of existing balance groups in Tyrol or Vorarlberg shall register as balancing group managers in the neighbouring upstream market area and establish a balancing group there to enable access to the virtual trading point.

(4) Balancing group managers of existing balancing groups in the neighbouring upstream market area shall register as balance responsible parties in Tyrol or Vorarlberg and establish a balance group there to enable supply to consumers in Tyrol or Vorarlberg.

(5) Trading and transfer of gas volumes shall take place exclusively at the virtual trading point in the neighbouring upstream market area.

Schedules and Nominations

Section 46. (1) Balance responsible parties in Tyrol and Vorarlberg shall notify consumer schedules with hourly information, indicating the forecast consumption of consumers in their balance group, to the distribution area manager.

(2) Balancing group managers in the neighbouring upstream market area shall take the aggregate hourly volumes notified in the consumer schedules for Tyrol and Vorarlberg into account when procuring energy for the corresponding balancing group in the neighbouring upstream market area, making use of all procurement options at their disposal in such neighbouring upstream market area.

(3) The distribution area manager shall send the aggregate time series from the consumer schedules of each Austrian balance group to the market area manager of the neighbouring upstream market area in the form of an exit allocation of the corresponding balancing groups in the neighbouring upstream market area.

Balancing

Section 47. (1) The distribution area manager shall use the linepack in Tyrol and Vorarlberg for both market areas.

(2) Additional short-term physical balancing energy shall be procured by way of an OBA with the upstream system operator.

(3) Within-day balancing energy shall be procured by the distribution area manager at market prices at the virtual trading point of the neighbouring upstream market area on behalf and for account of the clearing and settlement agent with the aim to offset any deviations of meter readings from aggregate schedules at cross-border points by the end of each gas day.

Clearing and Financial Settlement

Section 48. (1) The clearing and settlement agent shall determine and invoice balancing energy to the balance groups in Tyrol and Vorarlberg based on

1. deviations of actual consumption from consumer schedules; using aggregate values for Tyrol and Vorarlberg together shall be admissible;
2. the expenses and revenues resulting from the distribution area manager's balancing energy procurement at the virtual trading point of the neighbouring upstream market area, as well as the expenses and revenues from the financial settlement of imbalances on the OBA account beyond the tolerances specified in such OBA.

NOT YET COMPLETED

Title 4

Final Provisions

Entry Into Force

NOT YET COMPLETED