

Energie-Control Austria Executive Board Ordinance Amending the Gas Market Model Ordinance (2012 Gas Market Model [Amendment] Ordinance 2016)

In exercise of section 41 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, *BGBI.* (Federal Law Gazette [FLG]) I no 107/2011, as amended by FLG II no 226/2015, in conjunction with section 7 para. 1 *Energie-Control-Gesetz* (E-Control Act), FLG I no 110/2010, as amended by FLG I no 174/2013, the following Ordinance is issued:

The Energie-Control Austria Executive Board Ordinance on Provisions for the Gas Market Model (Gas Market Model Ordinance 2012), FLG II no 171/2012, as amended by the Gas Market Model (Amendment) Ordinance 2015, FLG II no 276/2015, is amended as follows:

1. After section 2 para. 1 item 14 the following item 14a is inserted:

“14a. “residual load” means the calculated difference between calculated overall supply to SLP consumers and supply to SLP consumers as calculated by aggregating standardised load profiles;”

2. <amendment not relevant to English version>

3. After section 20 para. 5 the following para. 6 is inserted:

“(6) Balance responsible parties shall conclude agreements about the participation in and handling of the merit order list pursuant to para. 31 with all those load-metered consumers in their balance group that have a contracted capacity of more than 10,000 kWh/h and intend to participate in the merit order mechanism.”

4. <amendment not relevant to English version>

5. Section 27 para. 9 reads:

“(9) The instruments to be used for procuring balancing energy are, in order of priority:

1. trade in standardised products on the gas exchange at the virtual trading point;
2. procurement of standardised products from the merit order list pursuant to section 31 para. 2 item 1;
3. procurement of flexibility products from the merit order list pursuant to section 31 para. 2 item 2.

Should the first priority instrument present no offers for balancing energy for the period of time considered relevant by the distribution area manager or should the distribution area manager need locational or short-term products to maintain operational security of the distribution network, it may use offers from the second instrument in the priority order, and so on.”

6. After section 27 para. 10 the following para. 11 is inserted:

“(11) Residual load shall be calculated and distributed by the clearing and settlement agent based on the aggregated data on overall supply to SLP consumers submitted by each distribution system operator in the clearing and the and supply to SLP consumers as aggregated from SLPs. The distribution system operators shall aggregate the synthetic load profiles to calculate supply to all SLP consumers for all suppliers in their network area.”

7. The third sentence in section 29 para. 5 reads:

“The distribution area manager shall commit to offsetting the linepack and OBA accounts by way of distribution linepack or purchases of balancing energy in accordance with section 27 para. 9 in coordination with the market area manager without undue delay.”

8. The second sentence in section 30 para. 1 reads:

“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, gas at entry/exit points to and from the market area or consumers with contracted maximum capacities of more than 10,000 kWh/h whose consumption is metered online and whose data is transmitted to the distribution area manager online.”

9. Section 31 para. 1 reads:

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

10. *Section 31 para. 2 reads:*

“(2) Balancing energy providers may place their offers for input or off-take solely on the online platform provided by the clearing and settlement agent. Offers shall state the ID assigned to the provider’s balance group by the market area manager, the hour(s) of the day, the lead time and the amount of capacity for which the offer is made, the energy price offered and the entry/exit or metering point concerned. The offers shall state fixed prices. The offers shall differentiate between:

1. offers for standard products made by each balancing energy provider with a lead time of 30 minutes, a minimum duration of one hour and a minimum size of one MWh/h;
2. block offers made by each balancing energy provider with a lead time to be chosen by the provider and a minimum size of one MWh/h.

11. *<amendment not relevant to English version>*

12. *<amendment not relevant to English version>*

13. *The first sentence in section 31 para. 7 reads:*

“The clearing and settlement agent shall separate the offers under para. 2 item 1 into offers for positive (input) and negative (off-take) balancing energy and sort them by their energy price.”

14. *After section 31 para. 7, the following para. 7a is inserted:*

“(7a) The clearing and settlement agent shall separate the offers under para. 2 item 2 into offers for positive (input) and negative (off-take) balancing energy and sort them by their energy price and lead time. Of two offers with the same price, the one with the shorter lead time comes first. Of two offers with the same price and lead time, the one for the larger volume comes first. Of two offers with the same price, lead time and volume, the one received earlier comes first. The clearing and settlement agent shall assign a unique number to each offer.”

15. *Section 31 para. 8 reads:*

“(8) The clearing and settlement agent shall send the merit order list drawn up pursuant to sections 7 and 7a to the distribution area manager immediately after gate closure. The distribution area manager shall then accept the providers’ offers for positive or negative balancing energy as needed, following the order pursuant to section 27 para. 9 and the merit order list, where applicable. 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. For offers under para. 2 item 2, balancing energy providers may exclude the distribution area manager’s right to accept in discrete steps up to the entire volume on offer.”

16. *Section 31 para. 11 reads:*

“(11) The distribution area manager accepts offers for the balancing energy needed on behalf and for account of the clearing and settlement agent. The distribution area manager shall ensure that the balancing energy it has procured is actually taken up by the network or can be taken off. Acceptance of an offer establishes a contract between the clearing and settlement agent and the provider. Offers shall be accepted in units of one full hour that start at the full hour; a lead time of 30 minutes applies for accepting offers under para. 2 item 1, while the selected lead time applies for offers under para. 2 item 2, for accepting temporal and locational offers at entry/exit points in the distribution area or at remote-metered consumers’ facilities. If the distribution area manager accepts offers longer in advance and fails to cancel by e-mail when the lead time is reached, acceptance is binding.”

17. *The first sentence in section 32 para. 6 reads:*

“Should clearing of imbalances by the clearing and settlement agent result in an overhang or a shortfall, an amount that corresponds to such overhang or shortfall, corrected for forecast developments, shall be passed on to balance responsible parties by way of a neutrality charge reflective of the volumes of network users according to section 18 paras 5 and 7, based on the provisions in the general terms and conditions of the clearing and settlement agent.”

18. *<amendment not relevant to English version>*

19. *Section 35 para. 1 reads:*

“(1) With respect to partial or full supply of customers in the Tyrol and Vorarlberg market areas, to entries and exits at cross-border interconnection points and to cross-border balancing, operation and cooperation with the adjacent market areas shall be kept simple and straightforward.”

20. In section 35 para. 2 the words “the market area manager of the adjacent upstream market area” are replaced by the words “the market area managers of the adjacent market areas”.

21. The first sentence in section 36 para. 3 reads:

“Heeding the principles of economic efficiency and security of supply, the distribution area manager shall each year conduct a non-discriminatory, transparent procedure to determine the need for a five-year term for entry capacity at each entry point from the adjoining upstream market area into the Tyrol and Vorarlberg market areas and for the capacity needs pursuant to section 15 para. 3.”

22. Section 37 para. 3 reads:

“(3) The balance responsible parties cause the gas assigned to their balance groups to supply consumers in the Tyrol or Vorarlberg market areas and for exits at cross-border interconnection points to be transferred from their corresponding balance group or balancing sub-account into the clearing and settlement agent’s balance group at the virtual trading point in the adjacent upstream market area to the extent recorded in each balance group’s consumer and cross-border schedules.”

23. In section 37 para. 4, the words “to downstream market areas” are deleted.

24. In section 37 para. 8, the words “two hours” are replaced by the words “150 minutes”.

25. After section 37 para. 9 the following para. 10 is inserted:

“(10) Residual load shall be calculated and distributed by the clearing and settlement agent based on the aggregated data on overall supply to SLP consumers submitted by each distribution system operator in the clearing and the and supply to SLP consumers as aggregated from SLPs. The distribution system operators shall aggregate the synthetic load profiles to calculate supply to all SLP consumers for all suppliers in their network area.”

26. After section 39 para. 5 the following para. 6 is inserted:

“(6) Balance responsible parties shall conclude agreements about the participation in and handling of the merit order list pursuant to para. 31 with all load-metered consumers in their balance group that have a contracted capacity of more than 10,000 kWh/h and intend to participate in the merit order mechanism.”

27. In section 41 para. 1 item 1, the words “and the allocated gas at cross-border interconnection points,” are added after the words “in paras 2 and 3 below”.

28. Section 41 para. 11 reads:

“(11) The balance responsible party’s entries and exits at cross-border interconnection points shall be cleared hourly, based on metered hourly values. Where an operational balancing agreement with the adjacent system operator is in place, the balance responsible parties shall assume that confirmed nominated volumes correspond to allocated volumes, unless the limits laid down in the operational balancing agreement have been violated.”

29. The second sentence in section 43 para. 1 reads:

“Such agreements shall foresee the creation of operational balancing accounts to facilitate the mutual provision of linepack between the distribution system operators in the Tyrol and Vorarlberg market areas and the adjacent system operators in line with technical requirements and possibilities.”

30. In section 43 para. 3, the words “located upstream of” are deleted; in section 43 para. 5, the word “upstream” is deleted.

31. The second sentence in section 43 para. 4 reads:

“For this purpose, the distribution system operators in the Tyrol and Vorarlberg market areas shall provide the distribution area manager with the readings from all entry and exit points to and from their market areas online.”

32. In section 44 para. 1, the words “to downstream market areas” are deleted.

33. The first sentence in section 44 para. 2 reads:

“Settlement of system users under section 37 para. 6 and of cross-border interconnection points shall make use of a volume-weighted average price for each hour, based on the balancing energy procured by the

distribution area manager on the gas exchange at the virtual trading point in the upstream market area and the offers it has accepted from the merit order list.”

34. *The first sentence in section 44 para. 6 reads:*

“Should clearing of imbalances by the clearing and settlement agent result in an overhang or a shortfall, an amount that corresponds to such overhang or shortfall, corrected for forecast developments, shall be passed on to balance responsible parties by way of a neutrality charge reflective of the volumes of network users according to section 37 paras 5 and 7, based on the provisions in the general terms and conditions of the clearing and settlement agent.”

35. *Section 45 para. 1 reads:*

“(1) For each of their balance groups, balance responsible parties shall notify consumer and cross-border schedules pursuant to section 37 para. 3 as hourly time series to the distribution area manager.”

36. *In section 45 para. 4, the words “and consider cross-border schedules under section 37 para. 3” are inserted after the words “in the Tyrol and Vorarlberg market areas”.*

37. *After section 47 para. 10 the following para. 11 is inserted:*

“(11) Section 11 para. 6 item 2, section 25 para. 3 item 4, section 29 para. 5, section 31 paras 3, 6 and 13, section 32 paras 6 and 7, section 35 paras 1 and 2, section 36 para. 3, section 37 paras 3, 4 and 8, section 41 para. 1 item 1 and para. 11, section 43 paras 1, 3, 4 and 5, section 44 paras 1, 2 and 6, and section 45 paras 1 and 4 as well as point I of Annex 1 and points 3 and 4 of Annex 2 as amended by the Gas Market Model (Amendment) Ordinance 2016, FLG II no XXX/2016, enter into force at 06.00 hrs on 1 October 2016. All other provisions of this amendment enter into force at 06.00 hrs on 1 April 2017.”

38. *<amendment not relevant to English version>*

39. *<amendment not relevant to English version>*

40. *In point 3 of Annex 2, the words “G 177 (version of November 2002)” are replaced by the words “G O110 (version of October 2015)”.*

41. *At the end of Annex 2, the following point 4 is added:*

“4. Calculation of energy amounts at distribution level

When using meter readings to calculate amounts of energy that will be used for clearing the network balances, the conversion factor to be used for entry from natural or biogenic gas production facilities, for entry from or exit into storage and for interconnection points between distribution system operators is the invoiced calorific value. When using metered normal cubic metres to calculate amounts of energy that are used to operate internal interconnection points from each transmission system to the distribution network in the market area, distribution-level cross-border interconnection points, natural or biogenic gas production or storage facilities, the conversion factor to be used is the actual calorific value.”

Energie-Control Austria für die Regulierung der Elektrizitäts- und Erdgaswirtschaft (E-Control)
Executive Board

Wolfgang Urbantschitsch
Executive Director

Andreas Eigenbauer
Executive Director

Vienna, 24 August 2016