

Baltic Transmission System Operators' Public Consultation on “Principles for transmission capacity management in common Baltic gas market”, “Analysis on Alternatives for the Establishment of Market Area Manager” and „Concept Model for the Coordinated Balancing Zone“

Public consultation completed on November 23, 2017. Stakeholders provided some comments.

Here you can find [the assessment of the consultation and comments](#).

- **Assessment provides answers of the stakeholders to the questionnaire, direct answers, opinions and remarks on important issues;**
- **Answers and remarks were discussed by all TSOs and presented in a summarized assessment;**
- **Results of the public consultation were discussed and confirmed by Co-ordination group of regional gas market;**
- **Results will be used developing and implementing concepts of transmission capacity, market area manager and coordinated balancing zone.**

Overview

The Baltic Gas Transmission System Operators (hereafter TSOs) AB Amber Grid, AS Conexus Baltic Grid and Elering AS under the umbrella of Regional Gas Market Coordination Group (RGMCG) hold common public consultation at an early stage and in an open and transparent manner on the “Principles for transmission capacity management in common Baltic gas market”, and the “Concept Model for the Coordinated Balancing Zone”.

Why TSOs Are Consulting

In line with development of EU internal energy market and development of regional gas infrastructure projects, Baltic countries and Finland work towards a vision of joint regional gas market by 2020. To achieve the vision, gas market involving Estonia, Latvia and Lithuania (and Finland) must be reorganized by adopting clear and common rules for adequate functioning of the regional gas market.

In line with the RGMCG action plan, TSOs have analysed the Principles for transmission capacity management in common Baltic gas market, the alternatives for the arrangement of various market related functions and the

topic of whether taxation could have an impact on trading in merged market zone. Furthermore, the proposal for the concept model for the coordinated balancing zone has been developed. Hereby the TSOs are seeking input from stakeholders and market participants on those proposals as an important feature of the future common gas market. After the public consultation, the TSOs will assess the comments submitted by the stakeholders, update where relevant the proposals and provide market parties with the assessment of their answers. Please take note that comments received in the course of the public consultation may be kept anonymous, if the party providing comments indicates to remain anonymous.

Overview of the topics consulted

Principles for transmission capacity management in common Baltic gas market

Analysis on the Principles for transmission capacity management in common Baltic gas market describes the capacity management principles to be used in common Baltic gas market zone. Capacity allocation principles and allocation calendar, capacity products, congestion management procedures, capacity restriction and usage of over-booked capacity have been analysed.

Overview on Analysis on Alternatives for the Establishment of Market Area Manager (MAM)

Analysis has shown that various market-related functions (e.g. handling of trade notifications, allocation of gas quantities at the Virtual Trading Point, calculation of balancing positions, handling of imbalance fees and settlement, capacity allocation in common Baltic zone, exchange of the data related to nominations and quantity allocation) should be centrally handled. There are many options for such central handling and the TSOs have evaluated several alternatives of MAM establishment from market, costs effectiveness, business and market development, business operation and management, and legislative perspectives, taking into account their advantages and disadvantages.

Based on conducted analysis, TSOs have identified two preferred options among all alternatives:

- The first option is a MAM as a new entity owned by TSOs. In this option, TSOs delegate their balancing responsibilities for one entity in a common market and newly created entity serves as a single contractual and contact point for all market participants for VTP operation and balancing. In addition, it would manage joint portal for transmission services.
- In case of the second option, TSO-TSO cooperation model, there would

be one IT solution for the market participants, but contractual relations and responsibilities for balancing, VTP operation would remain with the TSOs.

Both options need to be more thoroughly investigated to make a decision on the best one. However, TSOs already in current stage would like to hear the opinion of market participants and stakeholders on some questions provided in the questionnaire.

Taxation

The analysis revealed that current VAT and excise duty regulations allow implementation of common gas market zone in Baltic States, and no actions towards changes in tax related legislation and administration are proposed.

Concept Model for the Coordinated Balancing Zone

Various aspects with regard to balancing have been analysed – including different functionalities that could be centrally managed, data exchange issues, harmonised balancing products and balancing rules. Operational balancing challenges have also been considered for the common balancing zone.

The consultation documents are provided here:

[Principles for transmission capacity management in common Baltic gas market](#)

[Concept Model for the Coordinated Balancing Zone](#)

[Consultation questionnaire](#)

Please provide your answers to the questions, comments and opinions (preferably in English) until November 23, 2017 by email to consultation@ambergrid.lt

Should you have any questions please contact the respective representative via e-mail:

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