

# Balancing groups

Warsaw, 13 May 2014

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# Balancing groups - objective of implementation

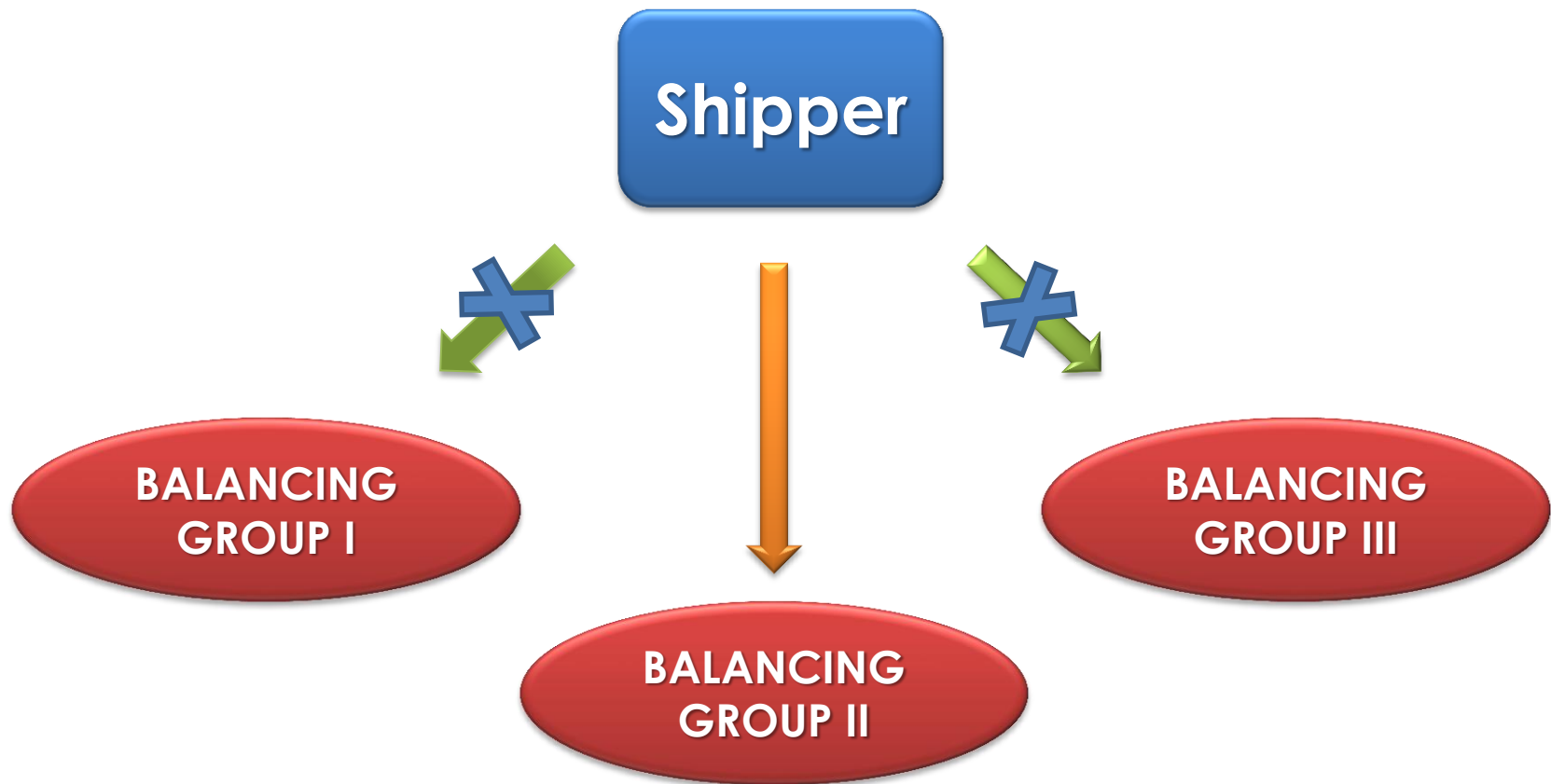
- In accordance with the postulates of the Energy Regulatory Office, proposals have been presented in the draft TNC to introduce the institution of balancing groups onto the Polish gas market.
- The objective of preparing the institution of the balancing system is to enable individual shippers to optimize imbalances by settling imbalances between TSOs and the entire balancing group, rather than with individual shippers.
- The introduction of balancing groups will enable shippers to be able to eliminate their imbalances.
- The presented proposals do not introduce any regulations on the internal rules of operation of the balancing group. The TNC only introduces principles of billing imbalances between the balancing group and the TSO.

# Principles of cooperation within the balancing group

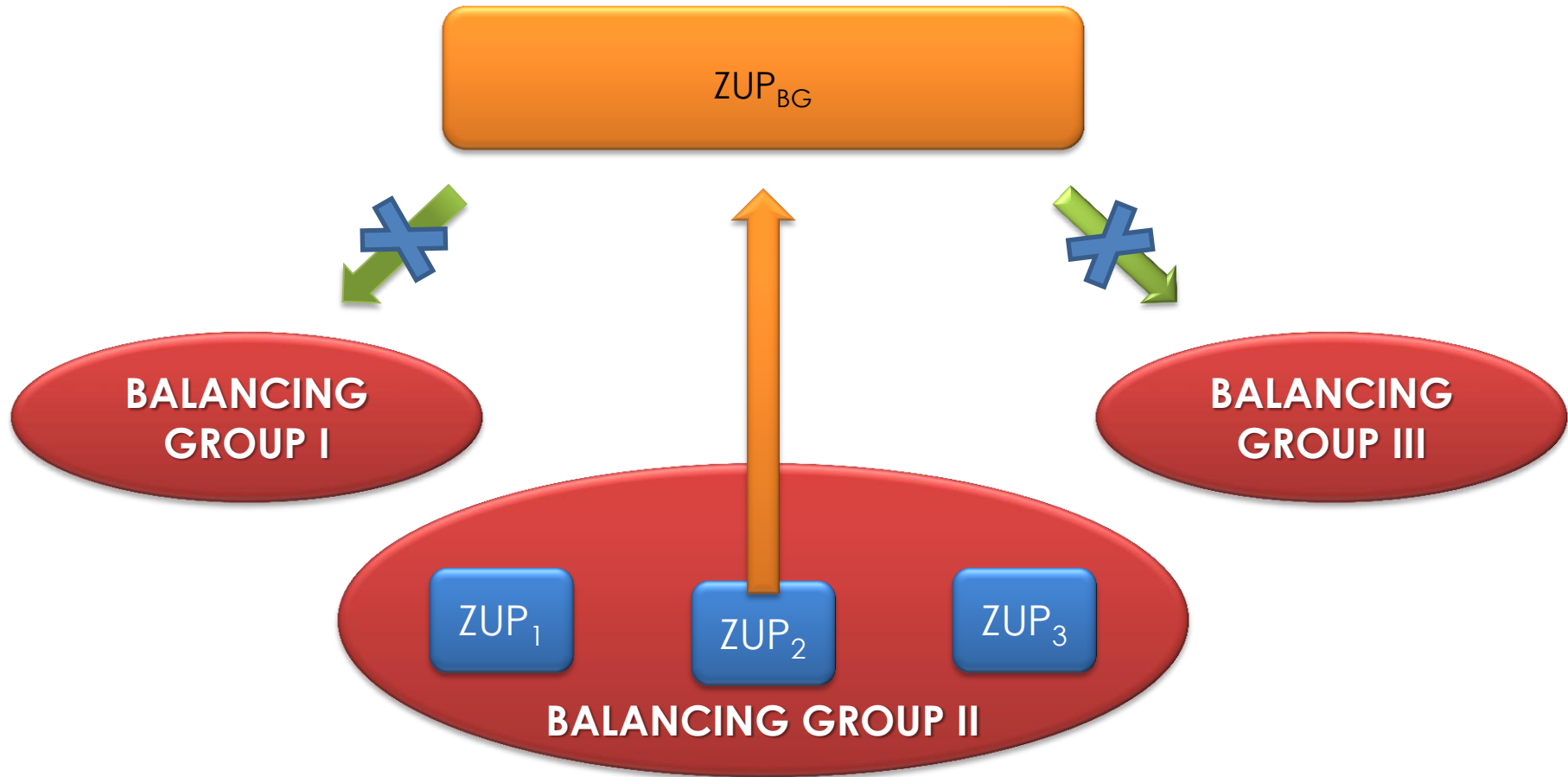
# Basic principles of functioning of the balancing group

- One shipper can only belong to one balancing group (all PWE and PWY of that shipper belong to the same balancing group).
- A shipper may be a balancing shipper ( $ZUP_{BG}$ ) in only one balancing Group (only in the one to which it belongs).
- The  $ZUP_{BG}$  submits financial security for balancing for the whole managed balancing group.
- Information about imbalances is submitted through the TSO to the  $ZUP_{BG}$  and not to the individual members of the group.
- Settlements for imbalances of the balancing group are conducted between the TSO and the  $ZUP_{BG}$ .

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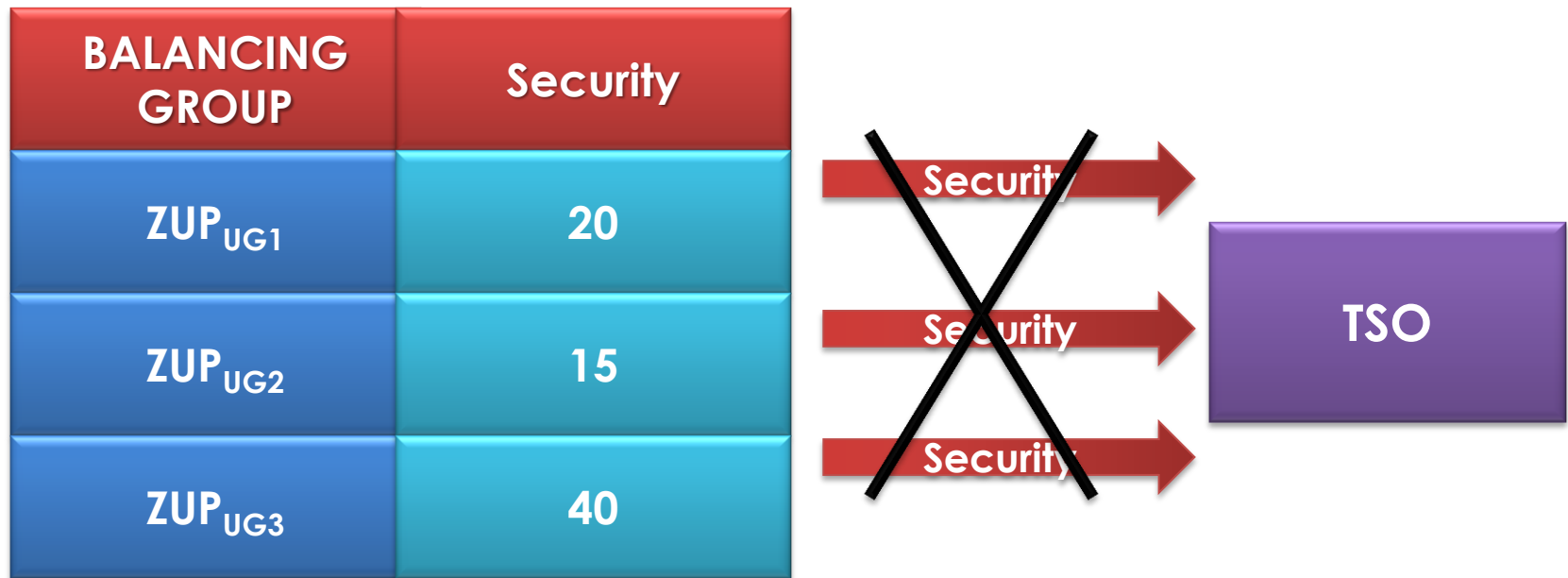
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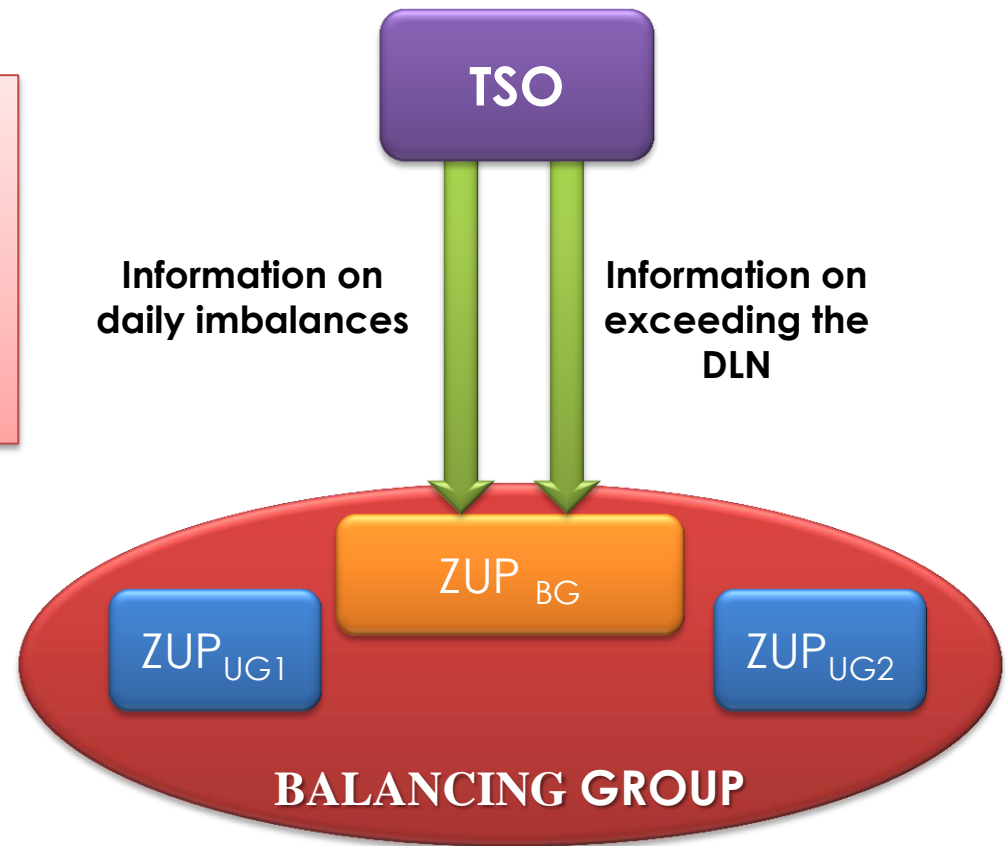
Individual shippers do not provide financial security to the TSO



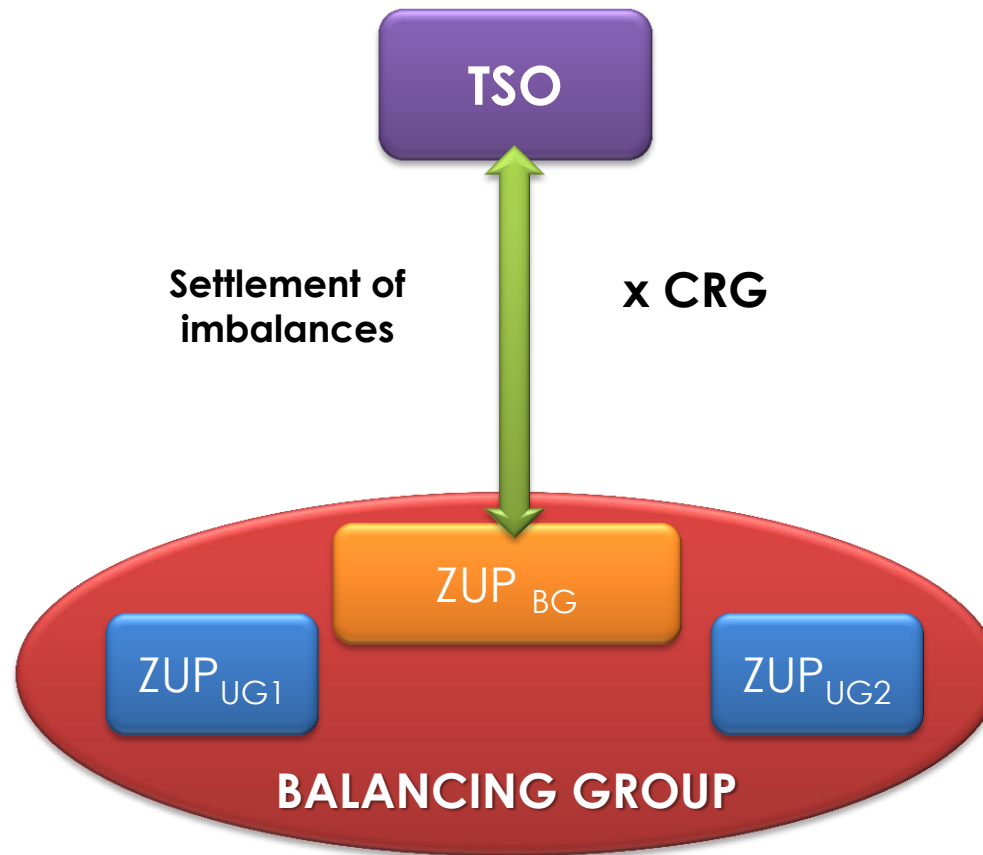


Information on imbalances are submitted by the TSO to the  $ZUP_{BG}$  of the given balancing group.

Shippers, which are participants in the group do not receive information from the TSO on the daily imbalance for individual gas days and values of DLN exceedances.

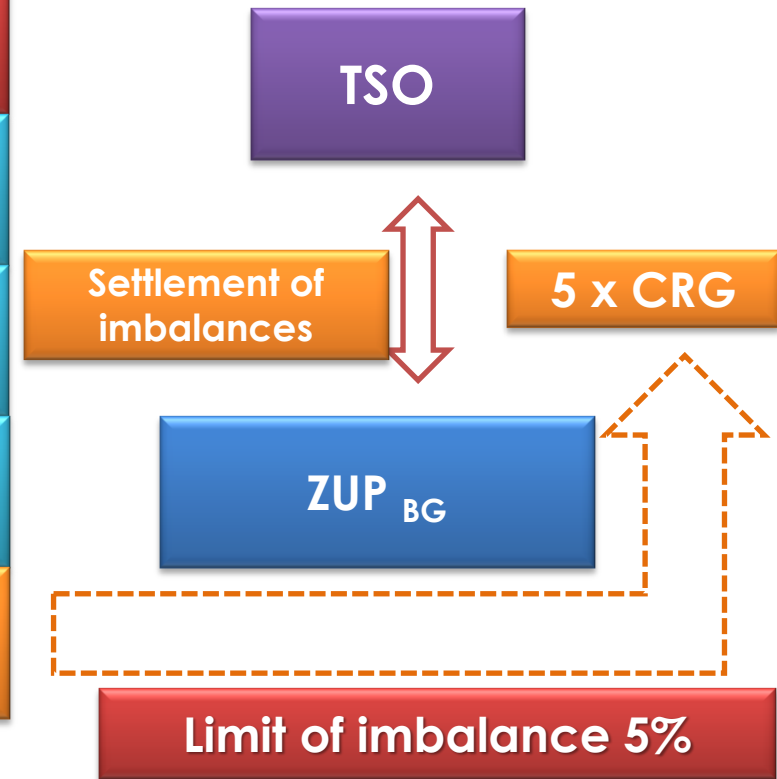


Settlements for imbalances of the balancing group are conducted between the TSO and the  $ZUP_{BG}$ .



# Balancing groups - principles of balancing

BALANCING GROUP	Imbalance	Exceedance of the DLN
$ZUP_{BG}$	- 20	YES
$ZUP_{UG1}$	+ 15	NO
$ZUP_{UG2}$	+ 10	YES
TOTAL	+5	NO



Settlement of the imbalance only between the TSO and  $ZUP_{BG}$

# Principles of balancing the balancing group

- The TSO specifies the daily amount of imbalance (DIN) for every gas day for the entire balancing group.
- The TSO does not specify the daily amount of imbalance (DIN) of the individual  $ZUP_{UG}$ .
- The daily imbalance limit (DLN) for the balancing group for every gas day is 5% of the quantity of gaseous fuel, which all participants of the balancing group provided to the transmission system at the points of entry in the given gas day.
- The  $ZUP_{BG}$  of the balancing group receives the billing data aggregated for the entire balancing group from the TSO electronically via the IIS by the twenty-eighth (28th) day of the following month.

# Principles of organizing balancing groups

# Creation of a balancing group

- Only a shipper, which becomes the balancing group's  $ZUP_{BG}$  can establish a balancing group.
- In such a situation, the shipper, which is to become the  $ZUP_{BG}$  applies to the TSO with a motion to establish a balancing group no later than 14 days before the beginning of the month in which that group is to be established.
- A shipper which is to become a  $ZUP_{BG}$  signs with the TSO an appropriate appendix to the transmission contract, in which it assumes liability for the imbalance of shippers which are participants of the balancing group being formed, which it will specify during the performance of the contract.
- The balancing group is established in the first hour of the gas month following the month in which the appendix was signed.

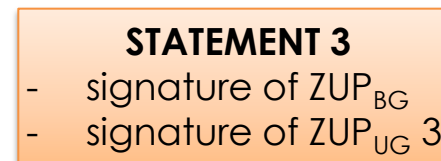
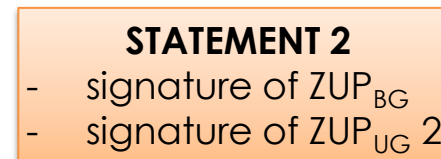
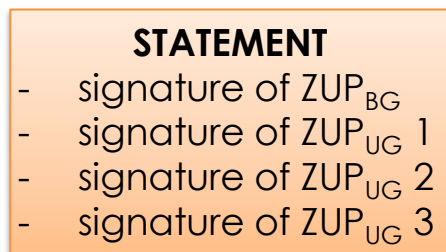


# Creation of a balancing group

The statement on the establishment of the balancing group can be submitted in one of two ways:

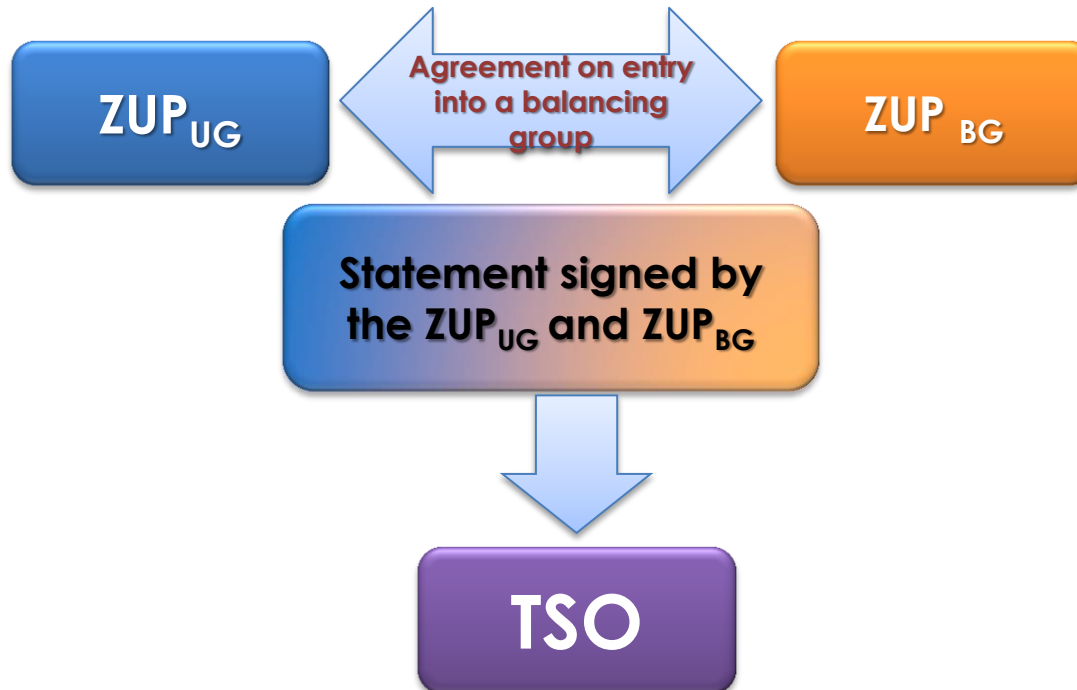
- I. **A single statement** signed by the  $ZUP_{BG}$  and all other participants of the balancing group or

- II. **Several separate statements** signed by the  $ZUP_{BG}$  and a specific participant of the balancing group.



## Joining a balancing group

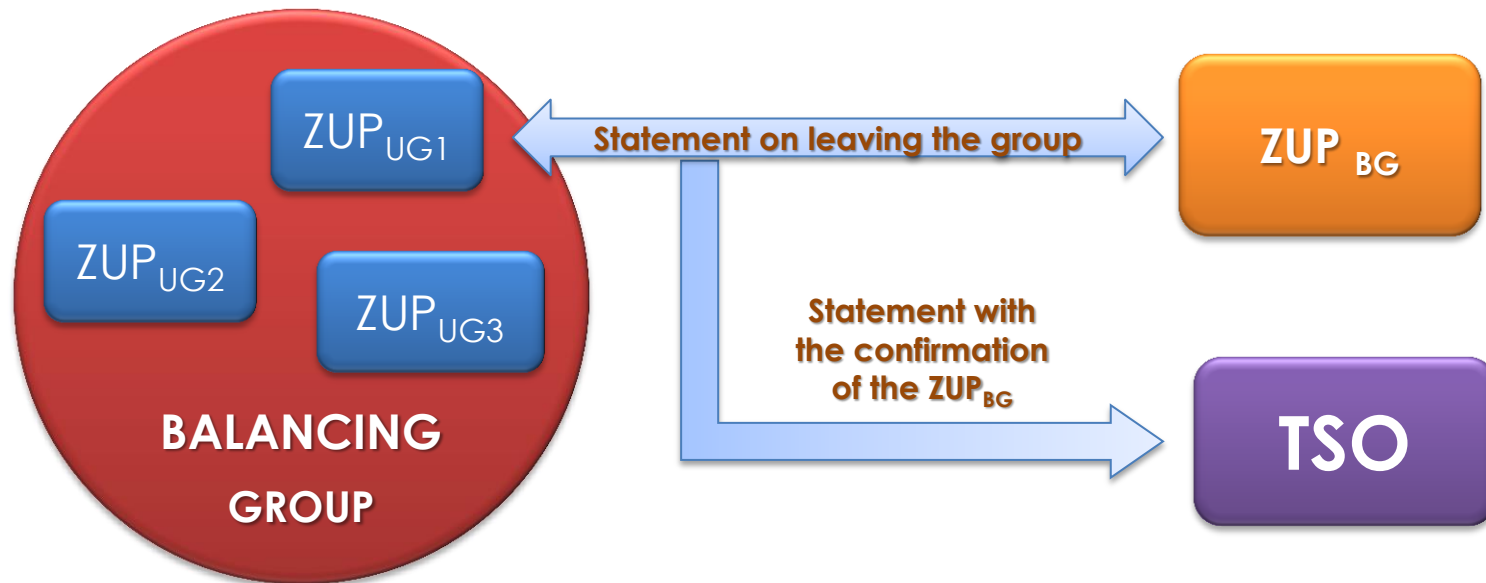
- A shipper which intends to join a given group should submit an appropriate statement to the TSO signed by the  $ZUP_{BG}$  and the shipper that it is being accepted into the balancing group.
- Admission to the group takes place on the first day of the specified gas month.
- From the moment of acceptance into the balancing group, the imbalance of the given  $ZUP_{UG}$  is settled within the framework of the balancing group with the  $ZUP_{BG}$ .





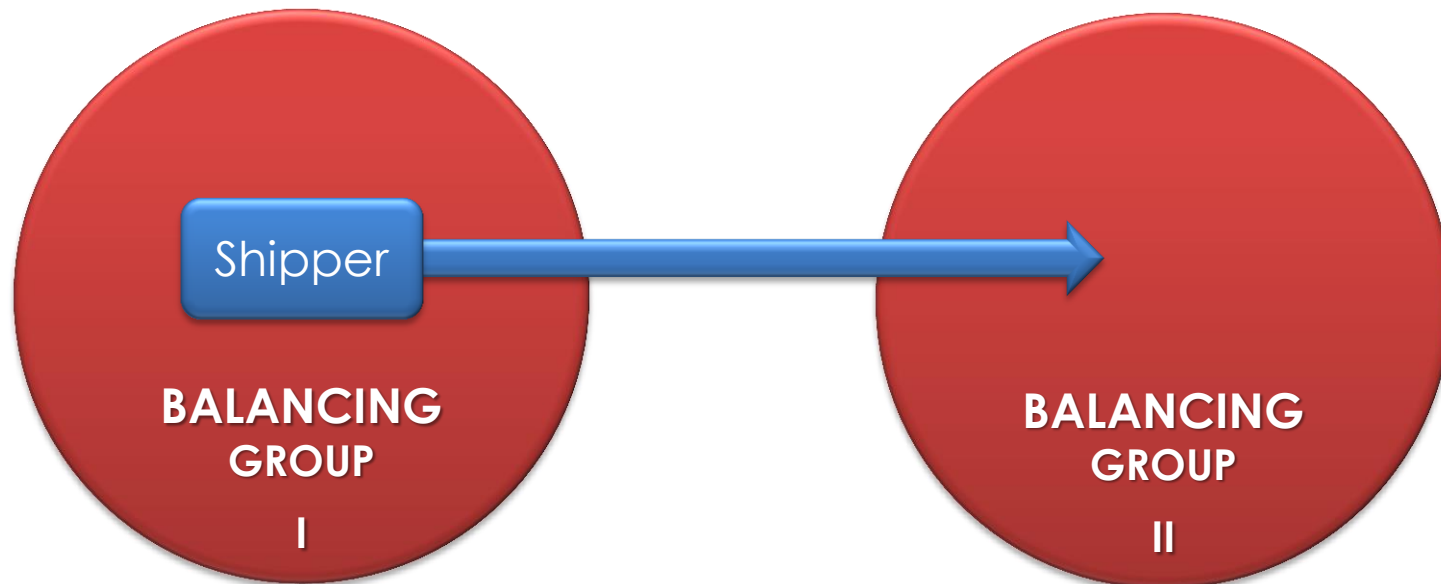
## Leaving a balancing group

- A  $ZUP_{UG}$  which intends to leave its balancing group should submit an appropriate statement to the TSO signed by the  $ZUP_{UG}$  and  $ZUP_{BG}$  about leaving the balancing group.
- Leaving a balancing group takes place from the first day of the specified gas month.
- Until it leaves the balancing group, the  $ZUP_{UG}$  balances within the balancing group.



## Transfer to another balancing group

- A  $ZUP_{UG}$  may transfer to another balancing group or establish its own balancing group no earlier than at the beginning of the gas month.
- It is inadmissible for a  $ZUP_{UG}$  to transfer to another balancing group or to create a new group during the gas month.
- The transfer to another balancing group should be reported at least fourteen (14) days in advance.



# Dissolution of a balancing group

- In order to dissolve a group, the  $ZUP_{BG}$  should present a statement to the TSO confirming that it is dissolving the balancing group, which is signed by all shippers which are members of the group.
- The statement should be submitted to the TSO no later than fourteen (14) days before the beginning of the gas month in which the balancing group is to be dissolved.
- The balancing group is dissolved in the first hour of the month specified in the statement.
- From the moment of dissolution of the balancing group, the imbalances of the individual  $ZUP_{UG}$  are settled individually on the principles set out in the TNC.

**Thank you for your attention**

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