

FAQ Ex-ante Balancing

#	Question	Answer
1	What is the difference between „ex-ante balancing“ and „ex-post balancing“?	<p>Ex-ante balancing compares nominations or declared schedules for entries and exits in the market area. This is done by the MAM before (hence: ex-ante) the actual gas flows.</p> <p>In contrast, ex-post balancing compares nominations/schedules and consumption values for end consumers, biogas-entries and cross-border interconnection points in the distribution area. This is done by the BGC after (hence: ex-post) the actual gas flows.</p>
2	What are the tasks of the different system roles in balancing?	<p>The different system roles have the following tasks in balancing:</p> <p>Tasks of the MAM (= AGGM / GCA as service provider):</p> <ul style="list-style-type: none"> • Ex-ante balancing • Coordinates network control and use of linepack • Balancing gas actions for physical transmission system structuring • Communicates imbalances per BG to BGRs <p>Tasks of the DAM (= AGGM / GCA as service provider):</p> <ul style="list-style-type: none"> • Establishes data interface between BGR, SSO, PSO, DSO, BGC and MAM • Gives steering instructions for the distribution area • Triggers balancing gas actions in the distribution area <p>Tasks of the BGC (= AGCS):</p> <ul style="list-style-type: none"> • Ex-post balancing • Manages relationships between end consumers, suppliers and BGs <p>Tasks of the TSOs (GCA, TAG)</p> <ul style="list-style-type: none"> • Ensure proper functioning of the transmission system



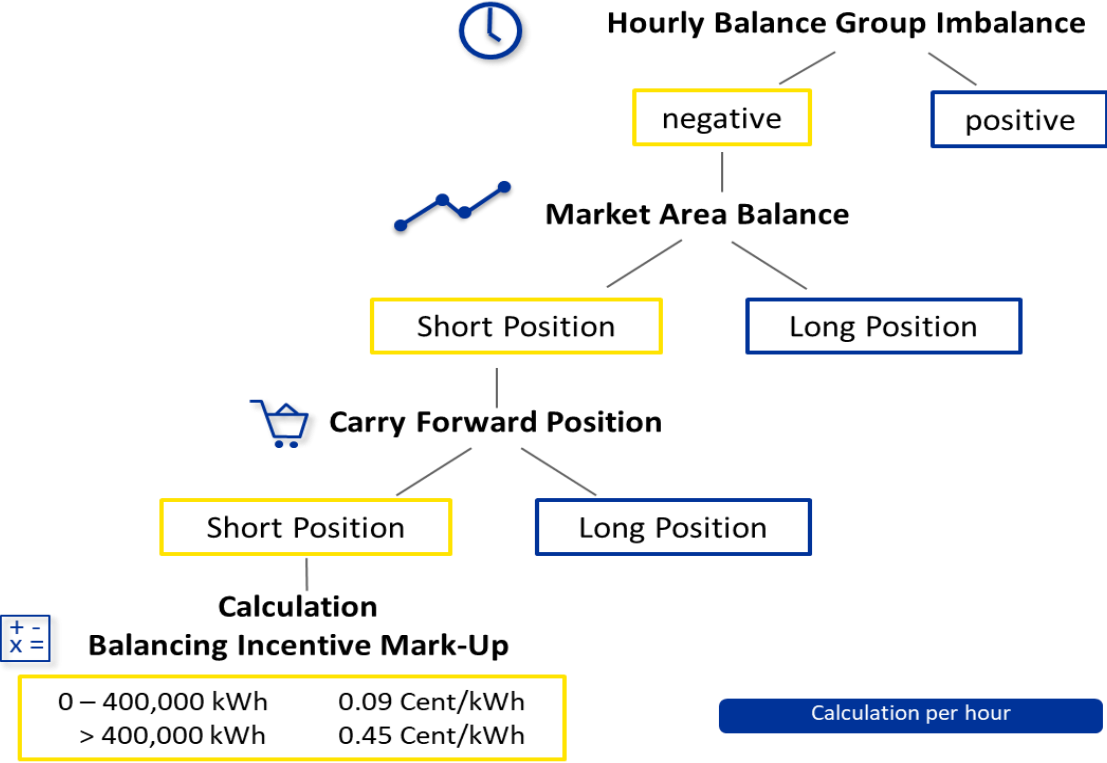
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		<ul style="list-style-type: none"> • Manage nominations for entry- and exit-points • Send allocated nominations to MAM <p>Tasks of the VTP Operator (= CEGH):</p> <ul style="list-style-type: none"> • Manages trade nominations at VTP • Ensures connection between exchange and market area East • Sends VTP net-positions to MAM <p>Tasks of the SSOs and PSOs:</p> <ul style="list-style-type: none"> • In the distribution area: sends allocated schedules to DAM • In the transmission system: carry out matching with adjacent TSO <p>Tasks of the DSOs:</p> <ul style="list-style-type: none"> • Operate distribution network according to instructions of DAM • Measure / calculate actual consumption • Provide metered values
3	Who is entitled to nominate? Is it possible to nominate the sum of several BGs?	<p>Only the BGR is authorised to nominate (to submit schedules) in the market area.</p> <p>The BGR has to nominate per BG. To nominate the sum of several BGs is not possible.</p>
4	What are the fundamental balancing rules?	<p>Balancing is done according to the principle „allocated as nominated“</p> <p>It is a daily balancing regime with the gasday from 06:00 (CET) – 06:00 (CET)</p> <p>Daily imbalances should be settled at the gas exchange</p> <p>There is an hourly incentive scheme</p>



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5	What are Sub-BGs and what are the rules related to Sub-BGs?	<p>Sub-BGs were introduced pursuant to section 11 GMMO-VO 2012 in order to comply (starting on 1 October 2013) with renomination restrictions on the relevant points in the transmission system.</p> <p>Only capacity rights at the relevant points in the transmission system can be allocated to a Sub-BG (no exits to end consumers, to storage etc.)</p> <p>Sub-BGs are not being balanced themselves. The nominations on Sub-BGs are being aggregated on the level of the superior BG.</p> <p>Imbalances on the Sub-BG level don't cause orders at the VTP by AGGM or balancing incentive mark-ups, as long as the superior BG (incl. the Sub-BG) is balanced.</p>
6	Why can I add BG members to my BG and how does it work?	<p>Network users with capacity contracts in the transmission system have to assign their capacities to a BG or Sub-BG, in order to be able to use them. The assignment authorization is done by the BGR in the login of the AGGM Platform (detailed information can be found in the document User Manual chapter 3.1.1 Creation of Balance groups).</p> <p>The assignment is done by the network user in the booking system of the TSO who is the contract partner of the relevant capacity contract.</p>
7	Who is responsible for the balancing of BG-imbalances?	The BGR is responsible for the balance of his nominated/scheduled injections and outtakes.
8	What is the role of AGGM in the context of ex-ante balancing?	AGGM has the role of „Residual Balancer“; i.e. AGGM balances BG-imbalances if the BGR does not do this by himself.
9	How does AGGM balance BG-imbalances for the BGR?	AGGM triggers exchange orders on behalf of and for the account of the BGR. However, this happens only if the daily imbalance is >24 MWh.
10	Is it possible for a BGR with several BGs to net imbalances over these BGs?	If a BGR has imbalances in several BGs, an order at the gas exchange has to be placed for every single BG. Imbalances in opposite direction are only being netted at the exchange clearing.



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11	What is the „local border traffic“?	„Local border traffic“ is referred to entries or exits on cross-border points at the market area boundaries directly to the or from the distribution area.
12	What is the balancing incentive mark-up?	<p>One of the main tasks of AGGM is to guarantee network stability at any time. An incentive scheme has been implemented in order to fulfil this task.</p> <p>AGGM has to collect a balancing incentive mark-up from the BGRs to cover for within-day balancing of the hourly imbalances in each BG.</p> <p>The balancing incentive mark-up is meant to be an incentive for BGRs to balance their imbalances themselves (e.g. by renominations). Balanced market participants are not being charged with the incentive mark-up of AGGM.</p> <p>Detailed information can be found at Market Areas>Balancing>Incentive Mark-up.</p>

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13	What is the amount of the balancing incentive mark-up?	 <p>Hourly Balance Group Imbalance</p> <ul style="list-style-type: none"> negative positive <p>Market Area Balance</p> <ul style="list-style-type: none"> Short Position Long Position <p>Carry Forward Position</p> <ul style="list-style-type: none"> Short Position Long Position <p>Calculation</p> <p>Balancing Incentive Mark-Up</p> <table border="1"> <tr> <td>0 – 400,000 kWh</td> <td>0.09 Cent/kWh</td> </tr> <tr> <td>> 400,000 kWh</td> <td>0.45 Cent/kWh</td> </tr> </table> <p>Calculation per hour</p> <p>If the total of the balancing incentive mark-ups per month per balance group is not exceeding 500 euro, the amount will not be charged and will not be carried forward to following months.</p>	0 – 400,000 kWh	0.09 Cent/kWh	> 400,000 kWh	0.45 Cent/kWh
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14	Is it possible to view the incurred balancing incentive mark-ups prior to the receipt of the invoice?	All BGRs have the opportunity to view balancing incentive mark-ups in the log-in area of the AGGM Platform.				



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		A publication of the monthly total sum of balancing incentive mark-ups in the market area East is available on the public area of the AGGM Platform in the section Publication .
15	What is the carry-forward account?	BG-imbalances smaller than 24 MWh will be transferred to the carry-forward-account. However, there is no upper limit to the carry-forward. Exchange orders that cannot be fulfilled due to the lead time for exchange orders or the market situation can lead to higher carry-forward balances.
16	How does the BGR receive the relevant information regarding the carry-forward account?	AGGM submits to the BGR IMBNOT_IN messages showing the carry-forward account balance in a separate column.
17	When has the carry-forward account to be balanced?	<p>The carry-forward account of D-1 will be included in the calculation of the daily imbalance of D and has to be balanced in D, if the daily imbalance of D is greater than 24 MWh.</p> <p>If on gasday D no further daily imbalance occurs so that the carry-forward account of D-1 (e.g. 20 MWh) is still below 24 MWh, the carry-forward account balance remains unchanged (e.g. 20 MMh) and can be balanced in D.</p>
18	Is it possible to be exempted from the balancing?	<p>If a BGR wants to be exempted from AGGM balancing for any possible BG imbalances between 3 a.m. and 6 a.m., the BGR needs to confirm that the balancing of the daily imbalance will be done by itself (pursuant to article 18.5.2 GTC MAM-DAM-BGR East):</p> <ul style="list-style-type: none"> • A notification including an assurance that the imbalance for a given BG will be settled by the BGR itself has to be sent via the log-in area of the AGGM Platform (“Change request” under “My profile”). • The following text template can be used for the notification: <i>Hereby I apply to exempt our balance group (EIC Y-Code XXX) from the daily MAM balancing at the natural gas exchange on the VTP between 3 a.m. and 6 a.m. Further, I assure that our company will settle any possible BG imbalances by itself in a timely manner before the next gasday (pursuant to article 18.5.2 GTC MAM-DAM-BGR East).</i>



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		<ul style="list-style-type: none"> • This notification has to be sent at the latest until 4.30 p.m. (Monday – Thursday) or 1.30 p.m. (Friday) for a consideration for the day-ahead balancing. It has to be sent only once and will be applied by the MAM in the future. • This exemption is granted only if the BGR meets all requirements for participation in the Exchange. <p>In order to take again part in the normal balancing procedure, a similar approach is necessary. An appropriate notification has to be sent to AGGM, stating to consider the relevant BG within the usual balancing cycle.</p>																																				
19	What is the meaning of the abbreviations?	<table border="0"> <tr> <td>AGCS</td> <td>AGCS Gas Clearing and Settlement AG</td> </tr> <tr> <td>AGGM</td> <td>Austrian Gas Grid Management AG</td> </tr> <tr> <td>BG</td> <td>Balance group</td> </tr> <tr> <td>BGC</td> <td>Balance group coordinator</td> </tr> <tr> <td>BGR</td> <td>Balance group representative</td> </tr> <tr> <td>CEGH</td> <td>Central European Gas Hub AG</td> </tr> <tr> <td>DAM</td> <td>Distribution area manager</td> </tr> <tr> <td>DSO</td> <td>Distribution system operator</td> </tr> <tr> <td>EIC</td> <td>Energy Identification Code</td> </tr> <tr> <td>GCA</td> <td>Gas Connect Austria GmbH</td> </tr> <tr> <td>GMMO-VO</td> <td>Gas Market Model Ordinance</td> </tr> <tr> <td>IMBNOT</td> <td>Imbalance-Notice</td> </tr> <tr> <td>GTC</td> <td>General terms and conditions</td> </tr> <tr> <td>MAM</td> <td>Market area manager</td> </tr> <tr> <td>PSO</td> <td>Production system operator</td> </tr> <tr> <td>SSO</td> <td>Storage system operator</td> </tr> <tr> <td>TAG</td> <td>Trans Austria Gasleitung GmbH</td> </tr> <tr> <td>TSO</td> <td>Transmission system operator</td> </tr> </table>	AGCS	AGCS Gas Clearing and Settlement AG	AGGM	Austrian Gas Grid Management AG	BG	Balance group	BGC	Balance group coordinator	BGR	Balance group representative	CEGH	Central European Gas Hub AG	DAM	Distribution area manager	DSO	Distribution system operator	EIC	Energy Identification Code	GCA	Gas Connect Austria GmbH	GMMO-VO	Gas Market Model Ordinance	IMBNOT	Imbalance-Notice	GTC	General terms and conditions	MAM	Market area manager	PSO	Production system operator	SSO	Storage system operator	TAG	Trans Austria Gasleitung GmbH	TSO	Transmission system operator
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		VTP Virtual trading point