

Energinet: [cru@energinet.dk](mailto:cru@energinet.dk)

## Draft for consultation: Methodology for introducing within day obligations in the current balancing model

5 May 2021

Ørsted is pleased to get the opportunity to give our input to the above consultation dated 12 April 2021, and we have participated actively in the preceding shipper discussions on the revised model.

Our ref. petbi

Ørsted agrees that the introduction of BalticPipe should lead to a new operational balancing regime for the Danish/Swedish balancing zone. In this regard we find the proposed model with hourly balancing taking due account of the particularities for end consumers via the SAP, as a well-considered and appropriate model.

On the more detailed level, we fail to see why Energinet shall *notify* the market before entering it after a need for balancing intervention has been identified. Rather, we would argue, that Energinet shall trade any balancing need, ie if the market is outside the “green band”, and that such trade is done when identified and without notification. Notification can have the adverse impact of repress trading opportunities in the market at times when Energinet is not active and thereby contradict with purpose of the introduced method; Incentivize shippers to react, before reaching the yellow zone. Such pattern can be observed under the current balancing model, where the Danish WD market is very illiquid with wide bid/ask spreads outside announced BAM trading windows.

Further, we have the below more specific comments to the formulas for ABS and IABS:

The text part and intention in the calculation is understandable, but the current formulas do not clearly represent that text and intention. We suggest adjusting the formulas as follows:

Formula in section: 3.1.2.1 Accumulated System Balance

$$ABS = \sum_{h=1}^x Entry_h - \sum_{h=1}^x Exit_h - \sum_{h=1}^x JEZ_h + \sum_{h=2}^x CAP_{h-1} - \sum_{h=1}^x SAP_h$$

; where h is hour, and data for Entry and Exit is known every hour via confirmed nominations,...

Formula in section 3.1.2.2 Individual Accumulated System Balance

$$IABS = ABS^i = \sum_{h=1}^x (Entry_h^i - Exit_h^i - JEZ_h^i + CAP_h^i - SAP_h^i)$$

; where i is an individual shipper, h is hour, and where Entry,...

Our ref. petbi

We are of course available for questions you may have in relation to our consultation response.

Yours sincerely

Ørsted

A handwritten signature in blue ink, appearing to read "Peter Biltoft-Jensen".

**Peter Biltoft-Jensen**

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