



**Connecting  
Markets**

# **TRU Service**

## **Evaluation of the pilot phase**

26<sup>th</sup> GRI SSE Stakeholder meeting, Prague, 27 November 2019



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# 1. Evaluation of the TRU one-year pilot phase

## TRU Service description

- Service specially designed to connect the Austrian and Czech gas markets virtually - i.e. an exit nomination from the Czech market area was immediately matched with entry into the Austrian Market Area East and vice versa
- Providers: GAS CONNECT AUSTRIA (GCA) and NET4GAS (N4G)
- 1-year pilot phase started as of 01 October 2018, 06:00 CE(S)T
- Total offered capacity: 112,686 kWh/h



## 2. Evaluation of the TRU one-year pilot phase

### Commercial framework

- Commercial framework of the TRU one-year pilot phase:

<b>Direction</b>	From Austria to the Czech Republic and vice versa
<b>Service runtime</b>	From 01 October 2018 until 01 October 2019
<b>Auction capacity</b>	Maximum 112,868 kWh/h
<b>Product runtimes</b>	Yearly, Quarterly, Monthly & Daily
<b>Yearly tariff (from the Czech Republic to Austria)</b>	3,818.06 CZK/MWh/d/a <sup>1</sup> + variable fee of $0.003 \times C_{\text{NCG}}$ <sup>2</sup>
<b>Yearly tariff (from Austria to the Czech Republic)</b>	7.27 EUR/kWh/h/a
<b>Auction mechanism</b>	Uniform price algorithm
<b>Auction form</b>	Paper based yearly, quarterly and monthly auctions Day-ahead products offered at PRISMA from 31 October 2018

<sup>1</sup>Equal to approximately 3.593 EUR/kWh/h/a using a 25.5 EUR/CZK exchange rate.

<sup>2</sup> $C_{\text{NCG}}$  = value of the "End of Day Price" at EEX for the following gas day D+1 product for the NCG zone on the current day D



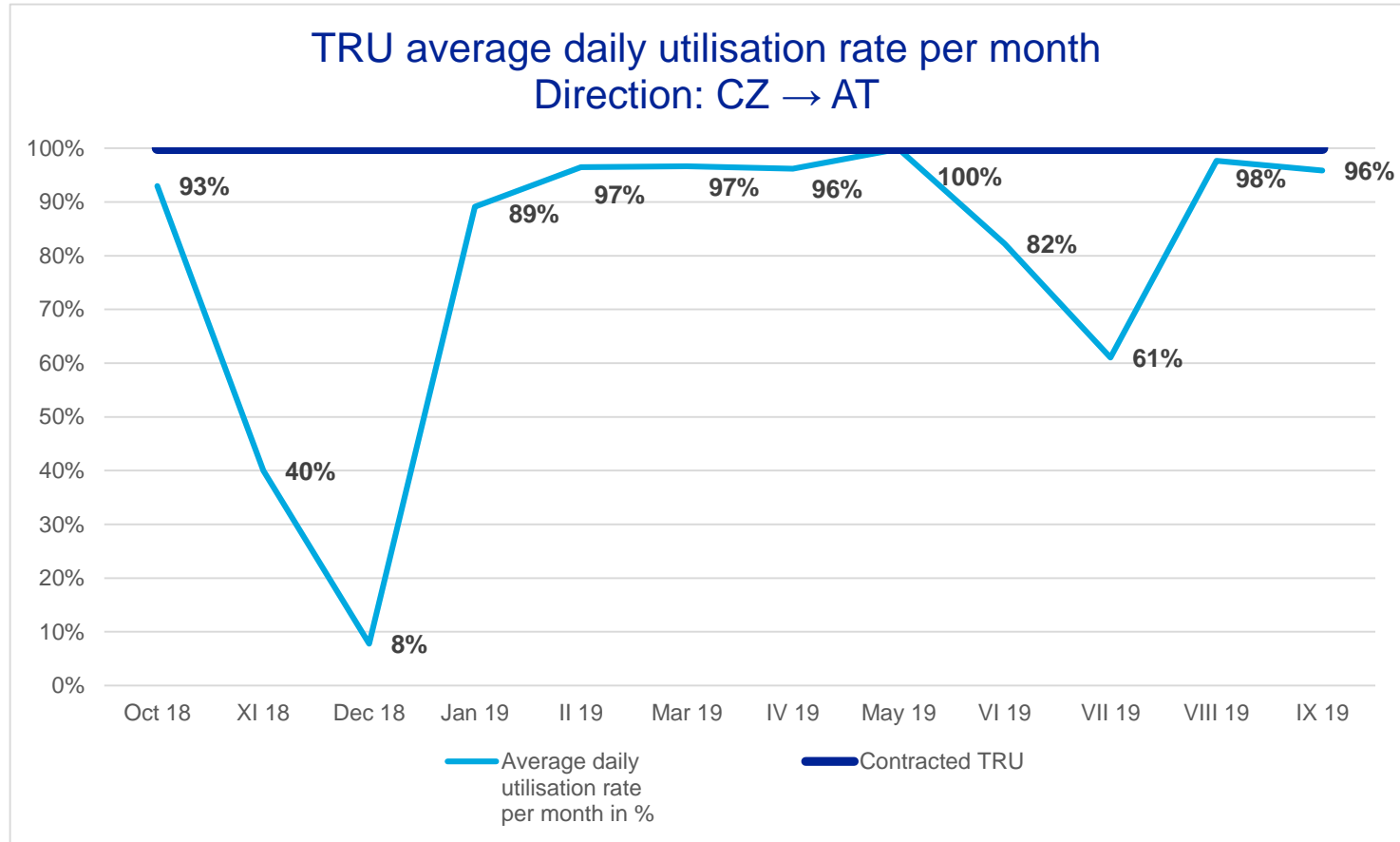
### 3. Evaluation of the TRU one-year pilot phase

#### Market demand & auction results

- Yearly auction (CZ->AT):
  - 90,000 kWh/h out of 112,686 kWh/h
  - Premium of 9.9 % to the reserve price
- Quarterly auction (CZ->AT):
  - Remaining TRU service sold (Q2 2019 and Q3 2019)
  - Premium of ~ 6.9% to the reserve price
- Short term auctions (CZ->AT):
  - Only minor volumes remained for daily product
  - ➔ not commercially interesting for the shippers

## 4. Evaluation of the TRU one-year pilot phase

### Utilisation rate



- TRU has been used on 303 calendar days
- Daily TRU utilisation rate amounted to 80% on average



## 5. Evaluation of the TRU one-year pilot phase

### Conclusion

- Positive market response to TRU confirmed great interest in cross-border capacity between the Czech Republic and Austria
- Already in the yearly auction, NET4GAS received bids exceeding the total capacity offered by 2.5 times (290,000 kWh/h/y)
- Only minor not commercially interesting volumes remained for the short-term TRU auctions (daily and monthly)
- Despite the positive assessment of TRU, marketing of the TRU product is currently suspended as no new arrangements have been agreed by the relevant parties in the Czech Republic, Slovakia and Austria.



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**Thank you for your attention**

[www.net4gas.cz](http://www.net4gas.cz)