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**BGM Forum 2024 (Changes in KoV XIV, Biomethane and Green Gas Quota)**



# Changes in Cooperation Agreement (KoV) XIV



# Changes in KoV XIV (1)

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- Assignment to balancing subgroup (SBK)<sup>1</sup>
  - If the balancing group number/balancing subgroup number is used by another shipper (second or subsequent shipper) in the same distribution network, the DSO is obliged to inform the BGM accordingly (does not apply to balancing group assignments prior to 1 October 2024)
- Registration of BGMs domiciled in countries outside the EU<sup>2</sup>
  - For BGMs domiciled in countries outside the EU or governed by other applicable intergovernmental agreements, the MAM may in future demand an appropriate security deposit or advance payment (reduction of risk of enforcement of titled claims)
  - Grandfathering of BGMs that were already registered or that entered the registration process prior to 1 April 2024
- Declaration clearing will in future also be possible between M+12WD and M+14WD<sup>4</sup>

<sup>1</sup> Main body of the KoV

<sup>2</sup> Appendix 4: Balancing Group Contract Terms & Conditions

<sup>4</sup> Amendments to Best Practice Guidelines for Gas Balancing Group Management (Part 1)

# Changes in KoV XIV (2)

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- Products with physical fulfilment restrictions<sup>2</sup> (MOL2)
  - For the determination of penalties, adjustments have been made in Section 25 (16) of Appendix 4 in order to be able to properly take into account cases in which the market area manager is neither a trading partner nor Section 25 (12) Appendix 4 ("Resale") applies. For the above-mentioned trades, the component based on transactions between the trading party and the market area manager does not apply when the contractual penalty is calculated, if the market area manager is not involved.
- Annex 3 to the terms and conditions for BG contracts (gas storage neutrality charge)<sup>3</sup>
  - Alignment with regard to the term "filling instruments" and the times for determining the charge amount following the amendment and extension of the "Gas Storage Act" until 31 March 2027
- If a balancing group is closed at short notice, the market area manager **will now** also inform all BGs by sending an e-mail to the market information and VTP contact persons stored in the Customer Portal (THE)<sup>4</sup>

<sup>2</sup> Appendix 4: Balancing Group Contract Terms & Conditions

<sup>3</sup> Annex 3 to Appendix 4: Balancing Group Contract Terms & Conditions

<sup>4</sup> Amendments to Best Practice Guidelines for Gas Balancing Group Management (Part 1)

# Changes in KoV XIV (3)

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- Introduction of **EntrySP** and **ExitSP data series** for use at the storage facility for offtakes from and inputs into the network
  - The obligation to delimit the exit points at gas storage facilities via separately marked balancing groups no longer applies, storage balancing groups become normal balancing groups, no change to nomenclature)<sup>5</sup>
  - Time series type "EntrySP": Allocation of entry time series at entry points from the storage facility into a network. The allocation procedure "Allocated as nominated" is used
  - Time series type "ExitSP": Allocation of exit time series at exit points from the network into a storage facility. The "Allocated as nominated" allocation procedure is used.

<sup>5</sup> Amendments to Best Practice Guidelines for Gas Balancing Group Management (Part 2)

<sup>6</sup> Amendments to Best Practice Guidelines for the Use of Standard Load Profiles for Gas Demand Estimation Purposes

# Biogas – The balancing group managers

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## Biogas

102 balancing group managers  
88 of which are master BGMs

206 balancing groups  
92 of which are master balancing groups  
approx. 60 of which are actively used

## Natural gas

625 balancing group managers

1,755 balancing groups

## Top 3 biogas balancing group managers (with the highest biogas ENTRIES)

2023 #1 (2,705 GWh), #2 (1,966 GWh), #3 (1,081 GWh)

2022 #1 (3,034 GWh), #2 (2,174 GWh), #3 (998 GWh)

2021 #1 (3,253 GWh), #2 (2,575 GWh), #3 (1,042 GWh)

# Biogas – The quantities

## ENTRYBio in THE market area

2023 10,299 GWh

2022 10,414 GWh

2021 10,175 GWh

## VTP ENTRY Biogas (billing-relevant balancing groups)

2023 9,190 GWh (natural gas: 2,612,764 GWh)

2022 8,266 GWh (natural gas: 2,975,966 GWh)

2021 7,454 GWh

## VTP EXIT Biogas (billing-relevant balancing groups)

2023 15,471 GWh (natural gas: 2,588,540 GWh)

2022 13,405 GWh (natural gas: 3,003,225 GWh)

2021 12,955 GWh



## Biogas share in VTP ENTRY

2023 Biogas share of 0.37 %

2022 Biogas share of 0.28 %



## Biogas share in VTP EXIT

2023 Biogas share of 0.59 %

2022 Biogas share of 0.45 %

# Biogas (Gas Network Access Ordinance – GasNZV)

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## Flexible energy balancing (Section 35 GasNZV)

- Energy balancing within twelve months (balancing period)
- VTP transfer of biogas quantities to natural gas balancing groups is possible, but no VTP transfer of quantities from natural gas balancing groups to biogas balancing groups
- MAM will grant biogas balancing groups a 25% flexibility framework on physically fed-in biogas quantities
- Flexibility framework refers to cumulative deviation between inputs and offtakes within the balancing period.
- For flexible balancing, the biogas BGM pays a fee of EUR 0.001/kWh to the MAM for the actual utilisation of the flexibility framework
- After the end of the balancing period (before billing), there is the option of transferring unused flexibility between master biogas BGMs
- Positive final balances (not to exceed the amount of the flexibility framework) from a previous balancing period can be carried forward to the next balancing period



# Biogas (Gas Network Access Ordinance – GasNZV)

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## GasNZV due to expire on 1 January 2026

- Rules for biogas will be partially included in a new clause (access) or taken into account for an extension of the GABiGas 2.0 ruling (flexible balancing)
- According to BNetzA, it is for the legislator to decide on any continuation of privileges (flexible balancing) for biogas

# "Green gas quota" concept of the SPD parliamentary group in the Bundestag

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## **Objective: To replace natural gas with renewable gases**

Statutory obligation for distributors to supply end users with renewable gases. The changeover is to take place gradually, and cross-border trading should be possible.

## **Implementation: substitution ramp-up**

There will be an increasing percentage reduction obligation for natural gas in order to incentivise the substitution of procured natural gas quantities with renewable gases.

The use of "low carbon" gases is permitted on a transitional basis. However, procurement must take place to an extent that is equivalent to the CO<sub>2</sub> reduction of renewable gases.

In the event of non-compliance, a "compensation payment" based on the CO<sub>2</sub> price will be due.

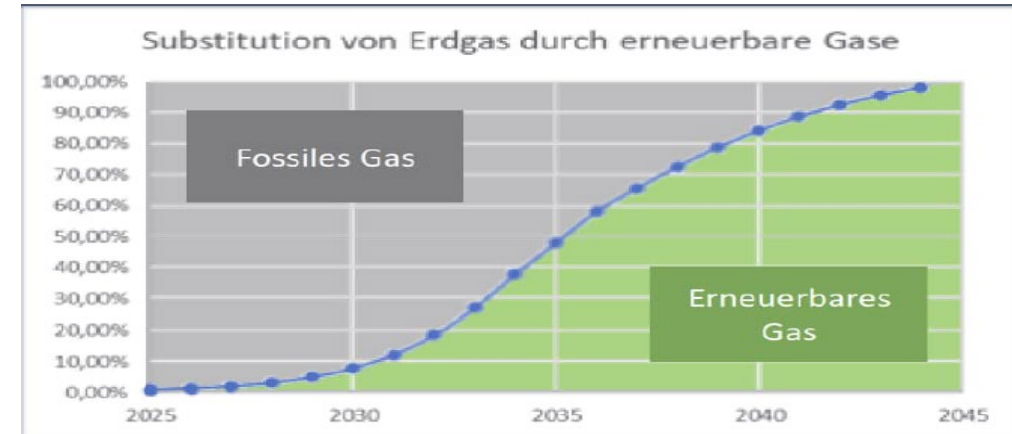
## **Time horizon: Until 2045**

The law is due to expire by in 2045, after which only renewable gases may be transported through the networks and used. The law will be up for review in 2030, 2035 and 2040.

# Implementation

## Renewable gas ramp-up in line with substitution path

- Low-carbon gas
  - Prerequisite: The GHG emissions of the natural gas to be replaced must be completely reduced
- A compensation payment must be made for quantities not procured/procurable. This will be based on the CO2 price
  - Determined by way of official notification
  - Base price: double the price of EU emission allowances (EUA)
  - Minimum price: € 1,200
  - Base quantity: CO2 content of the previous year's gas mix



Share of gas volume	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	0.67%	1.10%	1.80%	2.93%	4.47%	7.59%	11.92%	18.24%	26.89%	37.75%
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
	47.85%	57.94%	65.57%	72.59%	78.85%	82.26%	88.81%	92.59%	95.68%	98.02%

**Thank you.**

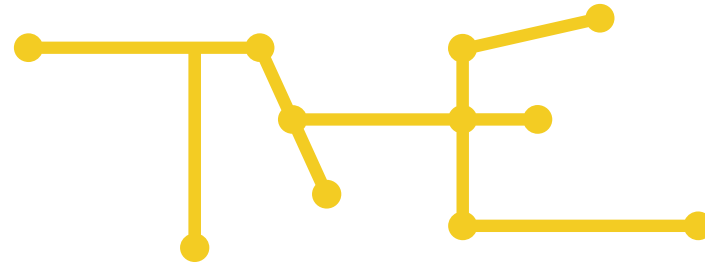
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