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NDM Forecast in the German Gas Balancing Model - The Market Area Mananger Perspective

ACER-ENTSOG Joint Workshop on NC BAL

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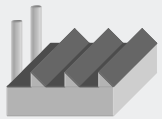
Information provision “Variant 2” in Germany

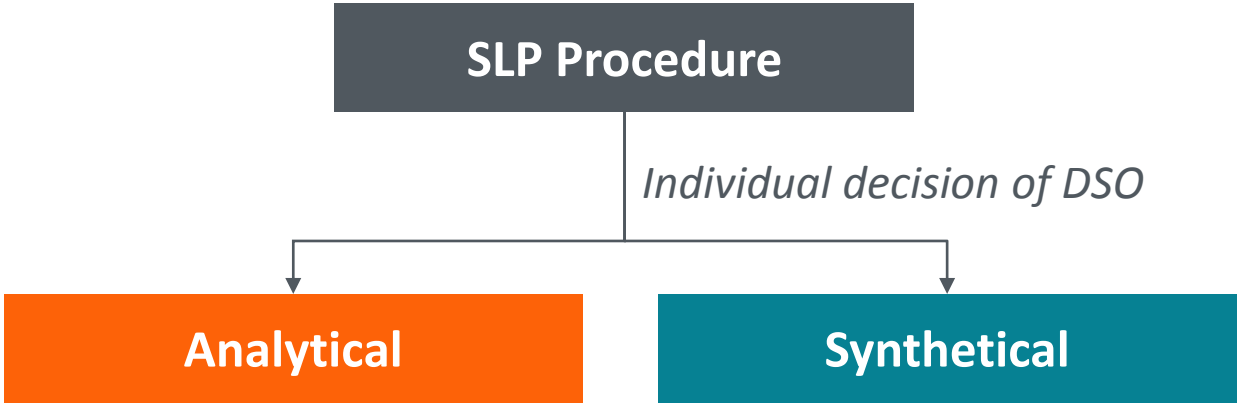
	Allocation type characteristics	Forecast / Forecasting Party	Metering	Allocation
Non Daily Metered 	≤ 500 kWh/h and ≤ 1,5 GWh/a consumption[1]	Provided by DSO via MAM[2] on D-1 until 1 PM	Not provided	Forecast (D-1 is final)
Intra Day Metered 	> 500 kWh/h and/or > 1,5 GWh/a consumption	Not provided by DSO	Provided by DSO via MAM on D / D + 1	Final Metering

- NDM forecast is provided to the shipper by the DSO as final allocation data on D-1
- Differences between forecast and actual consumption of NDM do not cause portfolio imbalances for shippers
- Consumption of IDM needs to be forecasted by the shippers themselves

1: DSOs may deviate from consumer group definition based on consumption thresholds where technically required or agreed upon with supplier
2: MAM = Market Area Manager

NDM Forecast by DSO based on Standard Load Profiles (SLP)

- Forecasting Party: § 24 of the German Gas Network Access Regulation (GasNZV) obliges DSOs to allocate consumption forecasts for NDM consumers based on standard load profiles (SLP)
- SLP used in the German Gas Market were developed by the Technical University of Munich in 2002 and modified in 2005
- DSOs apply SLP based on the individual consumption profile of end consumers, e.g. industrial consumer, cooking gas, heating gas



Two variations of SLP calculation can be chosen by the DSO

Synthetical

- Application of representative load profiles for end consumers → **“bottom up” approach**
- Calculation based on individual consumer value, forecasted temperature, day of the week etc.
- Result of calculation is a forecasted consumption for the following gas day

Analytical

- Application of segmentation factors and quantifiers for individual consumer groups → **“top down” approach**
- Calculation of “residual load” of D-2 as the delta of all metered entries and exits to the system of the DSO, reflecting the consumption of all non-metered consumers
- Result of calculation is in principle the consumption of D-2 (2 day gap), divided upon individual suppliers

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Increasing the quality of NDM forecasts

- Ongoing initiative to increase the **quality of NDM forecasts** by e.g. allowing the use of optimisation factors in the analytical approach and the application of individual gas prognosis temperatures in the synthetical approach
- Introduction of a **daily incentive mechanism** for DSOs in October 2016 as part of the implementation of NC BAL in Germany
  - Imbalances in DSO network accounts as a result of NDM forecasts above certain thresholds (percentages, no. of days) lead to a provisional financial settlement in both directions which is later offset in the reconciliation process
- Effectiveness of DSO incentive mechanism as well as the quality levels of SLP including potential improvements will be assessed in the context of an evaluation report to be published by beginning of 2019

Thank you for your attention!

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