

Implicit Capacity Allocation at EEX

Baltic-Finnish Clients Workshop

26 March 2025



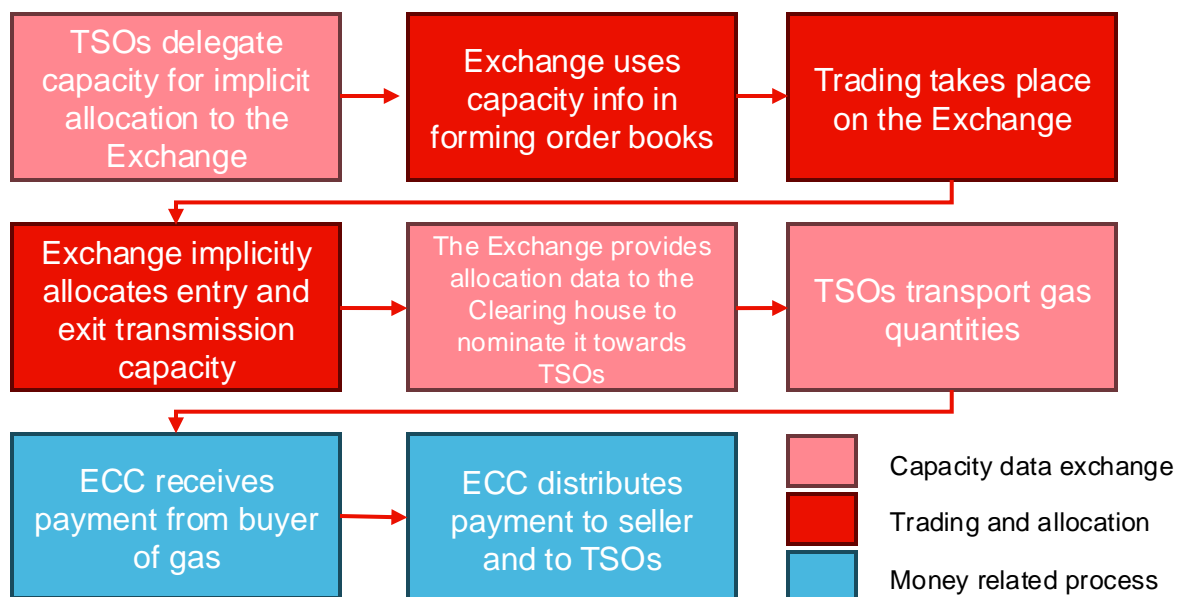
Agenda

- 01** Intro
- 02** Capacity Allocation Hours
- 03** Products Mapping
- 04** Implicit Capacity Allocation Principles
- 05** Trade Cancellation

Implicit Capacity Allocation

Background and Intro

Implicit Capacity Allocation means an allocation method where, Dedicated Capacity of an Interconnection Point, is allocated implicitly by conclusion of cross-border transactions on the Exchange.



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Implicit Capacity Allocation

Capacity Allocation Hours

Implicit Capacity Allocation (ICA) shall have the following opening and closing times for the **Balticconnector** and **Kiemenai** interconnection points (all times in CE(S)T):

SPOT PRODUCT	ICA OT (allocation open from)	ICA CT (allocation closed from)
Day Contracts^{1) 2)}	D-1 (9:00 h)	D-1 (14:00 h)
Within-Day Contracts³⁾	D-1 (2:00 h)	D (2:00 h)

¹⁾ Day Contracts: Day-Ahead, Saturday, Sunday, Bank Holiday, Individual Day.

²⁾ For Day Contracts trading with ICA is available once product delivery refers to the next gas day.

³⁾ Hourly capacity reduction mechanism takes place and reduces the available capacity dedicated to within-day product by 1/24 of the total allocated capacity during the last 23 hours (from 3:00 till 2:00 CE(S)T) of the trading session.

Physical Spot Market Gas Trading Identification

Contracts Mapping

		Delivery day							Within-day	
		Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Day-ahead
Trading day	Monday	WD+CAPA	DA+CAPA							Saturday
	Tuesday		WD+CAPA	DA+CAPA						Sunday
	Wednesday			WD+CAPA	DA+CAPA					Weekend
	Thursday				WD+CAPA	DA+CAPA	SAT	SUN		
	Friday					WD+CAPA	SAT+CAPA	SUN	DA	
	Saturday						WD+CAPA	SUN+CAPA	DA	
	Sunday							WD+CAPA	DA+CAPA	

- Trading of weekends or holiday contracts starts two Exchange Days before weekend or holidays

CAPA refers to possibility to trade commodity together with allocated capacities between LVA-EST and FIN and LVA-EST and LTU

Spot Order Books

Intro to ICA principles

Outright order book

FIN			
QTY	BID	ASK	QTY

Spread order book dedicated for ICA

LVA-EST/FIN			
QTY	BID	ASK	QTY

Outright order book

LVA-EST			
QTY	BID	ASK	QTY

Spread order book dedicated for ICA

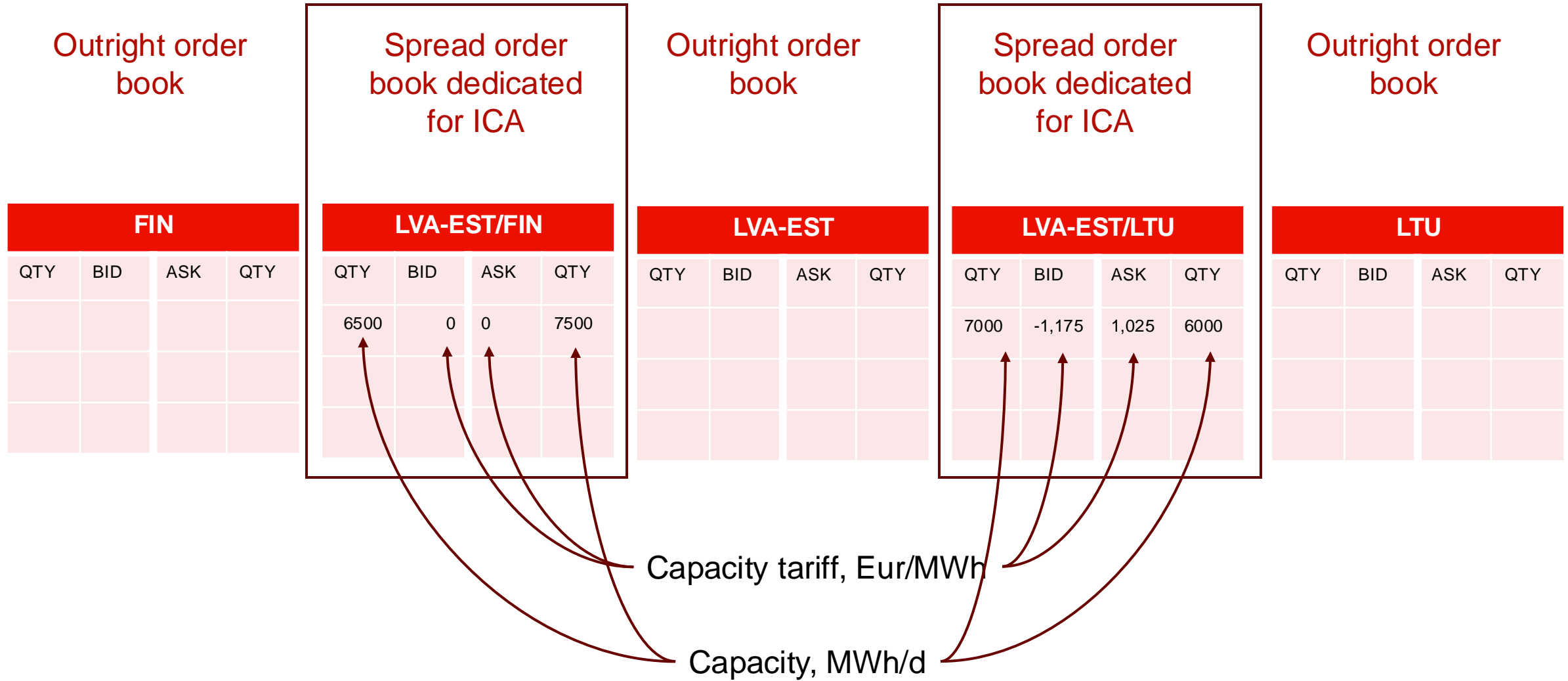
LVA-EST/LTU			
QTY	BID	ASK	QTY

Outright order book

LTU			
QTY	BID	ASK	QTY

Spot Order Books

Intro to ICA principles



Spot order books

Intro to ICA principles

Spread order
book dedicated
for ICA

LVA-EST/FIN

QTY	BID	ASK	QTY
6500	0	0	7500

BID side direction:

- LVA-EST → FIN or
- Exit LVA-EST and Entry FIN

ASK side direction:

- FIN → LVA/EST
- Exit FIN and Entry LVA-EST

Spot order books

Intro to ICA principles

Spread order
book dedicated
for ICA

LVA-EST/LTU

QTY	BID	ASK	QTY
7000	-1,175	1,025	6000

BID side direction:

- LVA-EST → LTU or
- Exit LVA-EST and Entry LTU

ASK side direction:

- LTU → LVA/EST
- Exit LTU and Entry LVA-EST

Example of order books

Before the opening of allocation hours

LVA-EST			
QTY	BID	ASK	QTY
600	38,8	39	1200
		39,5	500

LVA-EST/LTU			
QTY	BID	ASK	QTY

LTU			
QTY	BID	ASK	QTY
500	40,1	41,5	500

Outright order

Example of order creation cross-border

Outright orders created as an implied orders in adjacent markets

LVA-EST				LVA-EST/LTU				LTU			
QTY	BID	ASK	QTY	QTY	BID	ASK	QTY	QTY	BID	ASK	QTY
600	38,8	39	1200	7000	-1,175	1,025	6000	600	37,775	40,175	1200
500	38,925	39,5	500					500	40,1	41,5	500
		42,525	500								

	Outright order
	Implied order
RED	Execution condition: All-or-none

Note: If a trader in LTU is interested in lower volume than implied order volume with execution condition All-or-none, next best price order can be executed

Example of order creation cross-border

Dedicated capacity is lower than best price order

LVA-EST			
QTY	BID	ASK	QTY
600	38,8	39	1200
		39,5	500

LVA-EST/LTU			
QTY	BID	ASK	QTY
1050	-1,175	1,025	0

LTU			
QTY	BID	ASK	QTY
500	40,1	40,175	1050
		41,5	500

	Outright order
	Implied order
RED	Execution condition: All-or-none

Example of order creation cross-border

Dedicated capacity is lower than best price "all or none" order

LVA-EST			
QTY	BID	ASK	QTY
600	38,8	39	1200
		39,5	500

LVA-EST/LTU			
QTY	BID	ASK	QTY
1050	-1,175	1,025	0

LTU			
QTY	BID	ASK	QTY
500	40,1	41,5	500

	Outright order
	Implied order
RED	Execution condition: All-or-none

ICA Principles

Summary

- Spread order books between Baltics and Finland will be dedicated for ICA.
- ICA shall utilize spread orderbooks to determine the best-price across all VTPs in the Baltic-Finnish gas markets taking into account the associated transportation costs.
- Orders on natural gas spot products in the orderbook of one market area shall be indicated as Implied Orders in the orderbook of the adjacent market area(s), depending on the Dedicated Capacity in the concerned interconnection point(s).
- Only one Implied Order can be generated from a specific couple of orderbooks throughout all market areas.
- ICA System shall – before displaying the Implied Orders:
 - Add to the price of the implied sell order from adjacent market areas the cost corresponding to TSO's Tariffs;
 - Subtract from the price of the implied buy order from adjacent market areas the cost corresponding to TSO's Tariffs.
- The Implied Orders being entered by the ICA System shall have the execution condition “all or none”.
- The ICA System shall continuously evaluate the available transport capacity at the interconnection points and shall stop cross-border trading between the concerned market areas of the Finnish-Baltic gas market region once all available transport capacity entered into the ICA System has been allocated.



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Additional information

Trade Cancellation

- Cancellation of natural gas spot transactions is admissible, if the recall has been declared within 10 minutes after the trade has been concluded and if the transaction has been concluded before 1:40 a.m. CE(S)T (for Within-day contracts) or before 2:40 a.m. CE(S)T (for Day contracts).
- In the case of cross-border transactions with implicitly allocated capacity, a recall can be requested within the general timeframes, but not later than 25 (twenty-five) minutes before the nomination. Therefore, the trade cancellation can be requested between hh:15 and hh:50.