

Central European Gas Hub



16th CEGH Feedback Workshop

Vienna, 19 June 2018



16th CEGH Feedback Workshop



Agenda

- **Welcome, Opening Words**
- Update CEGH VTP
- AGGM
- PEGAS CEGH Gas Markets AT
- Impact of Brexit
- Adaption of GTC's
- Feedback Session / Q&A
- Lunch

CEGH Volume Development 2017

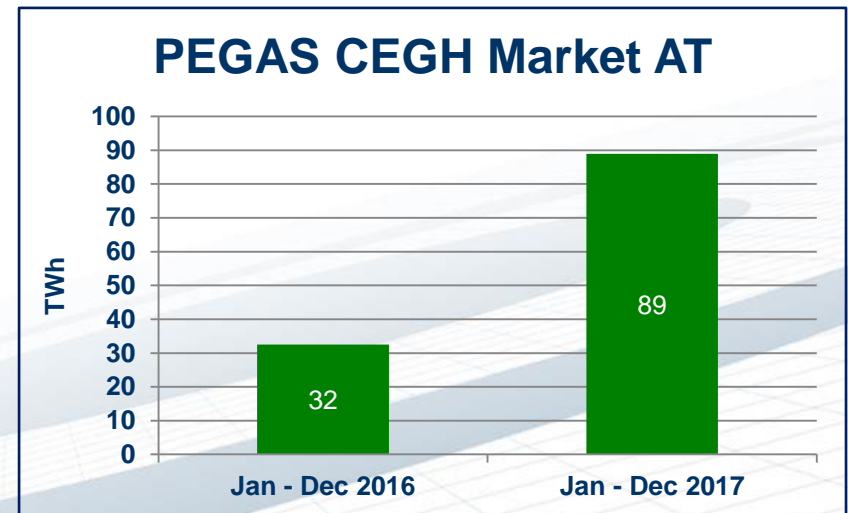
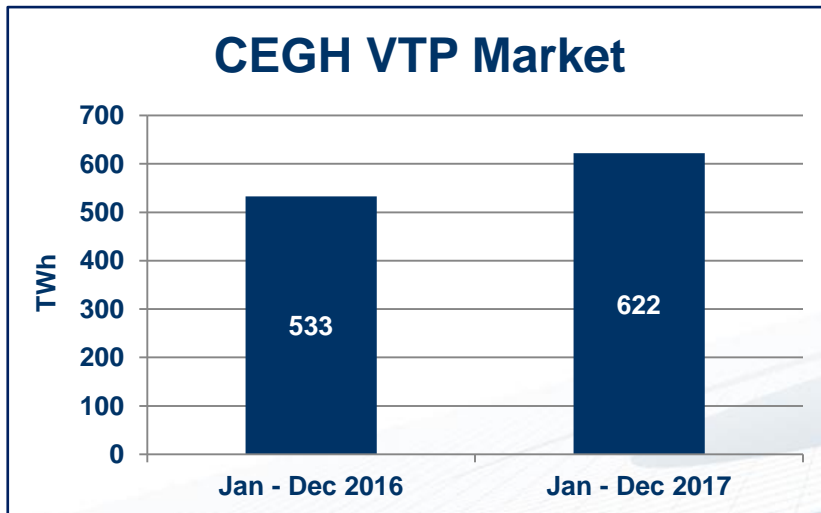


CEGH VTP:

1 - 12 / 2017: 621.93 TWh
(y-t-y: +16.7%)

PEGAS CEGH Gas Market*:

1 - 12 / 2017: 88.89 TWh
(y-t-y: +173.73%)



* up to Nov 2016: CEGH Gas Exchange of Wiener Boerse

CEGH Volume Development 2018

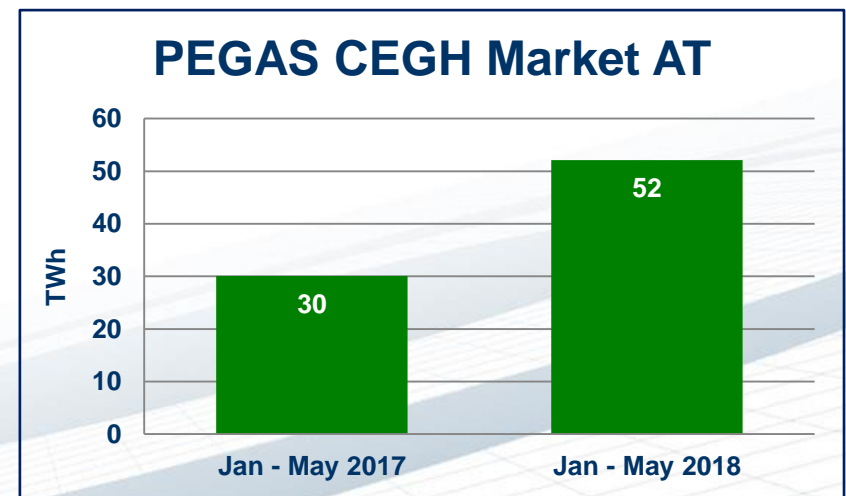
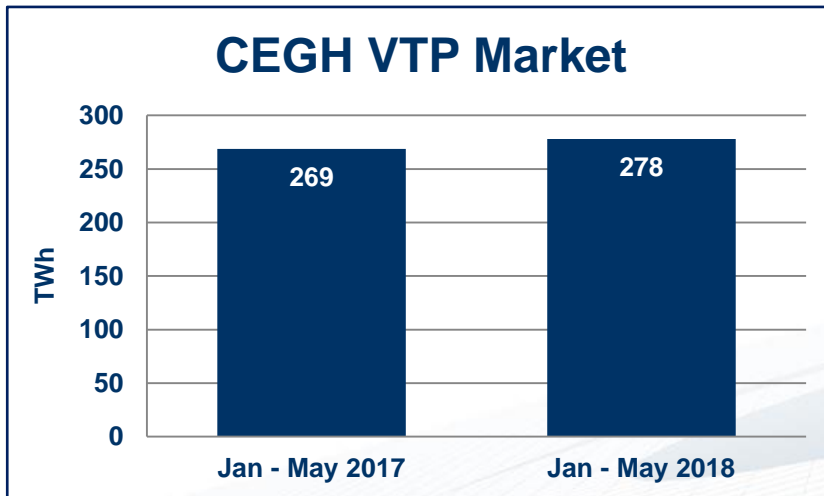


CEGH VTP:

1 - 5 / 2018: 277.88 TWh
(y-t-y: **+3.4%**)

PEGAS CEGH Gas Market:

1 - 5 / 2018: 52.09 TWh
(y-t-y: **+73.23%**)



CEGH VTP Fee reduction 2018



Variable title transfer service fee	1 January 2013	1 April 2014	1 July 2017	1 September 2018 **)
MWh	EUR/MWh			
0 - 3,333,332.999*	0.020	-	-	-
3,333,332.999 – 10,000,000.000*	0.012	-	-	-
0 – 10,000,000.000*	-	0.012	0.011	0.010
> 10,000,000.000*	0.006	0.006	0.005	0.005

*) of total aggregated volume during each full 12 month period

***) planned for 1 September 2018

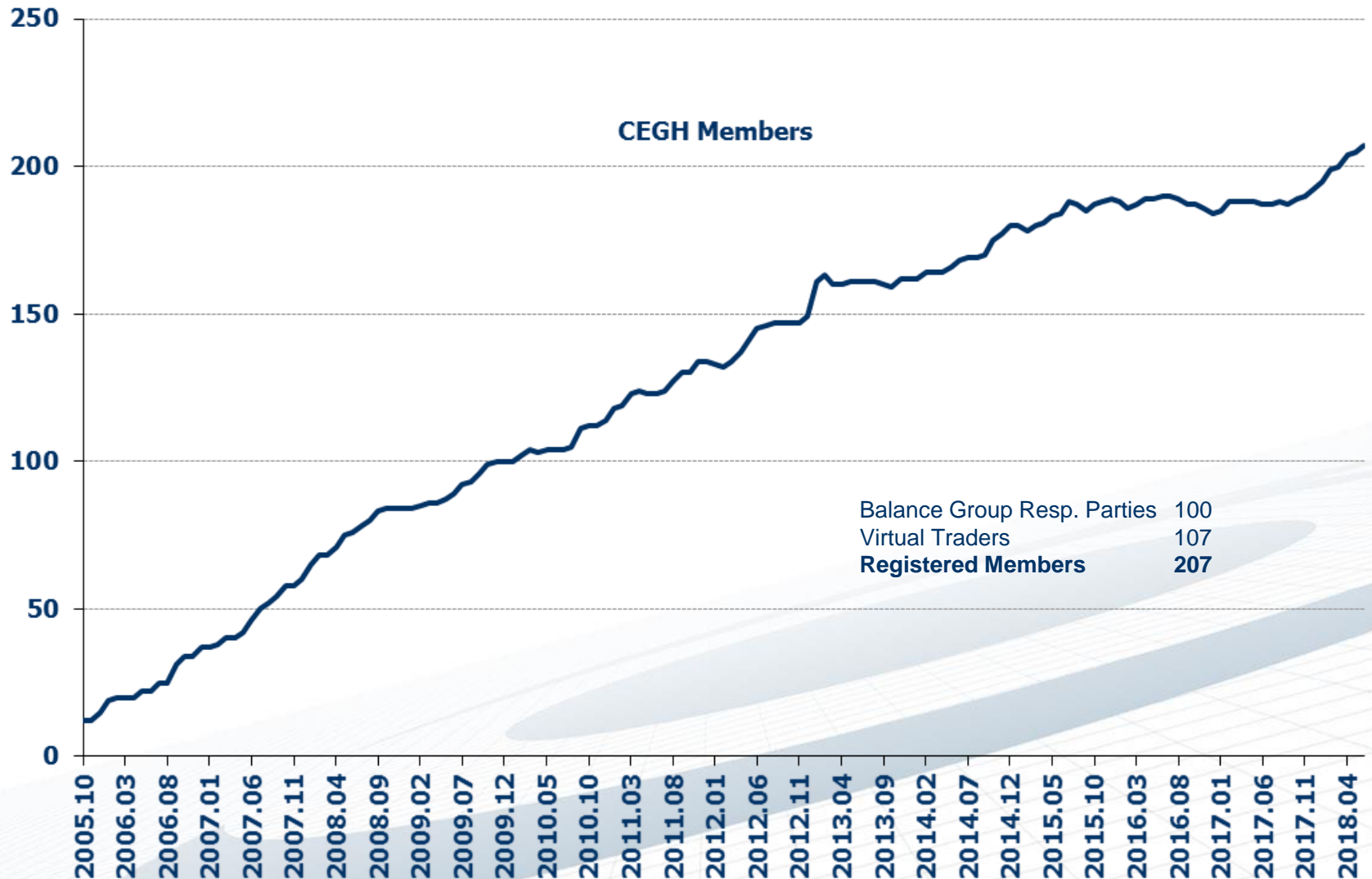
16th CEGH Feedback Workshop



Agenda

- Welcome, Opening Words
- **Update CEGH VTP**
- AGGM
- PEGAS CEGH Gas Markets AT
- Impact of Brexit
- Adaption of GTC's
- Feedback Session / Q&A
- Lunch

CEGH - Development of VTP Trading Registered Members

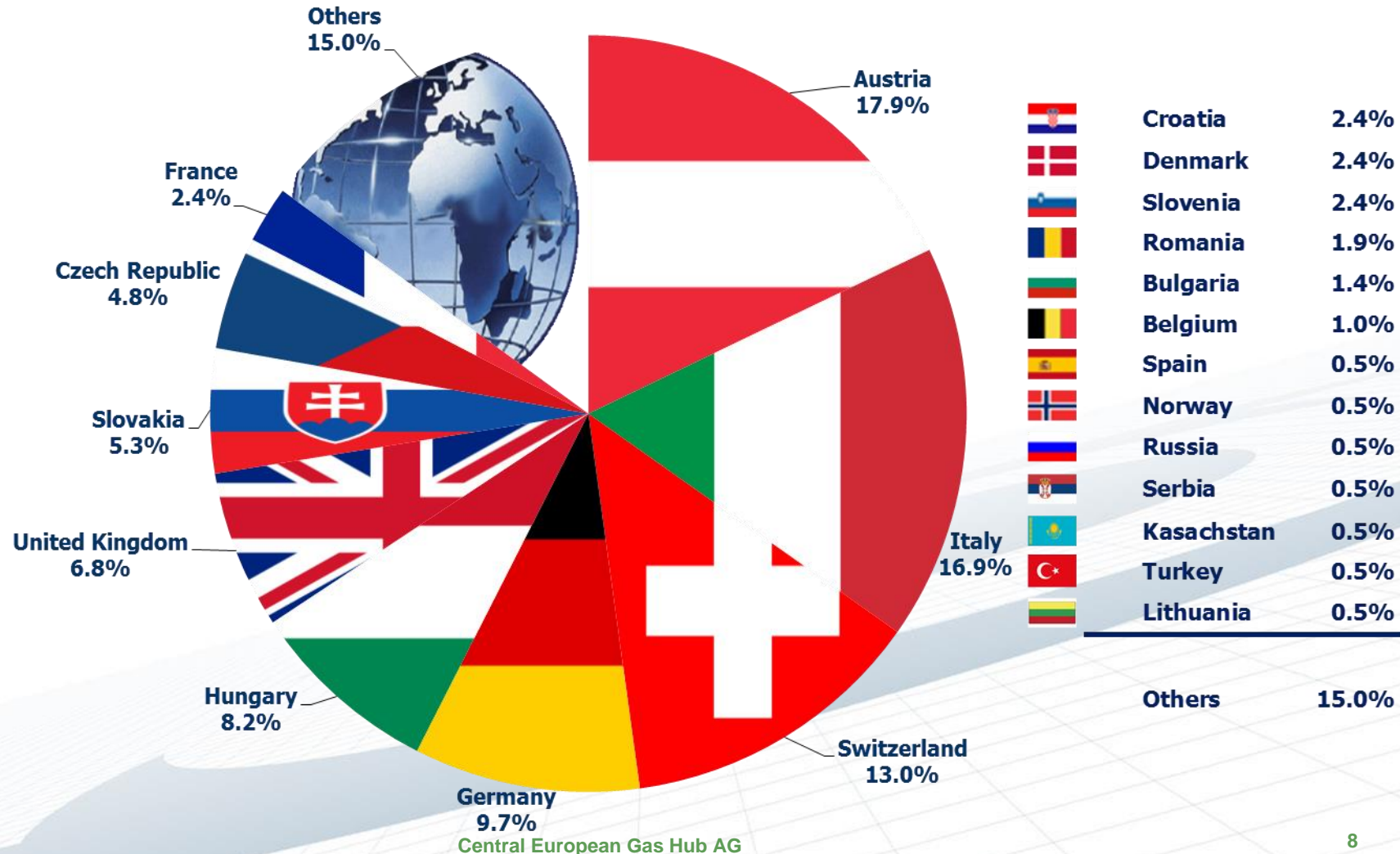


CEGH - Development of VTP

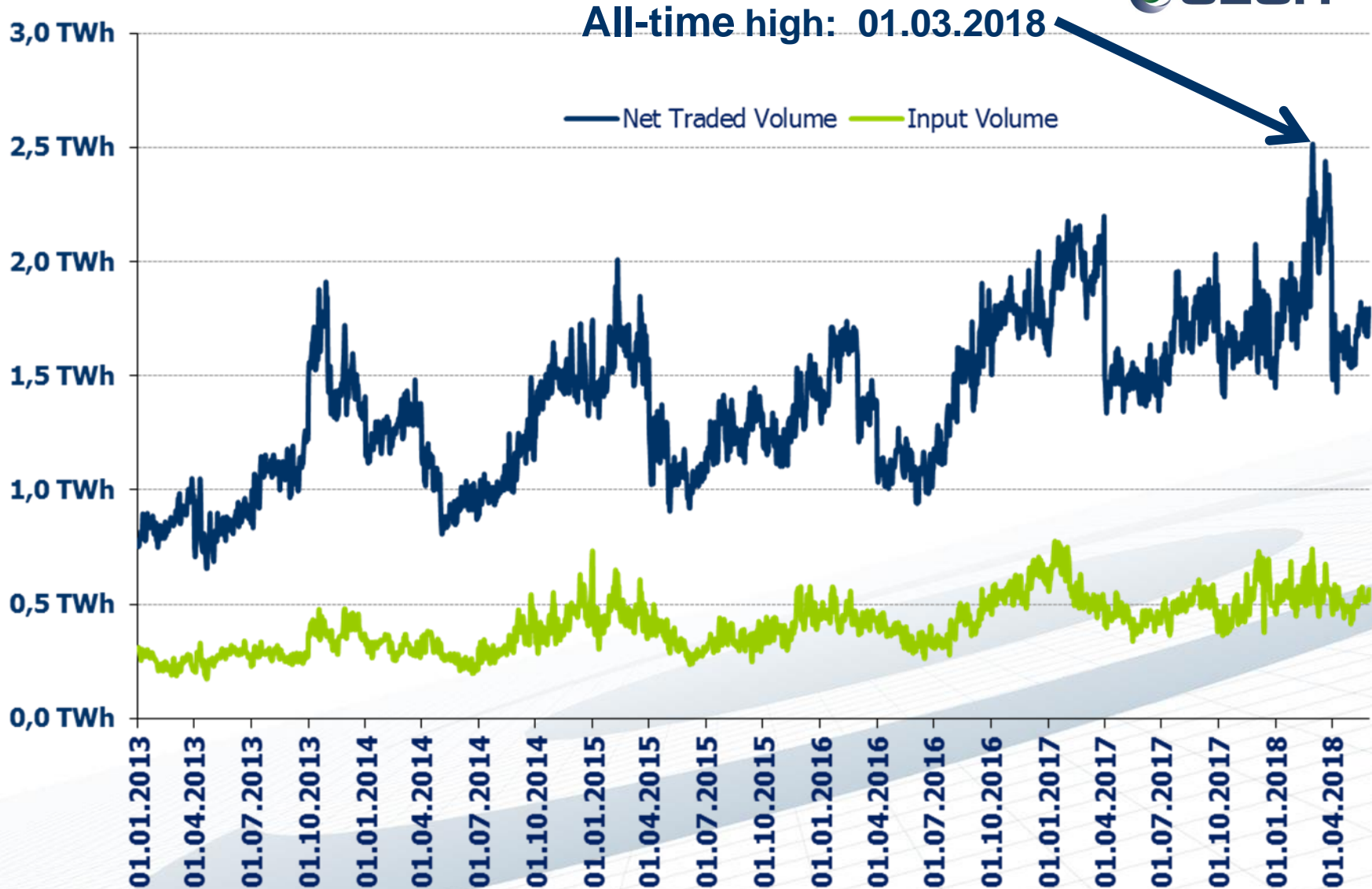
Diversity of Registered Members



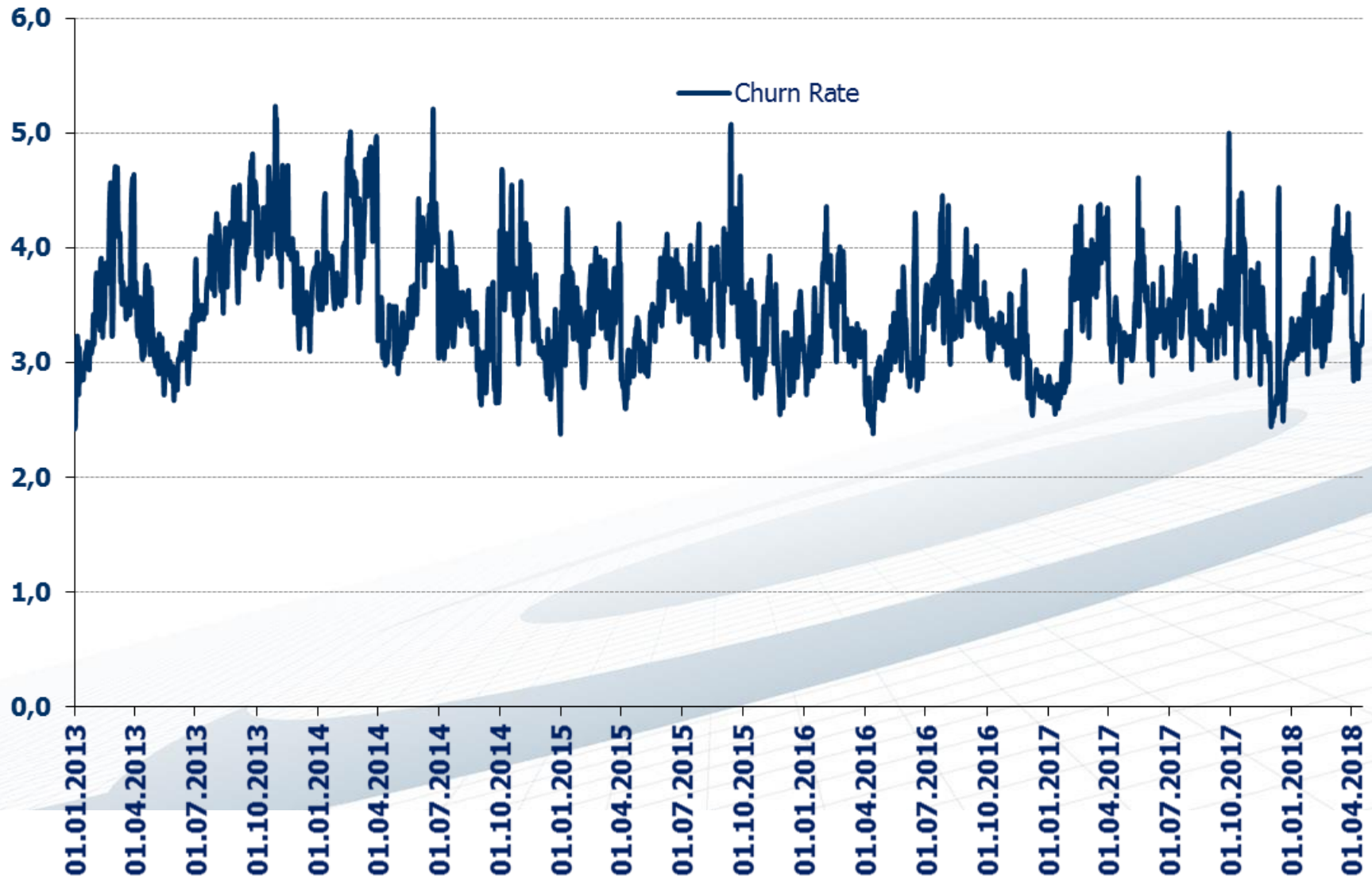
CEGH
Registered Members



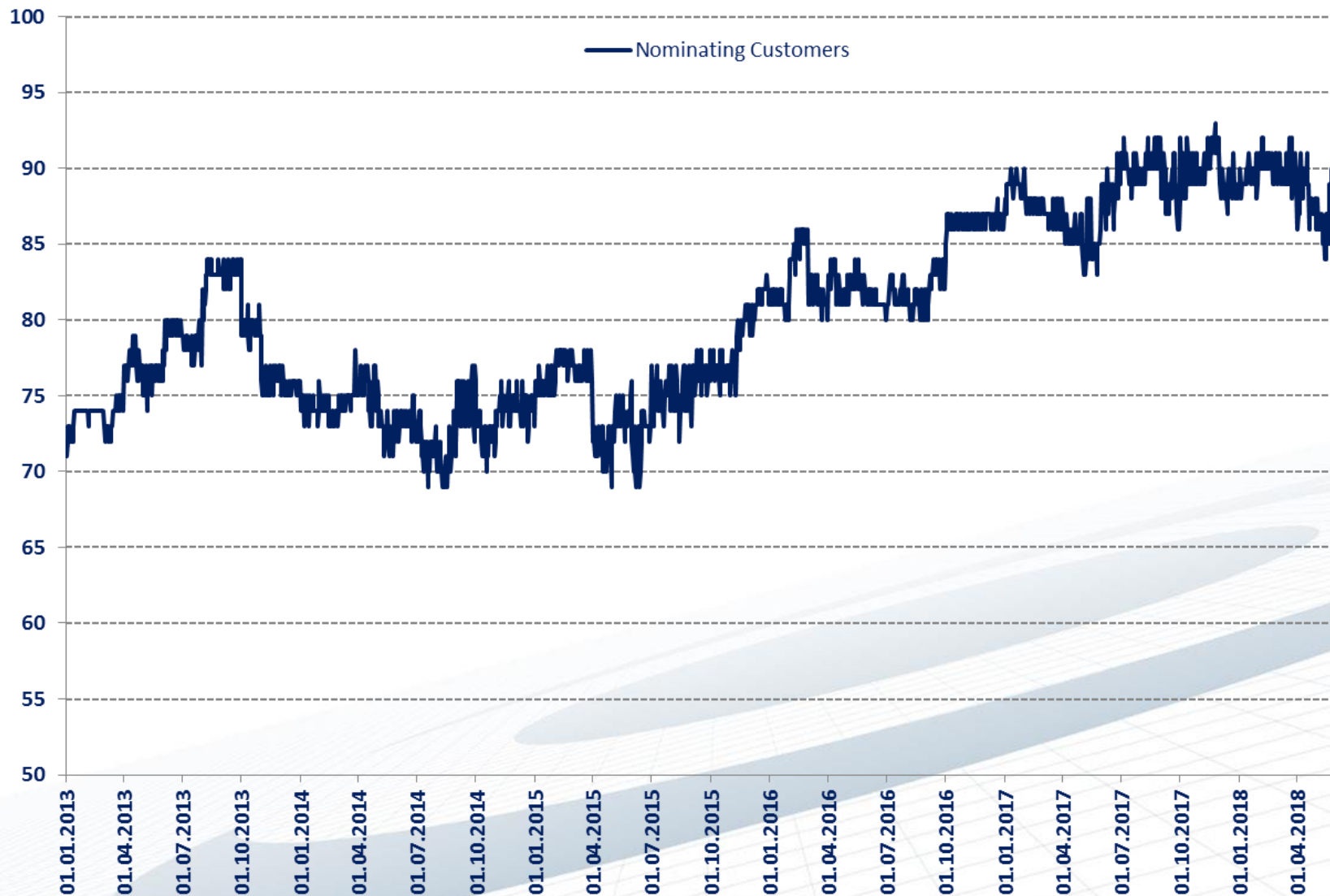
CEGH VTP: Daily Net Traded Volume since Jan 2013



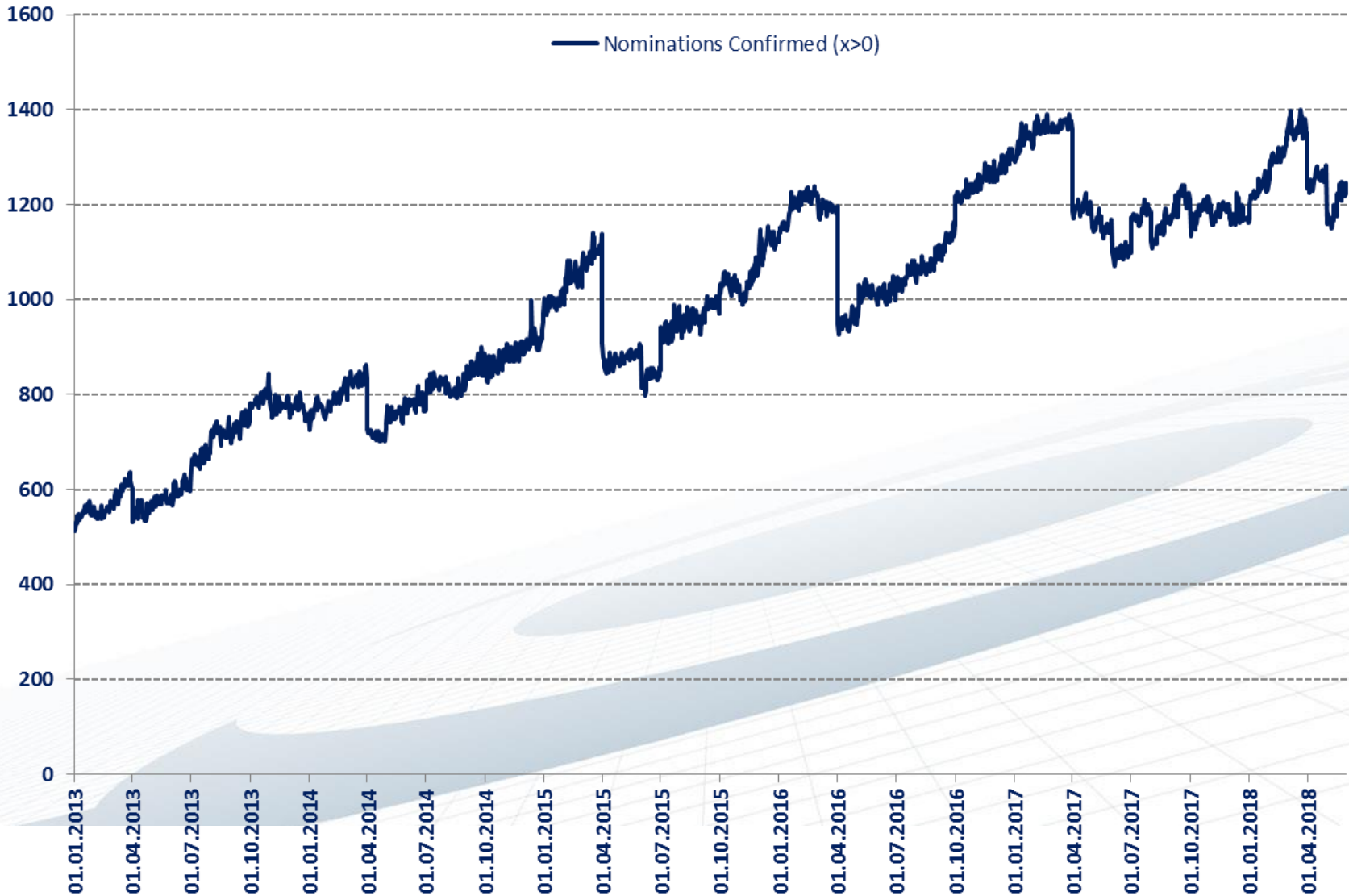
CEGH VTP: Daily Churn Rate since 01.2013



CEGH VTP: Nominating Customers on daily basis since 2013



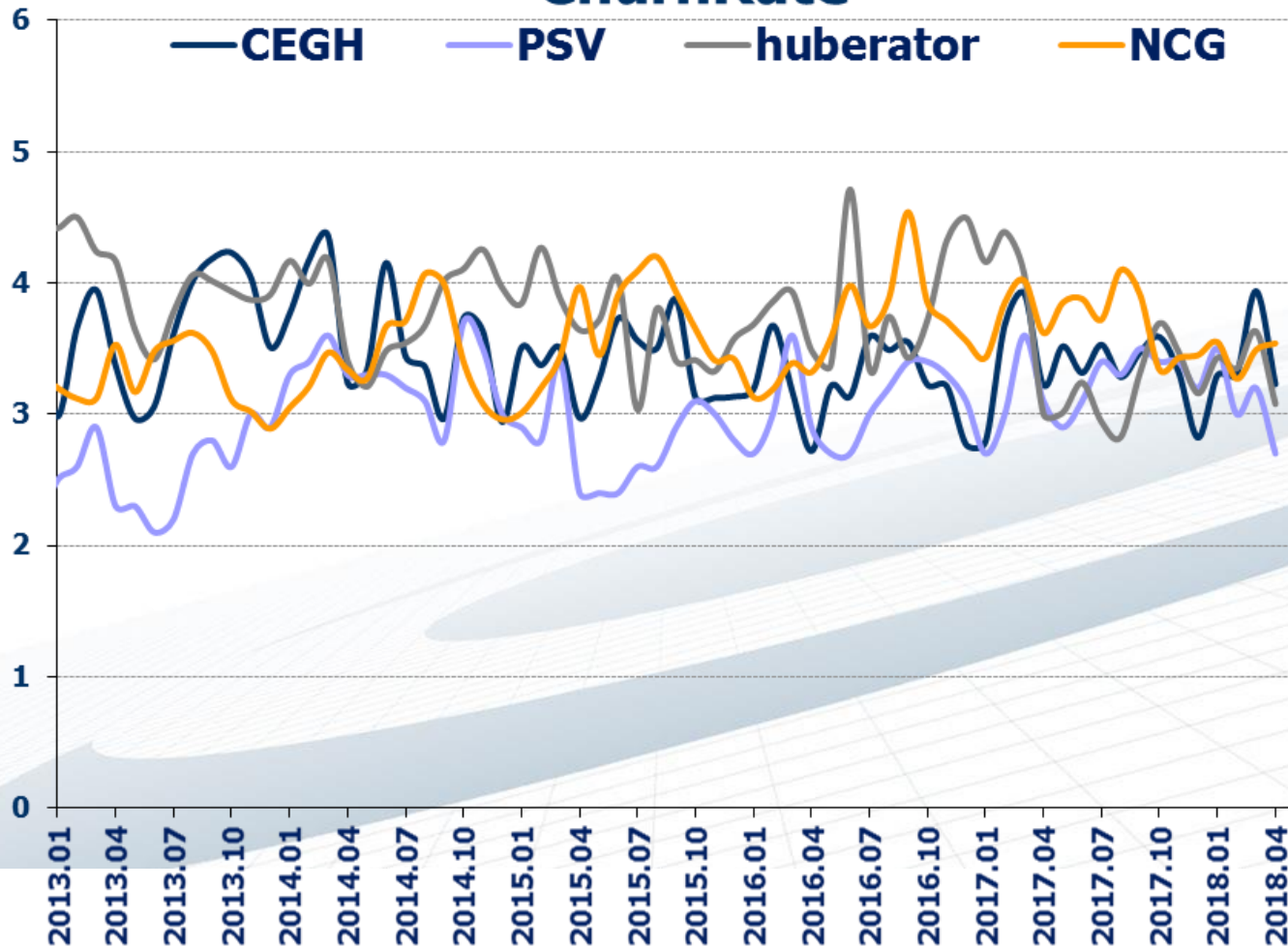
CEGH VTP: Daily Nominations since Jan 2013



Continental European Gas Hubs Churn Rate since 01.2013



Continental European Gas Hubs - ChurnRate



16th CEGH Feedback Workshop



Agenda

- Welcome, Opening Words
- Update CEGH VTP
- **AGGM**
- PEGAS CEGH Gas Markets
- Impact of Brexit
- Adaption of GTC's
- Feedback Session / Q&A
- Lunch



PEGAS Market Update

CEGH Workshop

PEGAS Update : Market Development and new initiatives

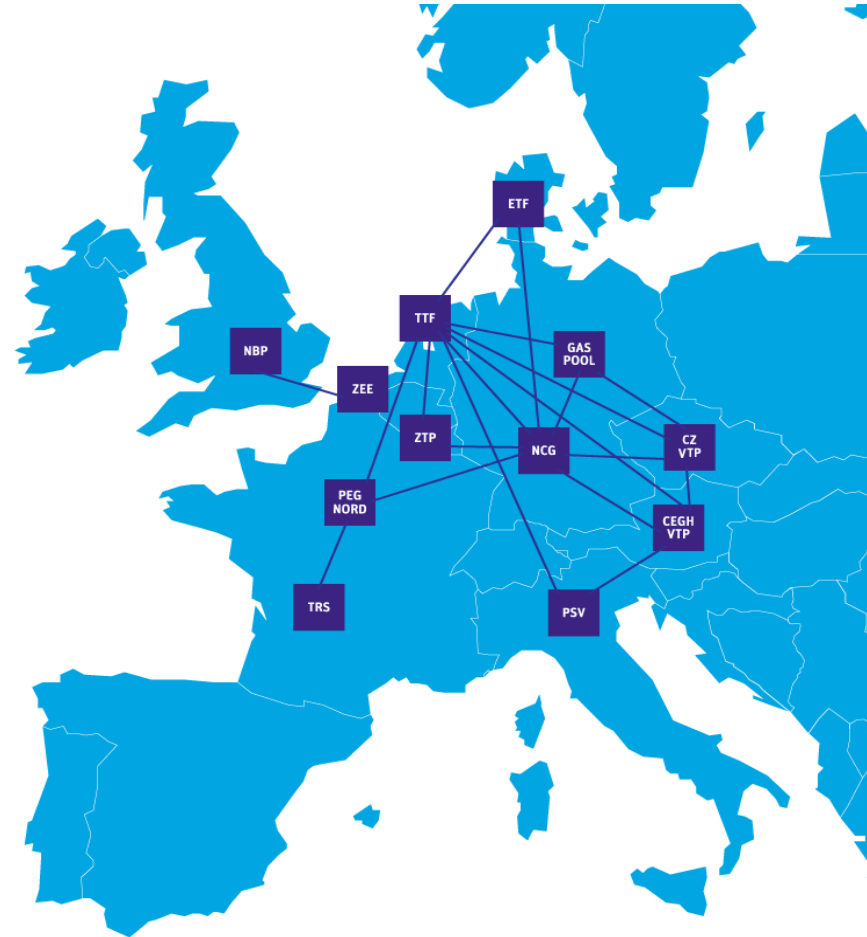
Richard Katz
Vienna, 19/06/2018

Agenda

1. One Platform for one European Gas Market
2. PEGAS Volume development Spot
3. PEGAS Volume Development Futures
4. PEGAS Projects and new initiatives

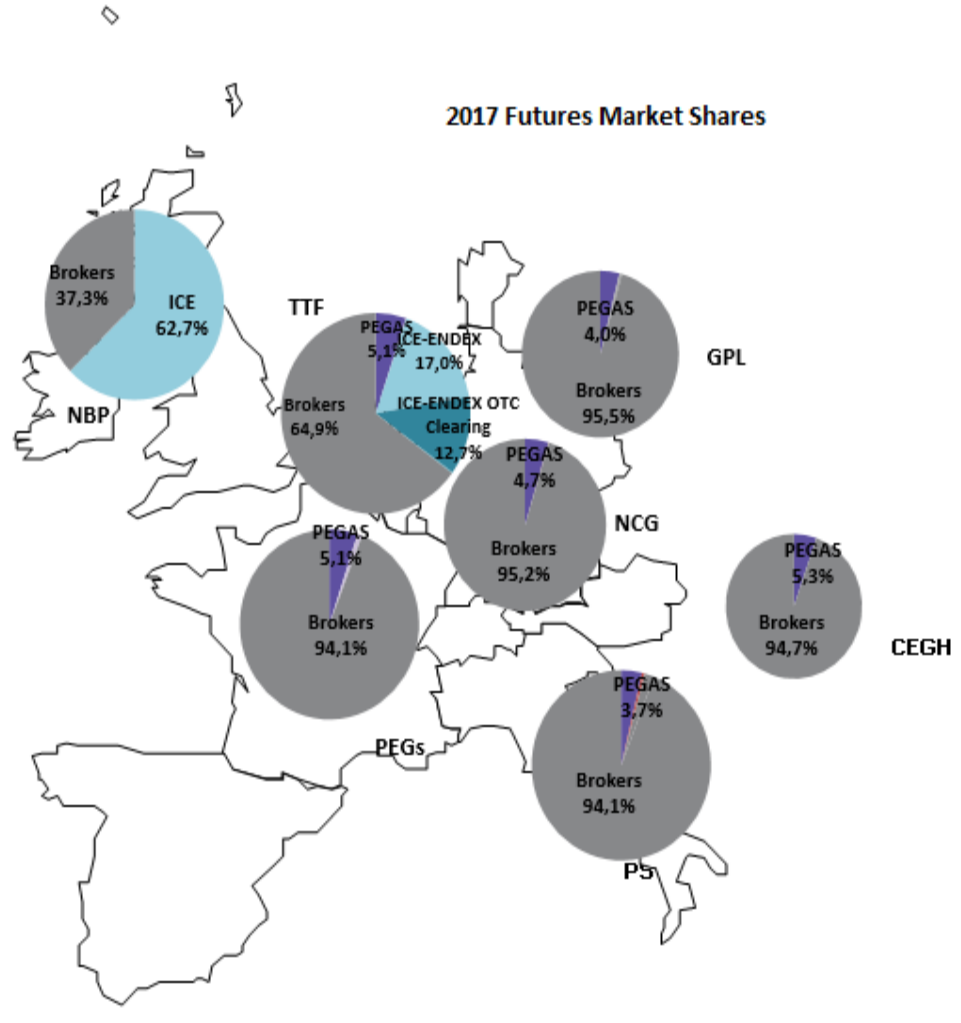
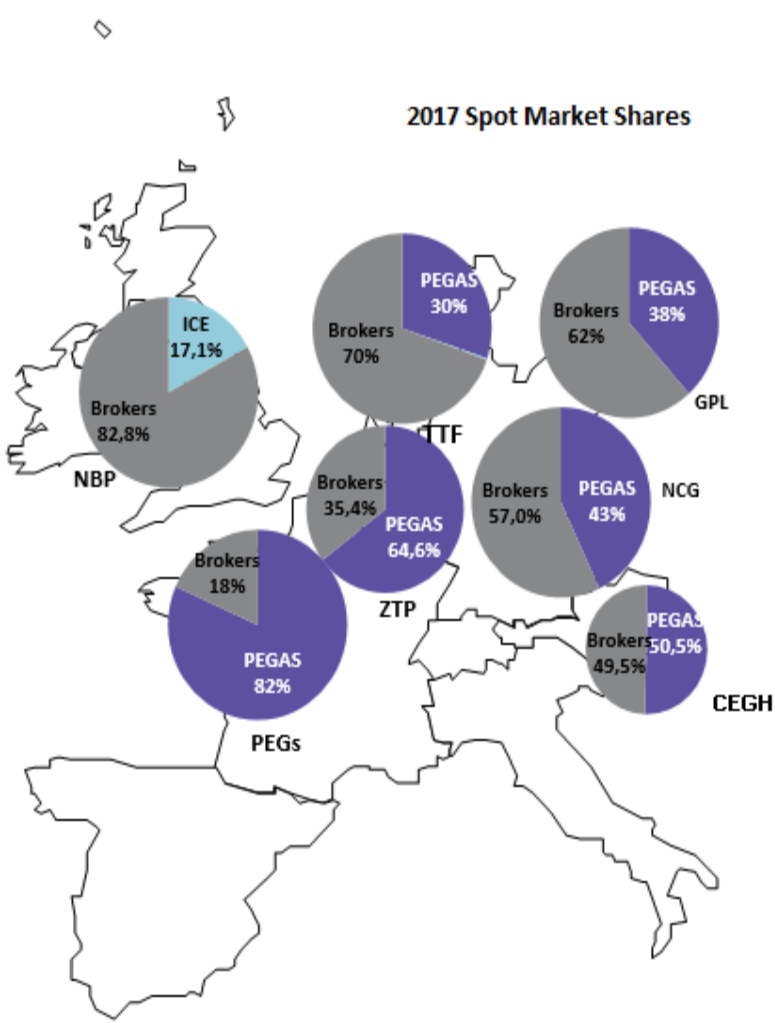
One Platform for one European Gas Market : Product offer

- PEGAS is the central gas trading platform of EEX Group operated by Powernext, providing its members with access to all contracts in the Austrian, Belgian, Czech, Danish, Dutch, French, German, Italian and UK market areas
- PEGAS covers spot and derivatives contracts for the major European gas Hubs as well as trading in location spread products between these market areas
- This setup enables market harmonisation and forms the preferred pan European natural gas market

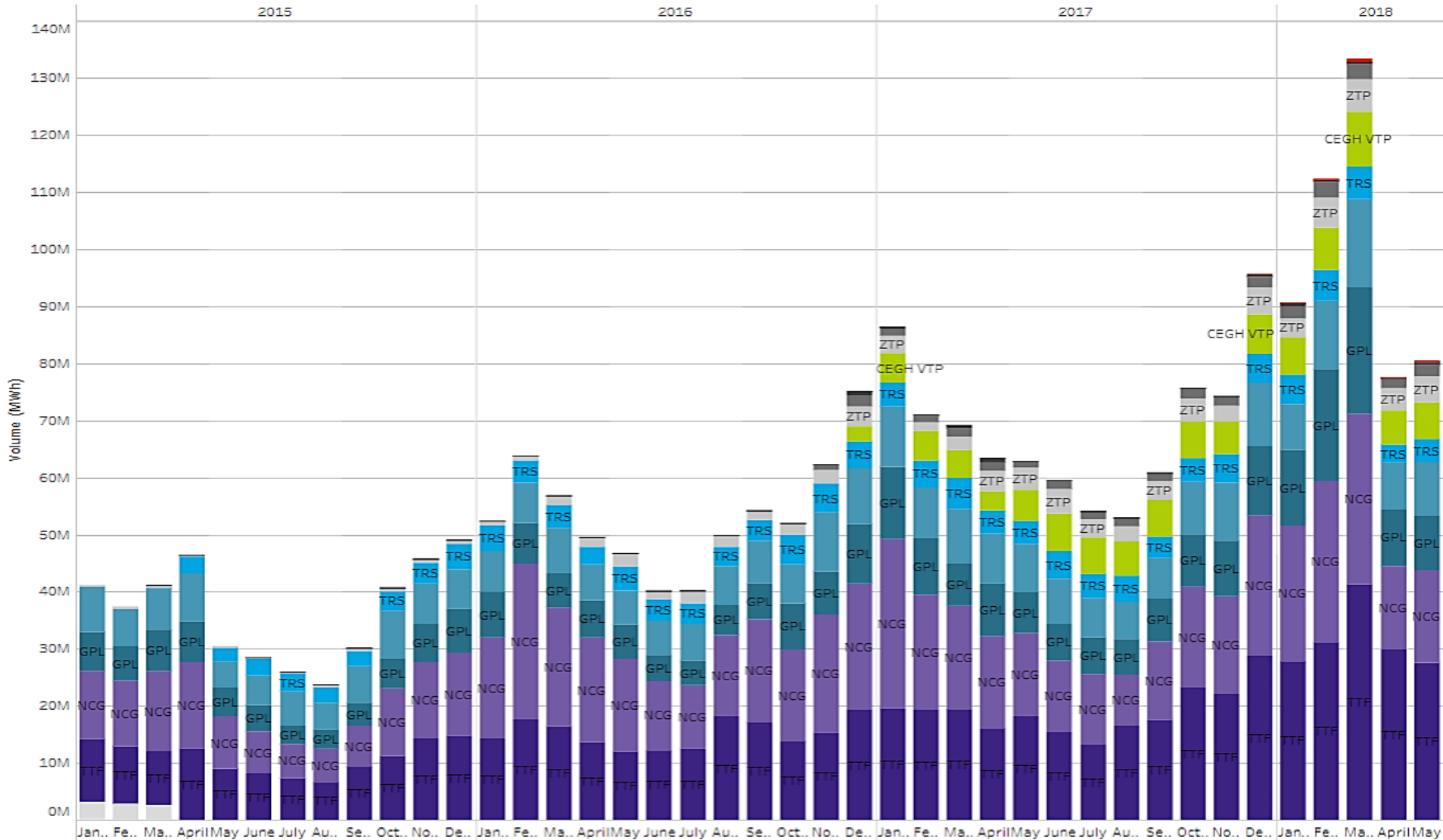


11 hubs in 8 countries

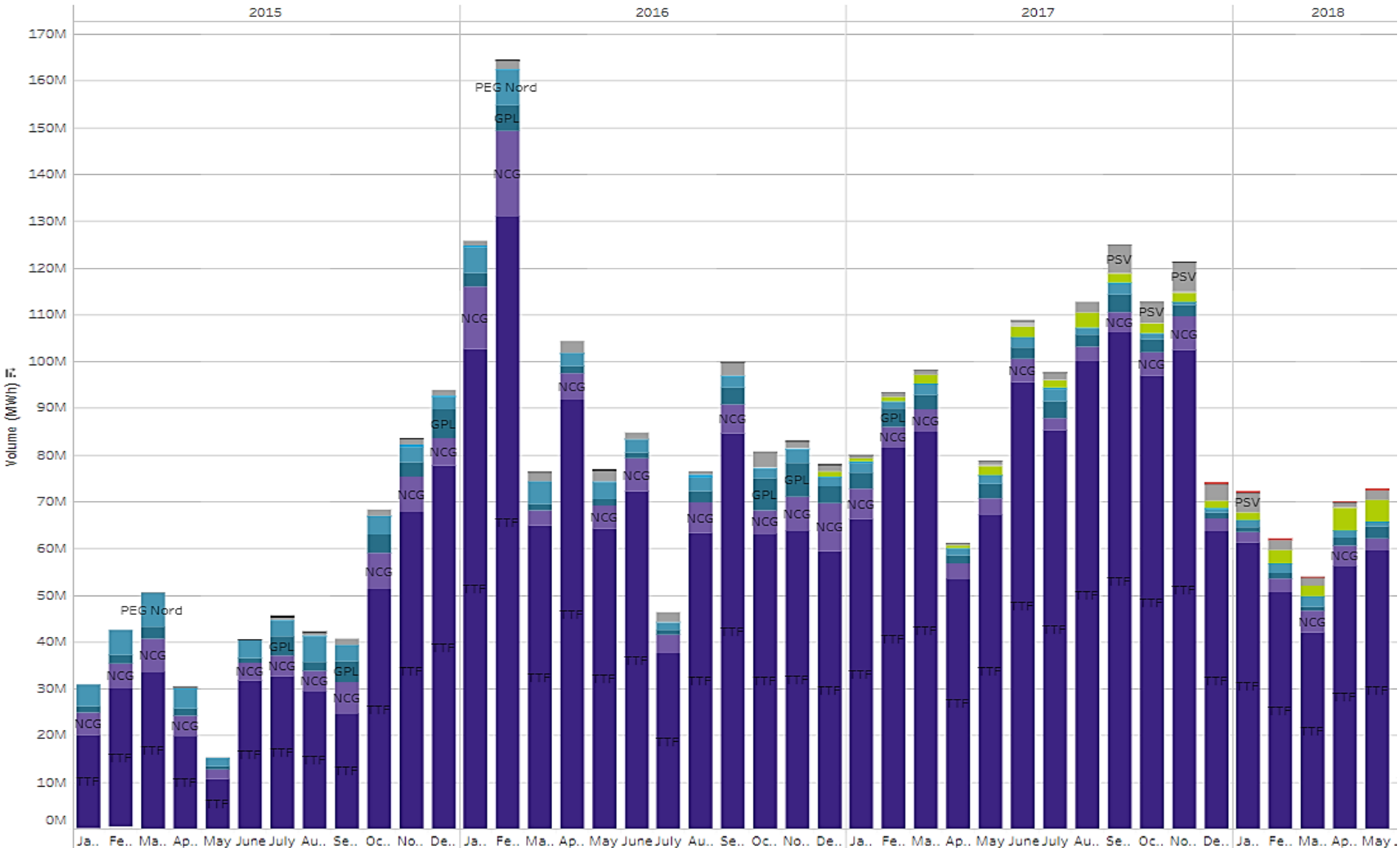
One Platform for one European Gas Market : PEGAS in 2017



Pegas Volume development – Spot Overview



Pegas Volume development – Futures overview



Update on PEGAS projects and initiatives

1. PEGAS changed its back-end system as of 8th December 2017 from Trayport to T7
2. Czech Market successfully migrated to PEGAS in cooperation with our regional partner CEGH on 8th December 2017
3. MiFID II implementation 3rd of Jan 2018
4. Option registration launched in March 2018
5. European gas market topics – French zone merger on 1st November 2018
6. LNG products : PEGAS would like to launch JKM products in Q3 2018
7. Spanish PVB : Forecasted Launch date end of Q4 2018
8. Trade At Settlement and Prompt Products

Thank you

Powernext SAS – Siège social
5, Boulevard Montmartre 75002 Paris - SAS
Registre du Commerce et des Sociétés de Paris n° 438.750.440 Capital 12 583 640 euros

pegas is the gas trading
platform of eex group,
operated by powernext



PEGAS CEGH Gas Markets

Detailed Products and Services Offering



Spot markets

- Hourly
- Within-Day
- Day-Ahead
- Weekend
- Saturday
- Sunday
- Individual Days

Futures regulated markets

- Next 6 Months
- Next 7 Quarters
- Next 6 Seasons
- Next 6 Calendar years

OTF markets

- Next 6 Months
- Next 7 Quarters
- Next 6 Seasons
- Next 6 Calendar years

Locational Spreads trading facility with TTF, GPL, NCG, PSV and CZ VTP

Time Spreads

Trade registration for futures contracts

Bilateral trade clearing at ECC through STP or OTC Web platform

Data and indices

All customers have free access to EEX ftp and PEGAS tools

CEGHIX, CEGHEDI, 1st FM, 1st FQ and 1st FM Reference Index are published on the CEGH website

PEGAS and CEGH – Locational Spread products



CEGH Czech Gas Exchange Market:

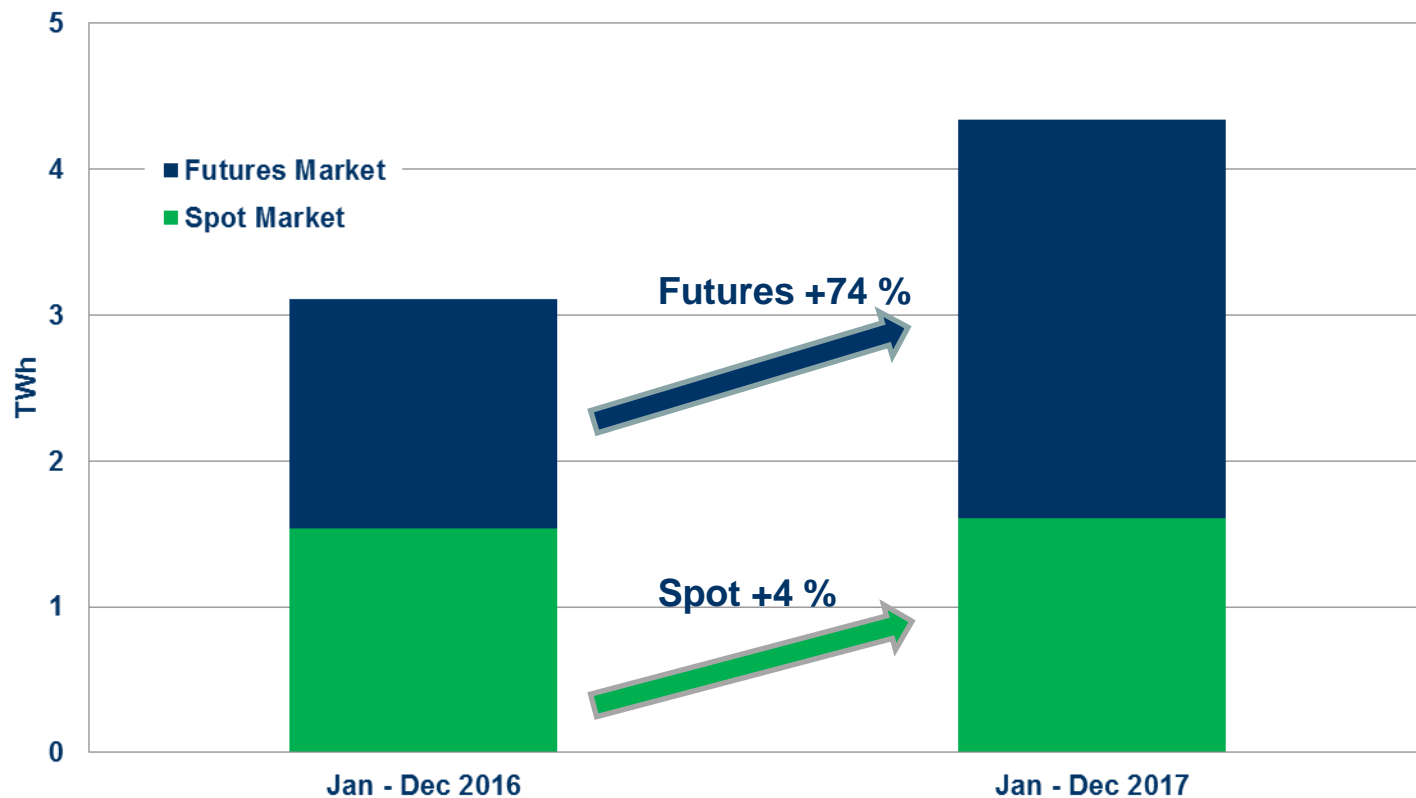


- **Launch:** Futures Market: 9 December 2013
Spot Market: 4 May 2015
- **Members:** 26 members registered
- **Traded Volume:**
 - 01 – 12/2016: 3.113 TWh
 - 01 – 12/2017: 4.341TWh (+39%)
 - 01 – 05/2017: 1.206 TWh
 - 01 – 05/2018: 2.522 TWh (+109%)

PEGAS CEGH Czech Market 2017: Spot and Future Increase on YtY basis: +39%



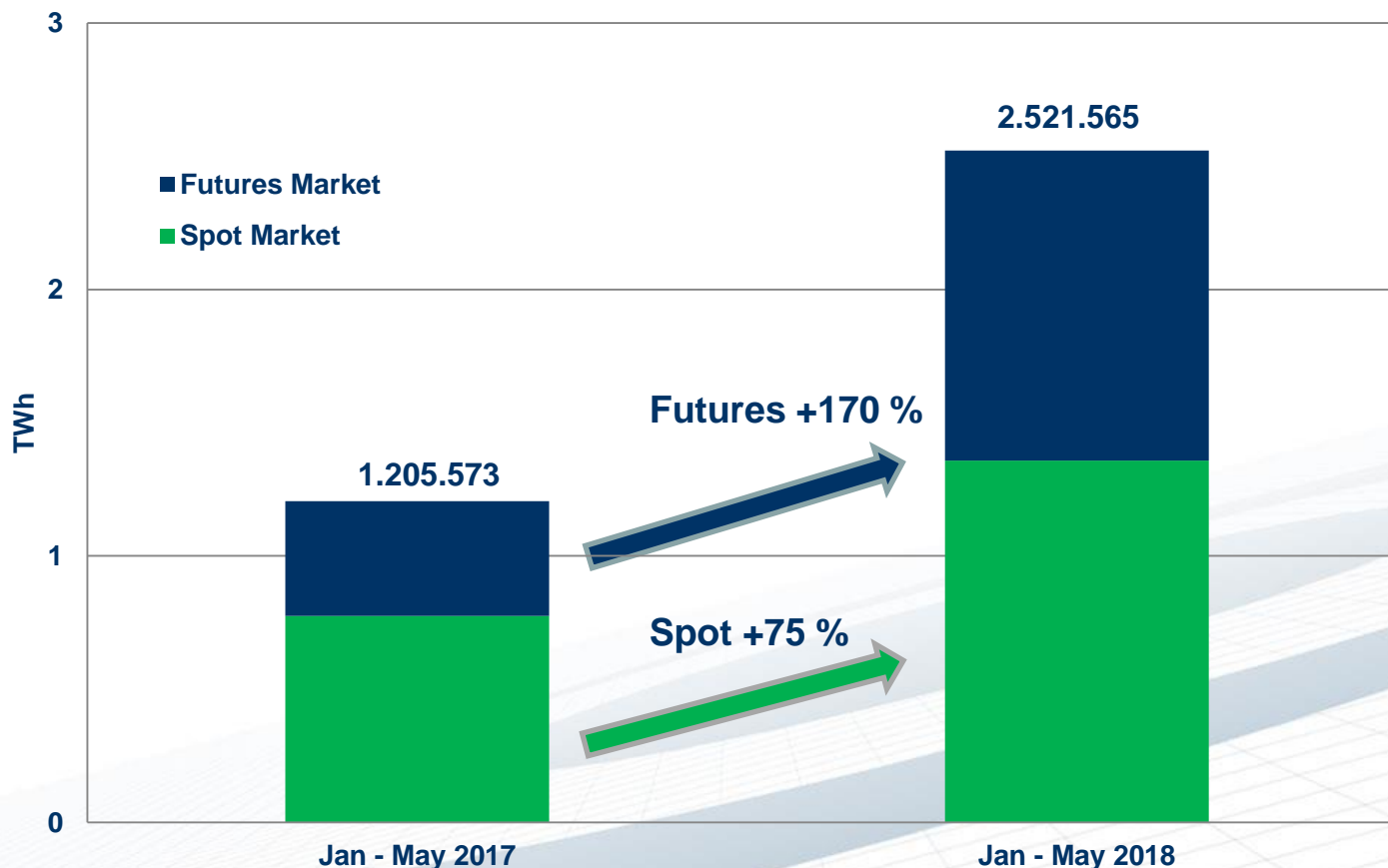
Total Volume Development



PEGAS CEGH Czech Market 2018: Spot and Future Increase on YtY basis: +109%

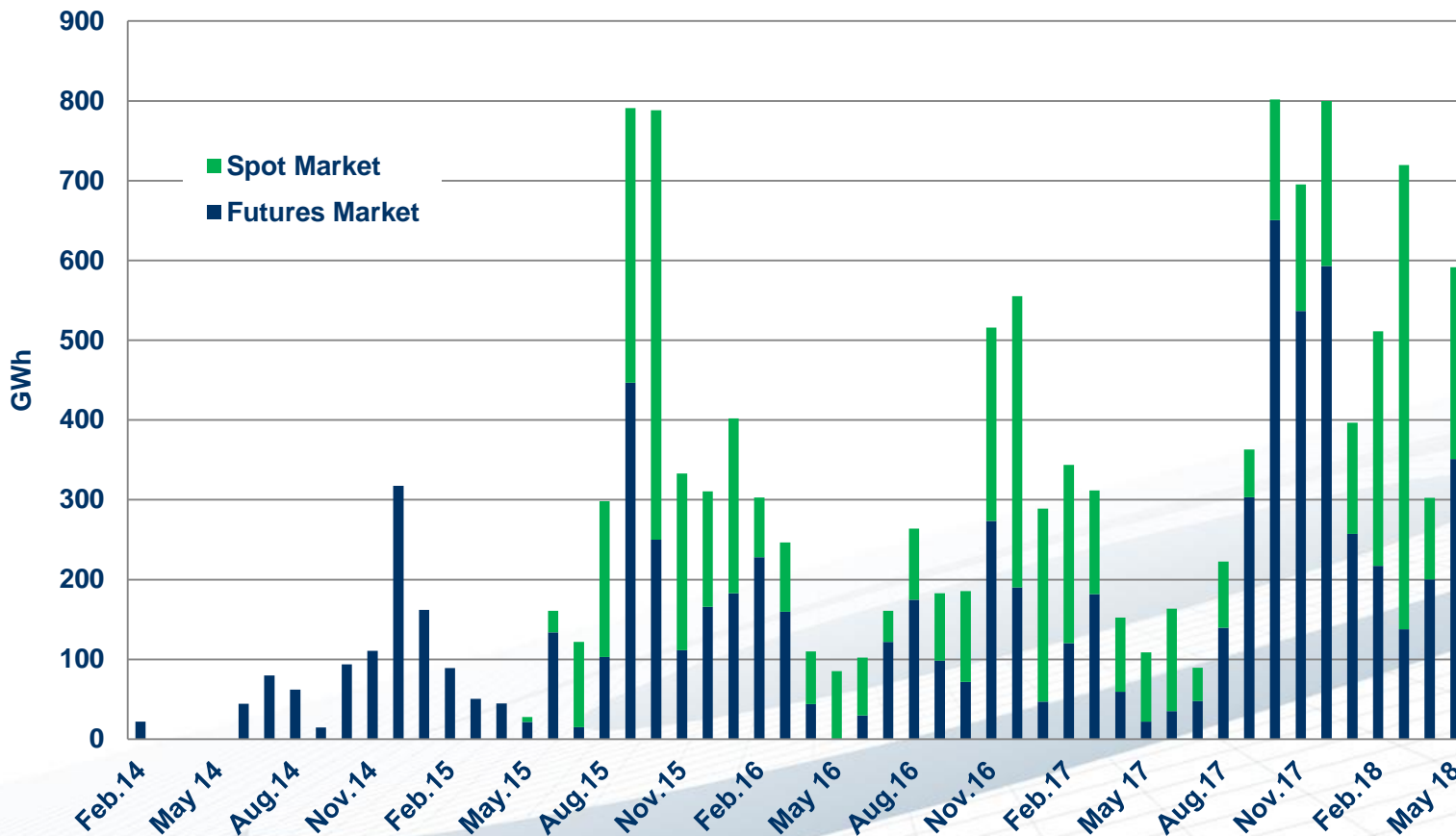


Total Volume Development

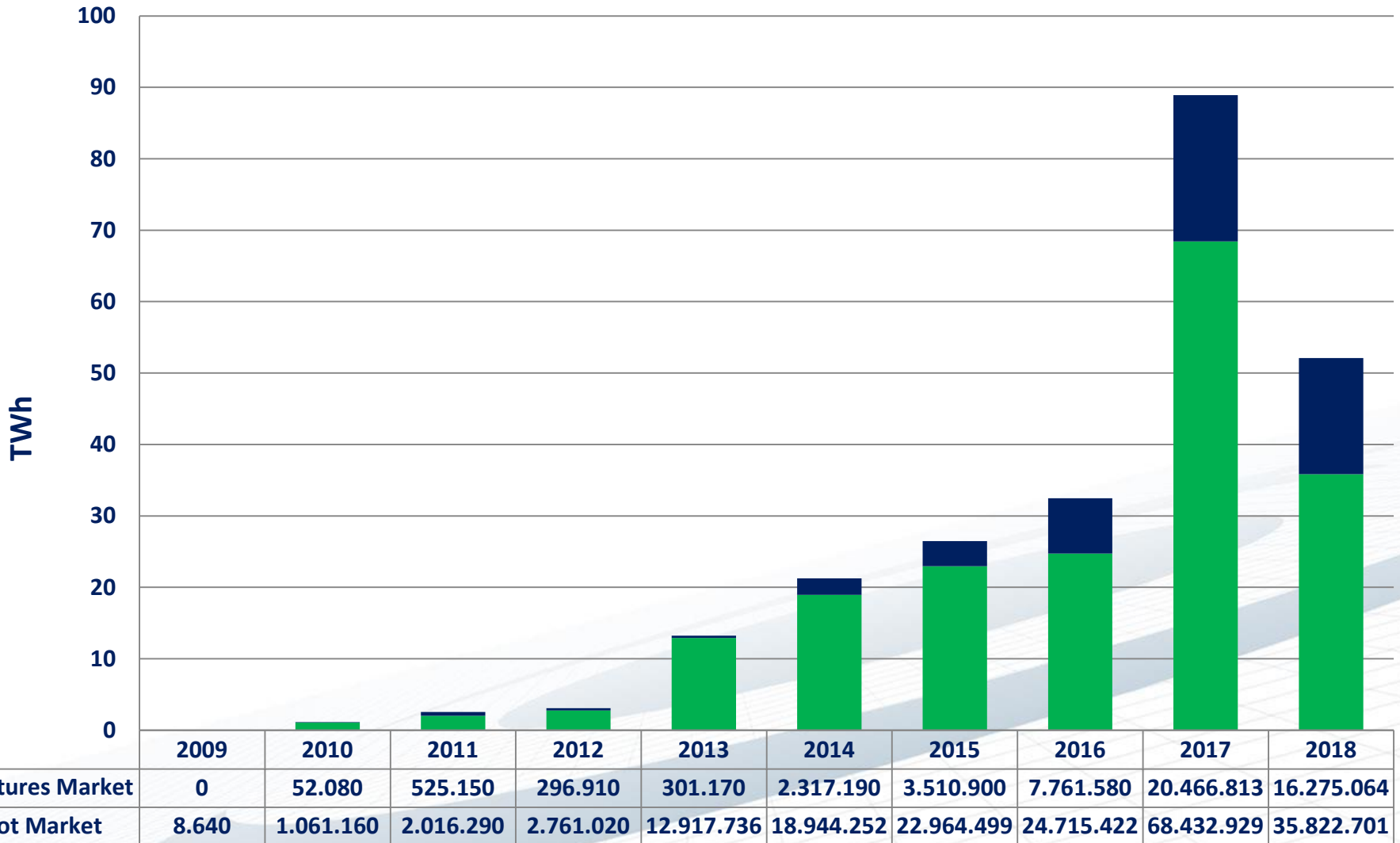


CEGH Czech Gas Exchange: Monthly Trading Volume

Traded Volume on Spot & Futures Market



PEGAS CEGH Austrian Gas Market *: Yearly Trading Volume since 2009

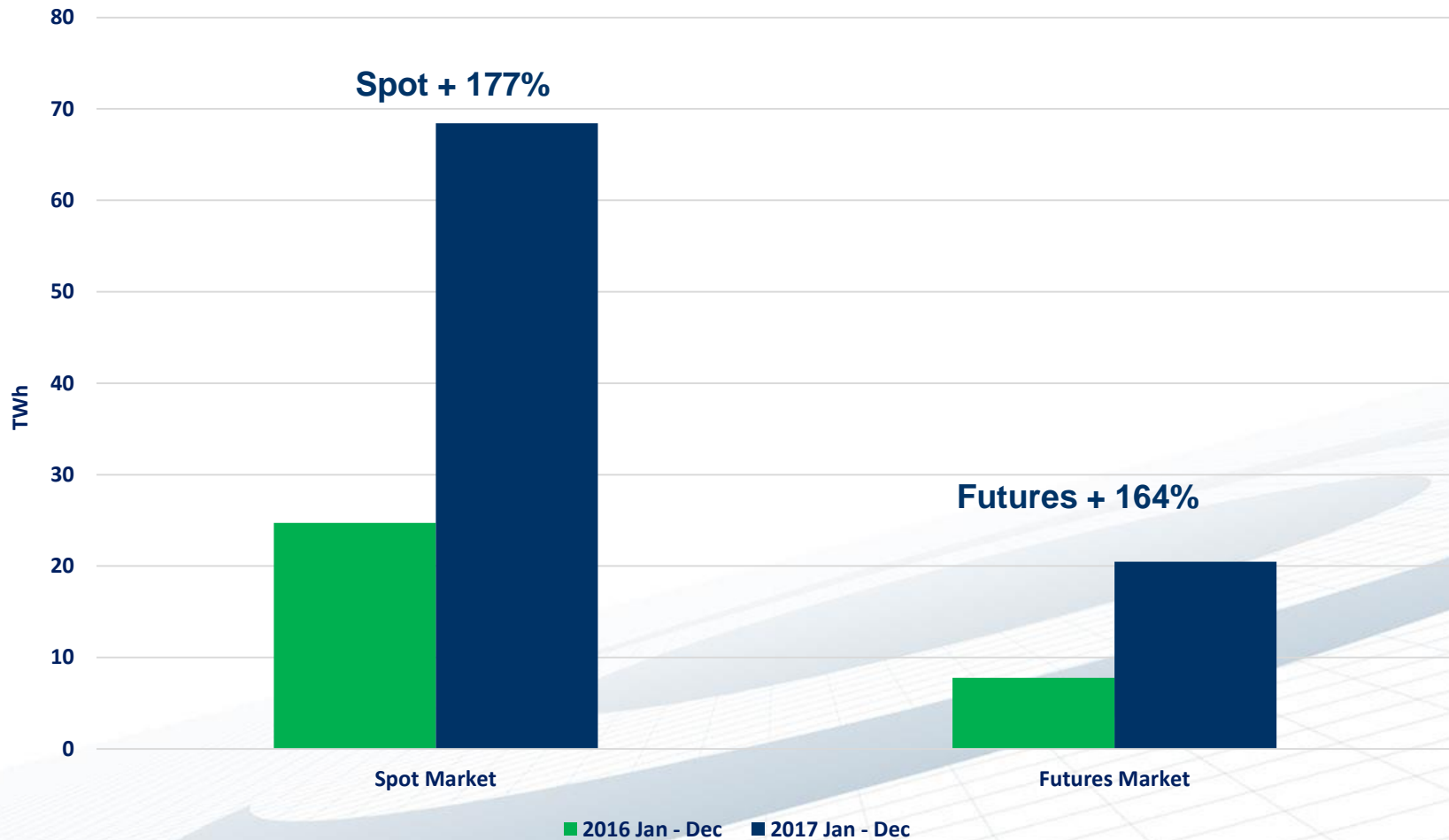


*up to Nov 2016: CEGH Gas Exchange of Wiener Boerse

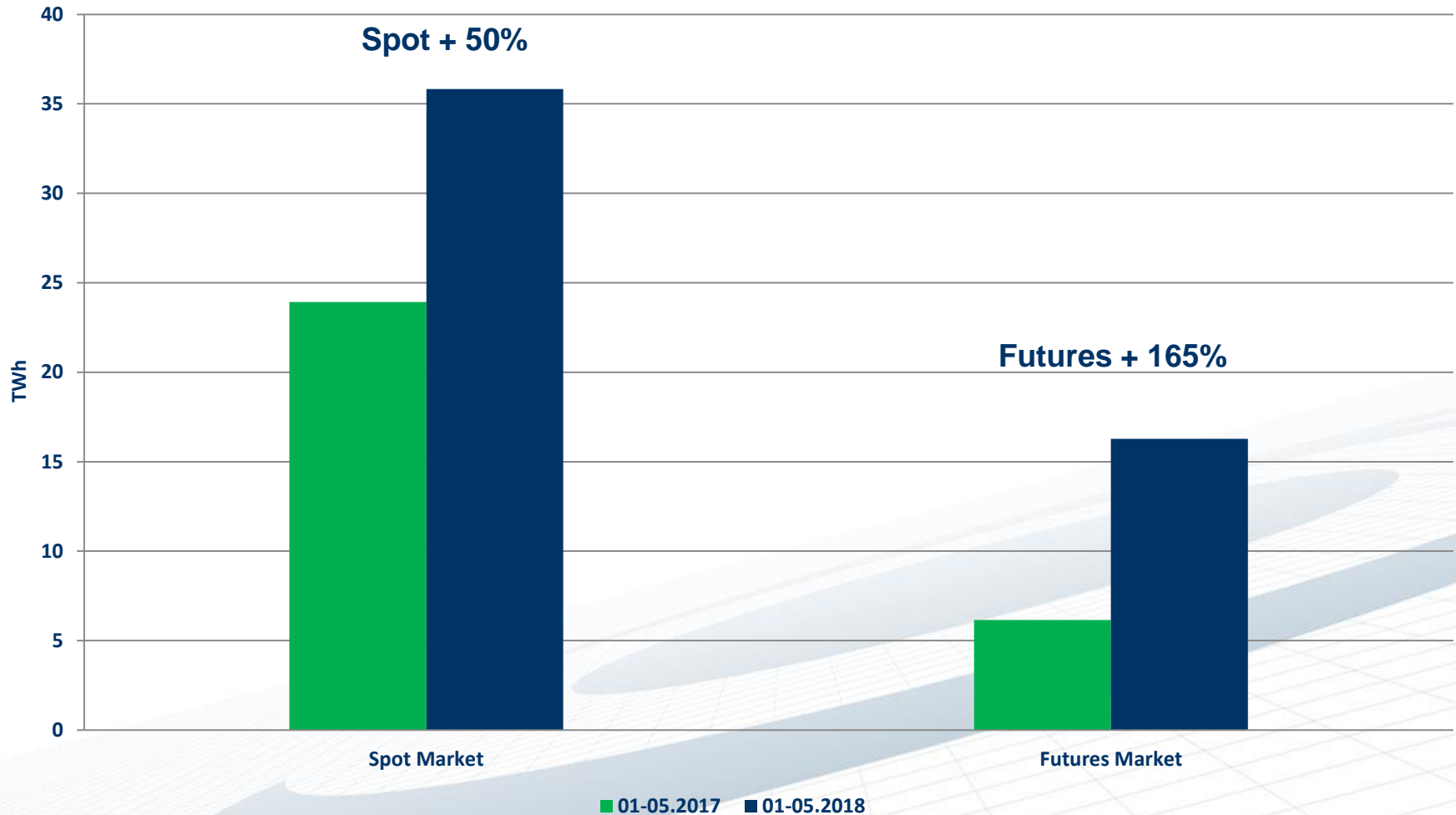
PEGAS CEGH Austria 2017: Spot and Future Increase on Y2Y basis



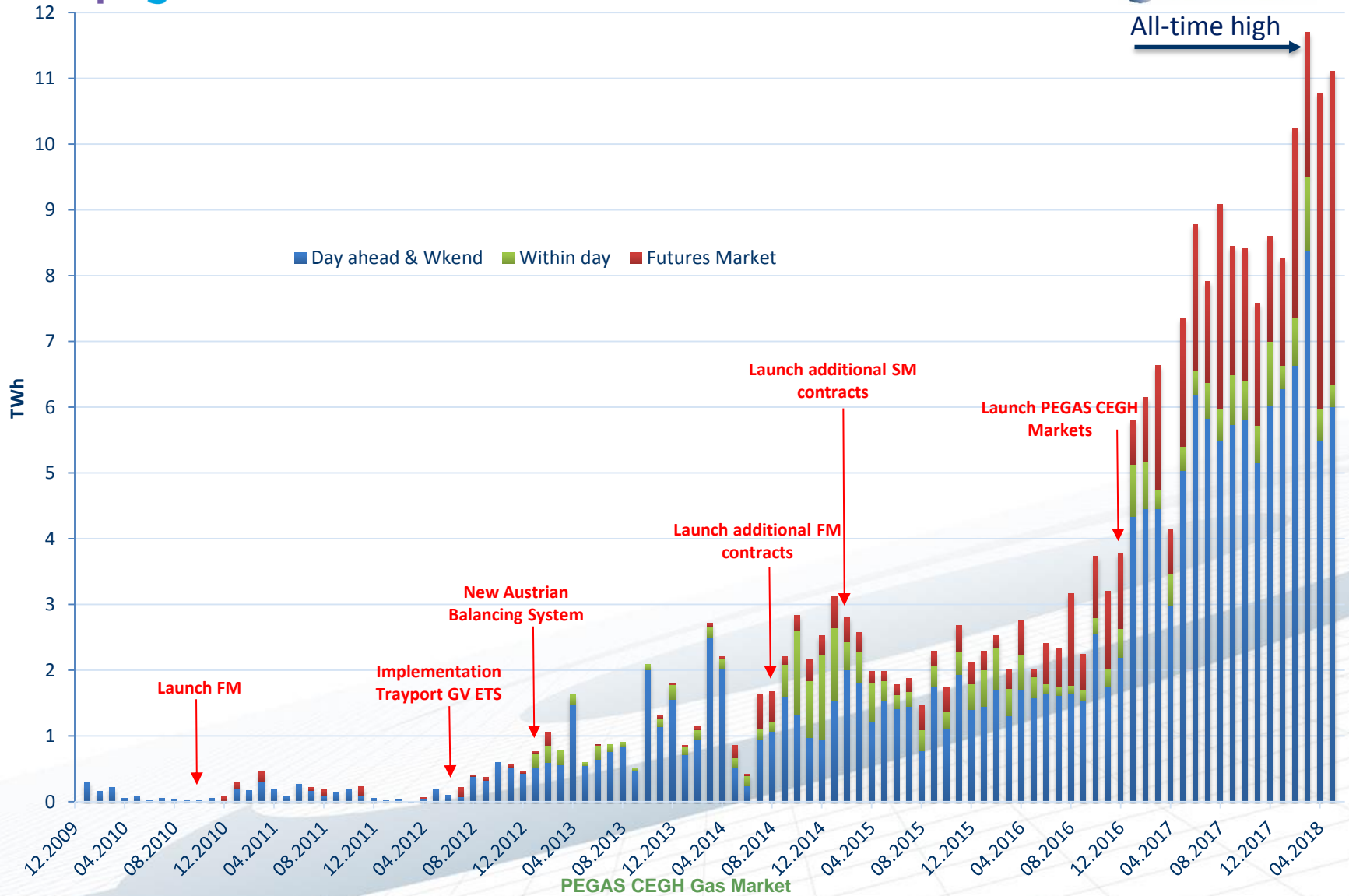
Y2Y Growth



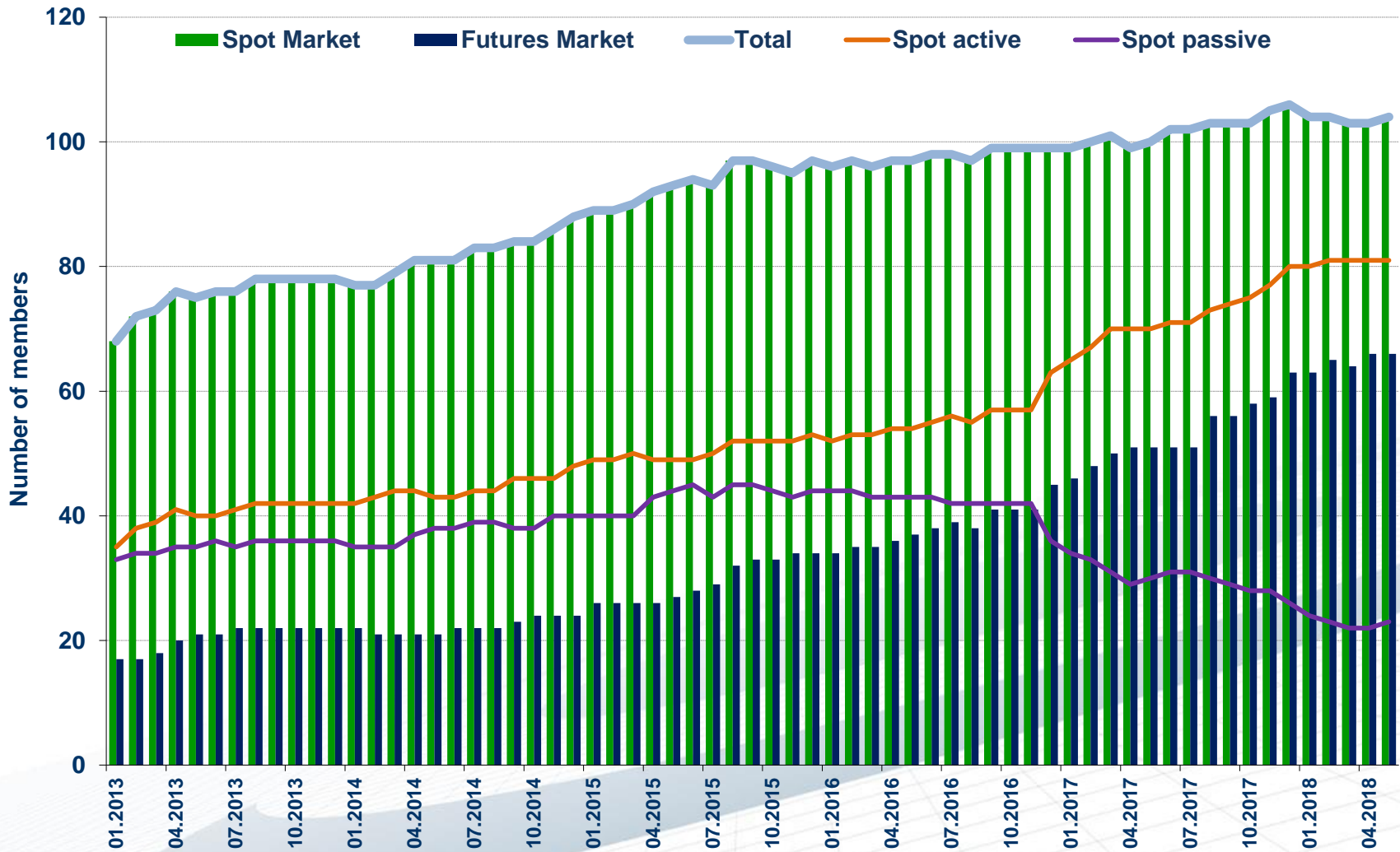
PEGAS CEGH Austria: Spot and Future Increase 1- 5 2017 vs 2018



Monthly Trading Volume since Dec 2009



Development of the Members since 2013

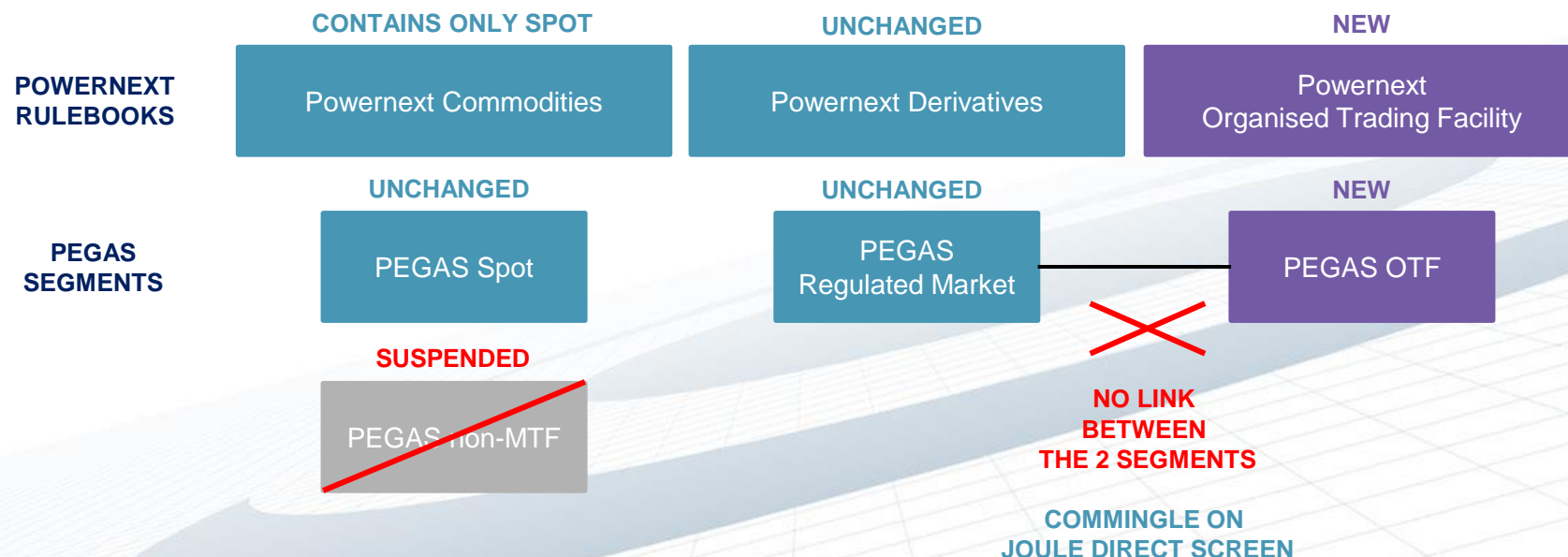


PEGAS Organized Trading Facility



- The new segment PEGAS OTF replaces the segment PEGAS non-MTF
- The segment non-MTF is suspended and contracts are terminated
- Clients willing to participate to OTF have to sign a new annex to their trading agreement

Powernext rulebooks on the **3rd of January** :



PEGAS Organized Trading Facility



Instruments listed on the OTF

OTF and Regulated Market can be commingled in Joule Direct Screen if you are set-up on both market.

But no technical link is maintained between the OTF and Regulated Market.

Non-financial instruments of the OTF that must be physically settled (no close-out agreement):

- CEGH VTP, ETF, GPL, NBP, NCG, PEG Nord, PSV, TRS and TTF

Financial instruments of the OTF that can be physically settled (close-out agreement accepted):

- ZEE and ZTP
- These instruments enter in the full scope of MIFID2

16th CEGH Feedback Workshop



Agenda

- Welcome, Opening Words
- Update CEGH VTP
- AGGM
- PEGAS CEGH Gas Markets
- **Impact of Brexit**
- Adaption of GTC's
- Feedback Session / Q&A
- Lunch

16th CEGH Feedback Workshop



BREXIT Impact on CEGH Members

BREXIT Background



Requirements for Balance Group Group Responsible Parties at the CEGH VTP:

According to the Austrian Gas Act 2011 (Art. 90 Par. 3), Balance Group Responsible Parties (BGRPs) must have their seat in

- Austria; or
- any other EU Member State; or
- an EEA Member State; or
- in a country with a related agreement (e.g. Switzerland)

Change of the Austrian Gas Act:

- CEGH has addressed the issue to the relevant Authorities and has advocated for the deletion of the seat requirement in the Austrian Gas Act.

BREXIT Consequences



- Since both the legal relationship of the United Kingdom with the EU after a BREXIT and the future legal requirements in Austria are unclear, it cannot be assessed today whether or not UK-based BGRPs will then meet the requirements under the Austrian Gas Act.
- If the respective requirement of the Austrian Gas Act is not fulfilled, it is to be expected that Energie Control Austria might withdraw the relevant BGRP Licenses.
- Following the withdrawal of a BGRP License, physical trading in the Austrian Market Area East (including Entry / Exit, transportation capacity booking / usage) would no longer be possible.

After - BREXIT Options



UK-based BGRPs have the following options:

- Use a new company / subsidiary within Austria, any other EU Member State, an EEA Member State or in a country with bilateral agreement (e.g. Switzerland) and apply for this company for a BGRP-license.
- Switch operational activities within the group of companies to an already existing EU / EEA / Swiss company / subsidiary and make use of an already existing license.
- Use the Balance Group Service, offered by various companies.

In any case, CEGH will keep you posted about new developments. For questions in relation to BREXIT and the CEGH VTP, please contact us.

16th CEGH Feedback Workshop



Agenda

- Welcome, Opening Words
- Update CEGH VTP
- AGGM
- PEGAS CEGH Gas Markets
- Impact of Brexit
- **Adaption of GTC's**
- Feedback Session / Q&A
- Lunch

Adaption of CEGH General Terms and Conditions (GTC's)



- CEGH plans an adaption of the GTCs, entering into force as per 1 Sept. 2018.
- The adaption is subject to a Market Consultation, planned for July 2018.

Changes / Adjustments:

1. Reduction of Title Transfer Fee from currently 0.011 EUR/MWh resp. 0.005 EUR/MWh to 0.010 EUR/MWh resp. 0.005 EUR/MWh.
2. Operative parameters due to change in Market Rules (SOMA), e.g.:
 - Reduction of Lead Times from 2h to 1h
 - Deletion of Nomination Format KissA and Response Message DATA_QUIT
3. Amendment of Data Protection Clause

16th CEGH Feedback Workshop



Agenda

- Welcome, Opening Words
- Update CEGH VTP
- AGGM
- PEGAS CEGH Gas Markets
- Impact of Brexit
- Adaption of GTC's
- **Feedback Session / Q&A**
- Lunch

16th CEGH Feedback Workshop



Save the Date: 17th CEGH Feedback Workshop:
28 November 2018, Porgy & Bess Jazzclub, Vienna



**Thank you very much
for your attention**

