

Consultation on the updated report on the interim measures implemented by GAZ-SYSTEM in accordance with BAL NC

Gas Transmission Operator GAZ-SYSTEM S.A. hereby invites all interested parties to participate in the consultations on the updated report on the interim measures implemented in the balancing areas managed by GAZ-SYSTEM in accordance with Article 45 of Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (BAL NC).

BAL NC contains guidelines on the principles of balancing the system and making settlements with shippers for individual imbalances. Transmission system operators in the European Union, including GAZ-SYSTEM, are obliged to apply the principles of BAL NC since 1 October 2015.

The Regulation supports the development of the short-term wholesale gas fuel markets and to tighten the integration of the EU gas market by ensuring consistency of the principles of balancing the transmission systems within the EU Member States.

In the absence of sufficient liquidity on the short-term wholesale natural gas market and hence limited opportunities for balancing the transmission system in accordance with the BAL NC, the transmission system operator implements so-called interim measures, namely admissible and transitional derogations from the BAL NC principles, the list of which has been specified in Articles 47–50 of the Regulation. The implementation of the interim measures requires the preparation of a document (report) confirming the justification for introducing the proposed interim measures.

On 10th June 2015, President of the Energy Regulatory Office issued a decision (sign DRR-7129-2(13)/2014/2015/AN/MSi) approving the Report on the interim measures planned for the implementation by GAZ-SYSTEM in connection with the entry into force of BAL NC. On 30th September 2016 and on 29th September 2017, the President of Energy Regulatory Office issued decisions (sign DRR.WIR.7129.4.1.2016.JF and sign DRR.WRG.7129.7.2017.LW respectively) approving the subsequent report updates prepared by the TSO.

The approved reports define the application of the following interim measures:

1. tolerance - in relation to the high-methane gas balancing area,
2. interim imbalance charge - in relation to TGPS balancing area and low-methane gas balancing area,
3. balancing platform, for all balancing areas of GAZ-SYSTEM.

Interim measures approved by the President of ERO (decision of 29th September 2017) apply during the period from 6:00 am on 1 October 2017 to 6:00 a.m. on 1 October 2018.

GAZ-SYSTEM assessed the impact of the functioning of the interim measures and in accordance with Art. 46 point 3 BAL NC prepared the updated report. It provides for the continuation of the use of interim measures in the balancing areas where GAZ-SYSTEM acts as a transmission system operator.

After the consultation, the updated report will be forwarded to the President of the Energy Regulatory Office for approval.

We would like to invite all interested parties to review the draft report and send comments (if any) till 25th May 2018, by submitting a completed form, the specimen of which is presented below, to the following e-mail address: instrukcja@gaz-system.pl.

- [Report on the Interim Measures Planned for the Implementation by GAZ-SYSTEM](#)
- [Comments to the draft updated report on the interim measures implemented in balancing areas managed by GAZ-SYSTEM](#)

GAZ-SYSTEM plays a strategic role in the Polish economy. We are responsible for natural gas transmission and operate the most important gas pipelines in Poland. As part of the 2015-2025 investment programme, GAZ-SYSTEM plans to build over 2000 km of new gas pipelines in western, southern and eastern parts of Poland. Further development of the national transmission network, including the construction of new gas pipelines making part of the North-South Gas Corridor, as well as the construction of interconnections with the neighbouring countries, will strengthen Poland's energy security and make an important contribution to the development of the European transmission system.

The Company is implementing one of the most important infrastructural projects in Poland – the Baltic Pipe project, which consists in the construction of a bidirectional offshore gas pipeline connecting Poland and Denmark and the expansion of the local transmission network.

GAZ-SYSTEM also owns Polskie LNG, the operator of the President Lech Kaczyński's LNG Terminal in winouj cie.