

Further information related to German Gas Market Merger on 1 October 2021

Summary

Pursuant to the decision by the German Federal Ministry for Economic Affairs and Energy (BMWi) and as agreed between the German Market Area Managers GASPOOL (GPL) and NetConnect Germany (NCG), the two existing German gas market Areas GPL and NCG will be merged into a single gas market area as of 1 October 2021 (gas delivery day). The name of the nationwide German gas market area will be Trading Hub Europe (THE).

The merger is driven by potential advantages:

- One German reference price avoids regional price discrimination for consumers
- Increased liquidity in the German gas market, security of supply & competitiveness

ECC and EEX are working jointly to ensure complete readiness for this go live date. In this regard we would like to outline further technical and operational changes impacting the Trading and Clearing Community via this document. Further details will be provided as the launch approaches.

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Product Setup EEX Derivatives Market

Currently, EEX offers 16 different derivatives products for the German gas market areas, distributed between NCG and GPL and between the regulated market and the OTF. From these 16 derivatives products, the 8 NCG products for the regulated and the OTF market will be changed into THE derivatives. The change will mainly affect the long name of the products. There are no amendments to the respective ISIN's or exchange short codes. The remaining 8 GPL products for the regulated and OTF market will be delisted.

Short-Code	Old Product Long Name	New Product Long Name	Market Place	Status
G0BM, G0BQ, G0BS, G0BY	EEX NCG Natural Gas Month/Quarter/Season/Year Futures	EEX THE Natural Gas Month/Quarter/Season/Year Futures	Regulated Market	Change Long Name
H0BM, H0BQ, H0BS, H0BY	EEX NCG Natural Gas Month/Quarter/Season/Year OTF Futures	EEX THE Natural Gas Month/Quarter/Season/Year OTF Futures	OTF Market	Change Long Name
G2BM, G2BQ, G2BS, G2BY	EEX GPL Natural Gas Month/Quarter/Season/Year Futures	Will be delisted	Regulated Market	Delist
H2BM, H2BQ, H2BS, H2BY	EEX GPL Natural Gas Month/Quarter/Season/Year OTF Futures	Will be delisted	OTF Market	Delist

Product Setup EEX Spot Market

Furthermore, EEX offers 19 different spot products for the German gas market areas, labelled as NCG and GPL products. From these overall 19 products, the names of 3 NCG Products will be changed into THE while the remaining 16 products will be delisted latest on 1 October 2021. In addition, 12 new THE spot products will be launched.

Product Name	Delivery			Quality		Delivery period		Status
	VTP	Zonal	Global	H-Gas	L-Gas	Within- Day / Day- Ahead	Hour	
GPL	✓		✓			✓	✓	Delist

GPL H	✓			✓		✓		Delist
GPL L	✓				✓	✓	✓	Delist
GPL GuD H-Gas		✓		✓		✓		Delist
GPL Ontras H-Gas		✓		✓		✓		Delist
GPL Gascade H-Gas		✓		✓		✓		Delist
GPL GuD L-Gas		✓			✓	✓		Delist
GPL GtG Nord L-Gas		✓			✓	✓		Delist
GPL Nowega L-Gas		✓			✓	✓		Delist
NCG	✓		✓			✓	✓	Change
NCG H	✓			✓		✓		Change
NCG L	✓				✓	✓	✓	Change
NCG H North		✓		✓		✓		Delist
NCG H Mid		✓		✓		✓		Delist
NCG H South		✓		✓		✓		Delist
NCG L West		✓			✓	✓		Delist
NCG L East		✓			✓	✓		Delist
NCG L-West		✓			✓		✓	Delist
NCG L-East		✓			✓		✓	Delist
THE North H		✓		✓		✓		New
THE North H VIP BE		✓		✓		✓		New
THE North H VIP NL		✓		✓		✓		New
THE North H Cluster		✓		✓		✓		New
THE South H		✓		✓		✓		New
THE South H VIP NL		✓		✓		✓		New

THE South H VIP BE		✓		✓		✓		New
THE South H Cluster		✓		✓		✓		New
THE North L		✓			✓	✓	✓	New
THE South L		✓			✓	✓		New
THE L West		✓			✓		✓	New
THE L East		✓			✓		✓	New

Technical Setup Clearing

ECC will setup the following product groups for EEX THE Natural Gas Spot Products in the Clearing System SMSS. Please also find the approved ECC shipper codes for THE:

Name	ECC Shippercode	SMSS Product Group
Global (new / old NCG)	THE2BFH800030000	EEX_DF_NATGAS_THE EEX_DS_NATGAS_THE EEX_FT_NATGAS_THE_OTF EEX_FE_NATGAS_THE EEX_FT_NATGAS_THE EEX_IT_NATGAS_THE EEX_ST_NATGAS_THE
Quality H-Gas (new / old NCG H)	THE2BFH800040000	EEX_DS_NATGAS_THE_H EEX_IT_NATGAS_THE_H EEX_ST_NATGAS_THE_H
Quality L-Gas (new / old NCG L)	THE2BFL800130000	EEX_DS_NATGAS_THE_L EEX_IT_NATGAS_THE_L EEX_ST_NATGAS_THE_L
North H (new)	THE2BFH800050000	EEX_IT_NATGAS_THE_NH EEX_ST_NATGAS_THE_NH
North H VIP BE (new)	THE2BFH800080000	EEX_IT_NATGAS_THE_NHV_BE EEX_ST_NATGAS_THE_NHV_BE
North H VIP NL (new)	THE2BFH800070000	EEX_IT_NATGAS_THE_NHV_NL EEX_ST_NATGAS_THE_NHV_NL

Name	ECC Shippercode	SMSS Product Group
North H Cluster (new)	THE2BFH80060000	EEX_IT_NATGAS_THE_NHC
		EEX_ST_NATGAS_THE_NHC
South H (new)	THE2BFH80090000	EEX_IT_NATGAS_THE_SH
		EEX_ST_NATGAS_THE_SH
South H VIP NL (new)	THE2BFH800110000	EEX_IT_NATGAS_THE_SHV_NL
		EEX_ST_NATGAS_THE_SHV_NL
South H VIP BE (new)	THE2BFH800120000	EEX_IT_NATGAS_THE_SHV_BE
		EEX_ST_NATGAS_THE_SHV_BE
South H Cluster (new)	THE2BFH800100000	EEX_IT_NATGAS_THE_SHC
		EEX_ST_NATGAS_THE_SHC
North L * WD/DA (new)	THE2BFL800140000	EEX_IT_NATGAS_THE_NL
		EEX_ST_NATGAS_THE_NL
North L * Hourly (new)	THE2BFL800180000	EEX_IT_NATGAS_THE_LNORTH
South L (new)	THE2BFL800150000	EEX_IT_NATGAS_THE_SL
		EEX_ST_NATGAS_THE_SL
L East (new)	THE2BFL800160000	EEX_IT_NATGAS_THE_LEAST
L West (new)	THE2BFL800170000	EEX_IT_NATGAS_THE_LWEST

ECC's Clearing Specification and SMSS Report Specification, available at ECC's website, will be adapted by 30 June 2021. ECC will further provide an example SMSS Report from that point of time on request.

Physical Settlement Process

EEX THE products will be included in the existing processes for physical settlement. All nominations will be sent out with the new shippercodes. ECC will inform in due time about timing and interval of nominations.

Financial Settlement Process and Margining

EEX THE products will be included in the existing processes for financial settlement as well as margin processes of ECC.

Limit Management

EEX THE products will be included in the existing limit management services.

Regulatory Reporting

For regulatory reporting purposes, the new nationwide German gas market area THE will be identified with two new Energy Identification Codes (EIC) as indicated by DVGW:

Market Area	EIC of Market Area	EIC of VTP	Valid From	Valid To
GPL	37Y701133MH0000P	37Z701133MH0000B	01.10.2009	30.09.2021
NCG	37Y701125MH0000I	37Z701125MH00004 37Z701125ML0000H	01.04.2011	30.09.2021
THE	37Y005053MH0000R	37Z005053MH0000D	01.10.2021	-

The EIC for the VTP THE will be used by EEX for regulatory reporting of transactions in EEX THE Natural Gas Futures. Until 1 October 2021, all transactions in products for the gas market areas GPL and NCG will still be reported using the existing respective EIC's.

Open Interest

Detailed information how to deal with the Open Interest will follow soon.

Fees

The fees for the renamed or new products remain unchanged. A revised price list containing editorial changes reflecting the merger will be published in due time.

Admission

EEX Trading Participants

Already admitted Trading Participants for GPL and/or NCG will remain admitted for the German gas market area THE, without any actions required on members' side. The automated transfer is implied until further notice.

ECC Clearing Member

The clearing licence for Clearing Members already covers the clearing of the renamed or new EEX THE Natural Gas products after the market area merger.

ECC Non-Clearing Member

All Non-Clearing Members currently admitted to trading in products for the GPL and/or NCG market areas will remain admitted for the German gas market area THE, without any actions required on members' side. The automated transfer is implied until further notice.

All members currently admitted for NCG-H/GPL-H Gas as well as NCG-L/GPL-L Gas will automatically get assigned with the "New Products" (e.g. "North H Cluster") by using the respectively set up Shipper Code for each hub.

In case there are two existing balancing agreements, one for GPL and one for NCG, ECC will use the current NCG balancing agreement by default, once this balancing account will be renamed and continued as THE balancing account.

Further details on testing and cut over arrangements

A detailed timeline and guideline for the testing phase as well as the cut-over arrangements around 1 October 2021 will be provided by end of May 2021 as well as further technical details, e.g. on regulatory reporting, info products, technical member setup and the EEX mapping file for Trayport instruments into EEX Natural Gas Products.