
SUMMARY

The European Energy Exchange AG (EEX), which organises the gas trading via a majority shareholding in Powernext under the branch PEGAS, welcomes the consultation by the German Federal Network Agency (BNetzA) for approving of ICE Endex as a relevant trading platform for the German Market Area Manager (MAM) GASPOOL and NCG.

We support the approach by the BNetzA, to include market participants in the process of approving via a simple, uncomplicated and for a limited period of time consultation process.

This will also make sure that for new competitors in the gas balancing market there will not be any timely restricted entry barriers.

We appreciate the opportunity to give a statement.

About the EEX

The European Energy Exchange (EEX) is the leading energy exchange in Europe. It develops, operates and connects secure, liquid and transparent markets for energy and commodities products. At EEX, contracts on Power, Coal and Emission Allowances as well as Freight and Agricultural Products are traded or registered for clearing. Alongside EEX, EPEX SPOT, Powernext, Cleartrade Exchange (CLTX) and Gaspoint Nordic are also part of EEX Group as well as the clearing house European Commodity Clearing (ECC).

COMMENTS REGARDING THE COMMENCEMENT ORDINANCE

PEGAS operates spot markets in many gas markets outside Germany and already fulfils the network codes requirements regarding the approval as a relevant trading platform in the balancing market in those markets.

We would like to stress that an approval of new exchanges as relevant trading platforms under the Network Code on Gas Balancing should also be made possible in other gas market areas and therefore create equal treatment between exchanges as a consequence.

As a result the foundation for fair and non-discriminatory competition between energy exchanges in the balancing market gas is given, because the same prerequisites apply to all participants.

At present equal treatment of energy exchanges in the gas markets NBP, TTF, ZTP and ZEE is not met as national regulatory instructions only acknowledge individual national trading platforms for the aforementioned market areas. Following the requirements under the Network Code on Gas Balancing, we support non-discriminatory access combined with a competition conforming opening of the gas balancing markets for exchanges to which the requirements under the Network Code on Gas Balancing apply.

If in those gas markets identified above further criteria are used or the consultation process might take longer to be approved as a relevant trading platform, then an equal treatment of exchanges should be reached through close coordination between the national regulatory authorities in these markets:

Current examples are inter alia:

- In the NBP spot market trading participants, which transact business in the spot market gas via PEGAS, have currently higher administrative and operational efforts due to ICE Endex being the only relevant trading platform for the NBP balancing market which gets the privilege to nominate with an own account gas trades in the name of trading participants. To strengthen competition and therefore to the benefit of all market participants we deem it necessary that PEGAS is also granted the status of a relevant trading platform in the NBP spot market through a time-limited market consultation (such as this one). This would enable PEGAS, as is already market standard in most continental European gas markets, to conduct the nominations for market participants with an own account which guarantees equal treatment and fair competition between the energy exchanges.

- TTF spot market – Already today more than 93% of the exchange spot trading at TTF with over 65 active market participants is conducted in balancing energy relevant Within-Day and Day products via PEGAS (<7% via ICE Endex in Q1/2015). To enable also the Dutch Gas TSO Gas Transport Services (GTS) to benefit from the liquidity and the progressing market prices, it is necessary that PEGAS is also granted the status of a relevant trading platform in the TTF spot market through a time-limited market consultation (such as this one).

Summarizing we would like to point out that with the approval of new exchanges in the balancing markets in Germany equal treatment should ensue, meaning that other exchanges are approved of as relevant trading platforms in other market areas to open up benefits for market participants, Market Area Manager and Transmission System Operator and not distort growing competition.

We hope to have supported you with our statement. Should you have any further questions, please do not hesitate to contact us.

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