

# AggregateEU

Regional Group Meeting, 2023-03-07

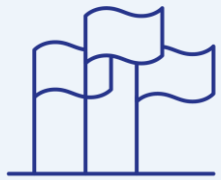
# Disclaimer

*This presentation reflects current state of discussion with DG ENERGY and stakeholders and of development of AggregateEU.*

*Information provided in the presentation is subject to changes in the upcoming weeks.*

*Final guidance and documentations will become available with the go-live of AggregateEU.*

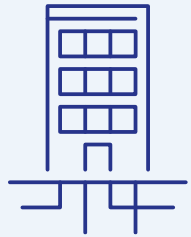
# PRISMA in numbers



**20**  
markets



**1.700+**  
Network points



**46**  
operators  
5 SSOs, 1 LNG  
Operator and 40 TSOs



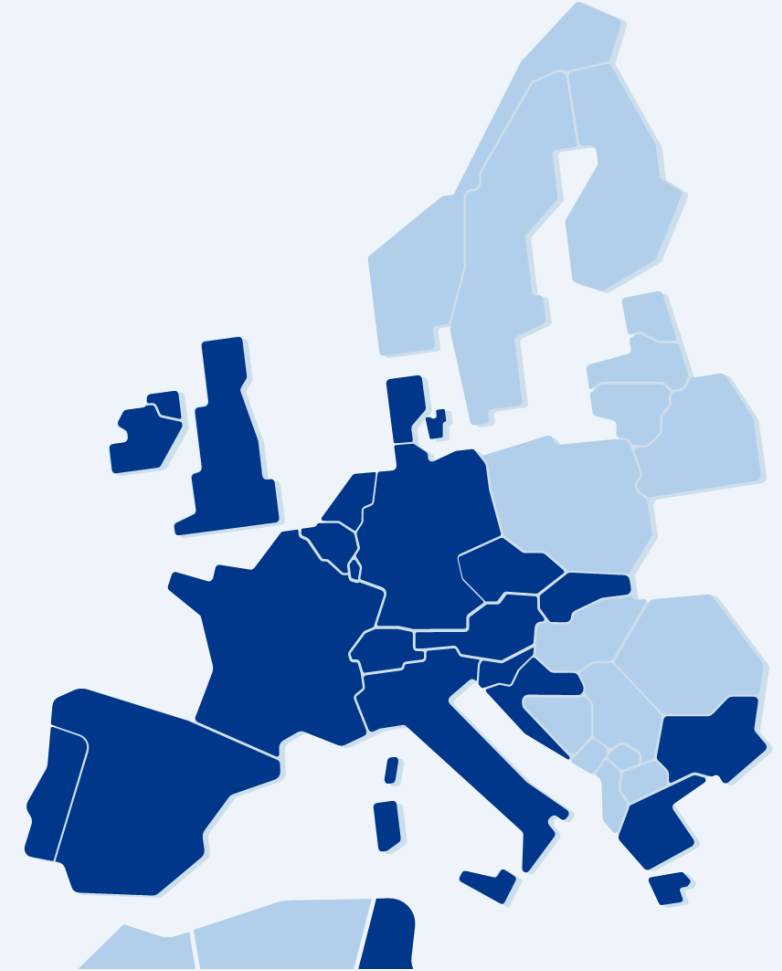
**700+**  
shippers



**24**  
shareholders



**3.400+**  
users



# Guiding principles of the work (“north star”) 1/2

## Our north star:

We want to contribute to the Security of Supply by building a solution that is bridging extraordinary emergency situations for winter 2023/2024, i.e. with a focus on LNG

## Undertaking registration:

- Equality of treatment, inclusiveness
- Validation of participants: to minimize settlement risk and risk of misuse, while keeping entry barriers low to maximize numbers of participants market players and industrial consumers.
- Responsibility of the participants to have access to the necessary capabilities
- Registration – step 1: **administrative** (EIC, act of establishment, power of attorney, Terms & Conditions)
- Registration – step 2 (subscription): **financial** check, DoH **ownership & control**
- **Consortium** lead indicates members and is liable for the members.
- Complementary services (Central Purchaser, transportation, etc.) to be listed on the platform following a call for expression of interest.

# Guiding principles of the work (“north star”) 2/2

## Our north star:

We want to contribute to the Security of Supply by building a solution that is bridging extraordinary emergency situations for winter 2023/2024, i.e. with a focus on LNG

### **Aggregation of demand & transparency:**

- Highly standardised product
- Minimum quantity
- Prevent market manipulation (i.e. role limitations)

**Tender process & matching:** Initiate contact between potentially suitable, i. e. matching, buyers and sellers

**Procurement transparency / reporting:** Providing DG Energy as well as member states with an overview of the joint gas procurement results to support policy decision aimed at security of supply

# Who is participating in AggregateEU

- ✓ Every interested company, having the minimum requirements for registering and subscribing to AggregateEU, can use AggregateEU.
- ✓ It is important to remark that specific organizational and operational knowhow will be needed in case of successful participation in AggregateEU.
- ✓ PRISMA does not charge fees for the subscription or participation in the AggregateEU process.
- ✓ AggregateEU does not influence trading activities outside its platform.

# The AggregateEU platform implements all areas of the “north star”

Undertakings have to fulfill prerequisites to participate:

- ✓ Register with PRISMA (proof of establishment, identity, and authorization)
- ✓ Subscribe to AggregateEU (proof of eligibility and indication of financial capability)

Participating in a AggregateEU tendering round (i.e. per location, per month) involves four steps:



The platform will perform multiple tendering rounds for undertakings to participate in.

# Registration: company information

## Organisation Registration

Start

Company

User

Terms

1

2

3

4

Please provide the core data of your organisation in this step. Once you filled the EIC, the company name and VAT are filled in automatically. If the data is not correct please contact ENTSO-E for correction.

### Company Address

Address Line 1\*

E.g. Street name

Address Line 2

E.g. Apt. 404

Postcode\* and City\*

E.g. 12345

E.g. City

Country\*

Type to Search

### Company Data

☒ My organisation has EIC

☐ We have no EIC

EIC\*

E.g. 11ABCEFGH345678

Company Name\*

E.g. My Company LTD

VAT\*

E.g. XX1234567

Back

Next

Information to be provided by applicant:

- **Company information:**

- Name,
- Registered official address,
- Country of registration.

- **EIC:**

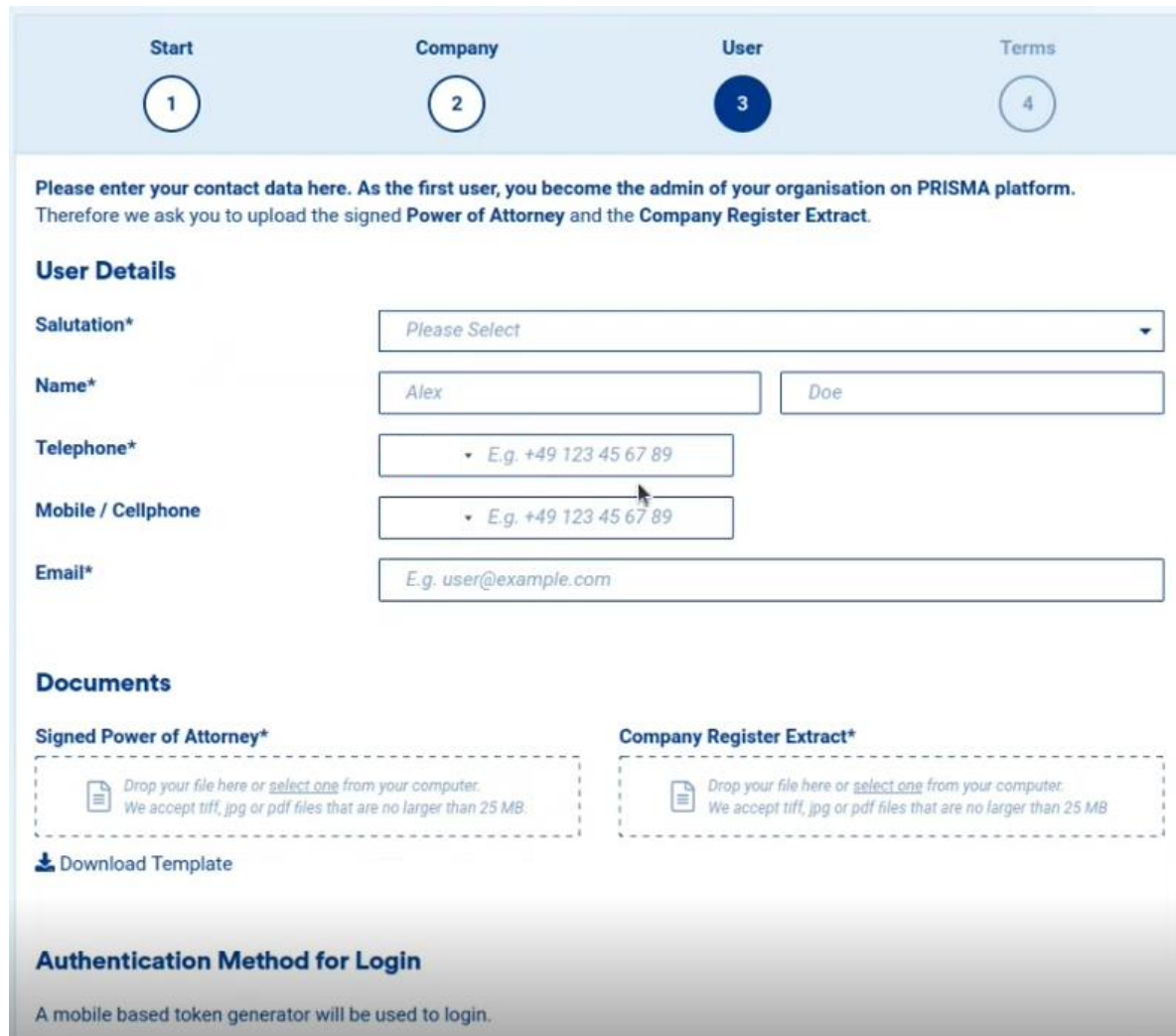
- mandatory for companies registered in the EU Energy Community and contracting party member states.
- companies which do not meet EIC requirements are exempted.

EIC provides a unique identification of the market participants and other entities active within the Energy Internal European Market (IEM).

For more information on EIC and on the way to obtain one, please visit: <https://www.entsoe.eu/data/energy-identification-codes-eic/>



# Registration: user information



The registration form is divided into four steps: Start (1), Company (2), User (3), and Terms (4). The 'User' step is currently active. The form includes a header with step indicators, a main instruction block, a 'User Details' section with fields for salutation, name, telephone, mobile, and email, a 'Documents' section for uploading a signed power of attorney and company register extract, and an 'Authentication Method for Login' section.

**Start** **Company** **User** **Terms**

1 2 3 4

Please enter your contact data here. As the first user, you become the admin of your organisation on PRISMA platform. Therefore we ask you to upload the signed **Power of Attorney** and the **Company Register Extract**.

**User Details**

Salutation\*

Name\*

Telephone\*

Mobile / Cellphone

Email\*

**Documents**

**Signed Power of Attorney\***

[Download Template](#)

**Authentication Method for Login**

A mobile based token generator will be used to login.

Information to be provided by applicant:

- Every user will have to be registered and provide specific information
- For registration of the first user (admin) the following documentation is required:
  - Power of Attorney
  - Commercial Registry Extract (only for the registration of the first user of a company).

More information on how to register on PRISMA platform will be provided soon.

**Companies and Users already registered on the PRISMA platform do not have to register again**

Illustrative example of how the graphical interface could look like

# Second step is the subscription to AggregateEU

## AggregateEU Registration

### Role

Please choose your role\*

☐ I want to buy gas ☐ I want to sell gas

### Preferred Locations

Please select your preferred NBP Locations

Please select your preferred LNG Locations

### Documents

Declaration Of Honour\*

Drop your file here or [select one](#) from your computer.  
We accept tiff, jpg or pdf files that are no larger than 25 MB.

Submit

Information to be provided by applicant:

- **Role:** Buyer, Seller or both
- **Location:** where they would like to buy and/or sell natural gas (indicative information)
- **Financial Securities:** interested buyers and sellers shall indicate which financial security(ies) will be made available to the potential counterparty(ies)
- **Declaration of Honour:** applicant must submit a declaration assuring the fulfillment of the requirements introduced by Council Regulation (EU) 2022/2576

Illustrative example of how the graphical interface could look like

# Financial Securities

## Financial Securities

- Cash collateral
- Letter of credit
- Bank guarantee
- Parent company guarantee
- Stand-by letter of credit
- Bonds & debt security
- Open to use a broker
- Open to use a clearing house
- Credit rating (only BBB- or above)

Illustrative example of how the graphical interface could look like

Potential buyers and sellers will have to provide information about the financial collateral available for the procurement of natural gas.

They will have the possibility to select **one or more** of the financial collaterals available in specific area of AggregateEU.

This information will be subsequently provided to the potential counterparty(ies) in case of positive matching.

Buyers and sellers will exchange documents providing proof of these guarantees outside the platform during the contracting phase.

**IMPORTANT: Companies that do not have possession of any financial collaterals are strongly encouraged to obtain such an instrument.**

# Consortium subscription

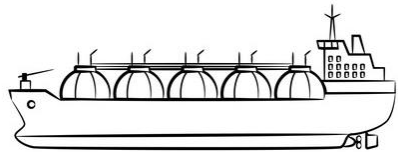
- ✓ Potential buyers will have the possibility to place demand in AggregateEU **individually or via a consortium**
- ✓ In case several buyers agreed to form a consortium to procure natural gas via AggregateEU, they will have to appoint a **consortium leader**

The consortium leader will have to:

- register on PRISMA platform
- subscribe to AggregateEU
- list all the member of the consortium
- declare responsibility for consortium members' eligibility
- **collect and maintain the Declaration of Honour of members of the consortium**

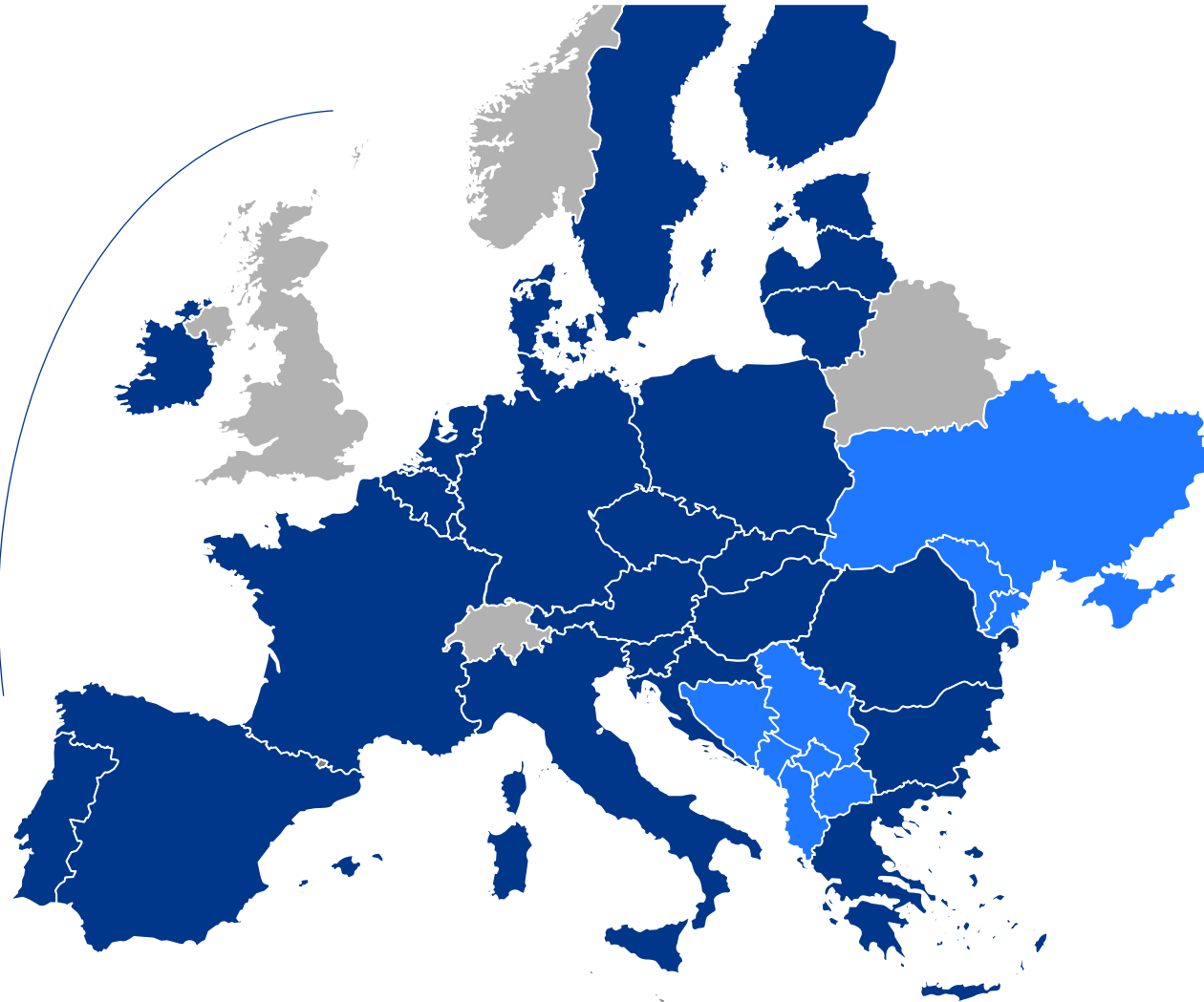
- ✓ A consortium leader can represent different consortia (each to be indicated individually).
- ✓ A consortium leader has to subscribe with his own company before registering the consortium.

# AggregateEU will also facilitate LNG products



## Virtual EU LNG

- **Location:** Virtual delivery points: *North-West Europe* and *South-East Europe*
- **Units of commodity:** Energy units
- **Period:** month
- **Duration:** 12, rolling



## Virtual Trading Points or National Balancing Point(s)

- **Location:** Virtual Trading Points
- **Units of commodity:** Energy units
- **Period:** month
- **Duration:** 12, rolling
- **Terms:** Based on EFET general agreement

# Demand aggregation

## Create Gas Demand

Ends in 23:57:07 ● open for demands

### Demand Details

Location	<div>Please Select ▼</div>	
Gas Quantity April '23	<div>2 GWh</div> <div>Minimum amount is x GWh</div>	<div>⊖ Remove Month</div>
Gas Quantity May '23	<div>7 GWh</div>	<div>⊖ Remove Month</div>
Gas Quantity June '23	<div>E.g. 1000 GWh</div>	<div>⊕ Add Month</div>
Gas Quantity July '23	<div>E.g. 1000 GWh</div>	<div>⊕ Add Month</div>
Gas Quantity August '23	<div>E.g. 1000 GWh</div>	<div>⊕ Add Month</div>

This is the last month you can add demand for.

Cancel

Submit

Minimum amount for any demand is xxx GWh.

Illustrative example of how the graphical interface could look like

**Each combination of Location and Period will be an individual tender.**

Note:

1 – DG ENER is still assessing the minimum quantities of natural gas for expressing the individual demand.

For each **Location** and for **each period** a potential buyer:

- can submit up to **one demand** for himself **plus one for each consortium** for which the buyer is a consortium leader
- can **change/withdrawn** its demand while this phase is **still open**
- the submitted value of demand must be equal or higher than **5/10 GWh<sup>1</sup>** at VTP and **300 GWh** at the European Virtual LNG
- can submit demands for a range of **maximum 12 months**
- can submit demand from **2 months in the future**.

# Important information for potential buyers

Potential buyers will be **fully responsible** for transportation and, in case it is needed, regasification and storage of the procured gas quantities.

In case the potential buyers do not have the technical or organizational knowhow to directly acquire and manage these services, they are encouraged to contact specific service providers that may provide these service ("**Shipper on Behalf**")

A list of the potential Shipper on Behalf will be available on AggregateEU.

A request for Expression of Interest will be soon, probably in CW 12, published on AggregateEU.

# Principles of the matching algorithm

- Every tender is independent
- Non-discriminatory towards potential buyers. Every potential buyer shall be treated equally and have the same quality of matching
- The algorithm shall minimize the costs of the potential buyers bidding in one tender
- The offer to sell of the sellers will be ranked from the lowest to the highest price
- In case of over-demand or over-supply, the pro-rata mechanism is used



# Bidding for a tender

## Create Bids

Ends in 23:57:07 ● open bids

### Tender Details

Location: TRF

Month: May '23

Quantity Total: 16,000 GWh

#### Info Sheet June-23-001

Lorem ipsum dolor sit amet, consetetur sadipscing elitr, sed diam nonumy eirmod tempor invidunt ut labore et dolore magna aliquyam ...  
show more

### Bids

Gas Quantity  GWh

Price  Euro / GWh

Valid through

Add Bid

Submit

A potential seller will have to indicate for each bid:

- the **quantity**, the seller is willing to sell
- the **price**, at which the seller would like to sell the gas
- (optional) the validity of the bid.

A potential seller can **edit** its bid until the bidding window is open.

A potential seller can submit **more bids** in the same tender process.

Illustrative example of how the graphical interface could look like

# Illustrative example



Buyer A ■ Buyer B ■  
Seller C ■ Seller D ■

## Over demand

### Buyer A

- From Seller C: 150 @150
  - From Seller D: 200 @180
- Average Price: 167

### Buyer B

- From Seller C: 150 @150
  - From Seller D: 200 @180
- Average Price: 167

## Principles

- The cheapest seller has the priority to be allocated. This implies **lowest costs for the buyers**.
- Once the quantities of the cheapest seller is fully allocated the second in list is allocated
- The algorithm is allocating the demand using **pro-rata**
- Every buyer will **pay the same average price**
- Each buyer has the same percentage of unsatisfied demand

# Information on matching results to buyers

## Virtual LNG

**AggregateEU** contract phase

Your matches [Enter Concluded Contract](#)

**Matching result** [How to proceed](#)

**Tender Details**

Location:	Mazara del Vallo	Your Share of Gas:	3000 GWh
Month:	May '23	Average Price:	50 Euro/GWh

[Info Sheet](#)

Your demanded Quantity: 3000 GWh  
Total demanded Quantity: 13,000 GWh

**Possible Consortium Parties for joined Procurement**

<b>Company A (You)</b>	<b>Company B</b>
Streetname 123a 04154 Leipzig +49 1636582546 mail@company-a.eu	Another Street 4 02025 Hamburg +49 047238273 mail@company-b.com

**Possible Seller**

<b>Seller Company C</b>	Your Share of Gas:	3000 GWh
Example Street 8 34534 A City +39 3245234999 mail@company-c.com	Indicative Price:	50 Euro/GWh
	Price valid through:	31.06.2023

Illustrative example of how the graphical interface could look like

AggregateEU will provide the following information to potential buyers for each tender and each seller:

- **General information** to contact the seller
- **Quantities allocated to the seller(s)**

In case of Virtual LNG also the information about **the other successful companies**. This to allow possible cooperation in logistics.

## VTP/NBP

**AggregateEU** contract phase

Your matches [Enter Concluded Contract](#)

**Matching result** [How to proceed](#)

**Tender Details**

Location:	Mazara del Vallo	Your Share of Gas:	3000 GWh
Month:	May '23	Average Price:	50 Euro/GWh

[Info Sheet](#)

Your demanded Quantity: 3000 GWh  
Total demanded Quantity: 13,000 GWh

**Possible Seller**

<b>Seller Company C</b>	Your Share of Gas:	3000 GWh
Example Street 8 34534 A City +39 3245234999 mail@company-c.com	Indicative Price:	50 Euro/GWh
	Price valid through:	31.06.2023

Illustrative example of how the graphical interface could look like

# Information on matching results to sellers

AggregateEU

contract phase

Your matches

View Concluded Contract

Matching result

How to proceed

Tender Details

Location: Mazara del Vallo  
Month: May '23  
Quantity Total: 2,000 GWh

Your Bid

Gas Quantity: 13000 GWh  
Price: 50 Euro  
[Info Sheet](#)

Possible Buyers/Consortium to Buy

Company A

Streetname 123a  
04154 Leipzig  
+49 1636582546  
mail@company-a.eu

Gas Quantity to buy: 2000 GWh

Financial collaterals: Bonds & debt security  
Open to use a broker

Company B

Another Street 4  
02025 Hamburg  
+49 047238273  
mail@company-b.com

Gas Quantity to buy: 500 GWh

Financial collaterals: Bank guarantee  
Bonds & debt security  
Open to use a broker

AggregateEU will provide the following information to potential Seller(s) for each tender and for each buyer:

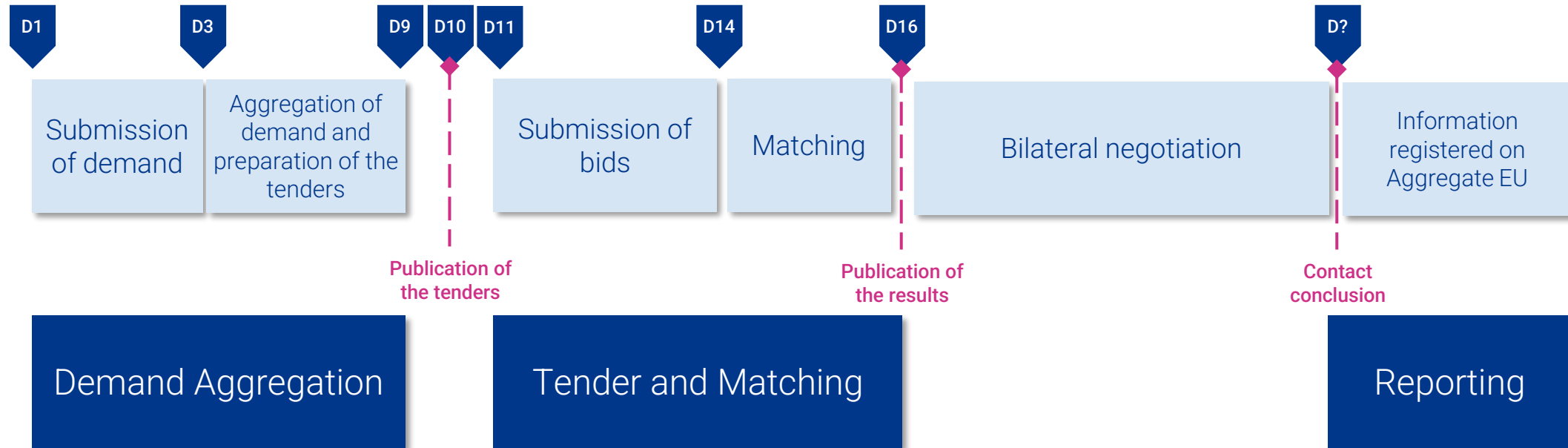
- **General information** to contact the buyer(s),
- **Quantity allocated** to the buyer(s),
- **Financial securities** indicated by the buyer(s).

Illustrative example of how the graphical interface could look like

# Contracting and Transparency

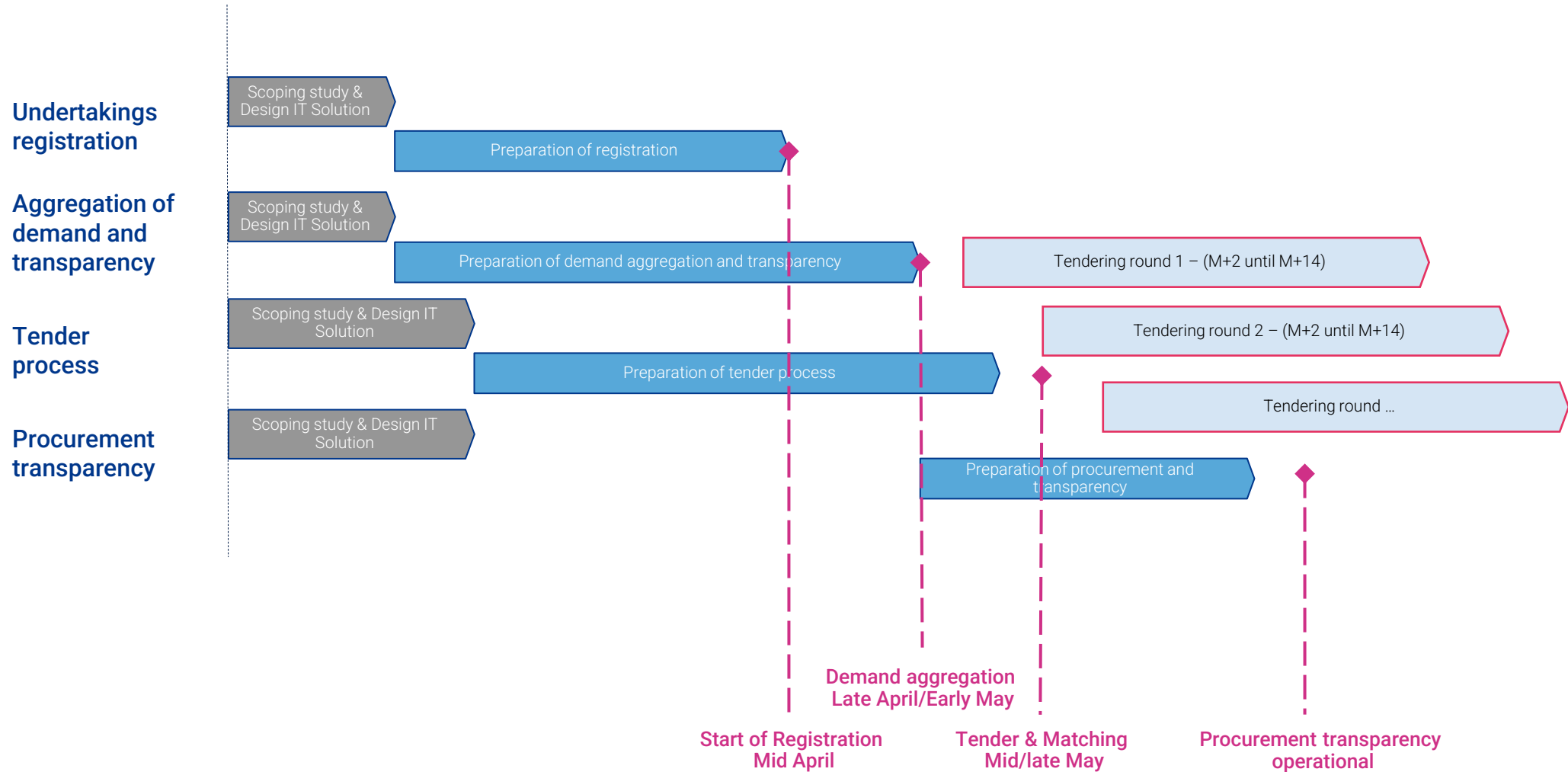
- ✓ Negotiation between potential Buyer(s) and Seller(s) is **done outside AggregateEU Platform**
- ✓ Concluded contracts must be reported to DG ENER via AggregateEU. Contractual parties will have to report:
  - **Location(s)**
  - **Quantity(ies)**
  - **Period**
- ✓ AggregateEU will provide this information to DG ENER. Other obligations, such as REMIT obligations, will have to be fulfilled directly by the contractual parties.

# Timetable of a tendering round



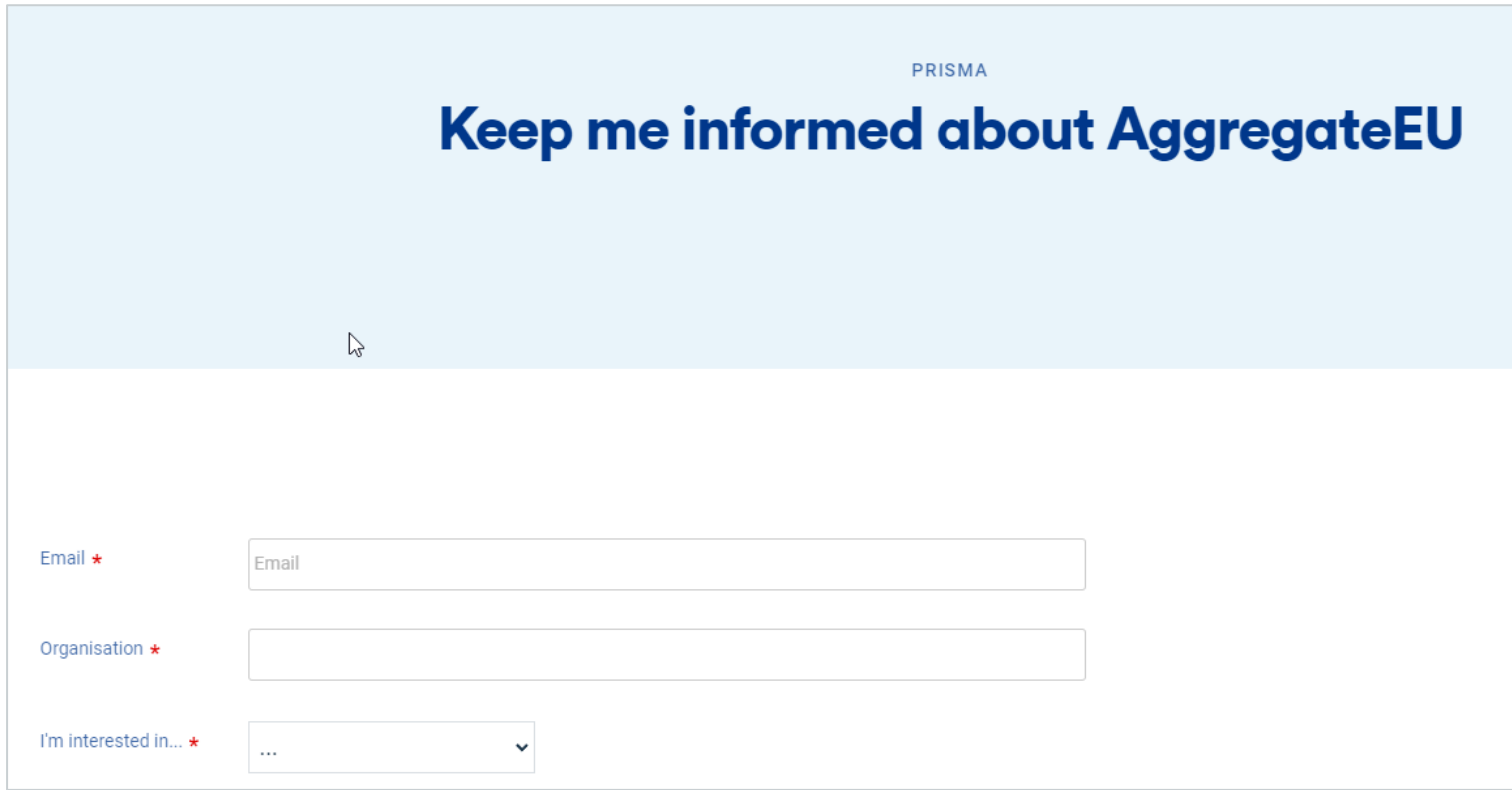
The days (D) shall be counted as calendar days from Monday till Friday.

# The incremental delivery of the solution enables an early start of the service



# Stay updated on the latest news

If you would like to be updated on developments regarding AggregateEU, you should register using the following link <https://aggregateeu.prisma-capacity.eu/>



PRISMA

## Keep me informed about AggregateEU

Email \*

Organisation \*

I'm interested in... \*



# Q&A



# Written questions (1/2)

- Can supplier offer volume less than total tender demand for a time period / location?
- What happens if supply > demand, but not exactly matched (e.g. 2 sellers, both offer 75% of volume)?
- What are the obligations on prospective sellers? What happens where parties can't agree full GSPA T&Cs?
- What are obligations on potential buyers – how does a seller know potential buyers have any intention of entering into an agreement?
- When will the anticipated T&Cs / term sheet be published?
- Can the buyer include further required / associated T&Cs in any offer?
- How will the delivery price be reached and the clearing of the transactions?
- What will be the mechanism for securing collateral for the transactions?
- Who will be the guarantor that the transaction will take place, as long as the purchase and sale contracts will be concluded outside the platform? Before whom will the transactions be settled in case of failed delivery and/or bad faith behavior of any of the parties to the transaction?
- Will there be standardized products such as profile and duration that will continue to be requested or will the demand and supply side request aggregation process accept any requests? What will be the procedure in case when aggregating non-standard products there is a partial overlap and some of the requests do not match each other? Will they officially be split into standardized periods/products or will they be "cut" ie. will be only partially admitted to the aggregation?

# Written questions (2/2)

- What will be the counter obligations between buyer/seller and aggregator?
- What will be the capacity requirements to the specific delivery point? Should buyers and sellers have secured capacities to the given delivery point for which supply and demand aggregation is being done in order to participate in quantity solicitation? If there will be no such obligation, how will it be ensured that the seller will deliver and the buyer will receive the relevant quantities at the particular delivery point if they do not have pre-provisioned capacity or insufficient capacity given the tight calendar of the capacity procurement auctions?
- How long before delivery should quantities be requested through the platform?
- I would like to clarify if the participation of each Member State to actively participate (i.e. to introduce/maintain firm orders in the AggregateEu platform) is mandatory. If yes, the quantities brought are only for the storage purposes or can be used as well to satisfy the portfolio of end users demand or for the trading purposes during the summer?
- Are companies registered as 'Buyer' able to see the aggregated demand from other Buyers/Consortium Buyer for the same specific tender? How confidentiality aspects are addressed in the AggregateEU platform? what are the compliance/ESG requirements for companies which are going to register as Seller(s)?

# Thank you .

