Procedure set in accordance with paragraph 14
of the Regulation of the Cabinet of Ministers No. 503
of August 9, 2022 and Regulation for the supply of
energy users during the declaration of early warning
and alert level and subsection 3 of section 12^1. of
Natural Gas Act of Estonia

Procedure and requirements for the prevention of negative imbalance

1. This procedure sets out the rights, obligations and requirements between Estonian transmission system operator, Latvian transmission system operator (hereinafter each separately also referred to as the TSO or jointly - TSOs) and the network user regarding the prevention of negative imbalance of the latter during the declared early warning and alert levels within the meaning of Article 11(1) of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 in either country of the common balancing zone.

2. The terms used in this procedure shall have the same meaning as in the Common Regulations for the Natural Gas Balancing of Transmission System, Common Regulations for the Use of Natural Gas Transmission System and the European Union legislation.

3. If the amount of network user's balancing portfolio's negative imbalance exceeds -0.75 GWh/day at least two days within last seven day period, Latvian TSO, acting as the settlement and balancing coordinator of the common balancing zone, shall have the right to request the network user and the network user shall submit to the Latvian TSO the negative imbalance prevention plan (binding forecast) in accordance with the annex of this procedure (hereinafter – the Plan).

4. The Plan shall be submitted to the Latvian TSO immediately, but no later than within the timeframe specified in the Latvian TSO's request. Prior to the submission of Plan to the Latvian TSO, as foreseen in this paragraph, the network user shall coordinate the Plan with the TSO.

5. The TSOs monitor the fulfilment of the Plan by comparing the forecasted volumes with the quantities of natural gas injected into the transmission systems of the common balancing zone, withdrawn from the transmission systems of the common balancing zone and received and transferred at the virtual trading point.

6. If the network user does not comply with the Plan and network user's balancing portfolio continues to cause the negative imbalance, the Plan is not submitted to the TSO within the timeframe foreseen in paragraph 4 of this procedure, the Plan submitted to the TSO is incomplete or does not foresee that all inputs, off-takes and virtual trading point transactions of the network user's balancing portfolio are in balance, to facilitate the mitigation of the negative imbalance:

6.1. the TSOs shall have the right to require the network user to submit nomination(s) (such as, but not limited to, for the withdrawal from Incukalns underground gas storage and transfer to the distribution system operator for supplying the gasified object to which the network user organizes the gas supply), if such nomination(s) would help to reduce the negative imbalance. If the network user does not comply with TSO requirement, as foreseen in this sub-paragraph, then TSO has the right to allocate the amount required to reduce the negative imbalance to the network user;

6.2. the TSOs shall have the right to reject the nomination of the network user if such nomination would increase the negative imbalance;

6.3. Latvian TSO shall have the right to request the distribution system operator of Latvia to disconnect the gasified object to which the network user organizes the gas supply until the network user prevents the negative imbalance of its balancing portfolio.

7. Due to the objective reason the TSOs may amend this procedure.

8. The procedure shall come into force on October 3, 2022.

Annex
Procedure and requirements for the prevention of negative imbalance

The negative imbalance prevention plan (binding forecast)

Digital timestamp

The network user (company name): _____

EIC code:

Legal address:

Phone number:

Email address:

Planned natural gas injection into the transmission systems of the common balancing zone:

Entry*	**Month 1, Year Amount in KWh**	**Month 2, Year Amount in KWh**
UGS		
LNG		
Direct delivery		
VTP		
other		
Total		

Planned natural gas off-take from the transmission systems of the common balancing zone:

Exit**	**Month 1, Year Amount in KWh**	**Month 2, Year Amount in KWh**
UGS		
Direct delivery		
VTP		
LV consumption***		
enduser1		
enduser2		
EE consumption***		
enduser1		
enduser2		
other		
Total		

Note:

* exact entry source must be indicated, e.g., Inčukalns UGS, Klaipėdos nafta LNG, Kiemenai IP, partner at VTP etc.

** exact exit source must be indicated, e.g., Inčukalns UGS, Kiemenai IP, partner at VTP etc.

*** gasified objects (each separately) with the highest consumption where aggregated consumption of these gasified objects contributes up to 50% of total consumption value must be indicated (also noting if gas supply to this gasified object can be stopped by the distribution system operator); consumption values for small similar user groups (e.g., households) can be grouped and indicated as the aggregated value.

Basis of representation of the person signing the plan: _____

Position (signature *) Name

* Document signed with secure electronic signature and contains digital timestamp