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# Route4Gas Webinar: Reserve Price

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[www.route4gas.com](http://www.route4gas.com)

# Definition

In general, the Reserve Price is a convenience function for submitting recurrent service enquiries esp. by using the upload feature in the Route4Gas App.

It can be set by the user for all products – Day Ahead (DA), Weekend (WE), Existing Flow (EF), Unused Capacity (UCU) and Storage.

	A	B	C	D	E
1	From	To	Vol/HR	Product	Reserve Price
2	SK VTP	DE NCG	120	Day Ahead	0.55
3	NL TTF	DE NCG	300	Existing Flow	-0.1
4	NL TTF	OMV Gas Storage	300	Storage	-0.6
5	DE NCG	AT VTP	300	Unused Capacity	-0.4
6	AT VTP	HU MGP	240	Day Ahead	-0.5
7					

# Market Spread Calculation

Market Price (From) **minus** Market Price (To)

$$\text{AT VTP (5.95)} - \text{NL TTF (5.30)} = 0.65 \text{ EUR/MWh}$$

$$\text{AT VTP (5.95)} - \text{HU MGP (6.75)} = -0.80 \text{ EUR/MWh}$$

# Market Spread Calculation

Enquiring products DA, WE, EF and Storage the user **asks for** location swaps:

**Long Position (Sell) on Market (From)**  
**and**  
**Short Position (Buy) on Market (To)**

**But** enquiring the product UCU the user **offers** a location swap:

**Short Position (Buy) on Market (From)**  
**and**  
**Long Position (Sell) on Market (To)**

# Reserve Price DA / WE

Minimum Reserve Price (positive spread)

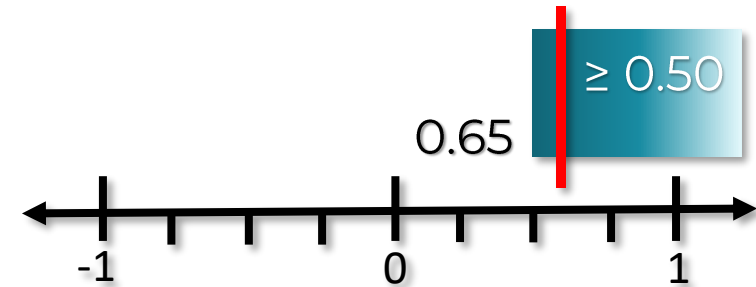
Equals selling the spread

Reserve Price = 0.50

CASE 1:

✱ AT VTP (5.95) → NL TTF (5.30)

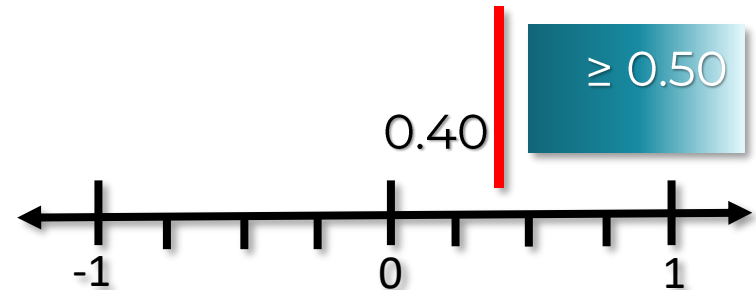
»» Spread = 0.65



CASE 2:

✱ AT VTP (5.75) → NL TTF (5.35)

»» Spread = 0.40



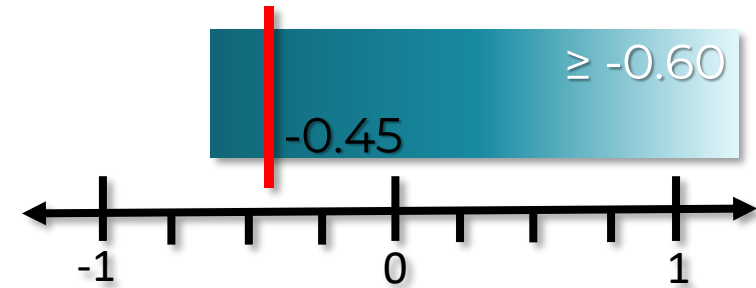
# Reserve Price DA / WE

Maximum Reserve Price (negative spread)

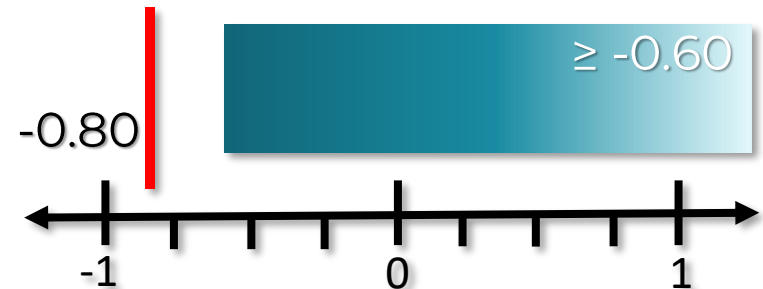
Equals buying the spread

Reserve Price = -0.60

**CASE 1:**  
✱ AT VTP (5.95) → HU MGP (6.40)  
»» Spread = -0.45



**CASE 2:**  
✱ AT VTP (5.95) → HU MGP (6.75)  
»» Spread = -0.80



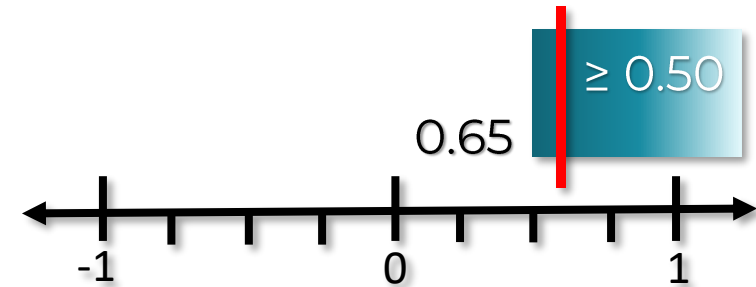
# Reserve Price Storage

## Minimum Reserve Price (positive spread)

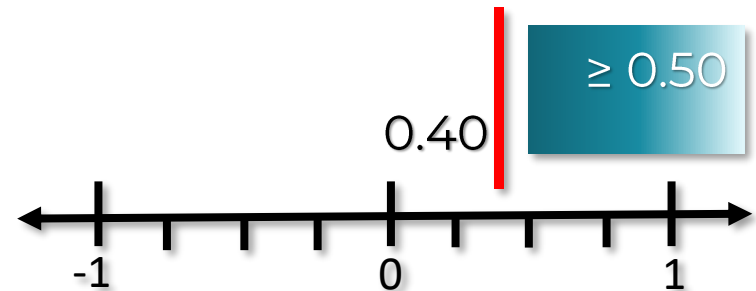
Equals selling the spread

Reserve Price = 0.50

**CASE 1:**  
✱ OMV UGS (5.95) → NL TTF (5.30)  
»» Spread = 0.65



**CASE 2:**  
✱ OMV UGS (5.75) → NL TTF (5.35)  
»» Spread = 0.40



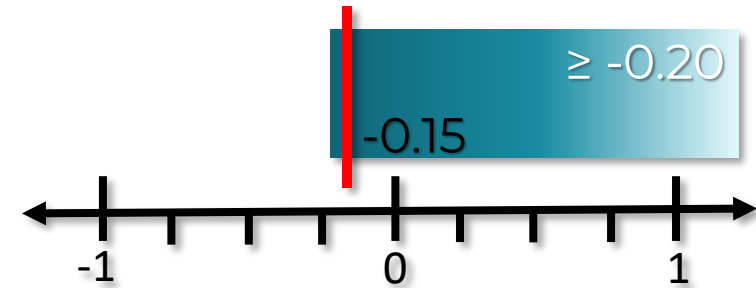
# Reserve Price Storage

Maximum Reserve Price (negative spread)

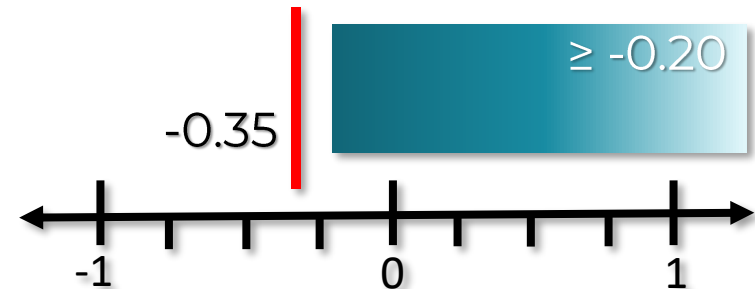
Equals buying the spread

Reserve Price = -0.20

**CASE 1:**  
✱ NL TTF (5.35) → Haidach UGS (5.50)  
» Spread = -0.15



**CASE 2:**  
✱ NL TTF (5.30) → Haidach UGS (5.65)  
» Spread = -0.35



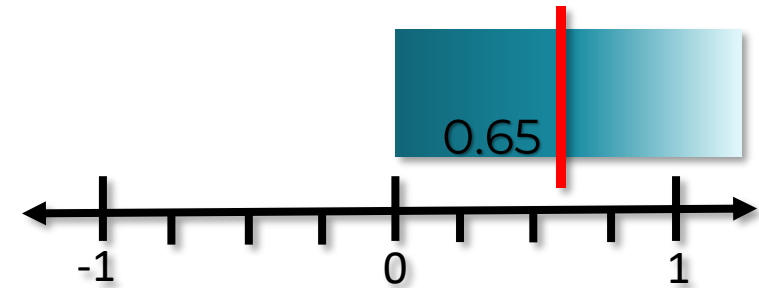


# Reserve Price EF

No need to set a Reserve Price (positive spread)

Equals selling the spread instead of transporting

✱ AT VTP (5.95) → NL TTF (5.30)  
»» Spread = 0.65



User **sells** AT VTP and **buys** NL TTF → user receives 0.65 and saves the variable transportation fees (if any)

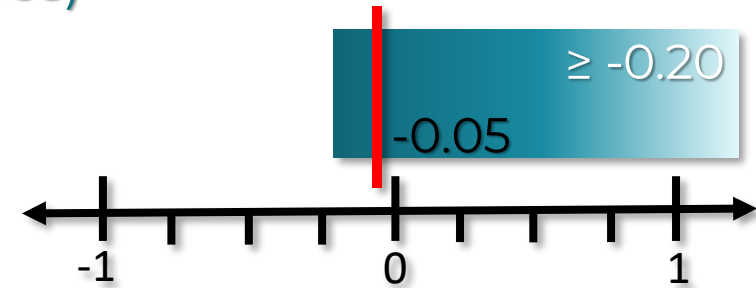
# Reserve Price EF

## Maximum Reserve Price (negative spread)

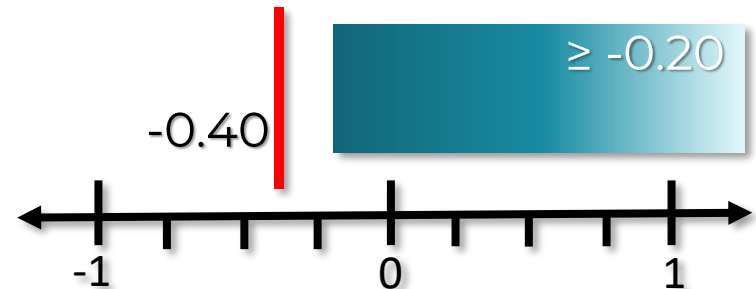
Equals buying the spread instead of transporting  
(goal: spread cheaper than variable transportation fees)

Reserve Price = -0.20

**CASE 1:**  
✱ AT VTP (5.95) → SK VTP (6.00)  
»» Spread = -0.05



**CASE 2:**  
✱ AT VTP (5.95) → SK VTP (6.35)  
»» Spread = -0.40



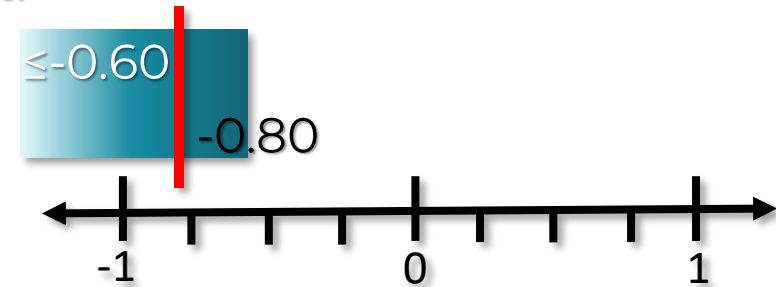
# Reserve Price UCU

## Minimum Reserve Price (negative spread)

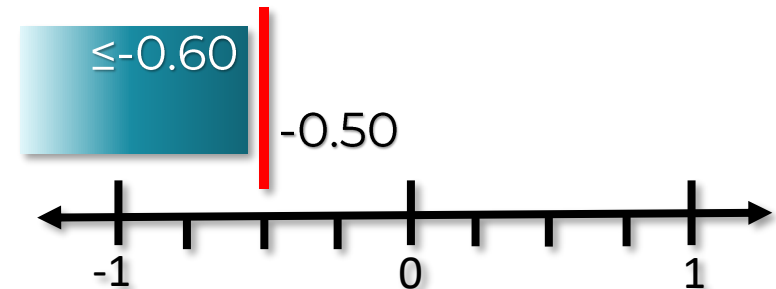
User offers a location swap only if selling the spread and paying variable transportation fees results in a profit.

Reserve Price = -0.60

**CASE 1:**  
✱ AT VTP (5.95) → HU MGP (6.75)  
»» Spread = -0.80



**CASE 2:**  
✱ AT VTP (5.95) → HU MPG (6.45)  
»» Spread = -0.50

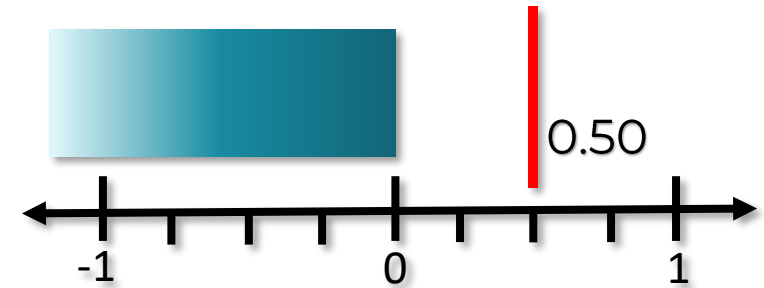


# Reserve Price UCU

No need to set a Reserve Price (positive spread)

Unused Capacity enquiry isn't considered by the system!!!

✱ **AT VTP (5.95) → DE NCG (5.45)**  
»» **Spread = 0.50**



User would **buy** AT VTP and **sell** DE NCG → user would pay 0.50 on top of transportation fees.

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SMART SOLUTIONS FOR EUROPEAN NATURAL GAS MARKET



## Q & A

Thank you for participating!



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