**Balticconnector capacity allocation**

Balticconnector will start its commercial operations from 1st of January 2020. The maximum technical capacity of Balticconnector is 81,2 GWh/day.

Balticconnector capacity shall be allocated in part of day-ahead and within-day products on the basis of:

1. Shippers’ confirmed nominations via Transmission System Operator’s (TSO’s) platform
2. Cross-border trades on the trading platform of GET Baltic gas exchange.

The indicative capacity shares between TSO’s platform and GET Baltic’s trading platform is planned to be as follows:

Day-ahead capacity:

1. In normal conditions (no congestion):

* TSOs will set the shares so that the efficiency of capacity utilization is considered with the objective to correspond the market needs.

1. In congestion situations:

* To the congested direction: 90 % of technical capacity offered via TSO’s platform and 10 % via GET Baltic trading system.
* To the non-congested direction, capacity will be given to GET Baltic 20 minutes before the trading period opens, and the amount of offered capacity may vary between 10 % and 90 %.

Within-day capacity:

1. In normal conditions (no congestion):

* TSOs will set the shares so that the efficiency of capacity utilization is considered with the objective to correspond the market needs.

1. In congestion situations:

* To the congested direction: 90 % of available capacity offered via TSO’s platform and 10 % via GET Baltic trading system. If all capacity offered to GET Baltic trading system is not used during day-ahead trading period, TSO will offer this capacity for market via TSO’s platform. If technical capacity is utilized before the within-day capacity trading window is opened, within-day capacity is not offered.
* To the non-congested direction, capacity will be given to GET Baltic 20 minutes before the trading period opens at the latest, and the amount of offered capacity may vary between 10 % and 90 %.

The capacity shares will stay as described above until market participants are otherwise informed by TSO.

In congestion situation, the reasoning for bigger share of capacity offered via TSO’s platform is that the allocation method uses *pro rata* principle. The allocation on GET Baltic uses First-Come-First-Served principle. In a situation of potential congestion, TSOs believe that the *pro rata* method is a fairer capacity allocation method towards the market participants. Because of this, the offered capacity for GET Baltic’s trading platform is limited. Although the exchange has no capacity left, trading within market areas is still possible in the exchange.

If Balticconnector is congested to one direction, there is capacity available to another direction. To the non-congested direction, the ratio of offered capacity between TSO’s platform and GET Baltic’s trading platform is set so that efficient capacity utilization is considered TSOs aiming to correspond the market needs. All trades to the less utilized direction would reduce the risk of congestion, because TSOs have possibility to offer virtual reverse flow capacity.

Depending on market needs, TSOs have flexibility to adjust the ratio so that Balticconnector capacity is allocated efficiently taking into account the market behavior.

If you have questions, please contact:

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