

Joint gas market in Sweden and Denmark from April 1

An expanded market and even greater security of supply will become a reality on April 1 when the Swedish and Danish Transmission System Operators Swedegas and Energinet integrate the gas markets.

“By merging the gas markets, efficiency can be enhanced, and end customers will have more suppliers to choose between,” said Johan Zettergren, Swedegas chief executive.

Swedegas and Energinet are gas transmission network operators with system balancing responsibility in their respective countries, Sweden and Denmark. The two companies ensure a balance is maintained between supply and offtake, and that the volume of gas in the system is sufficient to meet market demand.

Virtually all gas in the Swedegas network comes via Denmark. Market integration will result in a more robust system that will be less sensitive to fluctuations. One of the benefits to emerge is that it will be easier to maintain higher pipeline pressure, even in the northern part of the Swedegas system. The average pressure in the Swedish system will rise from 56 to 70 bar, reinforcing security of supply even further.

“Our aim is to make it straightforward and attractive for industry, the transport sector and households to choose gas, particularly renewable gas. A joint system will allow far more gas suppliers to access the Swedish market,” said Johan Zettergren.

A joint market is also consistent with the EU’s widely stated ambition to harmonise markets within the European Union and promote cross-border collaboration.

“This is a big day for the Danish and Swedish gas markets. After 30 years of closely connected, neighbouring systems, we’re finally taking the plunge and merging our balance markets. Increased cross-border collaboration will strengthen the market. I expect that the joint balancing zone will make gas trading across the Danish-Swedish gas market more efficient and increase competition throughout the region,” said Jeppe Danø, Director, Gas System Operator at Energinet.

Preemraff in Gothenburg is one of the companies already linked to the gas network. Gas is not only used as an energy source in the company’s operating system but also as an essential raw material in the production of renewable fuels. The gas is supplied by pipeline directly to Preem.

“Security of supply is crucial to our operations and our competitiveness and we are pleased with the direction in which the gas market is moving. This development will boost the use of gas, which will in turn contribute to the transition to a more sustainable industry,” said Magnus Wallenbert, Head of Product Trading at Preem.

The Joint Balancing Zone project commenced in 2017 and has been run in partnership with end customers, suppliers, network operators and regulatory authorities in Sweden and Denmark. There are currently seven gas suppliers on the Swedish market and over 30 on the Danish market.

The project has its own website <https://en.energinet.dk/Gas/Shippers/Swedegas-Joint-Balancing-Zone>

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Fact file

Swedegas is an infrastructure company that invests in smart energy systems. The company owns the gas transmission network, transporting energy to distributors and directly connected customers. Extending from Dragør in Denmark to Stenungsund in Sweden, the network supplies 33 municipal areas with gas, as well as industrial enterprises, combined heat and power plants, and filling stations. Swedegas is investing in new infrastructure for biogas, hydrogen gas and liquefied gas (LNG/LBG).

Energinet is an independent public enterprise, owned by the Danish Ministry of Energy, Utilities and Climate. It owns, operates and develops electricity and gas transmission networks in Denmark in order to integrate more renewable energy, maintain security of supply, and ensure market access to the networks on equal terms. The company is developing the gas transmission network to prepare for the energy solutions of the future. It is also constructing new cross-border pipelines and working to make gas more climate friendly.