



BALANCING NETWORK CODE

Monitoring Report 2026 edition

TABLE OF CONTENTS

LIST OF FIGURES.....	3
LIST OF TABLES.....	3
LIST OF ACRONYMS	3
1 EXECUTIVE SUMMARY	4
1.1 Effect monitoring	5
1.2 Implementation monitoring – full compliance with BAL NC	6
2 INTRODUCTION.....	7
3 EFFECT MONITORING.....	9
3.1 General trends	10
3.2 Residual TSO balancing role indicator	11
3.3 Merit order indicator.....	13
3.4 Network user imbalance indicator	15
4 IMPLEMENTATION MONITORING.....	16
4.1 Overview of BAL NC implementation status	17
4.2 Main updates compared to previous report	18
4.3 Overview of implementation status of the main BAL NC provisions.....	19
4.4 Information provisions	19
5 CONCLUSION.....	20
5.1 Effect monitoring	20
5.2 Implementation monitoring.....	21
6 ANNEXES	22
6.1 List of balancing zones for the reporting period.....	22
6.2 Effect monitoring indicators detailed calculations	23
7 LEGAL DISCLAIMER	24

LIST OF FIGURES

Figure 1:	Implementation status of the BAL NC in EU Member States on 1 January 2026	6
Figure 2:	EU level market volume, domestic consumption and TSO balancing volumes from GY17/18 to GY24/25.....	10
Figure 3:	TSO balancing volumes relative to market volumes EU-25 from GY17/18 to GY24/25	11
Figure 4:	TSO balancing volumes relative to market volumes – Change in residual TSO balancing percentage (GY23/24 vs. GY24/25).....	12
Figure 5:	Share of TSO balancing action types over GY23/24 and GY24/25	13
Figure 6:	Net imbalance volume relative to market volume for GY23/24 and GY24/25	15
Figure 7:	Implementation status of the BAL NC in EU Member States on 1 January 2026 – all interim measures ended	17

LIST OF TABLES

Table 1:	Comparative overview of main BAL NC provisions implementation status on 1 October 2023 and 1 October 2025	19
Table 2:	Balancing zones and respective TSOs/MAMs	22

LIST OF ACRONYMS

ACER	Agency for the Cooperation of Energy Regulators	IP	Interconnection Point
BAL NC	Balancing Network Code	L-gas	Low-methane gas
BBL	Balgzand–Bacton Line	LNG	Liquefied natural gas
bcm	Billion cubic metres	MAM	Market Area Manager
CEEGEX	Central Eastern European Gas Exchange	N/A	Not applicable
CEGH	Central European Gas Hub	NRA	National Regulatory Authority
DSO	Distribution System Operator	STSP	Short-Term Standardised Product
EEX	European Energy Exchange	TAP	Trans Adriatic Pipeline
ENTSO	European Network of Transmission System Operators for Gas	TGPS	Transit Gas Pipeline System
EU	European Union	THE	Trading Hub Europe
GY	Gas Year	TSO	Transmission System Operator
H-gas	High-methane gas	TTF	Title Transfer Facility
ICGB	Interconnector Greece–Bulgaria	TWh	Terawatt-hours
IM	Implementation Monitoring	VTP	Virtual Trading Point



Picture courtesy of Enagás

1 EXECUTIVE SUMMARY

The Balancing Network Code¹ (BAL NC) establishes rules for natural gas balancing to help develop competitive short-term wholesale gas markets. It does this mainly by setting out harmonised EU-wide rules on gas balancing to give network users the certainty that they can manage their balance positions in different balancing zones.

The code has been applicable for almost eleven years (it became applicable on 1 October 2015), resulting in a significant effect on EU gas markets. ENTSG has assessed its effect for the sixth time and its implementation status for the seventh time, a mandatory task prescribed in Regulation (EU) 2024/1789², over gas years 2023/2024 and 2024/2025 (hereafter GY23/24 and GY24/25).

Based on detailed data provided by Transmission System Operators (TSOs)/Market Area Managers, we conclude that many of the code's main provisions have led to desirable effects and that the code has been fully implemented.

1 Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (Text with EEA relevance)

2 Article 26(7) states that “the ENTSO for Gas shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission in accordance with Article 71(13) or Article 74, and their effect on the harmonisation of applicable rules aimed at facilitating market integration”.

1.1 EFFECT MONITORING

We find that, at EU level, there is a trend towards reduced TSO balancing actions relative to market volume³ over time, an important goal of the code (see Article 4 of the code): 1.4 % of TSO balancing volumes as a share of market volume in GY17/18, compared with 1.1 % in GY24/25. Had the same share of TSO balancing actions in GY17/18 (1.4 %) held for GY24/25, TSO balancing action volumes would have been 17 TWh higher (1.7 bcm), about the same size as the Lithuanian or Finnish gas markets. Part of this lower volume can be attributed to the application of the BAL NC across the EU, with a resulting larger volume of gas becoming available for market parties to trade in, enhancing wholesale gas markets.

In its residual balancing role, a TSO can carry out balancing actions in order to maintain the network within its operational limits and adjust the linepack position at the end of the gas day, with the code prescribing a merit order (see Article 9 of the code): firstly, title products (most easily tradable); then, depending on circumstances, locational, temporal, or temporal locational products; and finally, as a last resort, balancing services.

Our analysis shows that the merit order is respected at EU level: within-day title products are the most commonly traded for balancing purposes in the EU, accounting for approximately 65 % of the total volume of TSO balancing actions in GY24/25, followed by day-ahead title products (30 %), within-day temporal locational products (3.5 %), and finally balancing services (0.3 %). As balancing services are on the lowest rung of the merit order (they are not tradable, unlike the other products), this is a positive development.

Further, as network users have gained a larger responsibility to balance the market following the code's rules, we investigated how much they contribute to keeping the overall system in balance. We find that the reduction in net imbalance volume at EU level indicates that the incentive framework established under the BAL NC continues to encourage network users to manage their nominations and positions more efficiently, although some imbalance volumes point to continued structural challenges in certain markets.

³ The market volume is the quantity of gas allocated at all entry points into a balancing zone (or market area) including amongst others liquefied natural gas (LNG) terminals, production sites and storage facilities, but excluding entries from the Virtual Trading Point.

1.2 IMPLEMENTATION MONITORING – FULL COMPLIANCE WITH BAL NC

Full compliance with the BAL NC has been achieved across the EU (see Figure 1). Final transition milestones included Slovakia terminating its interim measures by discontinuing the use of a dedicated

balancing platform in April 2025, and Ireland ending its tolerance measures for biomethane entry points in December 2025 (post-data-reporting period)⁴.

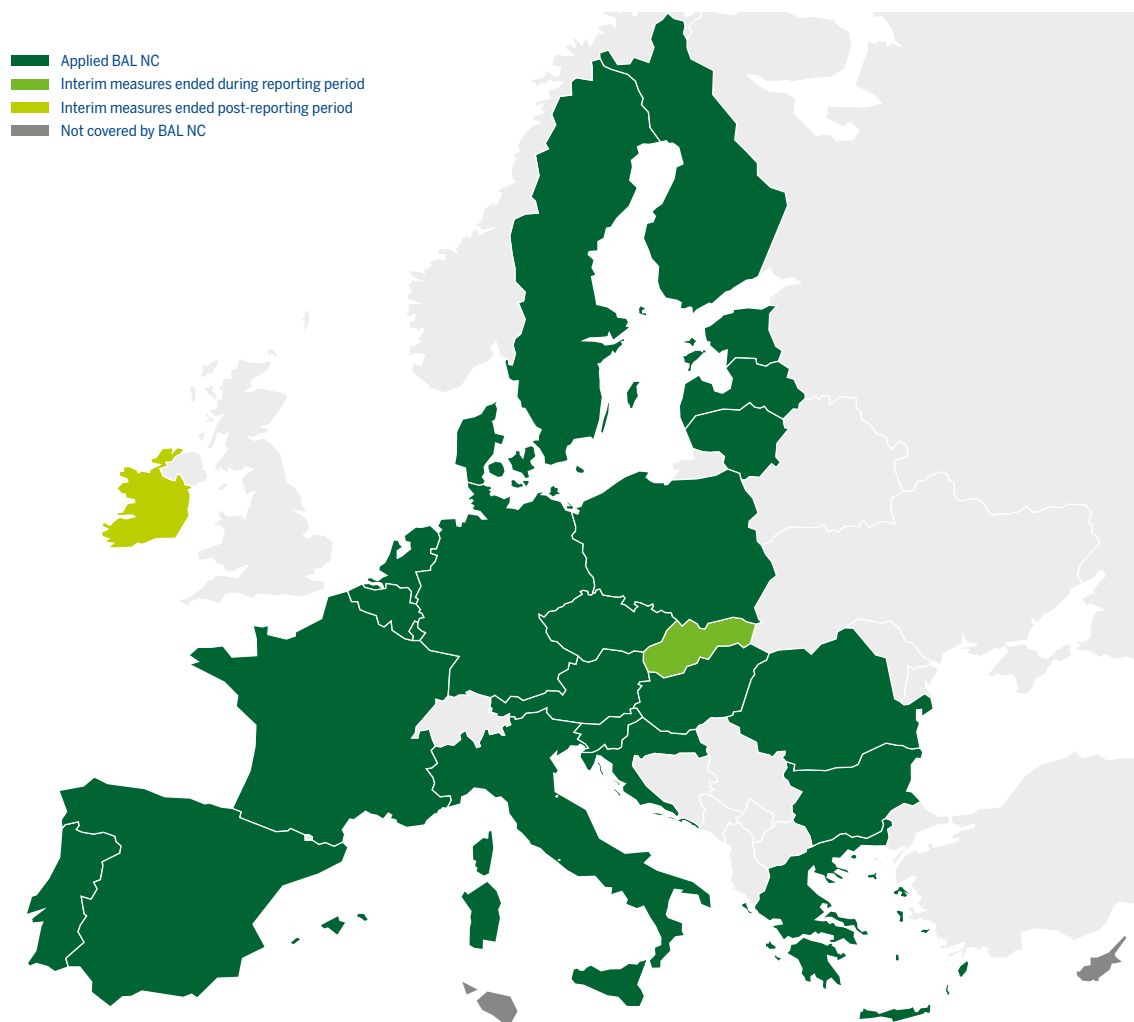


Figure 1: Implementation status of the BAL NC in EU Member States on 1 January 2026

Beyond baseline compliance, TSOs continue to optimise their balancing operations. Notable updates include Estonia and Latvia's migration to the EEX trading platform, Germany's expanded procurement in adjacent markets, and the discontinuation of temporal balancing products in the Netherlands. Belgium/Luxembourg concluded their L-gas phase-out, while Poland has initiated a consultation on consolidating its two balancing

zones (PL-H and PL-TGPS) into a single H-gas balancing zone⁵. These developments reflect a maturing regulatory framework responding to operational and market evolution.

Implementation details for each balancing zone are now comprehensively documented and publicly accessible through ENTSO's interactive [webpage](#), enhancing transparency for all stakeholders.

⁴ While this final milestone occurred after the data reporting period, it completes the full BAL NC compliance trajectory across the EU.

⁵ The consultation initiated in September 2025 concluded with Poland's formal decision to merge the zones as of 1 January 2027 (decision taken post-reporting period).



2 INTRODUCTION

Gas balancing can be considered from a technical and a commercial perspective. In order to guarantee system safety, it is crucial to technically ensure that the gas system is balanced. That is, the amount of gas taken out of the system on a daily basis (for consumption, sale, etc.) equals the amount of gas which is injected into the system. Owing to supply and demand, flows into and out of the gas system vary over the day; for instance, gas power plants may consume more gas if there is peak electricity demand, leading to more withdrawals from the system. If the variations are too large, this can create imbalances in the system. If such an imbalance persists, this will require the TSO to come into action in order to keep the system functioning within its operational limits. This is balancing from a technical perspective. A TSO, however, does not make its entire network buffer available to market parties for balancing purposes but always maintains a certain safety margin. Balancing in the context of the Balancing Network Code⁶ (BAL NC) is therefore more about portfolio balancing by and for market parties and the resulting balancing of the TSO network and should be viewed from a commercial perspective.

The BAL NC establishes rules for natural gas balancing to help develop competitive short-term wholesale gas markets. In particular, network users need certainty that they can manage their balancing positions in different balancing zones in an economically efficient and non-discriminatory manner. The BAL NC therefore sets out harmonised EU-wide rules on gas balancing to give them such clarity.

One of the ways BAL NC promotes short-term wholesale gas markets is by putting more responsibility on network users to balance their portfolios, with TSOs only having a residual role.

Before the network code, TSOs held large, contracted quantities of gas for balancing purposes, which meant that this gas could not be made available to the market.

In its residual role, a TSO can carry out balancing actions (operational balancing) in order to maintain the network within its operational limits and adjust the linepack position at the end of the gas day. The TSO can undertake balancing actions by purchasing/selling short-term standardised products or by using balancing services.

6 Commission Regulation (EU) No 312/2014.

While procuring balancing actions in a market-based manner, the TSO shall apply the merit order according to the BAL NC rules: firstly, title products; secondly, depending on circumstances, locational, temporal, and temporal locational products; and thirdly, to complete the merit order, balancing services are to be procured.⁷

Further, BAL NC foresees the possibility for a TSO, in the absence of sufficient liquidity of the short-term wholesale market, to apply interim measures before being fully compliant with the code. Interim measures include the introduction of a balancing platform or an alternative to imbalance charges.

BAL NC was published on 26 March 2014 and became applicable on 1 October 2015, applying to balancing zones within the borders of the EU. Since 2014, ENTSOG has monitored the implementation of this network code (initially in collaboration with ACER), and since 2016, its effect. This stems from Article 26(7) of Regulation (EU) 2024/1789, which states that ENTSOG shall monitor and analyse the implementation of the network codes and the guidelines adopted, and their effect on the harmonisation of applicable rules aimed at facilitating market integration.

Monitoring the effect of the BAL NC implementation is not only a task for ENTSOG but is also a way to analyse how the rules set out in BAL NC affect the harmonisation of balancing regimes between EU Member States and the benefits that its implementation brings to the market.

This report assesses the effect of the BAL NC for the sixth time, and its implementation status for the seventh time, over gas years⁸ 2023/2024 and 2024/2025 (hereafter, GY23/24 and GY24/25). ENTSOG collected data from 25 TSOs or Market Area Managers⁹ for this purpose. In the following chapters, the effect of the code's implementation (**chapter 3**) is assessed to quantify how effective the code has been in 1) reducing the relative importance of balancing actions by TSOs; 2) promoting the usage of tradable balancing products by TSOs; and 3) assessing whether network users have contributed sufficiently to keeping the overall system in balance. The implementation status of the code is described in **chapter 4** and **chapter 5** concludes.

7 Title products are first since they only require a change in title without a time/location constraint and can therefore be more easily traded; secondly, depending on circumstances, locational, then temporal, and then temporal locational products: such products are needed to keep the transmission network within its operational limits in certain situations: sometimes gas flow changes are needed at specific entry/exit points (locational) or within a specific period of time within the gas day (temporal), or both (locational and temporal); and thirdly, to complete the merit order, balancing services are to be procured last, as they are not tradable.

8 A gas year is the period from 1 October until 30 September of the following year since the winter officially starts on 1 October.

9 In a balancing zone where more than one transmission system operator is active, the Regulation allows for balancing responsibilities to be transferred to an entity, if the Regulation is applied to that entity to the extent defined under the applicable national rules. In this sense, "TSO" is understood also for such "entities" in the whole report.



3 EFFECT MONITORING

To gauge the effect of the code, ENTSOG collected data from 25 TSOs or Market Area Managers (e.g. THE for Germany) operating in the relevant balancing zones ([see Annex 6.1](#)) by means of a questionnaire, jointly developed by ENTSOG and ACER. The data collected were shared with ACER. ACER uses the dataset to perform its own assessment, which is further reported in ACER's [Balancing Monitoring Report](#) and [Gas Balancing Dashboard](#), which complement the ENTSOG report.

In the following sections, the balancing market dynamics are illustrated by means of indicators. Before delving into the results of the indicators, we present general gas market trends regarding the balancing market.

The indicators showcase quantitative effects resulting from the main Balancing Network Code (BAL NC) provisions:

- 1) the reduced role of TSOs to balance the market over time ("residual TSO balancing role indicator", BAL.2.1 in previous reports);
- 2) the usage of short-term standardised products over time ("merit order indicator", BAL.1 in previous reports); and
- 3) the increased role of network users to contribute sufficiently to keeping the system balanced ("network user imbalance indicator", BAL.3 in previous reports).

More details on the calculations of the indicators are provided in [Annex 6.2](#).

3.1 GENERAL TRENDS

In Figure 2, the general EU level trends on gas volumes are depicted relevant to the context of gas balancing: the market volume¹⁰ (domestic consumption plus transit), domestic consumption¹¹ and total TSO balancing action volumes¹² (in TWh). The market volume has been steadily decreasing from GY17/18 to GY24/25: a drop from 7,962 TWh (815 bcm) to 5,683 TWh (582 bcm), corresponding to a fall of 29 %. For domestic consumption, the trend is similar for the selected time period, although volumes were increasing until GY20/21: in GY17/18 domestic consumption in the EU stood at 3,928 TWh (402 bcm), reaching 4,260 TWh

(436 bcm) in GY20/21, and thereafter falling to 3,499 TWh (358 bcm) in GY24/25, equivalent to a fall of 11 % over the eight-year period. Total TSO balancing volumes also experienced a decrease, from 112 TWh in GY17/18, falling to 62.1 TWh in GY24/25, with a slight bump in GY20/21, meaning a 44 % decrease. TSO balancing volumes experienced a much larger drop than the other metrics, pointing to the BAL NC taking effect. A rebound in the respective market and domestic consumption volumes took place between the last two gas years as gas prices fell, which was mirrored by higher TSO balancing action volumes.

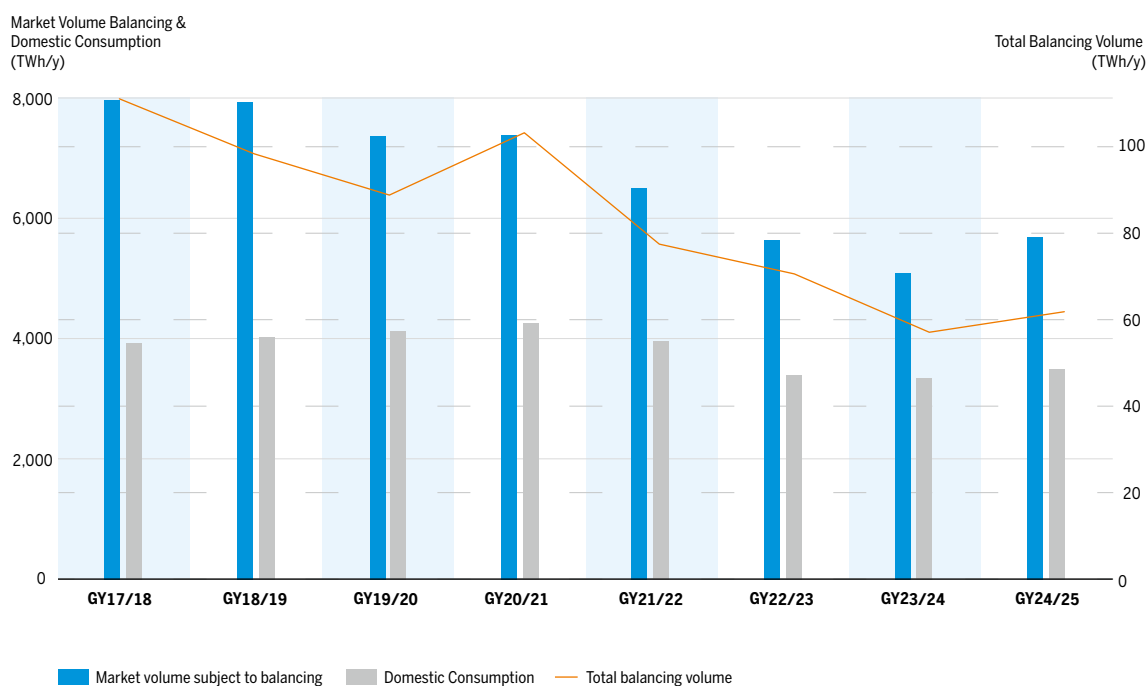


Figure 2: EU level market volume, domestic consumption and TSO balancing volumes from GY17/18 to GY24/25

10 The market volume is the quantity of gas allocated at all entry points into a balancing zone (or market area) including amongst others LNG terminals, production sites and storage facilities, but excluding entries from the Virtual Trading Point.

11 The domestic consumption is the quantity allocated at all exit points to end-customers on the transmission network and all exit points towards DSO/city gate (storage facilities are not included).

12 TSO balancing action volumes include the trade in short-term standardised products and balancing services.

3.2 RESIDUAL TSO BALANCING ROLE INDICATOR

Prior to the entry into force of the BAL NC in 2014, gas TSOs had a large role in gas balancing activities, holding options for significant amounts of flexible gas to balance the system, in some cases via long-term contracts, e. g. with a storage operator. This meant that significant amounts of contracted gas were held by TSOs and were not available for trading in the wholesale market. One of the mechanisms to allow some of these volumes to be made available to the market was to reduce the role of TSOs in balancing through the code, and conversely, place more responsibility on network users to balance their portfolios by incentivising gas trading at trading platforms (exchanges). TSOs were to have a residual balancing role.

The residual TSO balancing role indicator aims to quantify how much gas is still traded by the TSO for balancing purposes compared to the market volume¹³. Preferably, the indicator should decrease over time as Member States adhere to the requirements of the BAL NC.

Figure 3 shows that over time, there is a trend towards reduced TSO balancing actions relative to market volume at EU level: 1.4 % of TSO balancing volumes as a share of market volume in GY17/18, compared with 1.1 % in GY24/25.

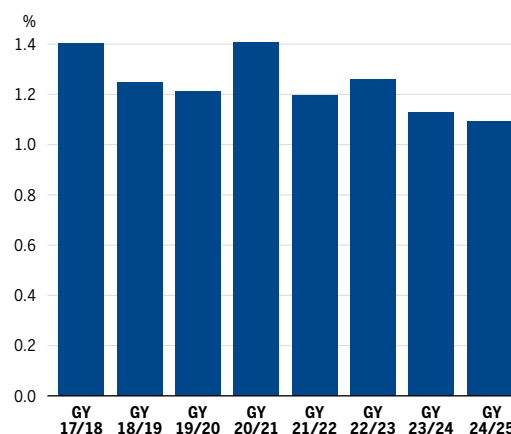


Figure 3: TSO balancing volumes relative to market volumes EU-25 from GY17/18 to GY24/25

Had the same share of TSO balancing actions in GY17/18 (1.4 %) still been the case in GY24/25, TSO balancing action volumes could have been 17 TWh higher (1.7 bcm), about the same size as the Lithuanian or Finnish gas markets. Part of this lower volume can be attributed to the application of the BAL NC across the EU, with a resulting larger volume of gas becoming available for market parties to trade in, enhancing wholesale gas markets. Another reason for this lower volume can be ascribed to higher gas prices since the war in Ukraine, increasing the incentive for network users to balance their portfolios instead of having the TSO step in (which is less favourable to the network user, an important mechanism stemming from the BAL NC).

¹³ Quantity allocated at all entry points into a balancing zone, including e. g. virtual IPs, LNG, production sites and storage facilities, and excluding entries from the VTP.

At Member State level, we can see in Figure 4 that for the last two gas years (GY23/24 and GY24/25) there is strong variation in the relative importance of TSOs in balancing the market. In only five balancing zones the residual TSO balancing role indicator was

above 1% for the last gas year: namely the Austrian, German, Spanish, Greek and Slovenian zones. In most balancing zones, this indicator decreased, except for the French, Estonian-Latvian, Polish H-gas, Portuguese and Slovenian balancing zones.

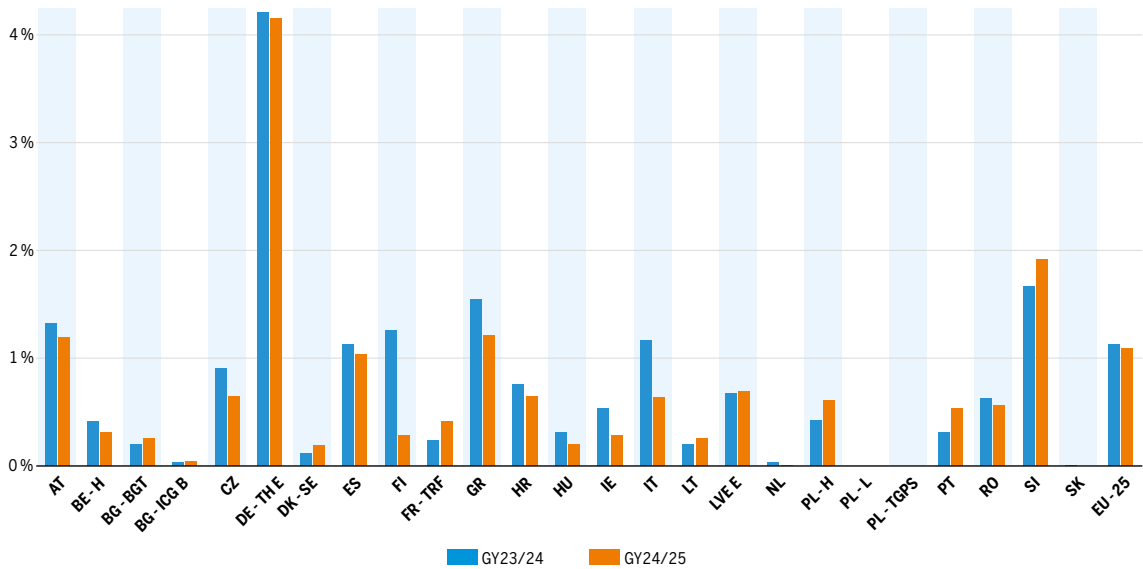


Figure 4: TSO balancing volumes relative to market volumes – Change in residual TSO balancing percentage (GY23/24 vs. GY24/25)

In general, the variation between Member States can be explained based on the market structure of each balancing zone. For instance, there is a notable variation in the indicator value between Germany and the Netherlands, two highly interconnected and mature gas markets. One of the reasons for this is that, in Germany, the split between L-gas and H-gas still plays a large role in balancing dynamics. In particular, the L-gas system has less linepack available, which requires more frequent within-day interventions. Even though the Dutch system also has this split, it has a relatively large linepack for both systems, helping to absorb imbalances.

Also, Germany applies variant 2 for non-daily metered off-takes¹⁴, under which the market area manager must cover differences between day-ahead forecasts and within-day allocations. This structurally increases TSO activity. In the Netherlands, the setup places more balancing responsibility on the market.

In Poland's L-gas and TGPS zones, no balancing actions took place over the last two gas years, as the simple structure of these systems means that network users can easily balance themselves.

¹⁴ Article 3(21) of the BAL NC: 'variant 2' means the model for information provision where the information on non-daily-metered off-takes is a day-ahead forecast.

3.3 MERIT ORDER INDICATOR

In its residual balancing role, a TSO can carry out balancing actions in order to maintain the network within its operational limits and adjust the linepack position at the end of the gas day. TSOs can undertake balancing actions by purchasing/selling short-term standardised products (STSPs) or using balancing services. STSPs are tradable products, usually offered via a trading platform (exchange). Sometimes, however, they cannot be used because no trading platform is available. The TSO then makes use of balancing services, which are provided to a TSO via a contract for gas required to meet short-term fluctuations in gas demand or supply, which is not an STSP.¹⁵

While procuring balancing actions in a market-based manner, the TSO shall apply the merit order according to the BAL NC rules: firstly, title products (most easily tradable); then, depending on circumstances, locational, temporal, or temporal locational products; and finally, as a last resort, balancing services.¹⁶

As can be seen in Figure 5 below, the merit order is respected at EU level: within-day title products are the most commonly traded for balancing purposes in the EU, accounting for around 65 % of the total volume of TSO balancing actions in GY24/25 (blue bars), followed by day-ahead title products (30 %, dark blue bars), within-day temporal locational products (3.5 %, purple bars), and finally balancing services (0.3 %, red bars). In some countries (Germany, Czech Republic, Poland, Bulgaria and Slovakia), the National Regulatory Authorities (NRAs) have approved the possibility to trade STSPs in adjacent balancing zones, which amounted to 2 % at EU level in GY24/25.¹⁷ Note that BeLux's L-gas zone has stopped functioning, hence, no volumes are shown for the last gas year (in GY23/24 these were all within-day title products).



Figure 5: Share of TSO balancing action types over GY23/24 and GY24/25

15 Article 3(7) of Commission Regulation (EU) No 312/2014.

16 Article 9 of Commission Regulation (EU) No 312/2014.

17 THE has been registered as a network user in the Netherlands and has traded gas at the Virtual Trading Point TTF using the PEGAS trading platform. In addition, THE used the ICE Endex for trading activities. Polish TSO GAZ-SYSTEM received approval from the NRA to trade in the German THE balancing zone, in the Joint Balancing Zone Denmark-Sweden (EEX) and in Lithuania (GET Baltic). Slovak TSO Eustream has received approval from the NRA to trade at the Austrian gas hub (CEGH Gas Exchange) and the Hungarian gas exchange (CEEGEX).

In comparison to GY23/24, balancing services have generally been applied less in GY24/25 at both EU level and (mostly) across balancing zones. Five balancing zones still utilised balancing services in the last gas year, as described below.

The joint **Estonian-Latvian** balancing zone saw an increase in the use of balancing services, from not using them at all in GY23/24, to a share of 12 % in the following gas year. These were needed in situations where STSPs were economically less efficient, with insufficient liquidity or in case locational products were needed.

The share of balancing services utilised in **Greece** decreased from 9.5 % in GY23/24 to 4.3 % in GY24/25, mostly owing to an increase in the use of day-ahead title products. The use of balancing services is still deemed necessary to account for cases where limited liquidity exists at the exchange.

In **Portugal**, the share increased slightly from 8 % to 11 %. Balancing services are generally used because STSPs do not always provide the necessary response to keep the transmission network within its operational limits.

In **Germany**, the share of balancing services remained marginal at 0.2 % (compared with 0.16 % in GY23/24). Balancing services are contracted for emergency situations and are only used when no corresponding short-term offers are available. Priority is given to STSPs, meaning that available short-term offers are used first regardless of the commodity price.

Poland's H-gas zone has seen a marginal (albeit steady) use of balancing services in GY23/24 (0.33 %) and GY24/25 (0.23 %).

This service has been implemented to allow for balancing a small, isolated part of the balancing zone.

In **Finland**, Gasgrid only used within-day title products in GY24/25. Even though it organises monthly public tenders for balancing services, STSPs at the gas exchange have been sufficient to meet balancing needs. In contrast, in GY23/24, 60 % of the balancing actions consisted of balancing services. This was owing to the damaged Balticconnector, which meant that Finland's gas supply depended mostly on deliveries from LNG terminals, leading to limited liquidity at the exchange and requiring the TSO to procure balancing services. After the recommissioning of Balticconnector in April 2024, STSPs covered the balancing needs.

Slovakia did not undertake balancing actions in the last gas year. Eustream's allocation rule "allocated = nominated" is implemented at all points (with one exception: a directly connected customer via a small DSO), so shippers only experience deviations caused by physical transport to a very small extent. Shippers can effectively eliminate imbalances in the nomination and matching process by adjusting the quantities in their portfolio. The total system deviation and the need for balancing actions therefore do not depend on the transported quantity, but on the behaviour of shippers.

In all cases, balancing services used by TSOs do not affect the liquidity of the short-term wholesale gas market, mostly because such services were used after the end of the gas day, and STSPs were insufficient to alleviate balancing issues.

3.4 NETWORK USER IMBALANCE INDICATOR

The BAL NC incentivises network users to optimise their gas portfolios efficiently, minimising balancing actions undertaken by the TSO. Network users that are not in balance pay daily imbalance charges in relation to their daily imbalance quantities for each gas day (or receive payments if they are long).

The network user imbalance indicator aims to assess whether the overall system is in balance on a day-to-day basis and whether the network users contribute sufficiently to keeping the overall system in balance. This is done by calculating the sum of the weighted average daily net imbalance volume relative to the market volume.

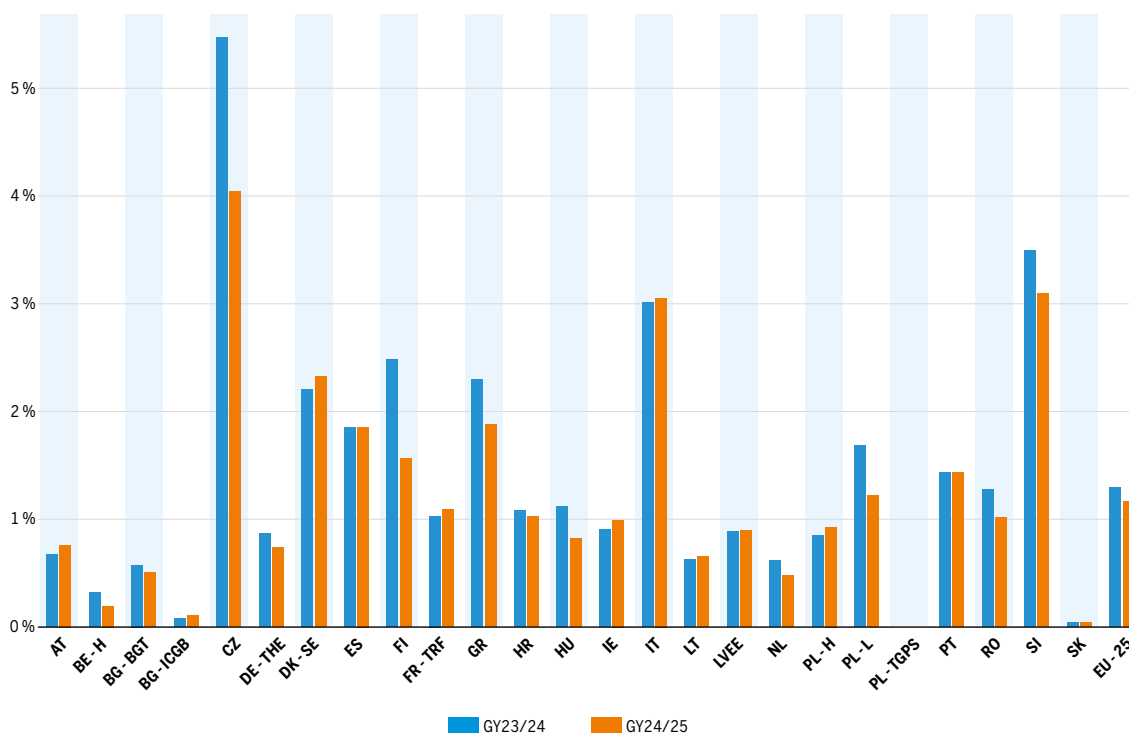


Figure 6: Net imbalance volume relative to market volume for GY23/24 and GY24/25

As can be seen above in Figure 6, the net imbalance volume at EU level decreased marginally in relative terms, from 1.3 % in GY23/24 to 1.1 % in GY24/25.

Poland's TGPS balancing zone does not have imbalances as it has a typically transit-oriented character, with no end-users and no distribution systems connected. The Operational Balancing Account is in place at entry and exit points (allocation = nomination) and it is easy for network users to be balanced.

The reduction in net imbalance volume indicates that the incentive framework established under the BAL NC continues to encourage network users to manage their nominations and positions more efficiently, although some imbalance volumes point to continued structural challenges in certain markets.



Picture courtesy of Enagás

4 IMPLEMENTATION MONITORING

To assess the status of implementation of the code, ENTSOG received data from relevant TSOs¹⁸ through the completion of a detailed questionnaire covering mandatory requirements provided by each article of the BAL NC. The same questionnaire has been used between this year's report and the last edition. Responses capture either implementation changes that occurred between 1 October 2023 and 1 October 2025 or the implementation status on 1 October 2025. In rare cases, TSOs also reported planned changes scheduled for after the reporting period, i. e. after 1 October 2025.

One important change relative to the 2024 monitoring report is that the detailed fact sheets for each balancing zone have been transferred to a dedicated ENTSOG [webpage](#) and have been updated.

In the following sections, we first give an overview of the BAL NC implementation status, followed by the main implementation updates compared to the previous report.

¹⁸ Interconnectors are excluded, except for ICGB. BBL and Interconnector use the in = out principle whereby a network user's nomination input must equal its offtake nomination. As such, network users cannot be exposed to an imbalance and there is no need for balancing actions. TAP has its own balancing regime approved by NRAs and is exempt from the BAL NC.

4.1 OVERVIEW OF BAL NC IMPLEMENTATION STATUS

A significant milestone highlighted in this edition's monitoring report is the full implementation of the BAL NC across all applicable EU Member States (see Figure 7). This represents the completion of the transition period, with Slovakia terminating

interim measures on 15 April 2025 and Ireland doing so right after the end of the reporting period (as indicated in yellow in Figure 7 below). Malta and Cyprus are not covered by the BAL NC in the absence of operational gas networks.

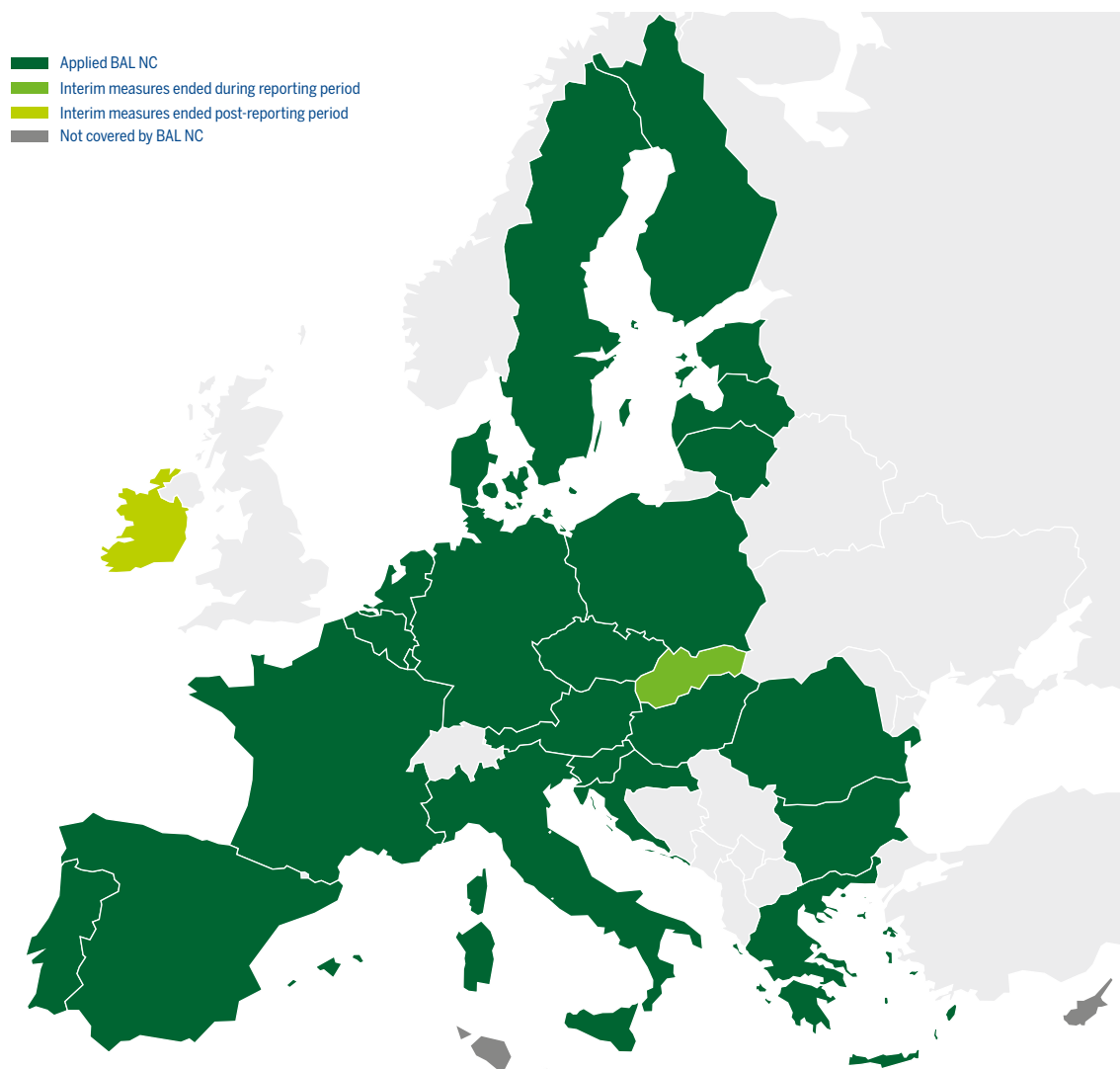


Figure 7: Implementation status of the BAL NC in EU Member States on 1 January 2026 – all interim measures ended

4.2 MAIN UPDATES COMPARED TO PREVIOUS REPORT

Some TSOs have reported updates to their balancing regimes that have been implemented between 1 October 2023 and 1 October 2025 or have indicated future updates to be implemented after 1 October 2025.

The BAL NC foresees the possibility for a TSO, in the absence of sufficient liquidity of the short-term wholesale market, to apply interim measures before being fully compliant with the code. Regarding the use of interim measures, these had been applied by Slovakia and Ireland¹⁹. In **Slovakia**, interim measures were terminated on 15 April 2025, as a balancing platform had been put in place to deal with illiquidity considerations. Instead, as allowed by the NRA, Slovakia allows trading in adjacent balancing zones. In particular, the measure applicable from now on will be purchasing and selling the necessary balancing product amounts by Eustream on commodity exchanges (CEGH and CEEGEX) of Austria and Hungary, ensuring smooth and efficient balancing. **Ireland** ended the use of its interim measures in December 2025 (post-reporting period), which had been applied to support the nascent biomethane sector (tolerance for biomethane entry points). The use of interim measures across the EU has therefore ceased.

In **Belgium** and **Luxembourg (joint balancing zone)**, the L-gas phase-out was completed as of 1 October 2024. Therefore, the BeLux L-gas balancing zone ceased operating. Going forward, L-gas from the Netherlands will only transit through Belgium to serve the French market, where conversion is scheduled for completion in 2027.

In **Estonia** and **Latvia (joint balancing zone)**, since 9 September 2025, the trading platform has changed from GET Baltic to the EEX trading platform.

In **Finland**, the TSO has applied a few updates to its terms and conditions for balancing services following a public consultation in October – November 2025.

In **Germany**, the flexibility product has not been used since March 2024. Additionally, procurement in adjacent market areas has been expanded to include Belgium, Denmark and France.

In the **Netherlands**, from 1 January 2026 (post-reporting period), the NextHour balancing product (temporal product) will no longer be used during balancing actions by the TSO. Balancing actions will henceforth take place exclusively via title products, subject to surcharges of 10 % in the orange zone²⁰ and 20 % in the red zone²¹. Furthermore, an NRA decision requires shippers to avoid specific behaviour that forces the TSO to take balancing actions. Undesirable balancing behaviour may lead to a 30 % financial charge, and repeated violations can result in licence revocation.

In **Poland**, a public consultation was launched in September 2025 regarding the potential merger of the two separate balancing zones (PL-H and PL-TGPS) into a single H-gas balancing zone, with implementation targeted for 1 January 2027²².

19 Both Slovakia and Ireland had interim measures in place on 1 October 2023 according to the BAL NC Implementation and Effect Monitoring Report – 2024 edition.

20 When the system balance enters the orange zone, the network operator of the national grid may activate a within-day management transition, thereby gaining access to all available resources with a short lead time.

21 When the system balance enters the red zone, the network operator of the national grid implements emergency measures to maintain balance on the national network.

22 The consultation initiated in September 2025 concluded with Poland's formal decision to merge the zones as of 1 January 2027 (decision taken post-reporting period).

4.3 OVERVIEW OF IMPLEMENTATION STATUS OF THE MAIN BAL NC PROVISIONS

Table 1: Comparative overview of main BAL NC provisions implementation status on 1 October 2023 and 1 October 2025

Main BAL NC provisions	Status on 1 October 2023 (as referenced in the 2024 BAL NC IM report)	Status on 1 October 2025	Updates and/or explanatory notes
Trade notifications, trading platforms, short-term standardised products (Articles 5, 7, 9 and 10)	Trading platforms operational in all balancing zones except the Slovak one	Trading platforms operational in all balancing zones except the Slovak one	
Balancing services (Article 8)	Procured across 6 zones: the Finnish, German, Greek, Estonian-Latvian, Polish H-gas and Portuguese zones	Procured across 6 zones: the Finnish, German, Greek, Estonian-Latvian, Polish H-gas and Portuguese zones	Balancing services were not used in the last gas year in Finland
Incentives (Article 11)	Implemented in 3 countries: Denmark, Italy and Spain	Implemented in 3 countries: Denmark, Italy and Spain	
Nominations (Articles 12–18)	Implemented by all TSOs	Implemented by all TSOs	
Daily imbalance charges (Articles 19–23)	Implemented by all TSOs	Implemented by all TSOs, except the Dutch one	Linepack flexibility service instead of daily imbalance charges applied in the Netherlands
	Methodology updated in 5 balancing zones during Oct 2021–Oct 2023 reporting period: the Austrian, Danish, Greek, Hungarian and Slovenian ones	Methodology updated in 2 balancing zones during Oct 2023–Oct 2025 reporting period: the Belgian-Luxembourgish and Italian ones	Fewer methodology updates in the current reporting period
Within-day obligations (Articles 24–28)	Applied in 6 balancing zones: the Austrian, Belgian-Luxembourgish, Danish, Dutch, German and Hungarian ones	Applied in 6 balancing zones: the Austrian, Belgian-Luxembourgish, Danish, Dutch, German and Hungarian ones	
Neutrality arrangements (Articles 29–31)	Implemented in all balancing zones	Implemented in all balancing zones, except the Danish one	Denmark currently operates under a dispensation order that permits balancing income and costs to be reimbursed or collected via transmission tariffs, meaning that any surplus or deficit related to balancing activities is reimbursed or collected in the following year through Energinet's tariffs
	Implementation changes in 4 balancing zones during Oct 2021–Oct 2023 reporting period: the Austrian, Estonian-Latvian, Lithuanian and Romanian ones	Implementation changes in Poland only during Oct 2023–Oct 2025 reporting period	Neutrality methodology only updated in Poland (through a modification of credit risk management rules) in the current reporting period
	Payment default cases reported in 5 countries during GY21/22 and GY22/23: France, Italy, Portugal, Spain and Romania	Payment default cases reported in 4 countries during GY23/24 and GY24/25: Germany, Italy, Romania and Spain	Fewer default payment cases reported: ▲ Germany: payment defaults reported in biogas balancing; however, biogas balancing is only partially subject to the BAL NC requirements. ▲ Italy: in these cases, Snam Rete Gas was fully reimbursed. ▲ Spain: rare payment defaults, involving negligible amounts. None of the defaulting network users were ultimately disqualified from operating in the Spanish gas system.
Information provisions (Articles 32–42)	Implemented by all countries, except Greece	Implemented by all countries, except Greece	
Linepack flexibility service (Articles 43–44)	Implemented in 5 countries: Czech Republic, France, Hungary, the Netherlands and Portugal	Implemented in 5 countries: Czech Republic, France, Hungary, the Netherlands and Portugal	
Information on BAL NC implementation for each balancing zone	See Annex II of the 2024 BAL NC IM report	Information now available on ENTSOG's website as an interactive map	

4.4 INFORMATION PROVISIONS

The information provisions provided to network users by TSOs on offtakes have not changed since the **2024 monitoring report** and can be found in Annex III of that report.



Picture courtesy of Snam

5 CONCLUSION

The Balancing Network Code has been applicable for almost 11 years, resulting in a significant effect on EU gas markets. ENTSOG has assessed its effect for the sixth time and its implementation status for the seventh time, based on detailed data provided by TSOs/MAMs. We conclude that many of the code's main provisions have led to desirable effects and that the code has been fully implemented.

5.1 EFFECT MONITORING

We find that at EU level, there is a trend towards **reduced TSO balancing actions** relative to market volume over time, an important goal of the code (see Article 4 of the code): 1.4 % of TSO balancing volumes as a share of market volume in GY17/18, compared with 1.1 % in GY24/25. Had the same share of TSO balancing actions in GY17/18 (1.4 %) held for GY24/25, TSO balancing action volumes

would have been 17 TWh higher (1.7 bcm), about the same size as the Lithuanian or Finnish gas markets. Part of this lower volume can be attributed to the application of the BAL NC across the EU, with a resulting larger volume of gas becoming available for market parties to trade in, enhancing wholesale gas markets.

At Member State level, we find that for the last two gas years (GY23/24 and GY24/25) there has been strong variation in the relative importance of TSOs in balancing the market.

In only five balancing zones the residual TSO balancing role indicator was above 1 % for the last gas year: namely the Austrian, German, Spanish, Greek and Slovenian zones.

In its residual balancing role, a TSO can carry out balancing actions in order to maintain the network within its operational limits and adjust the linepack position at the end of the gas day, with the code prescribing a **merit order** (see Article 9 of the code).

Our analysis shows that the merit order is respected at EU level: within-day title products are the most commonly traded for balancing purposes in the EU, accounting for around 65 % of the total volume of TSO balancing actions in GY24/25, followed by day-ahead title products (30 %), within-day temporal locational products (3.5 %), and finally balancing services (0.3 %).

As balancing services are on the lowest rung of the merit order (they are not tradable, unlike the other products), this is a positive development. Only five balancing zones still utilised balancing services (Germany, Estonian-Latvian, Greece, Portugal and Poland's H-gas zone). However, these did not affect the liquidity of the short-term wholesale gas market, as such services were used after the end of the gas day, and STSPs were insufficient to alleviate balancing issues.

Lastly, as network users have gained greater responsibility to balance the market, we investigated how much they contribute to keeping the overall system in balance. We find that the reduction in **net imbalance volume** at EU level indicates that the incentive framework established under the BAL NC continues to encourage network users to manage their nominations and positions more efficiently, although some imbalance volumes point to continued structural challenges in certain markets.

5.2 IMPLEMENTATION MONITORING

Full compliance with BAL NC has been achieved across the EU. The final transition milestones were reached in April 2025, when Slovakia terminated its interim measures by ending the use of a dedicated balancing platform, and in December 2025 (post-reporting period), when Ireland ended its tolerance measures for biomethane entry points.

Beyond baseline compliance, TSOs continue to optimise their balancing operations. Notable updates include Estonia and Latvia's migration to the EEX trading platform, Germany's expanded procurement in adjacent markets, and the Netherlands' termination of temporal balancing products.

Belgium/Luxembourg concluded their L-gas phase-out, while Poland has initiated a consultation on consolidating its two balancing zones (PL-H and PL-TGPS) into a single H-gas balancing zone by 2027²³. These developments reflect a maturing regulatory framework responding to operational and market evolution.

Implementation details for each balancing zone are now comprehensively documented and publicly accessible through ENTSG's interactive [webpage](#), enhancing transparency for all stakeholders.

23 This results in Poland's formal decision to merge the zones as of 1 January 2027 (decision taken post-reporting period).

6 ANNEXES

6.1 LIST OF BALANCING ZONES FOR THE REPORTING PERIOD

Table 2: Balancing zones and respective TSOs/MAMs

Country	Balancing zone	Acronym	TSO/MAM
Countries covered by the report			
Austria	Market Area East	AT	GCA & TAG (TSOs), AGGM (MAM)
Belgium & Luxembourg	BeLux H-gas	BE-H	Fluxys (TSO)
	BeLux L-gas	BE-L	
Bulgaria	Balancing zone Bulgaria	BG-BGT	Bulgartransgaz (TSO)
	ICGB Balancing Zone	BG-ICGB	ICGB (TSO)
Croatia	Croatia	HR	Plinacro (TSO) ²⁴
Czechia	Czech Republic	CZ	NET4GAS (TSO) ²⁵
Denmark & Sweden	Joint Balancing Zone of Denmark and Sweden	DK-SE	Energinet & Nordion (TSOs) ²⁶
Finland	Finland Gas Market Balance Area	FI	Gasgrid (TSO)
France	Trading Region France (TRF)	FR-TRF	NaTran & Teréga (TSOs)
Germany	Trading Hub Europe	DE-THE	Trading Hub Europe GmbH (MAM)
Greece	Greece/National Natural Gas Transmission System (NNGTS)	GR	DESFA (TSO)
Hungary	HU	HU	FGSZ (TSO)
Ireland	Ireland	IE	Gas Networks Ireland (TSO/DSO)
Italy	Italy	IT	Snam (TSO)
Latvia & Estonia	Estonian-Latvian Balancing Zone	LVEE	Conexus Baltic Grid System Control Centre (TSO/Market Operator) & Elering (TSO)
Lithuania	Lithuania	LT	Amber Grid (TSO)
The Netherlands	TTF	NL	GTS & BBL (TSOs)
Poland	High-methane Gas Balancing Zone (H-gas)	PL-H	GAZ-SYSTEM (TSO)
	Low-methane Gas Balancing Zone (L-gas)	PL-L	
	Transit Gas Pipeline System (TGPS)	PL-TGPS	
Portugal	Portugal	PT	REN (TSO)
Romania	Romanian National Transmission System Balancing Zone (RO-NTS)	RO	SNTGN Transgaz (TSO)
Slovenia	Slovenia	SI	Plinovodi (TSO)
Slovakia	Slovak Balancing Zone – Eustream	SK	Eustream (TSO)
Spain	Spain	ES	Enagás Technical System Manager
Countries under derogation (excluded from the report)			
Cyprus	N/A	CY	
Malta	N/A	MT	

²⁴ Plinacro provided data in coordination with HROTE – Croatian Market Operator.

²⁵ NET4GAS provided data in coordination with OTE – Czech Market Operator.

²⁶ Energinet provided the data for the JBZ-DK-SE, also on behalf of the Swedish TSO Nordion Energi.

6.2 EFFECT MONITORING INDICATORS DETAILED CALCULATIONS

Residual TSO balancing role indicator:

% gas volume traded by the TSO for balancing purposes vs. market volume

$$\text{Indicator} = \frac{\sum (\text{TSO BUY} + \text{SELL actions volume})}{(\text{Yearly Market volume})} \times 100$$

Merit order indicator:

Rate of utilisation (%) of each STSP (BUY+SELL actions volume) vs.
total balancing actions (BUY+SELL actions volume)

$$\text{Indicator} = \frac{\text{STSPn (BUY+SELL actions volume)}}{\sum (\text{TSO BUY} + \text{SELL actions volume})} \times 100$$

Network user imbalance indicator:

$$\text{Indicator} = \frac{\sum ((\text{daily NUs imbalances LONG} \\ - \text{daily NUs imbalances SHORT}) \\ \times \text{daily Market volume} / \emptyset \text{ daily Market volume}))}{(\text{Yearly Market volume})} \times 100$$



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