

General

- What are your main views of the proposed measures?

These are exactly those we recommended and defended through all the past Stakeholders meetings. So we think they are matching our expectations in terms of market development in a fair, non-discriminatory and transparent way. Furthermore they will help networks operations to be more markets oriented and will translate definitely in liquidity improvement.

- Do you think Network codes based on these guidelines can achieve non-discriminatory and transparent capacity allocation and the fulfillment of the capacity allocation principles set out in the third package of Energy legislation?

Yes, Codes based on these guidelines will help a fair allocation of the available capacity, firm and interruptible. This should help also to bring the capacity hoarding era to an end and definitely is in line with the 3rd package legislation.

- What are your views of the implications of each of the measures for sector in which you operate? In particular, we are interested to understand the nature of the implications in a qualitative way (and, if available, any quantitative evidence on costs and benefits would be extremely welcome).

As Gas traders, we are particularly interested in short term firm and interruptible capacity bookings with a clear understanding on risk taken when booking interruptible capacity. Combined/Bundled products will be a major step forward and certainly will help the reservation/allocation mechanisms but moreover will reduce the gap between physical operations and trading operations. These measures will make markets no longer worrying about short term capacity availability, will help markets better assess contractual congestion vs physical congestion and will in practice lead to traders freely use physical options to balance position and flow gas in a logical way between the different market places, helping TSOs to keep their networks running in an optimal way. Quantitative evidence translates into liquidity improvement and better risk assessment.

Scope of the arrangements

- Do you support the scope of the draft framework guidelines proposed ?

Yes, fully

Existing contracts

- What are in your views of the challenges that existing contractual arrangements create with regard to capacity allocation? What would be the possible ways to overcome those challenges?

Existing contractual arrangements do not give a clear understanding on whether IC points suffer from contractual or physical congestion. Short term capacity is often not available and there is no clear definition of capacity interruptibility at most of the IC points. On certain networks, there are still very long process in place to acquire LT or ST capacity...

As far as we are concerned, all the measures listed in the draft framework guidelines address these points.

- Should relevant clauses in existing contracts be amended if they contradict the new legally binding set of rules (which will be based on the framework guideline) in order to create a level playing field for all shippers?

Yes if existing clauses contradict the new rules, they should be amended

- Experts have discussed if existing / legacy contracts should be questioned if certain conditions are met, in order to free up capacity, which would then be reallocated. Do you consider such a proposal appropriate?

Yes, everything has to be undertaken to free up capacity

TSO cooperation

Is the scope of the identified areas for TSO cooperation appropriate to ensure efficient allocation of cross-border capacity in order to foster cross-border trade and efficient network access?

Yes

Contracts, codes and communication procedures

- Should a European network code on capacity allocation define a harmonized content of transportation contracts and conditions of access to capacity?

Yes, harmonization of rules is paramount to develop markets efficiency, easy access to transmission networks, fair competition.

- Should a European network code on capacity allocation standardize communication procedures that are applied by transmission system operators to exchange information between themselves and with their users?

Yes, a unique and standardized communication protocol should be put in place and used by all TSOs. We recommend Edig@s

Capacity products

- What are your views of our proposals regarding capacity products?

This is excellent. Long Term and Short term products should be available to respond to the different network and market needs. Even better would be to have bundled capacity products at IC points. It should be very easy and quick for shippers to access to the capacity in order not to bother any more with physical and administrative constraints and difficulties when responding to markets moves.

- Do you agree with the idea of defining a small set of standardized capacity products that do not overlap?

Yes

- Should TSOs offer day-ahead and within-day capacity products?

Yes. This is more and more essential as Supply/Demand is significantly varying on day to day basis and even within-day (ex: UK GBA...) and balancing actions will be mainly market based.

- Should European TSOs offer the same capacity products at every interconnection point across Europe?

Yes

- Should TSOs offer interruptible capacity also in cases where sufficient firm capacity is available?

Yes, as a matter of standardization, interruptible capacity offer should be included in the contracts even if sufficient firm capacity is available. It is a matter of bookings after all. And sooner or later firm could become no more sufficient.

So TSOs contractual offer should always include interruptible capacity products with the same maturities than for firm whatever the IC point is.

Breakdown and offer of capacity products

- Should a reasonable percentage of the available capacity be set aside for firm short term capacity products?

Yes, TSOs should reserve reasonable % of firm capacity, for the short term activity.

Cross-border products

- Recital 19 of Regulation (EC) 715/2009 states that gas shall be traded independently of its location in the system. Do you think that cross-border products will facilitate the exchange of gas between virtual hubs of adjacent markets?

Yes

- Do you support full bundling of cross-border capacity into one single capacity product, including a limitation of the possibility to trade at the border so that gas is traded at virtual hubs only in order to boost their liquidity?

Yes, although at certain ICP, physical trading at these points should be possible. This will not undermine the Hubs liquidity improvement.

- Do you consider combined products to be an appropriate interim step towards bundled products?

Yes

- Should capacity at two or more points connecting the two same adjacent entry-exit systems be integrated into one single capacity product representing one single contractual interconnection point?

Yes if the two or more points belong to the same TSO.

Capacity allocation

- Should auctions be the standard mechanism to allocate firm capacity products?

As far as I am concerned, for long term products, auctions might not necessarily be the standard. LT investment scenarios... should be considered when deciding on allocation

mechanisms. For short term products allocation which are closer to markets moves and should be available to help balancing the networks, auctions must be the standard.

- What would be the implications of using auctions for capacity allocation in the markets in which you operate? Is there any way in which auctions can be designed to overcome potential issues resulting from their introduction in those markets?

Implications will be to have a fairer allocation of the capacity products between the interested parties. Auctions should solve most of the hoarding issues and will contribute to better organize the physical framework in regard to the market requirements, especially when market based balancing actions need to be undertaken.

- Do you support pro rata allocation as an interim step? If yes, should pro rata allocation only be used in given situations or market conditions?

Yes, not particularly

Re-Marketing Booked Capacity

- Should the network code define harmonized firm secondary capacity products and anonymous procedures for offer and allocation of secondary capacity products in line with those on the underlying primary capacity market?

Yes, absolutely

Booking platforms

- Do you think that all capacity connecting systems of two adjacent transmission system operators should be allocated via a joint, anonymous, web-based platform?

Yes

- Do you agree that joint allocation of primary and secondary capacity products on these platforms would strengthen capacity markets?

Yes, absolutely