

# Public Consultation on Capacity Offering and Use at the Gas Interconnection Points Located at the Borders of the EU and the Energy Community

Fields marked with \* are mandatory.

## 1. Questionnaire

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When providing your input to the questionnaire, please consider the following guidance:

- “Technical approaches” means engineering solutions, e.g. looping a pipeline or managing flows with pressure differentials;
- “Commercial approaches” means contractual terms and conditions, e.g. transferring the use of capacity rights to another IP for an agreed fee when the contracted capacity is not available;
- “Market design approaches” means rules that are typically part of network codes, e.g. setting up virtual interconnection points.

For each IP, you can select (by ticking the available box) more than one of the above approaches to improving the availability and the terms of use of capacity. Please provide in the text box any further considerations and recommendations regarding each of the approaches that you have selected. Please include your name, organisation, contact email, and country on your respondent sheet.

Replies to the consultation can be submitted by **30 June 2021 23:59 hrs (CET)**.

## 2. Personal data and confidentiality

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I have read and understood ACER’s Privacy Statement (see below) and Data Protection Notice on Interactions with Stakeholders ([link](#)), as well as ECS’ Procedural Act on the Secretariat’s Data Protection Policy ([link](#)):

[ACER and ECS joint public consultation statement.pdf](#)

The response which I submit to the consultation shall be considered by ACER and ECS as (choose one):

- Non-confidential (public)
- Confidential (in accordance with [Article 9 of ACER’s Decision No 19/2019](#) concerning ACER’s Rules of Procedure)

### 3. Respondent information

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Please specify your name, surname:

Position:

Organisation:

Organisation address:

Email

Country:

Activity of respondent:

- Trader/Supplier/Importer/Exporter
- Regulatory authority
- Other (please specify)

Please list the borders (IPs) between the EU MS and the EnC CPs and/or between EnC CPs that you are concerned with. Enter N/A when you are not currently active at any such border IP.

IP code	IP Name	Country 1	Country 2		
217	Drozdovichi - Drozdowicze	Ukraine	Poland	NA	
21Z000000000266H	Hermanowice	Poland	Ukraine	NA	
218	Uzhgorod / Velke Kapushany	Ukraine	Slovakia		
71	Budince	Ukraine	Slovakia		
219	Beregovo / Beredgaroc	Ukraine	Hungary		
229	Beredgaroc / Beregovo	Hungary	Ukraine		
226	Tekovo - Mediesu Aurit -	Ukraine	Romania	NA	
21Z000000000304Z	Orlovka – Isaccea 1	Ukraine	Romania		
21Z000000000305X	Orlovka – Isaccea 2	Ukraine	Romania		
21Z000000000306V	Orlovka – Isaccea 3	Ukraine	Romania		
21Z000000000151Y	Orlovka – Isaccea (import)	Ukraine	Romania		
21Z000000000182N	Oleksiivka	Ukraine	Moldova	NA	
	Ananiv	Ukraine	Moldova	NA	
	Lymanske	Ukraine	Moldova	NA	
21Z000000000178E	Grebenyki	Ukraine	Moldova		
21Z000000000179C	Kaushany - Caushany	Ukraine	Moldova		
21Z000000000356G	Iasi - Ungheni	Romania	Moldova	NA	

Please provide further details regarding your answers related to two previous questions, if any:

#### 4. Topic 1: Fair and transparent terms of access to services, including capacity contracts, network codes and contracts for auxiliary services

1. In your view, what are the possible **technical approaches** to ensure adequate and expected free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Looping(s)
- Pressure management
- Other

1.1. If looping(s), please indicate at which IPs:

21Z000000000304Z      Orlovka – Isaccea 1      Ukraine      Romania

This IP is strongly linked with Negru Voda/Kardam and there are some looping and pressure management issues due to the lack of compressor stations in Romania, so no connection exists with the Romanian national grid.

1.3. Please explain if other and indicate relevant IPs:

218	Uzhgorod / Velke Kapushany	Ukraine	Slovakia
71	Budince	Ukraine	Slovakia

These IP are not attractive separately and the implementation of Slovakia VIPs would solve some maintenance coordination problems at the two borders. The Velke kapushany's reverse flow should be implemented and will make this point more competitive compared to VIP Bereg on UA/HU where both directions are offered for example. These IPs are not available on Prisma neither RBP platforms but only on Eustream platform excluded bundled capacity.

In addition, there is no transparency in tariffs - for example the 2022 price decision is not currently exhaustive, some variable costs are missing before the yearly auction.

2. In your view, what are the **possible commercial approaches** to ensure adequate and reliable free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Capacity contract transfer to another IP (e.g. substitute alternative paths where the primary booked transportation route is not available)
- Capacity use shift by type and time, e.g. transferability (at no additional charge) of unusable capacity on an interruptible basis with priority determined by time of transfer (earlier bookings take priority)
- Capacity conversion right by user and release of converted capacity (if various types of capacity are offered by the TSO)
- Short haul services
- Time capacity swaps between users
- Greater firmness of virtual reverse flow capacity
- Capacity swaps between users for various types of capacity (firm, interruptible, direct, reverse, virtual, bundled) throughout the year or during periods of maintenance only
- Increased capacity availability on an interruptible basis
- Other

2.2. For Q2, please explain your choice(s) and indicate relevant IPs:

Capacity contract transfer to another IP (e.g. substitute alternative paths where the primary booked transportation route is not available) – it would be interesting to transfer capacities between IPs or establish VIP capacities on the UA border points for example.

The expansion of short haul services to points between UA and MD/RO would clearly make the market more attractive.

A more consequent reverse and forward offer on the Transbalkan could make the market more liquid.

The implementation of reverse flow on SK-UA will provide more opportunities with shorthaul service and will push exit tariffs lower making SK a market more attractive and more liquid.

3. In your view, what are the possible market design approaches to ensure adequate and expected free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Virtual interconnection points
- Firm backhaul capacity
- Increased transparency on contractual the terms and conditions at IPs (e.g. right information of the required type and scope, at proper moments, to all concerned parties, etc.)
- Increasing supply sources

- Reducing market concentration
- Other

3.1 Please explain if other:

Please see our comments related to the last question.  
 EU rules on unbundling, as well as the network codes need to be effectively implemented in all the countries in question in order to ensure free movement of gas.  
 Information on the tariffs applicable at different entry/exit products is frequently presented and/or denominated in different units, creating unnecessary uncertainties.

3.2 Please explain your choice(s):

Interruptible backhaul offer is not sufficiently reliable.

4. In case you wish to report any other issues concerning market integration not covered in the questions above, please outline here the approaches and the issues they address:

There are several missing IAs on third party points such as:  
 226 Tekovo - Mediesu Aurit - Ukraine Romania  
 21Z00000000356G Iasi - Ungheni Romania Moldova

## 5. Topic 2: Market Integration

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5. In your view, what are the possible available and future instruments and frameworks which can be used to ensure that capacity demand is adequately met in order to better serve market integration?

- Using the tools provided by the 10-Year Network Development Plan (TYNDP)
- Using the tools provided to projects of common interest (PCIs) or Projects of Energy Community Interest (PECIs) or Projects of mutual interest (PMIs)
- Using both the tools available in TYNDP and PCIs / PECIs /PMIs
- Using the tools of the Network Codes
- A combination of PCIs/ PECIs/PMIs and Network Codes
- Other (please explain)

5.1. Please explain if other:

We believe that a combination of all the mentioned tools will enhance market integration. Standard products allocation via auctions is a known and useful way of allocating capacity. It is important for the auctioned capacity and its reference price to be published sufficiently in advance and the allocated capacities should be tradeable on a secondary market. In highly concentrated markets, gas release or capacity release mechanisms should also be considered to make sure that network utilization is not hampered. We also note that it is important to analyse the potential issues around market integration also from the national perspective, where certain barriers may exist that prevent market entry (administrative and /or regulatory barriers can also work against market integration).

5.2. Please describe in detail the relevant aspects of the chosen selection(s):

## 6. Topic 3: Availability of capacity (capacity availability, allocation and use) and maintenance and gas quality issues (interoperability)

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6. In your view, what are the three best approaches (possibly as indicated in questions 1-5 above) that will ensure that network users can benefit from reliable allocation of capacity offers and optimal use of existing network systems and capacity, including during times of planned and unplanned maintenance? Please indicate below:

The market design should ensure the highest availability of firm capacities:

- Well-designed and transparent entry-exit zones representing physical constraints of the network
- Locational products such as the ones developed in France or Germany could help TSO ensuring firmness of capacities despite congestions and managing efficiently maintenance periods.
- Commercialization of capacities through auctions on all these points on each side of the border, according to NC CAM rules and calendar, would increase the access & utilisation of capacity products.
- Stable and predictable regulatory environment where market participants are consulted before any changes are made to the legislation governing the gas market.

7. In your view, what are the three best approaches (possibly as indicated in questions 1-5 above) to gas transmission system maintenance with the purpose of minimising disruption of flows? Please indicate the approaches and the issues they addresses:

Capacity contract transfer to another IP and time capacity swaps between users are good ways to minimize maintenance effects. Maintenances should also be signaled well in advance (unlike at point 71 - Budince last year).

Coordination between neighboring/adjacent TSOs can have a significantly positive impact on the cumulated duration of maintenance periods (or outages).

Locational products could help reducing the consequences of maintenance.

8. In your view, what are three best approaches (possibly from the ones indicated in questions 1-5 above) to handling emergencies (transmission, supply cut offs, capacity)? Please indicate the approaches and the issues they address:

In the event of an emergency the market should be informed timely and kept open as long as possible. The available capacity at alternative entry points should be maximized as far as possible.

9. In your view, what are three best approaches to gas quality measuring rules, specifications and standards? Please describe the approaches and the issues they address:

We think that NC CAM and Interoperability rules are sufficient if fully implemented to all IPs .

10. In your view, what are the three best approaches to managing gas measurement rules and standards? Please describe the approaches and the issues they address:

We think NC CAM and Interoperability rules are sufficient if fully implemented to all IPs (clarity and harmonization on temperature, pressure...).

11. If you wish to note any other issue(s) related to the availability of capacity at IPs at EU/ EnC borders, and not already covered by the questions 6-10 above, please describe the issues and their potential solutions of technical, commercial or market design nature:

Interconnection Agreements are missing on certain points (please refer to our other responses).

12. In your view, what are the three best approaches to ensure network users can manage the risks related to the firmness of transport contracts and balancing adequately?

Full NC BAL implementation allowing for more liquid balancing market.  
See also previous answers.

13. In your view, what is the best approach the TSOs need to undertake to improve the exchange of information amongst market participants? Please choose one below:

- Common data exchange solutions
- Communication procedures during emergencies
- Communications in instances of interruptible capacity and transmission
- Other (please explain)

13.1 Please explain if other:

## 7. Topic 4: Issues related to Network Codes Topic

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When commenting on a specific IP, please use the IP name and code provided in [Table 1](#).

14. The NCs are mandatory to be applied at the borders between two EnC CPs. In your view, which NCs should be implemented by which IP at the EU and EnC border? Please list separately each IPs and NC relevant to that IP:

IP code	IP Name	Country 1	Country 2	NC to be applied	
217	Drozdovichi - Drozdowicze		Ukraine	Poland	
21Z00000000266H	Hermanowice		Poland	Ukraine	
218	Uzhgorod / Velke Kapushany		Ukraine	Slovakia	
71	Budince	Ukraine	Slovakia		
226	Tekovo - Mediesu Aurit -		Ukraine	Romania	INT NC / CAM NC
21Z00000000304Z	Orlovka – Isaccea 1		Ukraine	Romania	INT NC / CAM NC
21Z00000000305X	Orlovka – Isaccea 2		Ukraine	Romania	INT NC / CAM NC
21Z00000000306V	Orlovka – Isaccea 3		Ukraine	Romania	INT NC / CAM NC
21Z00000000151Y	Orlovka – Isaccea (import)		Ukraine	Romania	INT NC / CAM NC
21Z00000000178E	Grebenyki	Ukraine	Moldova		INT NC / CAM NC / TAR NC
21Z00000000179C	Kaushany - Caushany		Ukraine	Moldova	INT NC / CAM NC / TAR NC

15. Regarding reverse flow modalities, in your view, are the firm physical bi-directional capacity available at the IP(s) sufficient under

- a) normal conditions
- b) maintenance conditions and
- c) emergency conditions?

Please indicate in your answer the specific IP(s) where at least one of the a-b-c above are not met (also indicating which one), and any additional comments you may have.

16. Regarding reverse flow modalities, in your view, are the firm virtual backhaul bi-directional capacities available at the concerned IP(s) sufficient under

- a) normal conditions
- b) maintenance conditions and
- c) emergency conditions?

Please indicate in your answers the specific IP(s) where at least one of the a-b-c above are not met (also indicating which one), and any additional comments you may have.

17. In your view, which IP(s) operate insufficient firm capacities one way only, and which way (1-2 or 2-1 – for reference see this table)? Please indicate in your answers the specific IP(s) being addressed and any additional comments you may have:

18. If you wish to comment on any other issue(s) related to the availability of capacity at the concerned IPs, please provide your comment(s) here:

## 8. Topic 5: Issues related to particular IPs

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19. In your view, what are the best possible future approaches to ensure that network users enjoy fair and transparent access to capacity and other network services at the following IPs, on competitive market terms? Please consider using the definitions and the suggested breakdown of options as available in questions 1-3 above. You may also suggest other approaches.

We believe that application of EU regulations (NCs) are sufficient if fully implemented by 3rd contracting parties as well as:

- Entry-exit tariffs system
- Transparent tariffs methodology
- Capacity products at least: YA, QA, MA, DA
- Common energy units (KWh/h or MWh/d)
- Interoperability: IA on all points
- Harmonised approach to booking capacities (same calendars, auction systems)
- System for nominations (edig@s)
- Clear booking/nomination rules
- Bundled capacity offers
- Same maintenance program on borders avoiding the flows interruptions
- Reverse flow

20. IP Drozdovichi - Drozdowicze:

21. IP Hermanowice:

22. IP Uzhgorod / Velke Kapushany:

23. IP Budince:

24. IP Beregovo / Beredgaroc:

These points were merged to a VIP.

25. IP Beredgaroc / Beregovo:

These points were merged to a VIP.

26. IP Tekovo Mediesu Aurit:

As is the case with the IP Orlovka – Isaccea (import), this point is practically unavailable to market participants, apparently because of a lack of Interconnection Agreement due to a disagreement on measurements. This issue has been ongoing already for a few years and is blocking existing infrastructure from being utilized, as capacity cannot be booked and flows cannot take place. At the same time, specifically on Tekovo-Mediesu Aurit, there is no reverse flow (Romania towards Ukraine) available and no clear plan /market consultation on this topic.

27. IP Oleksiivka:

28. IP Ananiv:

29. IP Lymanske:

30. IP Iasi / Ungheni:

31. IP Grebenyki:

Points on Transbalkan with Moldova are a specific case. We experience some discrepancies in charges and contracting between forward and backward capacities which also lead to extremely small offer on forward. MD has not introduced an entry/exit system and is still measuring in Sm<sup>3</sup> which causes significant differences for transit capacities especially because they do not use the same GCV as Ukraine or Romania. There are no capacities auctioned and it is not possible to reserve short term (DA, WD) capacities.

32. IP Kaushany - Caushany:

Points on Transbalkan with Moldova are a specific case. We experience some discrepancies in charges and contracting between forward and backward capacities which also lead to extremely small offer on forward. MD has not introduced an entry/exit system and is still measuring in Sm<sup>3</sup> which causes significant differences for transit capacities especially because they do not use the same GCV as Ukraine or Romania. There are no capacities auctioned and it is not possible to reserve short term (DA, WD) capacities.

33. IP Kireevo / Zajecar:

34. IP Kuystendil / Zidilovo:

35. IP Loznica / Zvornik:

36. IP Kiskondorozsma - Horgos:

37. Other comments and suggestions.

Please provide below any other comments and suggestions you may have regarding the matter of the consultation.

Specific comments on IP's with Turkey we would like to raise.

Currently, TR-BG (@Malkoclar/Stranzha1) and TR-GR (@KIPI) interconnection points cannot be used efficiently for cross border activities. There are 2 main issues in these points:

- There are still no interconnection agreements between TR-GR and TR-BG TSOs
- The physical flow is still in one direction in these points (from TR to GR and BG to TR)

This situation is creating problems for trading companies both in Turkey and in EU. There are mismatches for TSOs rules and auctions that are occurring.

For example, for KIPI, Greek TSO is making capacity auctions but there is no auction on Turkish side for that point. So, there is no 3rd party access at that point (especially on Turkish side) and only one market player is active on KIPI point to export gas from Turkey to Greece.

On the other hand, for BG-TR border the situation is the opposite. There are auctions in Turkey to import gas from Bulgaria to Turkey but there is no auction on Bulgarian side. One market player is active on that exit capacity (from old Trans-Balkan pipeline) and there is no 3rd party access.

Establishing interconnection agreements as soon as possible and ask them to make the system available for the physical flow on both directions will be critical to let 3rd party access at these IPs.

General comments on licensing we would like to raise.

As already expressed in other consultations (see the Schonherr study on regulatory & administrative requirements to entry and trade on gas wholesale markets in the EU) the licensing process should be simplified in terms of submission, duration, avoiding a lack of information on what has to be provided, detailed document requests, English language...

The creation of a EU wholesale passport approach & mutual recognition system shall be investigated in relation with EnergyCommunity contracting parties – or at least best practice guidelines for licensing shall be developed.

Simplification of rules for booking of bundled capacities on platforms.

To simplify the current process, reduce administrative burdens and ultimately enhance bookings, trading & competition, we are of the opinion to provide an access to the different EU booking platforms to parent companies rather than being obliged to have the same legal entities bidding on both sides of an IP or a VIP. It will require a change in the auction platforms allowing for different shipper codes to book bundled capacities as long as the two different shippers belong to the same gas entity (parent company).

This improvement will avoid a lot of duplication currently required and will allow network users to benefit from capacity allocation mechanisms harmonised to the widest extent in an integrated market. We believe that NC CAM do not prevent this suggestion ; some IT reshaping will be needed for capacity platforms but the benefit will be much higher.

National specificities, regulatory frameworks and reporting obligations will indeed remain untouched as well as the compliance of shippers with applicable terms and conditions of the transport contracts.

Thank you!

## Contact

[Contact Form](#)

