

AEEGSI consultation n. 590/2017 on gas settlement



EFET response – 4 October 2017

The European Federation of Energy Traders (EFET¹) welcomes the opportunity to provide comments to AEEGSI consultation document n. 590/2017 on gas settlement. In general, we appreciate the intention of the Regulator to find a solution and put an end to a long standing issue.

Representing wholesale gas traders, we focus on the potential impact that a new settlement framework may have on the balancing regime and on trading activity in general. In particular, we would appreciate a more extensive analysis and explanation of the impact that the proposal contained in this consultation document could have: we refer, for instance, to the activities of the RdB, including the procurement of the *delta in-out* and the calculation of imbalance prices.

Overall, we believe that the proposal should strive to preserve the proper functioning of wholesale gas market, guarantee perfect neutrality for any action by the UdB to cover the *delta in-out* and, overall, improve the efficiency of the system. In other European countries, for instance, TSO and DSOs are responsible for procuring the *delta in-out* and often incentivised to reduce such amount/costs over time.

Moreover, in order to allow shippers to correctly forecast non-daily metered off-takes, it is of outmost importance to provide UdBs with the information necessary for a proper forecast of consumptions of final customers on the distribution network, including those relevant to third party sales companies linked to each UdB.

We have particularly appreciated the organisation of a workshop with the main trade associations for a better understanding of the proposal and of its impact on the balancing regime. In light of the complexity of the matter, we suggest the Regulator to organize additional events, perhaps more focused on discussing the most efficient ways for dynamic profiling of consumptions. With reference to this aspect, we auspicate the publication of a consultation on possible methodologies to be adopted, in line with the provisions of Article 42(2) of the Network Code Balancing (EU 312/2014)².

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org

² “The methodology for the forecast of a network user’s non daily metered off-takes shall be based on a statistical demand model, with each non daily metered off-take assigned with a load profile, consisting of a formula of the variation in gas demand versus variables such as temperature, day of week, customer type and holiday seasons. The methodology shall be subject to consultation before its adoption.”