

CRE consultation on the evolution of capacity allocation at the French borders



EFET response – 7 July 2017

The European Federation of Energy Traders (EFET) welcomes the opportunity to provide comments to the CRE consultation on the commercialisation of capacity products at the French borders. The present consultation tackles the Dunkirk and Oltingue interconnections points (IPs), as well as the rules for the commercialisation of interruptible capacity at the French IPs in general, based on GRTgaz proposals.

1. Capacity allocation at the Dunkirk interconnection point

Question 1: Do you agree with GRTgaz' proposal concerning the commercialisation of long-term products at the Dunkirk IP?

For multi-annual capacities, representing 80% of the available capacity, GRTgaz proposes to reduce the allocation gates from two to one. The organisation of a single open season, in June, should facilitate the coordination with the auctions organised later in the year on PRISMA for the intra-EU borders where the Capacity Allocation Mechanisms network code (CAM NC) applies. GRTgaz also proposes to market the capacity independently for each year, and to terminate the priority rights that currently exist in the allocation system to shippers booking capacity for five years or more.

These proposals align the regime of the Dunkirk IP on the CAM NC provisions to the extent feasible and facilitate the interplay between the Dunkirk IP and the other IPs where the CAM NC applies. We support the GRTgaz proposals.

Question 2: Do you support the new commercialisation schedule proposed by GRTgaz for annual short-term capacities?

GRTgaz proposes to move the date of the sliding auctions from month-7 to month-4 in order to align the commercialisation of annual short-term capacity with that of multi-annual products (in June). The open season would be followed by a two-months period of first-come-first-served allocation.

We welcome the GRTgaz proposal as it simplifies the auctions calendar and ensures consistency between the capacity auctions for the different timeframes.

Question 3: Do you share GRTgaz' analysis of the incompatibility between the commercialisation of annual rolling products and the commercialisation of quarterly products?

EFET agrees with GRTgaz' analysis about the incompatibility of the sliding annual auctions and the commercialisation of quarterly products.

Question 4: Do you prefer maintaining the commercialisation of short-term annual capacity in sliding auctions or developing the commercialisation of quarterly capacities?

EFET would welcome a move towards the commercialisation of quarterly capacities according to the model presented by GRTgaz. This would allow a better alignment of capacity allocation on the gas year. However, no coefficients should be applied for quarterly products auctioned for the Dunkirk entry point.

Question 5: If quarterly products are created at the Dunkirk IP, do you share CRE's assessment that these products should be sold according to the commercialisation schedule defined by the CAM code?

Yes. Along the lines of our response to question 1, we believe that the objective to bring the regulatory framework of the Dunkirk IP regime as close as possible with that of the CAM NC is the way forward. However, no coefficients should be applied for quarterly products auctioned for the Dunkirk entry point.

Question 6: Do you have any other remarks concerning the commercialisation of capacity at the Dunkirk IP?

No.

2. Interruptible capacity allocation

Question 7: Do you support the implementation of the provisions of the CAM NC on the commercialisation of interruptible capacity products by TSOs as of 1 October 2017?

Regarding interruptible capacities at the French IPs, GRTgaz recommends amending the current capacity allocation rules to comply with the latest version of the CAM NC, adopted in March 2017. As of 1 October 2017, interruptible capacity will only be available in daily and within-day auctions, unless longer-duration products for firm capacity have been sold with an auction premium, are not available anymore or have not been auctioned at all. The Pireneos IP with Spain is not affected by this reform proposal, as this IP already complies with the CAM NC (no interruptible capacity products are available for that border with a duration longer than one day).

We support this reform proposal, which is in any case a requirement for the alignment of the French capacity allocation rules with EU regulation.

3. Entry capacity at the Oltingue interconnection point

At the Oltingue IP with Switzerland, GRTgaz proposes to start commercialising capacity in the Switzerland-France direction as of April 2018. The volumes would be as follows: 100 GWh/day of “quasi-firm” capacity and 100 GWh/day of interruptible capacity. The existing reverse flow will be phased-out.

The commercialisation of capacity in the direction Switzerland-France is a good move from the TSOs, especially considering upcoming infrastructure developments that would make a Southern European route for the supply of natural gas a more tangible reality.

Question 8: Are you in favour of GRTgaz' proposal to commercialise the entry capacity at the Oltingue IP after the commercialisation of capacity at the Obergailbach and Taisnières H IPs for a given timeframe?

As the total flows that the French network can support at the moment restrict the combined volume of imports at Oltingue (IP with Switzerland), Taisnières H (IP with Belgium) and Obergailbach (IP with Germany), GRTgaz proposes to use the PRISMA platform to allocate the capacity at Oltingue and to organise the auctions for Oltingue after that of Taisnières H and Obergailbach. Priority will hence be given to the interconnections with Belgium and Germany over the Oltingue interconnection point with Switzerland.

We support the proposal of GRTgaz, with a request to report annually on the functioning of the system, including how, how often and how much the priority given to the Taisnières H and Obergailbach IPs has restricted entry capacity allocation at the Oltingue IP.

Question 9: Are you in favour of GRTgaz' proposal to commercialise annual capacity at the Oltingue IP for the following year only?

The commercialisation of short-term annual capacities only is fine for EFET as a first step. The commercialisation of multi-annual capacities should be considered at a later stage if the commercialisation of entry capacity at the Oltingue IP becomes a success.

Question 10: When the cap for firm capacities is reached, do you support GRTgaz' proposal to increase interruptible capacities so that the total capacity on each and all three IPs remains unchanged?

We support the proposal.

Question 11: Do you have any other comments on the commercialisation of incoming capacity at the Oltingue IP?

No.