



Culture Shift with the new German Energy Law?

With the adoption of the new Energy Law, the government in Germany has now implemented the European Union's Directives for the Electricity and Gas Markets. Simultaneously Germany is getting a regulatory body in the form of the ‚Bundesnetzagentur‘, which should promote competition in the energy industry.

An Entry-Exit network access model (without links to paths or individual transactions) is essential for competition in the gas market. Well over a year ago, BEB Transport and Storage Services Ltd introduced such a network access model and for a long time they were the only long distance gas transit provider to do so. Other German network operators on the other hand maintain, with some imaginative rules, a transaction dependant system, under the misleading title of 'Entry Exit Model'.

Surprisingly the conciliation procedure between the Lower and Upper Houses of Parliament has now produced a step change in the law for gas transport.

The new Energy Law clearly requires a nationwide Entry Exit Model as the approved network access system for gas. It does not limit network access to the operator's network but enforces an overarching Entry Exit Model throughout Germany and obliges the network operators to co-operate closely.

EFET Deutschland welcomes this result and recognises it as an important step in the direction of market opening. The government seems, however, to have stopped in its tracks, as it has refrained from harmonising the associated network access and network tariff regulations.

These regulations, which detail network access and tariff methodology, do not correspond to the promotion of a national unified network access system – here the limits of individual operators' networks form the border of an entry exit system. Thus efficient network access is still blocked.

EFET Deutschland calls therefore upon the government to revise the regulations and wishes the regulator the necessary weight and influence in order to achieve the goal of ensuring an effective and transparent gas market.

Regarding the electricity market, discrepancies between the law and the associated regulations are less severe. Nevertheless further improvements are necessary, particularly in respect with market transparency and the abolishment of asymmetrical market information distribution.

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