

Cover page

Content:

The Ordinance regulates system access as well as balancing, clearing and settlement pursuant to section 41 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011 and amends the *Gas-Marktmodell-Verordnung* (Gas Market Model Ordinance) 2012.

Alternatives:

none

Effects on Austria as a place for doing business:

Efficient and market-based mechanisms for capacity allocation in natural gas systems and the related rules for balancing, clearing and settlement promote a competitive, EU-wide integrated natural gas market and contribute to secure and cost-effective natural gas supply.

Financial effects:

No impact on the budget of the state or the federal provinces

Relationship to European Union legislation:

The rules implement the regulatory regime of Directive 2009/73/EC concerning common rules for the internal market in natural gas in consideration of Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission networks, which is reflected in the *Gaswirtschaftsgesetz* (Natural Gas Act) 2011.

Special features of the legislative procedure:

The Ordinance is issued pursuant to section 7 para. 1 *Energie-Control-Gesetz* (E-Control Act) by the Executive Board of E-Control. Pursuant to section 41 para. 1 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, a public consultation was held on the intended rules; in addition, pursuant to section 119 E-Control Act, the Ordinance was presented to the Regulatory Advisory Council.

Explanatory Notes on the 3rd *Gas-Marktmmodell-Verordnung Novelle* (Gas Market Model [Amendment] Ordinance) 2013

General Part

The *Gas-Marktmmodell-Verordnung* (Gas Market Model Ordinance) 2012 prepared the legal ground for the successful introduction of a new gas market model in Austria on 1 January 2013. First experience confirms that the transfer was achieved smoothly, thanks to the market player's efforts to have all necessary systems ready in time. Market participants generally welcomed the new model. After receding in the run-up to the transition in December, trading activity at the virtual trading point has already picked up again and normalised to the high levels observed in previous years. Also daily balancing for customers without load meters, introduced to facilitate retailers' supply activities, has proven practical. Linepack has so far been sufficient to cover these consumers' imbalances. In addition, the new *Gas-Monitoring-Verordnung* (Gas Monitoring Ordinance) 2013 was promulgated in the Federal Law Gazette (FLG II no 63/2013), enabling improved analyses of the gas market. Its goal is to ensure that any shortcomings of the new market model are detected and amended continuously.

The positive experience gained during the first implementation months has also enabled us to pinpoint a number of areas where adjustments would be beneficial. A number of these areas were addressed in the previous amendments to the Gas Market Model Ordinance in April (FLG II no 88/2013) and October (FLG II no 270/2013) of this year. This amendment deals with changes to the process by which the clearing and settlement agents fix the contribution.

Special Part

Regarding section 32 para. 6 and section 44 para. 6:

Experience with the settlement of imbalances by the clearing and settlement agents and the movements of the overhang recorded indicates that forecasting the overhang is subject to major insecurities for lack of longer observation periods, which is why fixing the contribution for a period of six months seems excessive.

To strike a balance between being able to react to foreseeable developments in imbalance settlement and providing planning security for balance responsible parties, the period of time for which the balance responsible parties fix the contribution is reduced to three months.

Unless otherwise provided, the amendment enters into force on the day following promulgation, thereby ensuring that the three-month period for the contribution applies from January 2014.