

## Introduction

### **Content:**

By introducing a charge for the system operator's service that entitles system users to nominations for exit from the eastern market area and immediate matching entry into the Czech market area, system users can now directly connect the eastern market area in Austria with the Czech market. The costs for this service are not covered by charges pursuant to section 72 para. 2 items 1 through 4 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, which is why a charge for supplementary services is set pursuant to section 78 Natural Gas Act 2011 based on the costs that have been determined by an official decision of the E-Control Executive Board to be directly related to this service.

### **Alternatives:**

None

### **Effects on Austria as a place for doing business:**

The possibility to couple exit from Austria's eastern market area with immediate and corresponding entry in the Czech market area facilitates the transport of natural gas, reduces transaction costs for network users and promotes cross-border market access.

### **Financial effects:**

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

### **Union legislation framework:**

The distribution and transmission system charges are set in accordance with the Natural Gas Act 2011, which in turn transposes Directive 2009/73/EC concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

### **Particulars of the legislative process:**

The Ordinance is issued by E-Control's Regulation Commission in accordance with section 12 para 2 item 1 *Energie-Control-Gesetz* (E-Control Act). In accordance with section 70 para. 3 Natural Gas Act 2011, the concerned system operators and system users and the stakeholder representations mentioned in section 69 para. 3 must be consulted before issuing the Ordinance. In addition, the Ordinance must be discussed by the Regulatory Advisory Council in line with section 19 para. 2 E-Control Act.

## Explanatory notes

### Sections 1 and 8a (Supplementary Service Charges at Transmission Level)

The service, planned to be operational from 1 October 2017, creates a direct link between the eastern market area in Austria and the Czech market area for network users. The possibility to couple exit from Austria's eastern market area with immediate and corresponding entry in the Czech market area facilitates the transport of natural gas, reduces transaction costs for network users and promotes cross-border market access. The costs for this service are not covered by charges pursuant to section 72 para. 2 items 1 through 4 *Gaswirtschaftsgesetz* (Natural Gas Act) 2011, which is why a charge for supplementary services is set pursuant to section 78 Natural Gas Act 2011 based on the costs that have been determined by an official decision of the E-Control Executive Board to be directly related to this service.

The service is introduced as part of a common initiative by the Austrian and Czech transmission system operators and regulatory authorities that aims to strengthen regional market integration.

The basic concept, titled "Trading Region Upgrade (TRU)", was consulted with market players in April 2016. The responses received were used to finalise the concept. The first step foresees a pilot phase during which the service is offered for a limited amount of gas only. The information on market demand, functioning and effects on the involved markets that can be gathered from the pilot phase will form the basis for any future expansion of the service. For further information, please visit the E-Control website: <https://www.e-control.at/en/konsultation-zur-integration-des-gasmarkts>.

### Section 21 para. 12

The amendment enters into force on the gas day that follows the day of promulgation, i.e. at 6:00 hrs on the calendar day after promulgation.