

Self evaluation of Austria's eastern market area in accordance with AGTM metrics and analysis of market integration options. Consultation questions.

We value your input on the results of the two studies. In the interest of an efficient discussion, we would ask you to use the below structure for your response or make direct reference to the below questions.

Part 1: AGTM metrics update for Austria's eastern market area (self evaluation)

- 1.1 Do the results of the study reflect your own appraisal of wholesale market competition and liquidity in the eastern market area (for the spot, prompt and forward segments)?
- 1.2 The study finds that there is a lack of stable order book volume in the eastern market area, i.e. insufficient wholesale market trading.
 - Which concrete measures could be taken to grow the order book volume?
 - What effect would you expect these measures to have?
- 1.3 The study considers that leaving the eastern market area to develop on its own will not be sufficient to reach the AGTM liquidity thresholds, i.e. that additional momentum from concrete enhancement measures is necessary. Do you agree?
- 1.4 To which degree is it feasible to compensate the lack of liquidity in the eastern market area's prompt and forward markets by tapping neighbouring market areas (e.g. the German market area NCG, which a Bundesnetzagentur study¹ finds to clearly fall short of the AGTM liquidity thresholds itself)?
- 1.5 How important is a well-functioning wholesale market (in line with the AGTM definition) in Austria's eastern market area for the CEE/SEE region?

¹https://www.bundesnetzagentur.de/SharedDocs/Downloads/DE/Sachgebiete/Energie/Unternehmen_Institutionen/NetzgangUndMesswesen/Gas/GutachtenBNetzAMarktintegrationWECOM.pdf;jsessionid=A8C503E1C0B72F0496F62784DDAAD695?_blob=publicationFile&v=3 (full German version)
https://www.bundesnetzagentur.de/SharedDocs/Downloads/DE/Sachgebiete/Energie/Unternehmen_Institutionen/NetzgangUndMesswesen/Gas/EN_summary_Expert_Opinion_Market_Integration_WECOM_for_BNetzA.pdf;jsessionid=A8C503E1C0B72F0496F62784DDAAD695?_blob=publicationFile&v=4 (English summary)

Part 2: Assessment of market integration options

- 2.1 The study uses a number of criteria to compare and assess different market integration options. Are all of the criteria relevant? Which additional criteria would be needed?
- 2.2 Which market integration option would yield the largest overall welfare gain for Austria's eastern market area?
- 2.3 Are there other geographical combinations that should be analysed? If so, which (larger) benefit for the eastern market area do you expect from these combinations?
- 2.4 Are there decisive benefit or cost types that are not addressed in the cost-benefit analysis conducted (or in the underlying assumptions)?
- 2.5 The study states that any impact of market integration (i.e. of having larger entry-exit systems) on freely allocable capacity would be addressed by restricting capacity; it does not foresee that the currently available capacity could be maintained by applying complementary measures (which could range from flow commitments or redispatch through linepack to grid expansion). What are your views on the study's approach?
- 2.6 The study outlines the effect of each market integration option on security of supply in the eastern market area. What is your opinion on these effects?
- 2.7 If Austria's eastern market area is to be integrated with one or several neighbouring market(s), which of the market integration tools (full market merger, different degrees of trading region) is preferable, taking into account both the potential gains and the complexity of implementation inherent in each tool?
- 2.8 What major barriers to market integration are there (legal/regulatory, commercial etc.) and how could they be addressed in the eastern market area to enable integration with one or several neighbouring market(s)?