

**Energie-Control Austria**

Rudolfsplatz 13a

A-1010 Wien

marktregeln@e-control.at

Energy Regulatory Office

Masarykovo náměstí 5, 586 01 Jihlava

plyn@eru.cz

Vienna, 19.4.2016

Consultation on the integration of gas markets of Czech Republic and Austria

EconGas welcomes the opportunity to participate in the consultation process regarding the envisaged market integration of the Czech and Austrian markets. Please find enclosed our structured input regarding the TRU concept.

1) General remarks

- In our view the consultation document is not clear enough to assess the TRU concept and its functional enhancement to the gas markets involved and the trading region. In particular, the following components are missing to assess the potential of TRU:
 - o No indication about the volumes/capacity that can potentially access the one or the other market via TRU
 - o Also related to the physical feasibility, it is not explained how firm flows can be guaranteed between the AT and CZ markets
 - o The pricing or price methodology of TRU should at least have been indicated in the course of this consultation. Without indicative prices for TRU, it is not possible to accurately assess the potential market interest in this option

2) Specific inputs

- TRU product definition:
 - o The document does not at all specify whether TRU is a bi-directional (AT<->CZ) option, or whether two uni-directional options (AT->CZ + CZ->AT) can be purchased. In other words: Is it intended to sell two products, one to access the Austrian VTP via Czech Republic ("TRU AT") and one to access the Czech VTP ("TRU CZ") via Austria (consequently two TRU coins are offered), or is it intended to sell only one TRU coin to access the respective other country?
 - o The marketing and product characteristics of TRU need to be specified in detail.

- It is unclear who exactly will offer TRU. We assume it will be individual TSOs, but is not mentioned in the document
 - Can TRU also be used in combination with TAG capacity (since TAG is not mentioned in the document)?
 - Product runtimes of TRU are missing (Is it only a day-ahead option or even for longer periods?)
 - The timing of the TRU auctions should be clarified. We assume TRU is sold in the second bidding window
 - As well, it is not defined whether TRU can also be bought without holding the required entry capacity in the first place
 - The document lacks a clarification as to which capacity rights enable to purchase and use TRU. Is a primary transportation contract needed, or is it sufficient to have capacity allocated at an entry point? (for instance usage rights purchased on the secondary market)
 - Does TRU fall under the regulations defined in the “CMP Annex”? (can it be surrendered, will mechanisms such as DA UIOLI, LT UIOLI etc. apply?)
 - Can TRU be traded on the secondary market?
- Technical feasibility to maintain firm TRU quality.
- As also stated in the document, no firm capacity is existing to connect Austria and Czech Republic. The consultation material does in no way explain how the Czech and Austrian TSO(s) can guarantee firm shipments between the two trading hubs.
 - Notwithstanding the previous bullet point, it would have been necessary to indicate to which extent (in kWh/h) TRU is considered to be offered

3) Summarizing questions:

How would you evaluate the proposed model for Austrian-Czech gas market integration overall?

With the input provided, it is not possible to evaluate the model accurately, in particular due to lacking information on potential volumes that can be swapped by the TSOs between the two markets and the missing price indication of such service

How would you evaluate the proposed services/product for Austrian-Czech gas market integration overall?

The product definition in the consultation document is unclear, as indicated in Pt.2



Do you share the evaluation of the costs and benefits of an Austrian-Czech gas market integration provided in this document in relation to the development of the gas market of the Czech Republic/Austria.

The consultation document does not include any figures indicating the costs or benefits of the proposed model

Do you have additional comments or suggestions for enhancement related to the Austrian-Czech gas market integration which you would like to share?

We understand the need for a market consultation to assess the overall interest in TRU. Before any additional steps are taken, we opt for a clarification of ALL details and further on a second consultation

Would you be interested in participating in a dedicated stakeholder event on the Trading Region Upgrade?

yes

Should you have questions regarding our position on the TRU concept, please contact Alexander Frank (alexander.frank@eongas.com, +43 (0) 50205 8416) or Jörg Weissgerber (joerg.weissgerber@eongas.com ; + 43 (0) 50205 8400).

With best regards,
EconGas GmbH