Energy Traders Europe response to the 2nd amendment of the consulted tariff methodology

Energy Traders Europe thank E-Control for taking the views of the market participants collected during the consultation under serious consideration, including our recent request to maintain the scheduled entry into force of the new tariffs for January 2025. We note that this consultation round is very short, although we do recognize that many of the provisions have been consulted before.

With this consultation response we would like to highlight some of the outstanding points we have raised previously, yet we have not seen being addressed to a meaningful extent. We believe that due consideration should be given to the following points:

1. We note that the current proposal offers **binding tariff levels for 2025 only, without any cap envisaged for subsequent changes** in 2026 and 2027. We have observed that the forecasted contracted capacities for 2026 and 2027 are not included in the current consultation, making it challenging to understand the tariff increases during these periods. While we recognize the current environment makes precise forecasts challenging, such approach transfers the risk onto shippers and discourages booking in the long-term.
2. Moreover, with the consultation document clearly stating that no benchmarking was exercised for 2025, we reiterate that the resultant drop in network utilization rate may not be balanced by the increased tariff levels. We therefore encourage E-Control to **consider exercising the benchmarking exercise to find the right balance between the increase in tariff levels and the expected fall in utilization rate.**
3. We note that the 50% storage exit discount was introduced to bring the methodology in line with NC TAR, yet **we still perceive grouping storage and cross-border exit points into homogenous groups not in line with the Code's provisions.**
4. Although some reassurance was offered in terms of commodity charge's reflectiveness of the volume-linked energy costs incurred by the TSOs, we note that **the suggested capacity-commodity charge split still seems to be determined arbitrarily.** In the current consultation, despite no changes in forecasted flows for 2025, the associated revenues declined. This discrepancy prompts us to wonder how changes in estimated capacity tariffs are affecting commodity charges and vice versa. Further clarification regarding the calculations behind the resultant 25%/75% split and how it can change in the following years would support transparency of the methodology proposed.

We remain at your disposal should you wish to discuss any of these matters further.

Contact

Pawel Lont
European Gas Markets Manager
p.lont@efet.org