Konzultační formulář

Consultation form

Konzultační dokument podle Článku 26 Nařízení Komise (EU) 2017/460 ze dne 16. března 2017, kterým se zavádí kodex sítě harmonizovaných struktur přepravních sazeb pro zemní plyn

Consultation Document in accordance with Article 26 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

Dotčený subjekt
Interested party

	Regulační orgán Regulatory authority		**Provozovatel distribuční soustavy** Distribution system operator
	Ministerstvo nebo vládní organizace Ministry and governmental institution		**Provozovatel zásobníku plynu** Storage system operator
	Místní samospráva Municipality	*X*	**Dodavatel plynu, obchodník** Gas Supplier, Trader
	Akademická sféra Academia		**Zákazník** Customer
	Provozovatel přepravní soustavy Transmission system operator		**Jiný** Other

příslušné zařazení prosím označte X
please mark with X

Identifikace
Identification

Jméno právnické osoby Name of legal person	RWE Supply & Trading CZ, a.s.
Jméno a příjmení odesílatele Name and surname of the sender	
E-mailová adresa E-mail address	
Telefonní číslo **Telephone number**	
Datum Date	

Připomínky a podněty (v případě potřeby prosím přidejte další řádky)

Comments/initiatives (please add rows as needed)

<table>
<tr><th>Kapitola
Chapter</th><th>Připomínky a podněty
Comments and initiatives</th></tr>
<tr><td>6.2.4, 7, and 9.1.7</td><td>
Article 9 TAR NC sets out the 50% discount for storage facilities as the minimum discount. In the Consultation Document, the ERO has not clarified why only the minimum discount should be applied to Czech storage facilities. Storage facilities in the Czech Republic are standard facilities connected to a single TSO, thereby enabling the regulator to grant a discount of more than 50%. We consider that the systemic benefit of Czech storage facilities justifies the granting of the maximum possible discount for storage facilities rather than the minimum 50% as proposed by the ERO. Our opinion is based on the following arguments:

1 Czech storage facilities significantly contribute to provisions for the security of supply to protected customers. Should the competitiveness of Czech storage facilities weaken compared with those in neighbouring countries (due to the lower discount or higher capacity-based transmission tariffs into/from storage facilities), Czech storage facilities will be used less for gas storage and also as a source of keeping the supply security standard, see the obligation to provide for at least 30% of the supply security standard using a storage facility in the European Union – not in the Czech Republic.
2 Czech storage facilities provide crucial support to natural gas supply to customers in northern Moravia and Silesia (pp. 24-25 Consultation Document). A lower utilisation (lower levels of gas stores) of Czech storage facilities in winter in general (and also the [lower] level of stores in the facilities located in northern Moravia due to the rising capacity-based and commodity-based tariffs) can jeopardise the current and future mechanism of natural gas supply to this region.
3 The ERO's proposal reflects a change in the regulator's attitude to storage facilities and their value in the context of the Czech gas infrastructure. While in the past, the ERO took into account the double charging of storage customers and the high systemic value of Czech storage facilities, and reflected this in the structure and level of tariffs, which enabled storage facilities to be competitive compared with virtual cross-border entry/exit points, in its new proposal the ERO sets out the discount at the minimum possible level. The Consultation Document does not explain this change in the ERO's approach to storage facilities.
4 Regulators in countries neighbouring on the Czech Republic generally propose a much higher than the minimum discount for storage facilities.

<table>
<tr><th>Current storage discounts</th><th>TSO Entry discount</th><th>TSO Exit discount</th></tr>
<tr><td>Czech Republic</td><td>50%</td><td>50%</td></tr>
<tr><td>Germany</td><td>75%</td><td>75%</td></tr>
<tr><td>Poland</td><td>80%</td><td>80%</td></tr>
<tr><td>Austria</td><td>100%</td><td>90%</td></tr>
<tr><td>Slovakia*</td><td>0</td><td>0</td></tr>
</table>
Source: ENTSOG, TSOs
*Slovakia is not comparable with the Czech Republic, since the entry/exit points into/from storage facilities are also connected to the distribution network (DSO) and the transmission network in Austria (an exception allowing a lower than 50% discount under Article 9(1) TAR NC).
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	A higher than the minimum discount also applies to the German storage facilities (Bundesnetzagentur (BNetzA) proposes 75%) located on the gas transit route to the Czech Republic (i.e., these German storage facilities directly compete with Czech facilities). The European Federation of Energy Traders (EFET) even requires a discount of more than 75% for German storage facilities in its response to German BNetzA. The Consultation Document does not contain the international comparison of storage discounts despite the fact that it is freely available at www.entsog.eu in ENTSOG's *Implementation Document for the Network Code on Harmonised Transmission Tariff Structures for Gas (Second Edition)*. The 50% discount and the tariff resulting from it do not create the conditions for a fair allocation of costs; quite the opposite, they create a new market imbalance in the form of uneven impacts on the various segments/gas infrastructure users. As the result of the ERO's proposal, storage facility users' expected contribution to the TSO's allowed revenue increases so much that it would influence their commercial decisions and could result in a significant drop in demand for gas storage in the Czech Republic. The proposed capacity-based transmission tariffs into/from storage facilities and the tariffs for the commodity component for the period 2020-2025 result in an approximately 15% increase in the total costs related to gas storage in the Czech Republic (compared with the current costs, and based on the current prices of storage capacity and depending on the period for which the trader buys the transmission capacity into/from the storage facility). Through the unexpected increase in the total costs of storage, the ERO's proposal discriminates against the traders who have invested funds to buy storage capacities in SSOs' auctions for the storage period beginning after the date on which the new methodology is to be introduced. The Consultation Document does not contain a transparent analysis of the impact of the proposed tariffs on each of the segments of the gas infrastructure (TSO x SSO x DSO), or their users. Nor does it contain sufficient relevant data for the reader's own analysis. What is missing in particular is an analysis of the comparison of the percentages from each of the segments (TSO x SSO x DSO) in Net4Gas' total allowed revenue before and after the implementation of the new methodology. **Conclusion: We suggest increasing the storage discount from 50 to 100%. The level of discount will reflect the systemic value and specificities of Czech storage facilities and support their competitiveness compared with the surrounding countries.**
9.1.1 and 9.1.2	The calendar year 2020 falls within the fourth regulatory period, which is governed by the regulatory rules set out in the document *Price Control Principles for 2016-2018 for the Electricity and Gas Industries and for the Market Operator's Activities in the Electricity and Gas Industries with Effect Extended to 31 December 2020*. When the applicability of the price control principles was extended to 31 December 2020 the Czech natural gas market participants expected, when making their commercial decisions, that the general assumptions and pricing principles would not be changed in this regulatory period. The ERO's proposal envisages the TAR NC implementation in effect as of January 2020, and the market participants are therefore facing potentially significant changes in the methodology and tariffs within only a few months from their adoption.

	Accordingly, we believe that the ERO should consider implementing the new methodology only from the beginning of the fifth regulatory period, i.e. in 2021. This option is, in principle, set out in Article 27(5) TAR NC, under which the tariffs applicable for the prevailing tariff period at 31 May 2019 will be applicable until the end thereof. This Article is intended for use in Slovakia, Austria and, possibly, in France. However, it can be deduced that the Czech tariff period *de facto* coincides with the regulatory period. The reason is that the tariffs that are currently being used in the fourth regulatory period were set at the beginning of this period and can only be changed due to annual inflation in each subsequent year. Postponing the implementation of the new methodology until the beginning of the fifth regulatory period would provide TSOs and storage customers with a greater certainty and more time to prepare for a potentially significant change in their operating costs. Such changes could not be foreseen at the beginning of the fourth regulatory period, or in the period of the extended applicability of the current principles of price controls, and therefore have an impact on the commercial decisions adopted earlier. ***Conclusion: We suggest postponing the effect of TAR NC implementation to the beginning of the fifth regulatory period, i.e. 1 January 2021.***