

EFET urges Polish authorities to clarify issues related to the new storage obligations for gas

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On 3 March 2017, the European Federation of Energy Traders (EFET)¹ sent a letter to the Polish authorities, European Commission and ACER stressing the negative impact that recent changes in the legal framework will have on the wholesale gas market in Poland. EFET has long argued that Polish storage obligations are inefficient, counterproductive and pose a key obstacle to a well-functioning market. Recent changes to the law on strategic reserves will now reinforce these obligations, leading to increased costs of wholesale activities and higher consumer prices.

“The amendments in the law raise a number of questions, in particular with regard to the possibility of using storage outside Poland to fulfil the storage obligations“, says Doug Wood (Chair of the EFET Gas Committee). As a consequence importers are unable to take business decisions on whether or not to participate in the yearly capacity auctions scheduled for 6 March at the relevant Interconnection Points (IPs) on the Polish border. “We believe that immediate measures are needed to bring clarity but also to avoid engaging into complex and costly legal actions“, adds Wood. Therefore, we urge the Polish authorities to confirm the following:

- In a firm, clear and definitive manner how storage held in neighbouring countries can be used to meet Polish Security of Supply obligations;
- How gas imported for onward transit is to be distinguished from gas intended for Polish gas users and calculated;
- The grandfathering of all existing exemptions until their natural conclusion.

Finally, EFET calls on relevant parties to suspend the yearly auctions foreseen for 6 March at all IPs with Poland. We insist that network users should have at least one-month time to prepare for the relevant postponed auctions, provided the legal and regulatory framework issues are clarified.

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¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.