

To the attention of

Regulatory Authority for Energy (RAE)

Dr. Athanasios Dagoumas, President

Hellenic Energy Exchange (HEnEx)

Mr. Manolis Kalaitzakis, Director Strategy & Business
Development

Ms. Athina Zitouni, Business Development Expert

Dr. Andreas Ntomaris, Head of Markets Support

Mr. Thanos Papathanasiou, Markets Support &
Operations

**Hellenic Gas Transmission System Operator
(DESFA)**

Mr. Michael Thomadakis, Director of Strategy and
Development Division

Mr. Gerasimos Avlonitis, Market Development
Manager

Mr. Nikos Botis, Market Integration and
Implementation Manager

**Subject: EFET proposal on a “light” registration to the Greek gas trading
platform**

The European Federation of Energy Traders (EFET¹) would like to put forward to HEnEx and gas grid operator DESFA the introduction of a more agile registration to the Greek gas trading platform launched on 21 March 2022. We propose the optionality of a “light” contract between DESFA and users (e.g., between a trader and a shipper) with no booked capacity in their portfolio who operate exclusively at the VTP, while guaranteeing to the system an underlying physical asset.

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 130 energy trading companies, active in over 27 European countries. For more information: www.efet.org

Main points

Our proposal aims to alleviate the need for “full” registration with the system operator of those traders who do not intend to book transmission capacity. It allows them not to go through the current complex, and usually lengthy, administrative process of concluding a Standard Framework Agreement with DESFA (which in turn means registration with RAE as National Natural Gas Transmission System (NNGS) users), for involvement in the trading platform. Our proposal of a “light” contract with DESFA is based on a practice already established by the European Commodity Clearing (ECC) for all listed EEX natural gas products. This management of physical gas deliveries will facilitate broader access to the platform for different types and categories of gas market participants, enhancing liquidity.

Moreover, our proposal opens up the opportunity for a shipper to contract with a third party on an exchange-for-physical arrangement for simplified participation to the organised exchange market while delegating these skills to an out-sourced dedicated experienced trader, who may or may not belong to the same group. Instead of signing up to the physical network if cashed out in the physical market owing to inability to close out their position or a failed trade that leaves them long or short, a shipper should be free to contract with a third party to take on an exchange-for-physical arrangement, whereby any emerging physical imbalance would be assigned to them. In this case, either the provider of this service or the shipper can: a) be signed up to the platform and be active on it, b) not be signed up to the exchange, because they never intended to.

Detailed remarks

As a general remark, we welcome the phase-out of the DESFA balancing platform, as interim measure for system balancing, and the go-live of the trading platform, based on which cash-out prices are set, as a positive step towards improved implementation of the Balancing Network Code in Greece. We also note that simplified participation to an organised exchange market, in ways that reduce unnecessary costs and complexity, can help to attract the widest number of gas market participants² bringing greater liquidity and trading volumes. To this end, a shipper who maintains a transportation agreement with the TSO should be allowed, even if they have no access to the gas exchange, to accept in their balance account physical deliveries associated with the trading activity on the gas exchange of a trader without access to the VTP or a transmission contract in place with the TSO.

We realise that incorporation of a streamlined registration process for such traders may not be possible in view of the already approved trading and clearing Rulebooks and Decisions governing the operation of the platform, consulted with stakeholders in 2021. However, we

² E.g., producers/ importers, retailers, wholesalers, aggregators/ portfolio managers, utilities, mid-streamers, traders, financial institutions/ hedge funds etc.

still see room for revision of the registration procedure applicable to companies interested to be active on the platform by consideration of a “light” transport contract, which will facilitate a company without transport capacity in its portfolio to access the gas hub. The condition for the provider of the service (or the shipper) not to have to register in the trading platform is helpful if the provider of the service (or the shipper) and the trader (who will be the registered party in the trading platform) are part of the same company or balancing group. This is because, to access the platform, users are required to provide certification by DESFA for a Standard Framework Agreement in force, which in turn requires the registration with RAE as National Natural Gas Transmission System (NNGS) users. They are also required to have passed the Gas ETCg exam. Both requirements place undue burden in case the provider of the service (or the shipper) ultimately never gets to access the platform.

Therefore, our proposal for a “light” registration aims to relieve both shippers and traders of a multi-layered administrative burden. In this respect, the solution designed by ECC³ offers the possibility of a tripartite agreement concluded among the trader, the shipper, and the exchange platform. Moreover, for the exchange to be able to nominate an imbalanced position to the TSO, matching of the exchange and TSO accounts is automatically performed, subject to the necessary IT system development.

EFET understands that the recommendation regarding a “light” TSO contract has previously been put forward by stakeholders during the pertinent public consultation but was not introduced in the approved rules for access to the trading platform. We thus remain at your disposal should you wish to discuss this flexibility mechanism further.

Kind regards,
On behalf of the EFET CSEE-G



Davide Rubini,
Chairman of the EFET TF CSEE-G

³ See: “Application for approval as a Trading Participant in EEX Natural Gas Spot Contracts and/ or EEX Natural Gas Futures (own balancing area agreement)”, “Application for approval as a Trading Participant in EEX Natural Gas Spot Contracts and/ or EEX Natural Gas Futures (3rd party balance area agreement)”, “Application for approval as a Trading Participant in EEX Natural Gas Futures (closing procedure).”