

AEEGSI consultation n. 591/2017 on the incentive scheme applied to SNAM Rete Gas in the gas balancing regime

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EFET response – 9 September 2017

The European Federation of Energy Traders (EFET¹) welcomes the opportunity to provide comments to the consultation document n. 591/2017 on the incentive scheme to be applied to SNAM Rete Gas in the context of the balancing regime. Below, we have provided our detailed feedback to questions:

S1. Si esprima una valutazione relativamente ai punti 1 e 2 (i consumi termoelettrici rimangono inclusi nell'incentivo I1 sulle previsioni dei consumi ai punti di riconsegna)

EFET agrees that until a methodology to extract the thermoelectric consumption is found, this should remain incorporated in the incentive I1 applied to SNAM. However, since this solution was meant to be only transitory, we seek more information regarding the planned schedule for the implementation of the full regime.

S2. Si esprima una valutazione relativamente al punto 3: quali esigenze potrebbero giustificare l'introduzione di un incentivo sulle previsioni fornite nel corso del giorno gas? Nel caso si attuasse tale integrazione al sistema di incentivi, quali sono gli orari in cui le previsioni sono più significative (in quali orari) e che potrebbero essere oggetto di misurazione delle performance?

AND

S3. Si esprima una valutazione relativamente al punto 5 (introduzione di un incentivo sulle previsioni del giorno G+2 o sulle previsioni di più lungo termine).

EFET does not have specific views on these questions.

S4. Si esprima una valutazione relativamente ai nuovi parametri dell'incentivo sulla previsione di cui alle Figure 1a dell'Allegato

EFET agrees with the new parameters for I1 and the aim of penalising forecast errors larger than 10%; we also share the idea of differentiating the incentive on a seasonal basis, though AEEGSI should make the target more challenging for SNAM to reach.

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. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org

S5. Si esprima un'opinione sul nuovo schema di incentivi I2 e I3 e sul relativo fattore moltiplicativo K

Given also the evidence coming from the first incentive period, EFET agrees with the objective of reversing the ratio between the maximum values of I2 and I3: in fact, in order to fully preserve the spirit of the EU Balancing Network Code, we believe it is necessary to incentivise the negotiation of title products (STSP) and instead discourage, to a greater extent, the use of SNAM's own resources, storage in particular. We had accepted the ownership of storage capacity by SNAM as a transitory measure for the first year of implementation of the new regime, especially because the TSO had already booked storage capacity for the period April 2016 – March 2017. We also recall that that access to storage by the TSO constitutes a balancing service under art. 8 of the BAL NC and should therefore be implemented only after proving that short term standardised products are not likely to provide the response necessary to keep the transmission network within its operational limits" (art. 8.1 BAL). Balancing services should also be procured through a "transparent and non-discriminatory public tender procedure" (art. 8.3 BAL) and their need should be reassessed annually (art. 8.6 BAL).

We therefore encourage the Regulator to perform, well in advance of next year's auctions, a serious analysis on whether ownership of storage by SNAM is still truly needed, in order to possibly free-up resources for shippers and create a proper balancing market in line with the spirit of the EU Code

In relation to the proposal at par. 4, we agree with the proposal to shift forward the publication of linepack level at 9.00 am as this would also help SNAM to pursue more efficient and coherent balancing actions.

S6. Quale si ritiene essere la durata più appropriata per il secondo periodo di incentivazione?

In general, we agree with the proposal to fix the value for one year.