

CRE consultation on the modification of the ARTR7 tariff methodology



EFET response – 19 November 2020

The European Federation of Energy Traders (EFET*) thanks CRE for the opportunity to provide comments on their draft proposals to update the ATRT7 tariff methodology, applicable as of April 2021.

Contrary to usual practice, this consultation was only made available in French, which we deplore. We invite CRE to make all public consultations available in English.

Question 1: *Do you support the proposal of extending the storage compensation collection base to natural gas transport as of April 1, 2021, since consumers can now take out interruptibility contracts?*

As a representative organisation of energy traders, EFET does not have a view on this matter.

Question 2: *Do you support the condition that 98% of the annual capacity marketed at a PIR be subscribed to trigger the congestion tariff for products lasting less than a year at this point?*

CRE wishes to change the conditions for triggering the so-called "congested" tariff at network interconnection points (PIR) – where no multipliers apply for capacities of less than a year. The current ATRT7 tariff provides for the elimination of multipliers in the event of congestion. At the moment, a PIR is considered "congested" if the capacity selling price is strictly higher than the reserve price, which does not necessarily imply that the point is commercially congested. CRE proposes to condition the elimination of multipliers to the subscription of at least 98% of the capacities marketed during the annual capacity auction of each PIR (in the only congested direction). This condition must be combined with that relating to the observation of a capacity sale price strictly higher than the reserve price for the congestion rate to apply.

Though we understand that the existing definition of a "congested" PIR for the purpose of tariff setting does not currently reflect market reality, CRE's proposal will have the direct consequence of increasing the cost of capacity for less than a year. We appreciate the attention of CRE to make sure that yearly and multi-yearly capacity is made available to the market, but should market participants not favour booking such capacity at selected PIRs, the regulatory framework should not penalise them for that. We do not see a danger for security

* 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 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org

of supply in allowing shippers to book shorter-term capacity in greater volumes at specific PIRs. Without such a concern, we believe that the tariff (and application of related multipliers) should avoid distorting market fundamentals.

As a conclusion, we do agree with CRE's proposal to more properly define what a "congested PIR" means. However, as an organisation representing energy traders, we believe that the application of multipliers at interconnection points should be as low as possible. No or low multipliers at interconnection points help develop a liquid pan European market and make the French market cheaper to access.

Question 3: *Do you support invoicing the injection term directly to biomethane producers connected to the transport networks as of April 1, 2021?*

On the transportation network, the injection term is currently billed to the shipper who has entered into a purchase contract with a biomethane producer. This is different to the distribution network where the biomethane producers are billed directly. For the sake of consistency with the support systems for the biomethane sector, CRE proposes to change this pricing method and to adopt the same methods as in distribution, i.e. to invoice from 1 April 2021 the term of injection directly to producers.

We support the CRE proposal in order to align the treatment of all biomethane producers, irrespective of which network they are connected to (transmission or distribution).