

## PRESS RELEASE

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*“We are pleased to see continued improvements in these markets. As the sector prepares for transition, the tools necessary to trade in and out of positions will influence strongly how stakeholders are able to manage risks inherent in their portfolios”*

Steve Rose  
Chair of the EFET Gas Hub Development Group

### **EFET European Gas Hubs Benchmarking Study: 8<sup>th</sup> Edition**

The European Federation of Energy Traders (EFET)<sup>1</sup> is pleased to publish the 8<sup>th</sup> edition of the annual Gas Hubs Benchmarking Study, which is now available with explanatory notes on the EFET website. Scores have improved in all markets, though this is in part attributable to a change in one of the indicators. Further improvements have been made in transparency and balancing, and a recognition of developments that were in place in the previous year but had not yet been observed to have had impact. The study reflects specifically the design of the virtual trading points in each market; the success of a hub also depends on wider market conditions that are not measured here, so this report should not alone be used as a proxy for more general market performance.

For the second year the update focuses on new and less mature hubs in line with the original objectives of the study and no longer measures the most developed virtual trading points. This year, the Czech virtual trading point was dropped as the major milestones had been reached and further growth in liquidity will depend on other factors. No new hubs were added, but Baltic hubs and Ireland were scored for the second year.

Greatest improvements were made in Portugal (with increased transparency, balancing, the establishment of an exchange, and a standard trading agreement), Ireland (improved maturity of hub), and the Baltics (where greater experience of the hub allowed better recognition of transparency and title transfer requirements). Bulgaria and Romania have also made gains but are still progressing slowly.

The scoring criteria were changed to remove a measure of volumes of trades in longer term products which was no longer useful since the study focusses on less mature markets. It has been replaced with an assessment of market interference. Where an authority imposes conditions or obligations which constitute a barrier to entry or trade, then a lower score is granted.

Commenting on the study, Doug Wood, Chair of the EFET Gas Committee said: “In recent years, liquid trading hubs have been an important tool to allow producers and consumers to rebalance portfolios under the changing dynamics of the pandemic and now the sudden growth in demand. Though the current high prices will be a concern to many, the transparency of prices that are afforded by hubs provides important information to stakeholders and authorities in deciding what action may be taken. Where markets do not have effective hubs, it has been more difficult for counterparties to manage their supply/demand balance.”

<sup>1</sup> 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](http://www.efet.org)