

TEREGA's Contribution to the Public Consultation on UIOLI LT mechanism at VIP IBERICO

February 24, 2020

TEREGA welcomes the project to implement UIOLI LT at the VIP IBERICO with one remark regarding its operational application.

The two main conditions for the implementation of the UIOLI LT procedure are complete and aim to demonstrate the under-utilisation of the reserved capacity. Nevertheless, UIOLI LT is a mechanism provided by the CMP Annex which main objective is the management of commercial congestion. The conditions proposed by the project for the implementation of UOLI at the VIP IBERICO could detect an under-utilisation of capacity without considering effectively the existence of a congestion situation. Without vigilance, the UIOLI LT mechanism might therefore result in the triggering of a withdrawal of capacity, without any effective demand for this capacity.

In the light of this observation, TEREGA considers that the coordination between TSOs (specified in articles 8 and 9) to decide whether or not to withdraw some capacity is the key step of the good functioning of this mechanism. This step would have to be indeed the assessment of existing commercial congestion by showing that there has been at least one unsatisfied demand for capacity over the studied period. If not, capacity should not be withdrawn.