



Polish Oil & Gas Company Capital Group (GK PGNiG) Comments on ACER Consultation Paper on Draft Trade Reporting User Manual (TRUM) under REMIT

Polish Oils and Gas Company welcomes ACER's public consultation on the draft Trade reporting User Manual (TRUM). We hope that swift completion of this manual will help organized market places prepare themselves for the reporting on time.

Given the fact that work on REMIT Implementing Act might be coming to an end, in the context of this consultation we would like to raise some key questions concerning the scope of application of the Regulation and its reporting obligations in particular. Clarification on the issues mentioned below would be very much welcomed, in particular if provided in the body of the Implementing Act.

1. Capacity allocation for SSOs at interconnection physical entry/exit points from/to storage facilities

It remains unclear if certain transactions/agreements concluded between Transmission System Operators and Storage System Operators do constitute wholesale energy products as defined in REMIT. According to Polish TSO's (GAZ-System) Network Code, transmission of gas fuel at an interconnection physical entry/exit point from/to a storage facility connected to the transmission system is regulated in two transmission agreements:

- Inter-operator transmission contract (ITC) between SSO and TSO including the *capacity allocation* (PP) for SSO on entry/exit points between transmission system and storage facilities,
- Transmission contract between TSO and a shipper, who acquires storage services, including *transmission ability allocation* (PZ).

No system user, other than the SSO, is entitled to capacity allocation on entry/exit points between transmission system and storage facilities. The cost of the capacity is borne by the SSO and included in its tariff for storage services.

In order to withdraw or inject gas fuel from/into the storage facility, shippers must transport the fuel through the transmission system, from/to the entry/exit point between transmission system and storage facilities. In order to do so, they are being allocated so called *transmission ability* for the entry/exit point between transmission system and storage facilities. *Transmission ability* allocated to each storage user is equal to the capacity allocated to the SSO in the given physical entry/exit point between transmission system and storage facility. The way the shippers may actually use this *transmission ability* depends only on the characteristics of storage services they have acquired.

According to our understanding, the capacity on entry/exit points between transmission system and storage facilities is being wholly allocated to the SSO in order to guarantee the



consistency and interoperability of services offered in both systems. If capacity at such points was offered separately from storage services, the shippers acquiring storage services would bear unnecessary risk of being unable to inject/withdraw gas to/from storage facility due to lack of capacity at interconnected entry/exit point.

In view of the definitions of “transmission” and “transmission agreement” from Article 2 of the Regulation 715/2009 and from Article 2 of the Directive 2009/73, which identify transmission of gas as a transport of gas via the transmission network, it seems that if relations between SSO and TSO are limited to capacity allocation for SSO on entry/exit points between transmission system and storage facilities, such transaction shall not be regarded as a transmission agreement. In addition, due to the fact the SSO does not transport gas in the transmission system, the capacity allocation is not a wholesale energy product in the meaning of REMIT.

However, if you do not share our understanding on the aforementioned contact, we would be grateful for clarification, if it requires reporting under article 8 of REMIT.

2. Obligation to report fundamental data on using storage facilities by storage users

If SSO is not a market participant in the meaning of REMIT, its obligation to report to ACER the fundamental data from Article 8.5 of REMIT derives solely from “good practices” and is not an obligation prescribed by the law.

In such a case reporting to the Agency on the volume of natural gas stored by storage users in certain storage facilities seems to be only a facultative service provided by the SSO to storage users and not an obligation imposed on storage system operator. In such a case an explicit authorization from market participant to provide the Agency with such data would be required.

Taking note of the abovementioned remarks, we advise to include in the future version of TRUM a clarification on the voluntary character of reporting by the SSOs, that are not market participants.

3. Comments on trading scenarios

Although Chapter 8 „Guidelines for reporting certain trading scenarios” has not been developed in Draft version of TRUM, we believe that it will address the issue of trading strategies. We propose to resign from this section as those data cannot be precisely measured and have internal character.