

Public Consultation on Capacity Offering and Use at the Gas Interconnection Points Located at the Borders of the EU and the Energy Community

Fields marked with * are mandatory.

1. Questionnaire

When providing your input to the questionnaire, please consider the following guidance:

- “Technical approaches” means engineering solutions, e.g. looping a pipeline or managing flows with pressure differentials;
- “Commercial approaches” means contractual terms and conditions, e.g. transferring the use of capacity rights to another IP for an agreed fee when the contracted capacity is not available;
- “Market design approaches” means rules that are typically part of network codes, e.g. setting up virtual interconnection points.

For each IP, you can select (by ticking the available box) more than one of the above approaches to improving the availability and the terms of use of capacity. Please provide in the text box any further considerations and recommendations regarding each of the approaches that you have selected. Please include your name, organisation, contact email, and country on your respondent sheet.

Replies to the consultation can be submitted by **30 June 2021 23:59 hrs (CET)**.

2. Personal data and confidentiality

I have read and understood ACER’s Privacy Statement (see below) and Data Protection Notice on Interactions with Stakeholders ([link](#)), as well as ECS’ Procedural Act on the Secretariat’s Data Protection Policy ([link](#)):

[ACER and ECS joint public consultation statement.pdf](#)

The response which I submit to the consultation shall be considered by ACER and ECS as (choose one):

- Non-confidential (public)
- Confidential (in accordance with [Article 9 of ACER’s Decision No 19/2019](#) concerning ACER’s Rules of Procedure)

3. Respondent information

Please specify your name, surname:

Robert parker

Position:

Consultant

Organisation:

Self

Organisation address:

Email

Country:

CA - Canada

Activity of respondent:

- Trader/Supplier/Importer/Exporter
- Regulatory authority
- Other (please specify)

Please specify, if other:

I work mostly with shippers, mostly from a regulatory background. Have never worked for a regulatory authority, but have helped some.

Please list the borders (IPs) between the EU MS and the EnC CPs and/or between EnC CPs that you are concerned with. Enter N/A when you are not currently active at any such border IP.

Velke kapusany, budnice, bereg, drozdovychi, isaccea/orlivka, horgos,

Please provide further details regarding your answers related to two previous questions, if any:

4. Topic 1: Fair and transparent terms of access to services, including capacity contracts, network codes and contracts for auxiliary services

1. In your view, what are the possible **technical approaches** to ensure adequate and expected free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Looping(s)
- Pressure management
- Other

1.3. Please explain if other and indicate relevant IPs:

Too much PCI and CEF money has been squandered already, particularly on inefficient domestic system reinforcements in Poland and Romania. Much of those funds are just plain lost. The after action analyses should be extremely embarrassing.

So. Go forward ...

Yes compression and looping can be used to initiate or add capacity, but it should all be supported by contractual bookings and actual payment contracts. And actual payments. If Ukraine dreams of some capacity magically appearing, they need to wake up and sign up for that capacity, or convince or pay some other stakeholder to do so. Ukraine should make its own mods at Orlivka CS to enable simultaneous bidirectional border flow, and include a tariff service to collect costs.

Bereg, drozdovychi,

2. In your view, what are the **possible commercial approaches** to ensure adequate and reliable free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Capacity contract transfer to another IP (e.g. substitute alternative paths where the primary booked transportation route is not available)
- Capacity use shift by type and time, e.g. transferability (at no additional charge) of unusable capacity on an interruptible basis with priority determined by time of transfer (earlier bookings take priority)
- Capacity conversion right by user and release of converted capacity (if various types of capacity are offered by the TSO)
- Short haul services
- Time capacity swaps between users
- Greater firmness of virtual reverse flow capacity
- Capacity swaps between users for various types of capacity (firm, interruptible, direct, reverse, virtual, bundled) throughout the year or during periods of maintenance only
- Increased capacity availability on an interruptible basis
- Other

2.1. Please explain if other and indicate relevant IPs:

First, split up the Tekove/MedusaAurit/Isaccea Domestic VIP. The points are 1000 km apart, tolled differently, and the gas is not fungible. Tekove/Medisu Audit is a Ukrainian discounted western shorthaul point with zero northbound capability. OrlivkaD/Isaccea D is a dn1000 connection operating at a lower pressure than Isaccea 1,2,3 that also has no northbound flow capability. Nuke the confused mixed up VIP. Please.

Tekove/Mefisu Audit ; Isaccea Domestic.

Second, there is no such thing as firm Virtual Reverse Capacity. True firm requires the capability to physically measure and flow gas in the direction paid for. Letting Ukraine pretend to book and schedule firm entry at VK, bereg, and drozdovtchi does a disservice to the word firm. If no one will pay for the capacity for sufficient duration to justify installing facilities, then the market does not want to pay for those services and they should not be subsidized. If the TSOs cannot agree to make modifications to make bidirectional firm, then Ukraine needs to rethink and rephrase its requests rather than always calling mom(Acer) and dad(EU). Ukraine's transit is not secure, today, partly because of crap like this.

Drozdovychi, bereg, VK, Malkoclar1/Strandzha1, Kiskundorizma(HU>RS), Horgos(RS>HU).

2.2. For Q2, please explain your choice(s) and indicate relevant IPs:

The items I almost clicked are worded backwards. When a shipper buys firm on both sides of an interconnect and maintenance cuts one side, you can raise annual tolls slightly to allow refunds on the cut side. Canada and the USA allow secondary (and tertiary) firm at alternate access points under various pipe specific procedures. That would be a deviation from pure entry/exit tolling, but if all stakeholder groups agree to look at it, then it might be worth considering. That is a much, much bigger impact than this limited survey as to EU/ECT connections.

3. In your view, what are the possible market design approaches to ensure adequate and expected free movement of gas between market areas to locations where it is valued by gas market participants? Your answer may consider any or all of the following.

- Virtual interconnection points
- Firm backhaul capacity
- Increased transparency on contractual the terms and conditions at IPs (e.g. right information of the required type and scope, at proper moments, to all concerned parties, etc.)
- Increasing supply sources
- Reducing market concentration
- Other

3.1 Please explain if other:

By "where it is valued by gas market participants" you should mean "where market participants are willing to book and pay for annual capacity to assure that movement." All firm capacity should physically exist or it should not be offered. Thus is a severe limitation with entry/exit tolling reducing the efficiency of each pipeline system, but it can be an overall acceptable tradeoff. That choice has been made. Since it has been made, STICK WITH IT!!!

Now when on any given day a market participant wants to move gas backwards or uphill, but no one is willing to pay the annual costs to provide that capability for 5 days or so, I say the premise of the question has not been met. Look at Hungary. They modified their system flow capabilities to be able to serve Eastern Hungary from the Central Spine. Ukraine could have requested or signed up for firm exit capacity and Hungary would have added it into the requirements. But Ukraine passed. Now they want firm exit capacity to magically appear, but appear unwilling to cover the full annual costs to provide that firm capacity and capability. The premise is not met.

Bereg, drozdovychi, velke kapusany.

VIPs should never be forced, should be by mutual TSO agreement, and the gas should also be fungible, or fungible enough for the TSOs to agree. Isaccea D is much lower pressure than Isaccea 1,2,3. If Ukraine is forced to receive it and compress it, but is prohibited from cist recovery because Ukraine has to pretend it was received at Isaccea 1,2_3 then that is unfair and Ukraine should be permitted to deny that aspect of the VIP.

Firm Backhaul capacity does not exist. And just by asking that question and making that suggestion you are perpetuating the myth. Please stop. Firm means firm physical flow capability. Look at Mallnow as an example of a huge interruptible backhaul capability with two very specific lower firm capacity numbers by each TSO. Firm means firm. Please.

Increasing supply choices should not be a driver. Building capabilities the market wants to pay for, and pays for, should be the driver.

Reducing market concentration is worded as yet another red herring. People confuse purchases with dependency. ACER should not make that mistake nor encourage it. Lithuania buys spot gas from their firmer term supplier. But they are not dependent on it. No way. But all the data pullers count it wrongly as dependency, when it is just a choice. ACER already has metrics and methods to reduce and manage buyer market dependencies. The N-1 calculations and the interruption scenarios do this. Yes some scenario updates are needed for 2023Q1, and they are needed by 2021Q4 to allow construction time, if needed. But the processes exist already. No changes called for. But if Ukraine wants to pay money to have the capability to import LNG through Greece, Croatia, Poland, Lithuania, or Kaliningrad they are of course free to pay to do so.

3.2 Please explain your choice(s):

See above. Could not check the boxes worded backwards.

4. In case you wish to report any other issues concerning market integration not covered in the questions above, please outline here the approaches and the issues they address:

Ukraine's transit is not currently secure, yet Ukraine, DGEnergy, and ACER are all in denial about it. They have just 10 bcm of firm exit capacity pointing towards Ukraine. That's barely 100% of what they need if DSO off takes are under control, which they are not.

On a cold day excessive DSO overpulls can jeopardize transit deliveries plus the technical gas for domestic and transit needs.

They can also come up short on an annual basis.

ACER is remiss tolerating this.

ACER is remiss letting interconnecting countries count Ukraine's gas as peak day secure for all uses including N-1.

5. Topic 2: Market Integration

5. In your view, what are the possible available and future instruments and frameworks which can be used to ensure that capacity demand is adequately met in order to better serve market integration?

- Using the tools provided by the 10-Year Network Development Plan (TYNDP)
- Using the tools provided to projects of common interest (PCIs) or Projects of Energy Community Interest (PECIs) or Projects of mutual interest (PMIs)
- Using both the tools available in TYNDP and PCIs / PECIs / PMIs
- Using the tools of the Network Codes
- A combination of PCIs/ PECIs/PMIs and Network Codes
- Other (please explain)

5.1. Please explain if other:

Capacity demand needs to be backed up by contracts. Each contracting entity needs to have their firm accounts verified, and if spot gas is not available in total, to match the sum of everyone's assumptions, then some rework must be done.

5.2. Please describe in detail the relevant aspects of the chosen selection(s):

Stop wasting money on white elephant projects like BRUA1, iasi-ungheni, the reinforcements upstream of iasi. When someone lies claw back those funds. If they refuse to pay, put them in the dog house, on probation, and don't waste any more EU money until they have self-funded sufficient projects the EU would otherwise have funded.

Stop awarding grants up front. Make them loans, forgivable loans. Romania should eat and cover the full BRUA1 bullet, Poland will have trouble justifying the union sum of all their spends, which needlessly squandered EU money. They would have been more careful if they have to eat and civer those mistakes themselves.

6. Topic 3: Availability of capacity (capacity availability, allocation and use) and maintenance and gas quality issues (interoperability)

6. In your view, what are the three best approaches (possibly as indicated in questions 1-5 above) that will ensure that network users can benefit from reliable allocation of capacity offers and optimal use of existing network systems and capacity, including during times of planned and unplanned maintenance? Please indicate below:

Stop Ukraine from withholding firm capacity from the market.
Stop Poland and Ukraine from jointly controlling the market for transit services, which Poland started doing in 2013/14 when PM Donald Rusk rejected the "Yamal2" pipeline string "in solidarity with Ukraine".
Have ACER and ENTSOG jointly own the issue of secure firm capacity for markets AND transit, and force ACER and ENTSOG to sign off on the security of each TSO's firm. And start with Ukraine.

7. In your view, what are the three best approaches (possibly as indicated in questions 1-5 above) to gas transmission system maintenance with the purpose of minimising disruption of flows? Please indicate the approaches and the issues they addresses:

Have TSOs continue to be encouraged to coordinate maintenance between them, either simultaneous to minimize firm cuts, or separately to barely cover firm. They do this now well, including Ukraine. They have a big complex system, and they are very flexible working with adjacent TSOs.

Have TSOs communicate their soaring philosophies among themselves, and to ACER, not to all of us.

Once rotating equipment becomes museum vintage, be clear which units are "run till they drop" and which would be fixed. I have seen slow speed integrated units running on their 65th birthday, but they were treated gently and well cared for, because new units could not be justified.

8. In your view, what are three best approaches (possibly from the ones indicated in questions 1-5 above) to handling emergencies (transmission, supply cut offs, capacity)? Please indicate the approaches and the issues they address:

Communication, in advance when possible, as soon as known. Use the rule "bad news fast".
When flows do not match confirmed nominations, and there is no intention to balance the cumulatives by the next day, each TSO should communicate this upstream and downstream. Each day it persists the notifications should go one more hop. Reduce surprises.
Have a plan. Have everyone know who their buddies are. If buddy imbalances offset, great. If buddy imbalances compound, ACER and ENTSOG need to be in the loop ASAP.

I believe 1 and 3 above currently happen in appropriate methods for each TSO. #2 is communicated, but less rigorously. We should trust the TSOs to own their process, and Acer and ENTSOG be onboard to support.

9. In your view, what are three best approaches to gas quality measuring rules, specifications and standards? Please describe the approaches and the issues they address:

Keep oxygen out of the pipe. Period. 0.1% is acceptable O2 spec.

Since pipes are at different altitudes their specs will likely differ. Pipes with the worst gas need a plan to isolate, segregate, or dilute it.

No TSO should feel forced to accept offspec gas. In Alberta they even implemented an offspec service with fees so the cleaner sources were not stuck diluting the crappy ones for free. That might be an approach to balance stakeholder interests. These newer turbines get pickier and pickier. A TSO might need to put the crappy gas in specific pipelines so their fuel systems never see it, or in limited quantities.

10. In your view, what are the three best approaches to managing gas measurement rules and standards? Please describe the approaches and the issues they address:

Have TSOs in mutual agreement at each bidirectional station as to:

Separate tubes each direction,

Bidirectional tubes

Unidirectional tubes valved to measure either flow direction

Try to not let the MGT fiasco happen again, where firm could only be booked in one direction at a time.

Support the market with bidirectional bookings (or separate bookings at separate stations)

11. If you wish to note any other issue(s) related to the availability of capacity at IPs at EU/ EnC borders, and not already covered by the questions 6-10 above, please describe the issues and their potential solutions of technical, commercial or market design nature:

I still cannot believe Ukraine called Slovakia and Eustream pitiful when gtsou disagreed with eustream's unwillingness to book firm where no firm existed. A yellow card was called for, or maybe even red for Ukraine.

12. In your view, what are the three best approaches to ensure network users can manage the risks related to the firmness of transport contracts and balancing adequately?

Do not let pipelines call something firm when it is not. If it is just a higher priority interruptible then call it that. If the TSO is too embarrassed to do that then FIX THE PROBLEM INSTEAD.

Make sure all firm transit is secure. Start with Ukraine.

13. In your view, what is the best approach the TSOs need to undertake to improve the exchange of information amongst market participants? Please choose one below:

- Common data exchange solutions
- Communication procedures during emergencies
- Communications in instances of interruptible capacity and transmission
- Other (please explain)

13.1 Please explain if other:

7. Topic 4: Issues related to Network Codes Topic

When commenting on a specific IP, please use the IP name and code provided in [Table 1](#).

14. The NCs are mandatory to be applied at the borders between two EnC CPs. In your view, which NCs should be implemented by which IP at the EU and EnC border? Please list separately each IPs and NC relevant to that IP:

Relax the mandatory VIP requirement at EU/EU connections.

Split out the nonsensical Tekove/Orlivka VIP.

15. Regarding reverse flow modalities, in your view, are the firm physical bi-directional capacity available at the IP(s) sufficient under

- a) normal conditions
- b) maintenance conditions and
- c) emergency conditions?

Please indicate in your answer the specific IP(s) where at least one of the a-b-c above are not met (also indicating which one), and any additional comments you may have.

Well worded. There is no such thing as firm reverse flow.

Yes all are sufficient because they are exactly what the market is willing to pay for. If you are clear on thus people will be less motivated to sit on their chequebooks and be free riders.

16. Regarding reverse flow modalities, in your view, are the firm virtual backhaul bi-directional capacities available at the concerned IP(s) sufficient under

- a) normal conditions
- b) maintenance conditions and
- c) emergency conditions?

Please indicate in your answers the specific IP(s) where at least one of the a-b-c above are not met (also indicating which one), and any additional comments you may have.

Firm virtual backhaul does not exist. The question in nonsense.

TSIs who pretend it exists and sell it should have to buy it back if they fail to perform firm booked services, even if the losses are hundreds of euro per MWh. TSOs need to stop selling non existent services.

17. In your view, which IP(s) operate insufficient firm capacities one way only, and which way (1-2 or 2-1 – for reference see this table)? Please indicate in your answers the specific IP(s) being addressed and any additional comments you may have:

None. If there is an interconnect with unmet firm requests that should be public. VK does not count. If people want more capacity SK>UA they can expand Budnice, but it will be expensive.

18. If you wish to comment on any other issue(s) related to the availability of capacity at the concerned IPs, please provide your comment(s) here:

8. Topic 5: Issues related to particular IPs

19. In your view, what are the best possible future approaches to ensure that network users enjoy fair and transparent access to capacity and other network services at the following IPs, on competitive market terms? Please consider using the definitions and the suggested breakdown of options as available in questions 1-3 above. You may also suggest other approaches.

20. IP Drozdovichi - Drozdowicze:

Until Ukraine or someone pays Poland for firm exit the point us just fine as one-way firm.

21. IP Hermanowice:

Until Ukraine or someone pays Poland for firm exit the point us just fine as zero-way firm.

22. IP Uzhgorod / Velke Kapushany:

Fine. Ukraine should stop whining about Eustream. If Ukraine wants more firm capacity they can expand Budnice for \$\$\$ or add a third "Ruska" connection for only \$\$.

23. IP Budince:

Fine. Ukraine should stop whining about Eustream. If Ukraine wants more firm capacity they can expand Budnice for \$\$\$ or add a third "Ruska" connection for only \$\$.

24. IP Beregovo / Beredgaroc:

Until Ukraine or someone pays Hungary for firm exit the point us just fine as one-way firm.

25. IP Beredgaroc / Beregovo:

Until Ukraine or someone pays Hungary for firm exit the point us just fine as one-way firm.

26. IP Tekovo Mediesu Aurit:

One way flow south. Hard to imagine Khust reversed to pell gas northbound. Hungary has out competed for thus load, which is now almost nil. So no changes needed (other than busting out Isaccea from VIP)

27. IP Oleksiivka:

Dk

28. IP Ananiv:

Dk

29. IP Lymanske:

Dk

30. IP Iasi / Ungheni:

Worried how much the EU will lose here.

31. IP Grebenyki:

Supposedly was made reversible. Who could know if it is big enough, Ukraine isn't marketing it just yet.

32. IP Kaushany - Caushany:

Ukraine needs to better market a stand-alone Isaccea>Caushany service and defend turf against Iasi. Until they market it, it is hard to know if its capabilities are sufficient.

33. IP Kireevo / Zajecar:

Someone needs to report these flows to the IEA.

34. IP Kuystendil / Zidilovo:

Aok

35. IP Loznica / Zvornik:

Dk

36. IP Kiskondorozsma - Horgos:

K is fine.
H will not startup for 3 months or so. It sounds fine.
No VIP needed. Let TSOs decide.

37. Other comments and suggestions.

Please provide below any other comments and suggestions you may have regarding the matter of the consultation.

Firm should mean Firm. Please STOP allowing it to be used to describe a higher-than-interruptible but-still-interruptible service.

Thank you!

Contact

[Contact Form](#)