

# 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

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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

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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

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Please specify your name, surname:

Position:

Organisation:

LLC "Gas TSO of Ukraine"

Organisation address:

44 Liubomyra Huzara Ave, 03065, Kyiv, Ukraine

Email

Country:

UA - Ukraine

Activity of respondent:

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

Please specify, if other:

gas transmission system operator

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.

1. UA-BY: N/A
2. UA-PL: the "GCP "Gaz-System/UA TSO" virtual interconnection point (21Z000000000508J)
3. UA-SK: (1) Uzhgorod/Velke Kapushany, (2) Budince
4. UA-HU: the "VIP Bereg" virtual interconnection point (21Z000000000507L)
5. UA-RO: the "Isaccea/Orlovka-1" interconnection point
6. UA-MD: (1) Oleksiivka, (2) Grebenyky, (3) Lymanske, (4) Kaushany, (5) Ananiiv interconnection points
7. UA-RU: (1) Sudzha, (2) Sokhranovka interconnection points

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

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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:

Reconstruction of system and ensuring required gas quality and/or gas pressure to enable the possibility of physical gas transmission. This solution can be applied at many IPs: GCP Gaz-System/UA TSO (the Drozdovichi and Hermanowice IPs which were merged into the "GCP Gaz-System/UA TSO" VIP on 01.07.2020), IP Tekovo, VIP Bereg, Uzhgorod/Velke Kapusany IP, Isaccea/Orlovka IP.

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

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

Chosen options could help when unplanned repair works. For example, when repair works at the Budince IP were conducted in 2020 mentioned options as well as virtual interconnection point establishment could minimize interruption of capacity.

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:

3.2 Please explain your choice(s):

VIP introduction allows to optimize physical flows between two countries or balancing zones and gives much higher flexibility when conducting the repair works. For example, in 2020 after launching GCP Gaz-System /UA TSO, UA TSO was able to start major reconstruction of pipelines, which were used to make physical transmission through IP Hermanowice; commercial flows were ensured in both directions while physically gas was transported in direction of prevailing nominations only. The same could have been applied to Budince IP reconstructions in September 2020 if eustream a.s. agreed to create VIP. In addition, TSOs are able to minimize the expenses for fuel gas and by this to decrease their OPEX subsequently decrease the CO2 emissions.

Other chosen options are also possible but they are applicable to borders where only one interconnection point is in place.

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:

Other market integration tool is application of NCs at the EU and non-EU states' borders by amending the EU directives and regulations. By this, for all states introduction of VIP (backhaul), transparent capacity allocation mechanism in form of auctions, signing of IAs, standard matching and allocation procedures will be mandatory. The tools provided by the NCs will significantly increase the transparency and cost-effectiveness of TSOs activities, TSO's services will become more client-friendly and transparent.

## 5. Topic 2: Market Integration

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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:

All options are possible but they prescribe quite lengthy procedures, which do not always allow to meet short-term demand of network users leading to scarcity of capacity in the long run.

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

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

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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:

VIP  
Transparent allocation procedure via auctions  
Shift of capacity

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:

VIP  
Shift of capacity  
Full reciprocal implementation of the EU NCs

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:

VIP  
Shift of capacity  
Full reciprocal implementation of the EU NCs

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:

1. Using the same approaches to the definition of gas quality measuring rules;  
2. Two TSO shall determine the parameters of natural gas quality based on the online equipment, which is set on the same specifications and standards;

3. Using the European regulation between two TSOs to avoid contradictions in basic parameters, which should be controlled to allow cross-border natural gas flow.

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:

1. Coordination of quality parameters at the IPs between market areas (between two TSOs);
2. Coordination of quality parameters at the regional level;
3. Using the EN and ISO standards.

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:

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?

1. VIP;
2. EU network codes - full reciprocal implementation;
3. Full technical alignment between the TSOs.

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

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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:

CAM NC (virtual interconnection point, capacity allocation auctions) - at the UA-SK border  
CAM NC (backhaul, capacity allocation auctions) - at the UA-MD border

INT NC (signing of IAs) and CAM NC - Isaccea/Orlovka-2, Isaccea/Orlovka-3, Isaccea/Orlovka (Import), Tekovo/Mediasu Aurit

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.

1. At GCP Gaz-System/UA TSO VIP, firm physical bi-directional capacity in PL>UA direction is not available under normal conditions;
2. At VIP Bereg, firm physical bi-directional capacity in HU>UA direction is not available under normal conditions;
3. At Tekovo/Mediasu Aurit, Isaccea/Orlivka-2, Isaccea/Orlivka-3, Isaccea/Orlovka (Import) IPs firm physical bi-directional capacity in RO>UA and UA>RO directions is not available under normal conditions;
4. At Uzhgorod/Velke Kapusany IP, firm physical bi-directional capacity in SK>UA direction is not available under normal conditions.

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.

1. At the UA-MD border, backhaul is not available under normal conditions (backhaul is not introduced in Moldova at the legislative level).

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:

1. At GCP Gaz-System/UA TSO VIP, firm capacity is available only in the UA>PL direction.
2. At Uzhgorod/Velke Kapushany IP, firm capacity is available only in the UA>SK direction.
3. At VIP Bereg, firm capacity is available only in the UA>HU direction.

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:

Mandatory application of the NCs by all EU member neighbouring countries towards Ukraine will ensure the conclusion of IAs, establishing VIPs, conducting the capacity allocation auctions.

## 8. Topic 5: Issues related to particular IPs

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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.

Establishment of VIP  
Conducting the capacity allocation auctions  
Full implementation of the EU NCs.

20. IP Drozdovichi - Drozdowicze:

21. IP Hermanowice:

(the Drozdovichi and Hermanowice IPs were merged into the "GCP Gaz-System/UA TSO" VIP on 01.07.2020) at GCP Gaz-System/UA TSO to ensure firm capacity in the PL>UA direction.

22. IP Uzhgorod / Velke Kapushany:

Implementation of CAM NC from Slovak side, establishment of VIP

23. IP Budince:

Implementation of CAM NC from Slovak side, establishment of VIP

24. IP Beregovo / Beredgaroc:

25. IP Beredgaroc / Beregovo:

(the Beredgaroc and Beregovo IPs were merged into the "VIP Bereg" VIP on 01.05.2020) at VIP Bereg to ensure firm capacity in the HU>UA direction.

26. IP Tekovo Mediesu Aurit:

Implementaion of INT NC (signing of IA) and CAM NC

27. IP Oleksiivka:

Implementation of CAM NC and introducation of backhaul from Moldavan side



28. IP Ananiv:

Implementation of CAM NC and introduction of backhaul from Moldavan side

29. IP Lymanske:

Implementation of CAM NC and introduction of backhaul from Moldavan side

30. IP Iasi / Ungheni:

Ensuring firm capacity in both directions and full implementation of the EU network codes

31. IP Grebenyki:

Implementation of CAM NC and introduction of backhaul from Moldavan side

32. IP Kaushany - Caushany:

Implementation of CAM NC and introduction of backhaul from Moldavan side

33. IP Kireevo / Zajecar:

34. IP Kuystendil / Zidilovo:

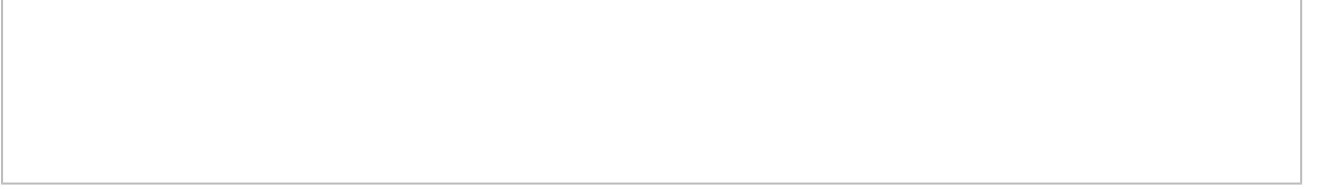
35. IP Loznica / Zvornik:

36. IP Kiskondorozsma - Horgos:

37. Other comments and suggestions.

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

We believe that it is necessary to amend the EU legislation in order to ensure full reciprocity in implementation of the Third Energy Package directives and regulations, including the network codes on the borders between the Energy Community Contracting Parties and the EU Member States as soon as national legislation of respective Energy Community Contracting Party is brought in compliance with the EU legislation and respective confirmation is provided.



Thank you!

## **Contact**

[Contact Form](#)