

RECOMMENDATION No 01/2021 OF THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS

of 19 July 2021

on setting the level of the multipliers used for the calculation of gas transmission tariffs applied to non-yearly capacity products

THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators¹, and, in particular, Articles 2(b) and 6(2) thereof,

Having regard to the outcome of the public consultation of ACER of 16 November 2020,

Having regard to the outcome of the consultation with the ACER's Gas Working Group,

Having regard to the favourable opinion of the Board of Regulators of 13 July 2021, delivered pursuant to Article 22(5) of Regulation (EU) 2019/942,

Whereas:

- (1) According to Article 3(16) of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereafter referred to as "NC TAR"), a multiplier is a factor applied to a yearly reference price in order to calculate the reserve price for a non-yearly standard capacity product;
- (2) According to Article 3(21) of the NC TAR, a seasonal factor is a factor reflecting the variation of demand within the year which may be applied in combination with the relevant multiplier;
- (3) In accordance with Article 28 of the NC TAR, every National Regulatory Authority ('NRA') is responsible for consulting the NRAs of all directly connected Members States and the relevant stakeholders, taking and publishing a motivated decision on multipliers

¹ OJ L158, 14.6.2019, p. 22.



for each new tariff period, following the principles set out for multipliers and seasonal factors by Article 28(3),

- (4) Pursuant to Article 6(2) of Regulation (EU) 2019/942, ACER may make recommendations to assist regulatory authorities and market participants in sharing good practices, considering that the NC TAR did not close the question of the adequate ranges applicable to multipliers,
- (5) Recalling that the ranges set for multipliers by Article 13(1) of the NC TAR are no less than 1 and no more than 1.5 for quarterly and monthly standard capacity products, pursuant to its subparagraph (a), and no less than 1 and no more than 3, except for duly justified cases, for daily and for within-day standard capacity products, pursuant to its subparagraph (b),
- (6) Noting that the ranges for quarterly and monthly standard capacity products are not yet properly applied in some Member States,
- (7) Recalling that Article 13(3) of the NC TAR provided that the Agency should issue a recommendation taking into account the effects of multipliers and seasonal factors such as induced changes in booking behaviour, their impact on the transmission services revenue and its recovery, induced differences between the level of transmission tariffs applicable for two consecutive tariff periods, the cross-subsidisation between network users having contracted yearly and non-yearly standard capacity products and their impact on cross-border flows;
- (8) Considering that the aspects listed in the previous paragraph were assessed through the responses to the public consultation carried out by ACER from 16 November 2020 to 9 December 2020 as well as through its own assessment made available in the Annex to this Recommendation,
- (9) Acknowledging that further standardisation of daily and for within-day standard capacity products as foreseen by Article 13(3) of the NC TAR will not be carried out because the current differences between interconnection points (IPs) justify the existing level of flexibility set out in Article 13(1)(b) of the NC TAR and rather advocates for a case-by-case approach,

HAS ADOPTED THIS RECOMMENDATION:

1. Each NRA should substantiate their decisions regarding daily and within-day multipliers that lie above the upper threshold of Article 13(1)(b) of the NC TAR. When setting multipliers, the NRA should detail their regulatory objectives in particular in terms of market integration, liquidity, competition, cost reflectivity and tariff stability, as well as explain how they take into account the specificities of each IP, including their role in the system (supply or arbitrage), the availability of competing routes, the presence of legacy bookings and the risk of congestion.



2. NRAs should closely consult each other whenever their Member States are directly connected to better coordinate their decisions regarding multipliers and seasonal factors at joint cross-border IPs, in order to avoid NRAs setting contradictory incentives on each side of a same IP.

The multipliers for quarterly and monthly products shall remain within the range set by Article 13(1)(a) of the NC TAR (no less than 1 and no more than 1,5). The NRAs should take the necessary measures to ensure that multipliers for quarterly and monthly products are applied properly. The irregular application of multipliers outside the allowed range for quarterly and monthly products should be terminated as soon as possible.

This Recommendation is addressed to the National Regulatory Authorities.

Done at Ljubljana, on 19 July 2021.

- SIGNED -

For the Agency
The Director

C. ZINGLERSEN

Annexes:

- Annex I Table of multiplier levels for the distinct non-yearly capacity products in each Member State
- Annex II Evaluation of responses to the public consultation, assessment and conclusions