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Brussels, 03.06.2024

Energy Traders Europe letter to CRE and CNMC on the bi-directional IAM project at VIP Pirineos

Energy Traders Europe would like to react to the proposed offer of bundled capacity at VIP Pirineos through an implicit auction pilot, as presented by CRE and CNMC during the 26th SGRI meeting on 21 March 2024.

Energy Traders Europe have previously provided our detailed feedback to CRE, CNMC, Teréga and Enagás on the unilateral commercialisation of 50% of technical available capacity on the French side of the VIP, as proposed by Teréga and presented to shippers during an *ad hoc* webinar on 19 June 2023¹.

¹ <https://cms.energytraderseurope.org/storage/uploads/media/230720-efet-tf-fr-gas-pp-iam-pirineos.pdf>

Our concerns and comments detailed below are founded on the lack of clarifications in the recent SGRI presentation regarding the precise timeline for implementation of the mechanism and offer of the bi-directional product.

As we understand that guidelines are currently being drafted by the NRAs for a technical proposal to be developed by the TSOs, we would like to ask for more transparency, as well as for the possibility to engage with you via the following steps:

- 1) An open public consultation on the general principles to be shared by CRE and CNMC with the TSOs.**
- 2) An open public consultation on the pilot details to be subsequently developed by Teréga and Enagas,** particularly if the pilot is considered a “market test” for the prolongation of the mechanism.
- 3) A capacity allocation process via market platforms that ultimately ensures that the availability of the IAM product does not hamper the ordinary allocation of capacity at the cross-border point.**

ACER is currently consulting² on the revision of CAM NC in line with the Energy Traders Europe FUNC request to make firm IP capacity more readily available, via supplementary UPA auctions on top of the ACA ones. Should weekly UPAs and new short-term and long-term products be introduced, we believe that potential conflicts between the IAM and the new CAM calendars should be assessed beforehand.

Finally, echoing some of the comments raised during the SGRI presentation, we ask for the following to be put in place once the service is extended to corresponding entry and exit capacity on a firm basis at both sides of the VIP (i.e., marketing of bundled interconnection capacity preferably via market platforms):

² <https://www.acer.europa.eu/documents/public-consultations/pc2024g03>

- 1) Appropriate anti-hoarding measures
- 2) Limitation of the technical available capacity via the IAM to less than 50% for the test phase.
- 3) Offer of full suite of products to provide the best purchasing opportunities. As part of the test phase, we suggest limiting the Yearly product to two years ahead. If the IAM is to continue being implemented in two years' time, we should consider the risk around market liquidity.

We remain at the entire disposal of CRE, Teréga, CNMC and Enagás to discuss further.

Best regards,

Doug Wood

Gas Committee Chair