

Energy Traders Europe considerations to CNMC on the draft Order Amending Order TED/72/2023 of 26 January on the procedures to comply with the storage obligations

Energy Traders Europe welcome the opportunity to share thoughts with the CNMC on MITECO's proposal for a **draft Order amending Order TED/72/2023** outlining the procedures necessary to comply with the obligations for maintaining minimum security stocks of natural gas.

In our view, although consistent with Regulation (EU) 2025/1733, the draft Order incorporates only some of the flexibilities introduced by the Regulation to meet the storage obligations while lowering the associated costs for end consumers. In particular:

- the 90% filling target is not reduced;
- the compliance window for the filling milestone is not extended to between 1 October and 1 December;
- binding intermediate targets for May and September are maintained;
- the TSO is granted the authority to set an additional mandatory target for 1 March.

We believe that **these measures do not add the necessary flexibility** to the existing regulatory framework introduced under Regulation 2022/1032 and Order TED/72/2023, and they rather maintain a rigid framework which hardly fits the reality of the Spanish system. As we explained in our dedicated position paper¹, **allowing for more flexibility enables obligated subjects to optimise injection flows, manage the risks around them, and ultimately reduce costs of injection** – with benefits transferred to the end consumers.

In light of these observations, we propose the following specific modifications:

1. **Reduction of the 90% filling target**, making use of the flexibilities of Regulation 2025/1733, and justifying it based on the diversified LNG supply structure of the Spanish system and the capacity and versatility of its infrastructure.
2. **Extension of the filling window** to any day between October 1 and December 1, as permitted by the Regulation, calculating aggregate compliance based on the individual compliance of obligated entities within those dates.

¹ *Energy Traders Europe*, "Why storage filling obligations should not be extended", Available at: <https://cms.energytraderseurope.org/storage/uploads/media/250305-pp-prolongation-of-storage-obligations-final.pdf>

3. **Conversion of the intermediate targets for May and September into indicative targets**, removing their binding nature, as established by Regulation 2025/1733.
4. **Elimination of the authority granted to the TSO** to set a mandatory filling target for March 1.
5. **Including in the Regulatory Impact Assessment Report an economic evaluation of these obligations**, through a cost-benefit analysis that allows for assessment of the real impact on the gas system and consumers.
6. Furthermore, we note that an additional downside of high storage obligations is that if a large proportionate of the gas can be stored as LNG, this could reduce flexible use of the available import capacity. But if limitations are placed on this, then it will be more difficult (expensive) to fulfil the storage obligations. **The authorities must balance these downsides.**

The global gas market outlook for 2025–2026 differs substantially from the situation in 2021-2022, when Regulation 2022/1032 was adopted under an emergency procedure in anticipation of potential supply disruptions, which, today, do not seem to be materialising.

On the other hand, it is important to consider the characteristics of the Spanish gas system, where underground storage offers limited withdrawal capacity and security of supply is ensured primarily through LNG imports supported by flexible and readily available regasification infrastructure.

In such a context, limiting flexibility on storage injection would risk creating unnecessary and unjustified burdens and potential additional costs for the system.

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