LETTER

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Úrad pre reguláciu sieťových odvetví (ÚRSO)
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Subject: Request for postponement of mandatory bundled capacity at the SK-UA interconnection point(s) and the launching of a joint market consultation

14 July 2026

Dear Mr Ruzicka,

Energy Traders Europe represents energy trading companies active across the EU and the Energy Community, including Slovakia. Our members are active – directly or through Ukrainian counterparties – at the interconnection points between Ukraine and the EU. We are writing, in parallel with a letter sent today to other regulatory authorities in the region, to draw URSO's attention to our concerns regarding the introduction of mandatory bundled capacity products at the SK-UA interconnection point(s), on which the relevant TSOs must take a decision by 5 August 2026 pursuant to Article 70 of Regulation (EU) 2024/1789.

While we support alignment with the EU Acquis and recognise the benefits of harmonised market rules where the necessary conditions exist, **we believe that introducing bundled capacity products at the SK-UA IPs at this stage would be premature and counterproductive**.

The rationale behind bundle capacity products is to increase liquidity at hubs. Considering existing barriers to entering the Moldovan gas market for non-Moldovan companies, introducing bundled capacity now would do not nothing towards its underpinning policy objective. The sequence is wrong and must be swiftly corrected. First grant access to foreign companies and then work on bundled products.

We understand that both the Energy Community Regulatory Board[1] and the Energy Community Secretariat[2] have already documented the structural difficulties of applying bundling obligations at IPs, and that bundling-related derogation have been granted to some Member States on comparable grounds. We submit therefore that **the same difficulties apply at the SK-UA border, and that a postponement should be considered**. **At minimum, the authorities should allow single-sided nomination of the awarded bundled capacities to allow continued use of the capacities and gas trade at the respective borders.**

This assessment is based on the following four reasons:

1. **The precedent set by BG and HU is structurally identical to the SK-UA IPs**
   There are several precedents where IPs between Member States and Energy Community Contracting Parties were granted a derogation from implementing Art. 70 that are, in our assessment, structurally identical to the SK-UA IPs. For example, at the BG-RS IPs (Kalotina/Dimitrovgrad; Kireevo/Zaychar), ACER's Opinion No. 05/2026 concluded that derogations should be granted until October 2027 because Serbia was not yet fully aligned with EU rules, a high share of the capacity was under long-term contracts, and technical limitations persisted. At Kiskundorozsma-2 (HU-RS), ACER's Opinion No. 06/2026 equally granted a bundling derogation until 2027 on comparable grounds, including an underdeveloped market and the near-total predominance of long-term contracts.

   We respectfully submit that **the same reasoning applies to Budince and Veľké Kapušany, and that a comparable postponement is therefore warranted**.

2. **Bundling will not achieve its intended purpose at this IP**
   Bundled capacity products were designed to increase liquidity at VTPs and to discourage trading at the physical border. This objective cannot currently be met:

   - UA-based shippers cannot legally hold capacity or trade at the HU or PL VTPs;
   - EU shippers cannot make effective use of the UA VTP because access requires entry under UA's import regime, triggering customs formalities and 20% VAT. Non-resident,

[1] ECRB, February 2026, "Report on capacity bundling".
[2] EnC, August 2024, "SEEGAS presentation on Article 70 derogations".

non-VAT-registered traders have no mechanism to recover this VAT, making bundled capacity into UA commercially unviable.

As a direct consequence, the Ukrainian TSO would also need to allow shippers to convert or unbundle the bundled product in order for it to be usable at all — which defeats the purpose of mandatory bundling.

3. **The bundle-then-unbundle logic is self-defeating**
   Aside from the futility of bundling and then unbundling, it is also **incompatible with Article 19(8) of CAM NC**, which provides that capacity originally allocated as bundled capacity may only be resold as bundled capacity on the secondary market.

4. **The VAT treatment penalises EU shippers active in the UA gas market**
   As described above, an EU registered (non-UA) shipper already registered with UA's TSO is currently required to pay 20% UA VAT, without any option of recovering that amount. Mandatory bundled capacity would effectively require a broader group of EU shippers to participate in the UA entry/exit regime, extending this irrecoverable cost without delivering the liquidity benefits that bundling is intended to create.

5. **Meaningful bundling necessitates the reform of the UA VAT framework**
   Mandatory bundling can only become commercially viable once UA reforms its tax framework to allow non-resident traders to access the UA VTP and book capacity without incurring irrecoverable VAT. Until then, mandatory bundling risks discouraging cross-border trade rather than facilitating it.

In light of the above, Energy Traders Europe respectfully asks URSO to:

- Consider a postponement of mandatory bundled capacity at the SK-UA IPs until the market-access and taxation issues described above have been addressed;
- Launch a coordinated market consultation on the practical and commercial implications of bundling at EU-third-country IPs before any final decision is taken; and
- Use the outcome of that consultation to assess how the current market circumstances need to change prior to introducing bundled capacity, so that the move can bring the desired benefits.

Energy Traders Europe and its members remain available to provide further information and would welcome the opportunity to discuss these issues with you at your earliest convenience.

Yours sincerely,

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