CONSULTATION RESPONSE

Energy Traders Europe response to Stogit consultation No. 41 on introducing new services into the Storage Code

Energy Traders Europe welcome Stogit's amendments to the Storage Code, aiming to integrate **residual stock**, **backhaul injection**, and **winter backhaul** services. We believe that the proposed integrations represent an important step towards the creation of a more efficient, secure and competitive natural gas market. Indeed, these services – already offered to the natural gas market in the past year – will contribute to both increase storage system flexibility and efficiency, and reduce the overall costs, by allowing for an optimal use of gas infrastructure.

However, while we think that the introduction of additional flexible and innovative services within the storage year, as allowed to Storage Operators under provision 76/2024/R/gas, will further improve the storage system, we would appreciate greater clarity on the specifics of these services (e.g., product features, timelines, etc.), which are not yet fully detailed in the consultation. If Stogit is in the process of defining the implementation details of these new services, we are available to engage in further discussions to provide input.

Detailed comments

1. Publication of the specifications for the new services

Regarding residual stock, backhaul injection, and winter backhaul services, we would like to highlight the importance of **timely publication of technical specifications**, contract documentation and auction schedules. Prompt dissemination of this information is essential to ensure users can fully benefit from these services, while delays in publication could hinder users' ability to take advantage of market opportunities, significantly reducing the effectiveness and value of these tools.

2. Timeliness of Residual Stock service offering

We underscore the importance of advancing the timeline for the offer residual stock service as much as possible. This would contribute to a more efficient and secure management of the Italian natural gas system. An early offer of the residual stock service would allow operators to:

CONSULTATION RESPONSE

- **Plan storage use with greater accuracy**: knowing the availability in advance would enable operators to plan their gas movements more effectively, optimizing infrastructure use and mitigating risks of shortages or surpluses.

- **Increase operational flexibility**: visibility on service availability would allow operators to respond more quickly to fluctuations in gas demand and supply, ultimately stabilising the market.

- **Enhance supply security**: more precise planning and operational flexibility would also improve the security of supply for the Italian natural gas system.

3. Early publication of auctions results

We suggest **improving the timeliness of the communication of the auctions results**, both for individual notifications to users regarding their bid outcomes (accepted or not) and for publishing aggregated data (total allocated volumes and average assignment prices).

Timely notification of individual outcomes is essential to allow users to act on markets more efficiently and pursue their strategies, as it reduces the risk that market prices shift unfavourably for users during the time between auction closure and result notification. Similarly, publishing aggregated auction results more swiftly would allow users to analyse market dynamics for short-term products and adjust their operational strategies accordingly.

4. Implicit Allocation of storage capacity for the Thermal Year in progress for Uniform & Peak Modulation services

In order to streamline operations and reduce the need for Users to participate in multiple auctions, it is essential that the acquisition of short-term injection capacity during the Thermal Year, associated with the implicit allocation of Modulation Services, also includes the allocation of short-term storage capacity needed for injections within month M, thus securing the corresponding Modulation Service at the beginning of month M+1.

We therefore request that the Code explicitly provides for the simultaneous allocation of necessary short-term storage capacity upon the assignment of injection capacity with implicit allocation. Additionally, we suggest removing the two identical paragraphs currently in sections 4.4.5 and 4.5.5 of Chapter 3, stating: "*It is understood that for the injection of gas volumes exceeding the previously allocated Basic Services storage capacity for the User, the User must possess sufficient short-term Storage Capacity as per Chapter 3, section 3.1.*".

CONSULTATION RESPONSE

5. Information on injection and withdrawal peak performance

Implementing a more comprehensive display system for progressive (rolling) calculation of injection and withdrawal peak performance for users' product portfolios would be advantageous. Currently, the *Jarvis* system allows users to view peak performance availability only in the section "*Nomina*", limited to the day-ahead horizon. While users can enter self-calculated schedules in the section "*Programmazione*", no automatic verification function is currently available to alert users to possible exceedances of the available peak relative to the scheduled nomination cycle. We propose adding a function in *Jarvis* that, based on non-binding values entered by the user in the programming screen, provides a forward-looking estimate (indicative and commercially non-binding) of total available peak performance at least for the current month (M) and the following month (M+1), taking into account the user's acquired products. This function is already available in platforms of other storage operators, offering a temporal depth that covers the entire injection or withdrawal phase at the time of estimation.

6. Force Majeure

In terms of Force Majeure, we noticed the introduction of cyber-attacks in the list of causes in the consultation of the Storage Code. For benefit of transparency and for misunderstanding avoidance we ask for an explicit clarification of the difference between cyber-attacks and simple operator's IT system disruptions. A more precise explanation of the criteria for recognizing the two different cases mentioned before would also be appreciated.

7. Typo at p. 41

Finally, we point out a typo at page 41, second paragraph of section 6.1. and we suggest replacing the word "*successivo*" with "*precedente*" as shown below:

"Stogit determina le Capacità di iniezione di breve termine di cui al Servizio di riempimento in controflusso secondo quanto previsto al successivo precedente paragrafo 3.1 nonché le Capacità di Spazio, Iniezione ed Erogazione implicitamente assegnate per il Servizio di modulazione di punta ovvero uniforme, e le corrispondenti Prestazioni di Iniezione ed Erogazione, secondo quanto previsto ai precedenti paragrafi 2.5 e 2.6.".

Contact
Stefano Grandi
Gas Policy Associate
s.grandi@energytraderseurope.org