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## **GTE+ Consultation on Capacity Products Coordination (CPC)**

Dear Frank

Thank you for the invitation to respond to the above consultation. EFET is very conscious of the need to improve the operation of gas capacity markets across Europe, and the importance of this as an enabler of regional market integration.

We applaud your aim for ‘...streamlined and transparent capacity services and procedures which simplify the access and usage of the European gas networks’ but a far more concerted effort is needed by TSOs to address this, in particular how will TSOs provide a consistent capacity service across several networks?

We are pleased that GTE+ has made the first step toward a broader debate on capacity product coordination. The survey provides a good starting point toward identifying some of the significant challenges ahead. This work, in conjunction with measures coming out of the third package and the GRI NW investment project should provide momentum for the development of customer friendly pro investment capacity arrangements.

We note that the CPC consultation only deals with existing capacity, much of which is already booked under long-term arrangements. Given this, any immediate benefits from ‘quick wins’ in coordination of product design and offers are likely to be small, however, the commitment of network operators to provide more flexible and responsive capacity services for shippers would be a welcome step. Such a shift in mindset toward a customer friendly approach will bring mutual benefits in the future.

As a starting point, EFET would like existing arrangements to be compliant with existing legislation, particularly for short-term capacity services. In particular the discussion and conclusions on the minimum lead-time is disappointing. We are not sure what impediments exist to prevent shorter lead times being implemented as ‘click and book’ services are becoming more common for other services and across other commodities. We would be particularly concerned if improvements were being hampered by a ‘(s)lowest common denominator’ approach.

EFET is also keen to see an ability to allow shippers to align bookings across different networks. Shippers currently face large risks in booking capacity under different conditions and in different times. Aligning the characteristics of each allocation

approach may help to some extent, but a broader discussion on full coordination must be pursued. For example, with the FCFS approach, there is no discussion on how the actual allocation decisions will vary across different networks, which increases the risk of a shipper mismatch.

EFET would also like to reiterate that with any change to network arrangements, including capacity allocation, it is essential that transparency on the network infrastructure keep up with developments. Improved information allows system users to make better decisions with respect to capacity. The efficient purchase or booking of capacity is in the interests of all parties.

In conclusion, we welcome the initial work arising from the CPC consultation and would urge GTE+ and its members to take bold steps to improve coordination not only in product design but also in terms of allocations impacting cross border flows. We also believe that it is necessary to consider whether other issues such as transparency and the timing of allocations are working in favour of such improvements and if not, to test how best to deliver the GTE+ aims.

Colin Lyle  
Chairman of the EFET Gas Committee