Consultation summary of the Network Code on Tariffs (NC TAR)

Scope and Background

On the 8th of March the public consultation was announced according to Article 26 in COMMISSION REGULATION (EU) 2017/460 of 16 March 2017 establishing a network code on harmonized transmission tariff structures for gas (TAR NC). The consultation lasted two months and ended on the 8th of May. This document is a summary of the consultation responses.

All references in this document are to TAR NC.

All Swedish market players were welcomed to provide responses to the consultation by E-mailing regulation@nordionenergi.se. One market player provided response, Göteborg Energi AB, the gas DSO in Göteborg, see *Appendix 7*

Description of this document

The summary is structured into the different topics that the consultation responses cover. Attached to the summary is appendix with original comment in Swedish

Cursive text is cited and normal text is written by Swedegas.

1 Reference price method

In this chapter the consultation responses regarding the proposed reference price method (RPM) are summarized. The proposed reference price method is the Postage Stamp methodology (PS).

1.1 Reproducibility

According to Art.7 (a) the RPM should aim at "*enabling network users to reproduce the calculation of reference prices and their accurate forecast*".

1.1.1 Comments from the market

Göteborg Energi

No comments were made regarding this.

1.2 Cost reflectivity

According to Art.7 (b) the RPM should aim at "*taking into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network*".

1.2.1 Comments from the market

Göteborg Energi

"Changing from the current Postage stamp method to a CWD method will not increase the cost reflectivity in the Swedish gas grid."

1.3 Discrimination

According to Art.7 (c) the RPM should aim at "*ensuring non-discrimination and prevent undue cross subsidisation including by taking into account the cost allocation assessments set out in Article 5*".

1.3.1 Comments from the market

Göteborg Energi

No comments were made regarding this.

1.4 Harmonization

1.4.1 Comments from the market

Göteborg Energi

"*Göteborg Energi shares the conclusions from Swedegas' consultation document regarding tariff method for the transmission grid."*

1.5 Sector coupling

1.5.1 Comments from the market

Göteborg Energi

No comments were made regarding this.

1.6 Market effects

The market effects of the proposed RPM are discussed here.

1.6.1 Comments from the market

Göteborg Energi

"Based on Gothenburg's customer dialogues, there is great concern in the market about the overall cost picture for grid-borne gas. Changing from the current PS method would affect the customers negatively and hence result in an increased risk of customers choosing to invest in other energy solutions. Consequently, a smaller customer base will have to bear the same costs which further worsen the competitiveness for the remaining gas customers, a so called snow ball effect were increased prices results in further customers choosing other energy solutions and the remaining customer base get further increased costs."

2. Comparison against CWD

2.1 Comments from the market

Göteborg Energi

"*Göteborg Energi shares the conclusions from Swedegas' consultation document regarding tariff method for the transmission grid. Changing from the current Postage stamp method to a CWD method will not increase the cost reflectivity in the Swedish gas grid*"

3. Other proposed RPMs

3.1 Comments from the market

Göteborg Energi

No comments were made regarding this.

4. Non-transmission services

4.1 Comments from the market

Göteborg Energi

No comments were made regarding this.

5. Comments that were out of scope of the consultation

5.1 Comments from the market

Göteborg Energi

"*Due to an increased electricity demand in addition to a production mix based on weather dependent power production types, Göteborg emphasizes the importance of a balanced design of Swedegas' tariff. Today, with a significant share of intermittent gas demand, the demand is punished due to the fact that electricity and heat production in the CHPs are dependent on prevailing weather conditions and on the availability for alternatives in the local district heating system, as well as the need in the national electricity system.*