

**Proposal for Guidelines for Good TPA Practice for Storage Operators**

**UNICE comments**

UNICE is pleased to contribute with its own content and process proposals for Guidelines for Good TPA Practice (GGP following) for Storage Operators, which are being developed in the framework of the Madrid process for implementing the EU gas liberalisation directives.

With respect to the development of competition, non-discriminatory and transparent access conditions to gas storage facilities are strategic for the operators of the natural gas market. Directive 2003/55/CE rightly makes provision for third party access to gas storage facilities.

The adoption of the GGP plays an important role in increasing the awareness of European gas storage system operators (SSOs) as regards providing non-discriminatory access to storage facilities.

The framework for operating storage facilities and for promoting new competitive environment should be based on the following principles:

- a clear and transparent system of rules that defines storage capacities available for third party access (TPA). Storage facilities are used for stocking of gas as well as production purposes<sup>1</sup>; storage operators would have clearly to indicate which portion of the storage facility concerned would be reserved for production purposes and would therefore not be available for TPA;
- the availability for the market of exclusively reserved capacity if not used for a period of time by the transmission system operators (TSOs) to facilitate trading and reutilisation of capacity;

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<sup>1</sup> The article 8 (4) of the 2003/55/CE directive requires that "Transmission system operators shall procure the energy they use for the carrying out of their functions according to transparent, non-discriminatory and market based procedures". TSOs must clearly indicate which storage facilities or portion of storage facilities should be exclusively reserved for carrying out these functions.

- the coordination among TSOs and SSOs for the harmonisation of rules for capacity allocation, nomination and re-nomination cycle, balancing regimes and gas quality;
- the offer of the same basic range of services on the same conditions according to the principle of non-discrimination to any eligible third party within the EU; in particular, the offer of both long-term and short-term firm services on demand (flexible duration and starting date of service) and interruptible service when firm capacity is not available and no liquid secondary market exists. A set of services can include, if the market requires, supplementary storage services such as parking; different flexibility levels would enable network users to provide supplies according to the need of the consumers making storage services compete with other flexibility instruments;
- a non-discriminatory and transparent information system on access condition, on type of services available and on available firm and interruptible capacities in relevant storage facilities;
- convergence of charging principles, tariff structures and balancing regimes. The tariffication regimes in Europe would have to converge and ensure cost reflective tariffs in order to allow the development of additional capacity by possible new entrants;
- the need for transparent and non-discriminatory rules for capacity allocation. It is important to ensure non-discrimination with regard the access to information on system use including available capacities of the system.
- the role of market based mechanisms such as secondary capacity trading markets; in this direction, the SSOs should allow TPA capacity rights to be freely tradable in a secondary market.

We consider important to define Guidelines since they represent the first step towards the establishment of a European and symmetric regulatory framework for third party access to storage facilities. The implementation of the Guidelines should take place at the same speed in all the member states. This is important to prevent distortions of competition.