

To:

Mr. Dagoumas A., President

Regulatory Authority for Energy

Pireos 132, Athens, PC 11854 , GREECE

Friday, 10 September 2021

Subject: Public Consultation on the framework that will govern the operation of the Natural Gas Trading Platform by the Hellenic Energy Exchange

Dear Sirs,

With regard to the Public Consultation on the framework that will govern the operation of the Natural Gas Trading Platform by the Hellenic Energy Exchange, Zenith, 100% controlled by Eni Gas e luce S.p.A. (itself 100% controlled by Eni's S.p.A.) and Eni S.p.A., welcome the opportunity to provide their comments.

On a general note, we believe that the access to a trading platform should be an agile process in order to open up gas markets to the largest number of players and, by doing so, providing as much liquidity as possible to the market. We often experience that a wide participation of different type of market players (e.g. producers/importers, retailers, wholesalers) positively impacts the competitiveness of the gas prices.

In that respect, we suggest to allow a shipper who has a transmission contract with the relevant TSO (DESFA), but no access to the gas exchange (HEnEx), to accept in its balance account physical deliveries arising from the trading activity on the Gas exchange of a trader with no access to the VTP or transmission contract in force with the TSO. This is allowed in other European Exchanges, like for example ECC (European Commodity Clearing) consents this type of physical gas deliveries management for all the EEX European gas markets products listed.

Should such a solution be not feasible, we suggest to establish a registration process which does not provide excessive access burden. In fact, we highlight that the need to be registered with the transmission system operator might represent a barrier for traders who do not plan

to book transmission capacity. In this context, a “streamlined” registration process for these type of traders would allow an easier and wider participation to the platform.

Moreover, we would like to ask whether it can be avoided the interruption of continuous trading when DESFA takes balancing actions on the platform. In fact, we highlight that the system, as it is proposed, implies to freeze transactions on the platform for a given period of time while DESFA takes balancing actions and this might have negative implications in case of high volatility, constraining players not to react accordingly. This would have as consequence to increase the financial exposure, and hence negatively affect the market prices in general, virtually impacted by such a risk.

Another issue concerning the operation of the new platform is related to the amount of collateral-credit limit required from the participants. In general, although we understand the need to protect all at-risk entities against unforeseen situations that may arise during the operation of the platform, we believe that a methodology for the gradual de-escalation of the required collateral-credit limit of a participant should be established. The methodology could be based on the participant’s actual consistent behavior and exposure. Further, regarding Market Buy Orders we believe that the reference price multiplier, factor a , should be set to a value less than two.

Finally, let us also highlight the fact that prior to the go-live date of the new market, enough time should be provided to the participants in order to get familiar with the new platform and trading operations, to execute appropriate mock sessions, and also to connect system-to-system with new HENEX platform. Especially with regards to the latter (system-to-system connection), technical specifications should be provided well in advance in order for the participants to prepare their own systems accordingly.

We remain at your disposal for anything further.