

RAE

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Milan, 22 May 2023

Edison comments on public consultation of RAE on DESFA tariffs methodology for the Regulatory Period 2024-2027

Edison welcomes RAE's Consultation Process and appreciates the possibility of submitting its own comments regarding DESFA's proposal on the new tariff methodology for the years 2024-2027.

As of today, Edison has signed different transportation agreements with Greek infrastructure operators:

- a Gas Transportation Agreement for the transportation of natural gas through the Interconnector Greece – Bulgaria, signed in October 2019;
- a Transportation Agreement with DESFA, signed in November 2021;
- an LNG Terminal Use Agreement with GASTRADE for regassification capacity at Alexandroupolis LNG Terminal, signed in March 2022.

For Edison, as a long-term market operator, it is extremely important to have tariff stability and visibility of market developments, especially regarding changes in tariff methodology within regulatory framework, as a relevant change may modify our interest and competitiveness in the market.

Having analyzed the tariff methodology proposed by DESFA, Edison would like to raise the following general comments:

- Amfitriti, new entry point into the system, is dedicated to the interconnection with Alexandroupolis new LNG infrastructure. To this extent, it's Edison view that Amfitriti should not be considered within the so-called cluster NE, as it happens for Komotini entry point, but separately as it happens for the entry point of Agia Triada. In addition, we would have appreciated DESFA sharing the assumption beyond this point Amfitriti i.e.: expected capacity booked and counterfactual CWD 2024 Tariff.

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- With reference to Sidirokastro, the hypothesis of a 50% of booking capacity from Greece to Bulgaria, contained in DESFA's document in the package available for the consultation, seems on the lower range.
- With regards to DESFA proposal to apply the postage stamp methodology, it's worth considering that the proposed tariff methodology could have a significant impact on the ICGB utilization (postage stamp tariff vs CWD tariff), changing market appeal for using this infrastructure, crucial to increase the security of energy supply to the South East European region; this modification may jeopardize the investment made in the Project of Common Interest in order to diversify routes and sources from Caspian and Middle Eastern sources, connecting to the Turkey-Greece-Italy (ITGI) Interconnection project.
- Moreover, Edison would like to express its concern on the correct application of non-discrimination principle that a TSO have to ensure when evaluating a certain RPM. In fact, due to the current development status of the DESFA network, Alexandroupolis LNG Terminal Users cannot have access to the DESFA VTP until 2025, having to rely on ICGB network in order to manage the gas coming from the Alexandroupolis FRSU. In our opinion to apply the same tariffs to different routes with different service levels creates a cross-subsidy between users.

In consideration of the above mentioned, we consider appropriate to maintain the current methodology, at least until network development will be such as to obtain the same service for all users on all routes (i.e. the same access to the Greek market).

In the end we deem it appropriate to highlight:

- the needs to align the timing of the Amfitriti capacity booking to the ADP for Alexandroupolis, foreseen around Oct 2023;
- it is extremely important for newcomers to have access to all the information regarding the current market structure and the future regulatory environment. Therefore, in order to facilitate the market participation also to foreign operators, it would be appreciated that RAE will make each document available in English language.

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