

DELIBERATION NO. 2022-254

Deliberation of 7 October 2022 deciding on the creation in the gas transmission tariff of a term applicable to the physical exit capacity at the Obergailbach interconnection point

Attendees: Emmanuelle WARGON, president, Catherine EDWIGE, Ivan FAUCHEUX and Valérie PLAGNOL, Commissioners.

Translated from the French: only the original in French is authentic

1. CONTEXT

The reduction in Russian gas supplies to Europe following Russia's invasion of Ukraine poses a major risk to the European Union's security of supply. Germany, whose main source of gas supply has been Russia, is particularly affected. In this context, in the beginning of September, the French and German heads of state and government have therefore announced their willingness to put in place reciprocal solidarity measures concerning the security of electricity and gas supply, in anticipation of winter 2022/2023.

Open Grid Europe (OGE) and GRTgaz Deutschland, German gas transmission system operators (the "German TSOs"), and GRTgaz have therefore joined forces to study the technical feasibility of implementing a physical flow of gas from France to Germany at the Obergailbach/Medelsheim interconnection point (IP), which is usually used in the direction from Germany to France. There is indeed currently no physical capacity to send gas from the French network to Germany at the Obergailbach interconnection point¹.

In coordination with its German counterparts, GRTgaz thus plans to market up to 100 GWh/d of physical exit capacity to Germany at the Obergailbach interconnection point from the week of October 10, 2022.

GRTgaz proposed to the Energy Regulation Commission (CRE) the rules for marketing physical exit capacity at the Obergailbach IP on September 13, 2022.

From 15 to 27 September 2022, CRE organised a public consultation on these marketing rules and on the tariff for physical exit capacity that would be applicable at the Obergailbach IP².

CRE received fourteen contributions: five from shippers, two from infrastructure operators, four from stakeholder associations and three from individuals.

The responses to this public consultation are published, if necessary in their non-confidential version, on CRE's website.

The purpose of this deliberation is to set the tariff term for the physical exit capacity at the Obergailbach IP. It thus supplements CRE's decision of 23 January 2020 on the tariffs for the use of GRTgaz's and Teréga's natural gas transmission networks³.

The *Conseil supérieur de l'énergie*, consulted on the draft decision, gave its opinion on October 6, 2022.

¹ Gas from the Dunkirk terminal or the Dunkirk IP can already be transported to Germany via a pipeline carrying odourless gas directly from these points to Belgium and then to Germany

² [Public consultation n°2022-07 of 15 September 2022 relating to the creation of a physical gas exit capacity offer at the Obergailbach interconnection and the setting of the physical exit capacity tariff at Obergailbach](#)

³ [Deliberation by the French Energy Regulatory Commission of 23 January 2020 deciding on the tariffs for the use of GRTgaz's and Teréga's natural gas transmission networks](#)

2. LEGAL FRAMEWORK AND COMPETENCE OF CRE

Articles L. 452-1 and L. 452-2 to L. 452-3 of the French energy code empower CRE to set the methodology for establishing tariffs for the use of natural gas transmission networks. CRE makes changes to the level and structure of tariffs that it deems justified, particularly in light of the analysis of the operators' accounts and the foreseeable evolution of operating and investment costs.

The tariff for the use of GRTgaz's and Teréga's natural gas transmission networks, known as the "ATRT7 tariff", came into force on April 1, 2020, for a period of approximately four years, in application of the decision of January 23, 2020⁴.

Moreover, the methodology for setting the tariffs for the use of natural gas transmission networks is framed by the Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas⁵ (hereinafter "the tariff network code").

3. TARIFF FOR THE USE OF THE PHYSICAL EXIT CAPACITY AT OBERGAILBACH

The methodology used in the ATRT7 tariff to set exit tariffs from the gas transmission network foresees firstly the identification of the relevant flow scenario to supply the exit point concerned. The shortest distance travelled on the network from the selected entry point(s) is then used to define the tariff at the exit point, so that the unit costs (€/MWh/d/year/km) for cross-border consumers and domestic customers are identical. This avoids cross-subsidisation between network users. The flow scenario adopted in the ATRT7 tariff foresees in particular that the exit points of Oltingue and Pirineos are supplied by the Dunkirk IP. This reflects the flow pattern on which the design of the French network was historically based.

In its public consultation of September 15, CRE indicated that it planned to use the same methodology to set the exit tariff at Obergailbach, assuming that the exit at Obergailbach is supplied both by the Dunkirk IP and by the LNG Terminal Interconnection Points (PITTM) at Dunkirk, Montoir and Fos. Indeed, given the current market conditions, gas transported to Germany through France will come not only from Norway (via the Dunkirk IP) but also from LNG unloaded at the French terminals.

Under the conditions that governed the elaboration of the ATRT7 tariff, and taking into account the capacity-weighted average distance between the Obergailbach IP and the entry points considered here (i.e. 733 km), CRE proposed in its public consultation to set the tariff term for the yearly firm exit capacity at the Obergailbach IP at 367.94 €/MWh/d/year. This level ensures that the unit cost of transit to Obergailbach is the same as that borne by other network users.

The ATRT7 tariff provides that the day-ahead capacity term corresponds to 1/240 of the yearly capacity term. The day-ahead firm capacity tariff at Obergailbach, which will constitute the reserve price for the auction when the capacities are put up for sale on the PRISMA platform, would thus be set at 1.53 €/MWh/d. The within-day capacity tariff is then calculated in proportion to the day-ahead capacity term and the number of hours remaining in the day.

Summary of responses to the public consultation

All the stakeholders who answered to the public consultation and gave their opinion on the subject of the tariff for the use of physical gas exit capacity to Germany are in favour of CRE's proposal.

CRE's analysis

CRE maintains its analysis presented in the public consultation.

CRE thus sets the term for the Obergailbach IP exit capacity as follows:

Exit at	Balancing zone	TCST (€/MWh/day per year) <i>Firm annual</i>	TCST (coefficient for the firm charge) <i>Annual interruptible</i>
Obergailbach	GRTgaz	367,94	Not applicable

The level of this tariff term will change each year in accordance with the provisions of deliberation No. 2020-012 of 23 January 2020 on the tariffs for the use of GRTgaz's and Teréga's natural gas transmission networks.

⁴ Deliberation by the French Energy Regulatory Commission of 23 January 2020 deciding on the tariffs for the use of GRTgaz's and Teréga's natural gas transmission networks

⁵ Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas



DECISION

Articles L. 452-1 and L. 452-2 to L. 452-3 of the French energy Code empower the Energy Regulation Commission (CRE) to set the methodology for establishing tariffs for the use of natural gas transmission networks.

In the context of the decrease in Russian gas deliveries to Europe, and in the framework of the agreement between France and Germany regarding the energy security of the two countries, GRTgaz proposes, in coordination with the concerned German gas transmission system operators, to market up to 100 GWh/d of firm physical gas exit capacity at the Obergailbach interconnection point. This capacity will be offered on a daily basis, and subsequently on an intraday basis.

The implementation of this capacity requires to supplement the tariffs for the use of GRTgaz’s and Teréga’s natural gas transmission networks, known as the "ATRT7 tariff", that came into force on April 1, 2020, in order to set the corresponding tariff term. This deliberation thus supplements CRE’s decision of 23 January 2020 on the tariffs for the use of GRTgaz’s and Teréga’s natural gas transmission networks⁶. In order to set the exit tariff at Obergailbach, CRE uses the same methodology as the one used in the ATRT7 tariff for the other exit points, assuming that the exit at Obergailbach is supplied both by the Dunkirk IP and by the LNG Terminal Interconnection Points (PITTM) at Dunkirk, Montoir and Fos.

CRE thus sets the term for the Obergailbach IP exit capacity as follows:

Exit at	Balancing zone	TCST (€/MWh/day per year) <i>Firm annual</i>	TCST (coefficient for the firm charge) <i>Annual interruptible</i>
Obergailbach	GRTgaz	367,94	Not applicable

As a consequence, the tariff for the use of the day-ahead firm capacity at the Obergailbach exit, which will constitute the reserve price for the auction when the capacities are put up for sale on the PRISMA platform, is set at 1.53 €/MWh/d.

The *Conseil supérieur de l'énergie*, consulted on the draft decision, gave its opinion on October 6, 2022.

This deliberation will be published in the Official Journal of the French Republic and on CRE’s website, notified to GRTgaz, and sent to the Minister of the Energy Transition and to the Minister of the Economy, Finance and Industrial and Digital Sovereignty.

Deliberated in Paris, on 7 October 2022.

For the Commission de régulation de l'énergie (French Energy Regulatory Commission),

The president,

Emmanuelle WARGON

⁶ Deliberation by the French Energy Regulatory Commission of 23 January 2020 deciding on the tariffs for the use of GRTgaz’s and Teréga’s natural gas transmission networks

