



Shell Energy Europe Limited

Email: [REDACTED]

Mail to: thomas.scholtyssek@bnetza.de

18. February 2020

**Shell Energy Europe Limited (SEEL) response to the “Konsultation MARGIT 2021” (Az.: BK9-19-612)**

Dear Sir or Madam

Thank you for the opportunity to provide comments to the consultation “MARGIT 2021” which determines the level of multipliers for standard capacity products and the discounts for interruptible capacity products. In this context, we refer to SEEL’s response to “BK9-18/610-NCG („REGENT-NCG“), BK9-18/611-GP („REGENT-Gaspool“), BK9-18/612 („MARGIT“); BK9 („BEATE 2.0“) from 17. December 2018 and SEEL’s response to the consequences of the implementation of within day capacities from 16. December 2019.

**Multiplier:**

For 2021 the Federal Network Agency proposes to keep the level of multipliers for the different standard capacity products unchanged, compared to 2020. SEEL would like to underline again our view that the increased multiplier for within-day capacity from 1.5 to 2.0 risks negatively affecting short-term flexibility and liquidity.

A multiplier of 2.0 for within-day capacity places an undue burden on network users wishing to flexibly manage their portfolio. New information (e.g. updated RLM forecasts) or additional demand of balancing energy of market area managers can generate increased capacity requirements to cover an additional gas demand during a gas day and would consequently reduce the vacancy costs and generate additional revenues for the TSOs.

Moreover, a multiplier of 2.0 could negatively impact within-day capacity bookings, meaning the TSOs may have to recover the same amount of revenue from a smaller number of market participants, consequently leading to increased tariffs, higher costs for network users and ultimately, end consumers.

In this context, SEEL would like to raise again that with a multiplier of 2.0, the runtime of the booked capacity is relevant for the application of the multiplier, regardless of whether the capacity is booked in the auction for day-ahead capacity or within-day capacity. For all booked capacity with a runtime of less than 24 hours, the multiplier for within-day capacity products should be applied. For booked capacity with a runtime equal to or greater than 24 hours, the multiplier for day-ahead capacity or the corresponding multiplier for monthly or quarterly products - depending on the duration - should be

applied. That is, if a booking takes place in the first within-day auction (at 2:30h) and thus covers the entire following gas day, the same multiplier should be applied as in the Day-Ahead auction.

SEEL would like to take this opportunity to propose changes, which in our view, would better facilitate gas market liquidity. Under the current auction regime, it is only possible to book capacity in the first half hour of each hour bar, meaning for the 24 hour within-day period, network users are locked out of booking capacity for half of it. To mitigate this concern, SEEL would like to propose that further within-day capacity auctions are offered so network users don't have an idle period of 30 minutes until the next auction, in which trading is not possible. We accept, however, that this may need to change at EU level and welcome further discussion in this regard.


SEEL would also like to reiterate our view that multipliers should not apply to storage facilities to reflect the significant contribution storage makes to system flexibility. The flexibility, which can be provided through a more optimal use of storage facilities should be incentivised to support balancing actions and alleviate bottlenecks.

**Tariffs for interruptible capacity:**

The formula for calculating the discount for interruptible capacity is in need of improvement. Calculating the interruptible discount on the basis of annual historical data means the risk of interruption to storage sites, which are primarily utilised on a seasonal basis, is not adequately reflected in the discount.

Please do not hesitate to contact me, should you wish to discuss any aspect of this response.

Yours faithfully



Commercial Regulatory Affairs Manager  
Shell Energy Europe Ltd