

***Storage Access: A Perspective  
from Storage Users***

*by*

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- Directive 2003/55/EC implemented in July 2004 introduced regulated access to pipeline capacity, but Member States were allowed to choose between regulated access and negotiated access to storage facilities.
- Whatever approach, the procedures were required to operate in accordance with objective, transparent and non-discriminatory criteria.
- Article 19 of 2003/55/EC refers to organisation of access to storage facilities “when technically and/or economically necessary for providing efficient access to the system for the supply of customers”.



- Storage fulfils different roles. Different types of storage facilities compete with each other, but they also compete with other flexibility tools.
  - Modulation to meet variable needs, predictable and less predictable.
  - Strategic purposes, including in some countries public service obligations.
  - Trading and risk management.
- Other flexibility tools (production flexibility, flow management, interruptible contracts, spot market) can meet some needs.



*TPA should prevail only in competitive environments, while in a market without functioning competition for flexibility tools a regulated regime should be more appropriate.*

ERGEG Position Paper on TPA to Storage (2004)

*A regulatory approach will not be applicable for all storage facilities, because in several areas storages are operating in competitive commercial national or cross-border markets with differing requirements. The possibility, however, of storage being used in differing national markets with differing levels of competition indicates that regulatory oversight may sometimes be required in the absence of sufficient competition.*

Eurogas Views on Third Party Access to Storage (2004)



- In view of the complexity, there needed to be a common understanding on how the storage access regime would work and contribute to the flexibility market, and meet suppliers' market needs.
- The regime should not distort the competitive market, the ultimate goal of liberalisation.
- The approach should encourage new market-led investment in storage facilities.



## ***BASIC PRINCIPLES AVANCED BY EUROGAS***

- Storage access should be based on the requirements of the Directive, and the approach should ensure transparency and non-discrimination.
- The GGPSSO should support the functioning of a competitive commodity and service market. Users were looking for a range of market services.
- Operators should consult existing and potential users on their needs and provide storage services that make efficient use of their facilities and will respect binding contracts.
- Operators should offer access services on the primary market, following the GGPSSO. They should facilitate the secondary market for storage users and others to trade storage rights.
- Implementation of the GGPSSO should be in support of investors' decisions to create new storages and/or expand existing facilities.



- The Seventh Madrid Forum in September 2003 invited stakeholders to present a proposal on Guidelines for Good TPA Practice for Storage Operators (GGPSSO).
- GGPSSO were finally agreed in a Working Group of the Forum on 18<sup>th</sup> March 2005.
- Eurogas and other participants clarified that they were agreeing the GGPSSO for practical implementation, but the text was not suitable for turning into a Regulation.
- In the next months, implementation should be monitored closely, there should be opportunities for exchanges between operators and users on how the system is working out in practice, snags can be detected, improvements proposed for agreement.

