Agencija za energijo

Consultation on discounts, multipliers, and seasonal factors for the tariff period 2025

pursuant to Article 28 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

Maribor, April 2024
www.agen-rs.si

1. THE PURPOSE OF THIS CONSULTATION DOCUMENT

The Energy Agency is the national regulatory authority of the Republic of Slovenia responsible for regulating the energy markets and following European and Slovenian legislation to establish a methodology for setting natural gas transmission tariffs and approving the proposed network charge tariffs for the natural gas transmission system operator (hereinafter referred to as the TSO).

Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (hereinafter Regulation (EU) 2017/460) provides that the national regulatory authority must conduct a consultation on the level of discounts, multipliers and seasonal factors. The consultation must be carried out for each tariff period.

The consultation paper contains proposals for discount rates, multipliers and seasonal factors for 2025.

This consultation document aims to obtain the views of the national regulatory authorities of all directly connected Member States and other stakeholders.

In accordance with Article 28 of Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas, the Energy Agency invites all interested stakeholders to give their opinion on the prepared level of multipliers, seasonal factors, and discounts.

Send your comments and opinions to the Energy Agency by

May 3, 2024,

in electronic form to the email address:

info@agen-rs.si

with the title:

***Consultation on multipliers, seasonal factors and discounts*.**

After the end of the consultation, the Energy Agency will publish the responses received on its website, and after their review, it will prepare a decision on the aspects of multipliers, seasonal factors, and discounts.

The adopted multipliers, seasonal factors, and discounts will be published in the Act of the Energy Agency relating to the calculation of the network charge for the natural gas transmission system.

2. MULTIPLIERS

Multiplier means the factor applied to the respective proportion of the reference price in order to calculate the reserve price for a non-yearly standard capacity product.

Article 13 of Regulation (EU) 2017/460 provides that the level of multipliers shall be for quarterly standard capacity products and for monthly standard capacity products no less than 1 and no more than 1.5; for daily standard capacity products and for within-day standard capacity products, the level of the respective multiplier shall be no less than 1 and no more than 3.

The Energy Agency proposes to use, for the tariff period 2025, multipliers for a quarterly, monthly, daily, and within-day standard capacity product as follows:

Standard capacity product	Multiplier level
Quarterly	1,40
Monthly	1,45
Daily	2,75
Within-day	2,80

Table 1: Standard capacity product with Multiplier level

Those multipliers will be used to calculate standard capacity products for all interconnection points and for all points within the Republic of Slovenia. The proposed multipliers continue to encourage network users to use long-term booking of transmission capacity, as it is only in this way that the further development of the transmission system and the appropriate level of the tariff rates can be optimized.

The proposed multipliers are designed to ensure that the projected revenues from short-term capacity bookings are maintained. Further decrease in rates of multipliers would result in lower reserve prices for short-term capacity bookings and lower revenues from the network charges, which would increase the risk of higher network charges in the subsequent years.

The proposed multipliers will give the users of the system of short-term capacity booking an appropriate price signal and ensure an adequate distribution of the eligible costs of the TSO among the different system users. The proposed level of multipliers also aims to prevent possible congestion at the interconnection points of the Slovenian transmission system.

3. SEASONAL FACTORS

Seasonal factors reflect the variation of demand within the year. They are used to determine the reserve price for non-yearly standard capacity products in a way that after the calculation of the tariff by using the corresponding multiplier level, the reserve price is multiplied by the respective seasonal factor. The seasonal factors shall be calculated in accordance with Article 15 of Regulation (EU) 2017/460.

Calculated seasonal factors for the tariff period 2025:

Gas month	Seasonal factors for each standard capacity product			
	Quarterly	Monthly	Daily	Within-day
	1,269	1,428	1,428	1,428
January	1,269	1,285	1,285	1,285
February	1,269	1,269	1,269	1,269
March	0,785	1,058	1,058	1,058
April	0,785	0,771	0,771	0,771
May	0,785	0,639	0,639	0,639
June	0,670	0,613	0,613	0,613
July	0,670	0,570	0,570	0,570
August	0,670	0,679	0,679	0,679
September	1,230	0,984	0,984	0,984
October	1,230	1,405	1,405	1,405
November	1,230	1,538	1,538	1,538

Table 2: Seasonal factors for Standard capacity product by months

These seasonal factors are going to be used for standard capacity products for all interconnection points and all points within the Republic of Slovenia.

The proposed seasonal factors have been calculated in accordance with the second to the sixth paragraph of Article 15 of Regulation (EU) 2017/460. They are presented in Annex 1 in the same way as it was established for the current tariff period by taking into account the projected average hourly flow for the current tariff period and the exponent of 1.5.

The listed seasonal factors for the tariff period 2025 were set on the basis of the projected average hourly flow for all interconnecting points for 2024 and are:

Gas month	Forecasted average hourly flow [kWh]
January	2.013.204
February	1.876.141
March	1.860.970
April	1.648.300
May	1.334.599
June	1.177.639
July	1.145.720
August	1.091.153
September	1.226.216
October	1.570.468
November	1.991.514
December	2.114.888

Table 3: Forecasted average hourly flow

The seasonal factors for quarterly standard capacity products are determined between the lowest and the highest level of the respective seasonal factors applicable for the three relevant months.

The seasonal factors are adapted to the utilization of the transmission system, which is used less in months outside the heating season. In this way, the proposed seasonal factors shall encourage the booking and use of transmission capacities when the transmission network is less used.

The proposed multipliers and seasonal factors provide appropriate signals for the optimal booking of existing transmission capacities and the effective further development of the transmission system.

4. DISCOUNTS

Based on Article 28(1) point (c) of Regulation (EU) 2017/460, the national regulatory authority shall decide on the level of discounts referred to in Article 9(2) and Article 16 of this Regulation.

The Slovenian transmission system does not have entry and exit points to storage facilities, nor does it have an entry point from LNG facilities and entry or exit points from infrastructure developed to eliminate the isolation of the Member States from the point of view of their natural gas transmission systems. Therefore, the Energy Agency did not determine a proposal for discounts level in line with Article 9(2) of Regulation (EU) 2017/460.

Based on Article 16 of Regulation (EU) 2017/460, the national regulatory authority may decide to use an ex-post discount instead of applying ex-ante discounts where network users receive compensation after interruptions have actually occurred, but such ex-post discount may only be used at interconnection points where there was no interruption of capacity year due to physical congestion in the preceding gas year.

In 2022 and 2023, due to the energy crisis and changed gas flows, significant changes were detected in the capacity leasing of individual connection points of the transmission system, which also caused physical congestion at the Šempeter entry point. Therefore, the technical capacity was upgraded to 39 GWh/day at this entry point in October 2022, and in 2025, the construction of the new BMRS Vrtojba will enable a technical capacity of 49 GWh/day. Due to changing gas flows, a potential outage probability estimate for subsequent gas years cannot be made.

In the event of an interruption, the ex-post compensation will be paid to a network user for each day on which an interruption occurred, equal to three times the reserve price for daily standard capacity products for firm capacity, as determined by Article 24 of the Legal Act on the methodology for determining network charge for the natural gas transmission system for interruptible entry capacity and by Article 34 for interruptible exit capacity. As before, users will receive compensation for interruptible capacity ex-post only if interruption of firm capacity occurs.