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ENERGIEN SPEICHERN

INES

EU Gas Storage Regulation

Response

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About Initiative Energien Speichern e.V.

INES is the association of gas and hydrogen storage system operators in Germany. INES' members represent over 90 per cent of German gas storage capacities and account for about 25 per cent of gas storage capacities in the European Union. INES' member companies also push the development of underground hydrogen storage in numerous projects and thereby form pioneers in this important technology field for the energy transition.

Introductory Remarks

The EU Commission proposed a European Gas Storage Regulation on March 23, 2022. The legislative proposal contains amendments to the Regulation concerning measures to safeguard the security of gas supply (SoS Regulation) and the Regulation on conditions for access to natural gas transmission networks. The Gas Storage Regulation requires EU Member States to ensure that their underground gas storage is filled up to at least 80 per cent of capacity by 1 November 2022, rising to 90 per cent for the following years, with intermediary targets from February to October. Operators of storage sites have to report the filling levels to national authorities. Member States are obliged to monitor the filling levels on a monthly basis and report to the Commission.

INES thanks for the opportunity to give feedback to the proposal and hereby comments certain aspects that are of high relevance to gas storage system operators.

Mandatory Filling Levels for Gas Storage

It is understandable in the current situation that well-filled gas storage facilities with filling levels of 80 and 90 per cent, respectively, have to be ensured. A filling level of 40 per cent on February 1 secures that protected customers are supplied even at the end of the winter period based on gas stored in storage facilities. INES believes that filling levels for November 1 and February 1 are sufficient. There is no need for a mandatory corridor. A filling level corridor that is predetermined at EU institutions does not reflect the technical abilities of gas storage facilities. Instead, fast cavern storage sites that were developed especially in Germany are unnecessarily restricted in their ability to provide gas markets with gas supplies according to actual demands.

Measures to Achieve Filling Levels (Art. 6b SoS-VO)

INES hereby comments all five of the proposed measures to reach mandatory filling levels in gas storage facilities:

1. INES welcomes the opportunity to obligate gas suppliers to put minimum amounts of gas in storage.
2. The obligation of gas storage system operators to tender capacities is already well-established practice.
3. INES opposes an expanded market role for gas transport system operators having regard to the essential unbundling rules applicable to internal market.
4. It generally makes sense to use LNG terminals in such a way that Member States have equal opportunities to fill their gas storage according to politically desired minimum filling levels.

5. INES opposes the use-it-or-loose-it principle; instead of depriving capacities INES proposes that storage system operators provide market area operators with capacities on an interruptible basis, such that filling levels can be ensured according to regulatory obligations.

Certification of Gas Storage System Operators.

Certification of gas storage system operators within 100 working days should take into account average filling levels of gas storage facilities over the whole period between both target dates (not only filling levels on the single days of March 31). This way the fast-track procedure stays customized for relevant under-filled facilities.

Gas Network Tariff Discounts

Due to competitive reasons, discounts on entry and exit points should not only apply to gas storage facilities on transport network levels but also to storage facilities on distribution network levels. This way, a level playing field between different gas storage facilities is ensured.

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Transparency Note

INES advocates for purposes indicated under the German Lobbying Registry Act („Lobbyregistergesetz“) and therefore holds a public entry in the registry. The entry is available online at <https://www.lobbyregister.bundestag.de/suche/R001797/>.

INES is also registered in the EU Transparency Register. The entry is available at <https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=289476237584-12&locale=en#en>.