



Autoriteit Consument en Markt

T.a.v. dhr. [REDACTED]

Postbus 16326

2500 BH Den Haag

Date: 14th December 2023

RE: Draft code decision to implement NC-TAR for 2025-29

Dear ACM Colleagues,

SEFE Marketing & Trading Limited (“**SM&T**”) is a wholly owned subsidiary of SEFE Securing Energy For Europe GmbH (“**SEFE**”), responsible for the optimisation of SEFE’s energy commodity assets through SM&T’s marketing and trading network. SM&T is active as a trader and marketer of gas at various points within Europe, including the Netherlands. SM&T appreciates the opportunity to respond to the consultation on ACM’s draft code decision to implement NC TAR for 2025-29 period published by ACM on 21st September 2023.

SM&T understands ACM’s argument for increasing the discount to tariffs for gas storage, namely the contribution that gas storage plays in the security of supply for the Netherlands. SM&T also understands the changes to remove the gas storage discount for gas storage facilities that are connected to multiple (cross-border) networks and notes these changes are consistent with how other countries have implemented gas storage discount under NC TAR (namely German and France). However, SM&T has concerns around the implementation of this change. Shippers using the storage sites to inject from and withdraw to the Netherlands (i.e. not utilising the cross-border element) should still be able to access the gas storage discount as a default position. Shippers have already contracted capacity for the 2025 period onwards at these cross-border sites and not having access to the discount when their intention is to serve the Netherlands market directly (and not utilise cross-border flows) could have a negative impact on security of supply for the Netherlands. Therefore, storage operators at these sites need to ensure they can actively report which market the gas is injected from and withdrawn to so that the application of the gas storage discount can be managed appropriately. The storage operators at these sites are subject to these regulations within other neighbouring markets and therefore should therefore be able to accommodate this. To conclude, it should be guaranteed that the injection from and withdrawal into the Netherlands market will attract a storage discount as a default, and not subject to additional reporting, to ensure maximum security of supply benefits.

SEFE Marketing & Trading Limited

SM&T believes that applying a tariff discount to capacity that is already contracted will have a very limited influence, if any, on determining whether cargoes are attracted to and discharge within the Netherlands. Most of the capacity at GATE and EEM is already contracted for 2025/2026 (approximately 80%) and will therefore be viewed as a sunk cost, therefore having little, if any, impact on the economics of cargoes being destined for the Netherlands. Other factors (such as wholesale costs, shipping costs and shipping length) are far more likely to determine whether a cargo discharges at one of the LNG terminals in the Netherlands. Whilst it could be argued that any LNG discount increases the attractiveness of LNG to the Netherlands it also disincentivises supplies from other sources by increasing their tariffs to accommodate the LNG discount to this existing capacity. Given the importance of supplies from cross-border points (such as Norway, Belgium and the United Kingdom), which can also be redirected to other markets, SM&T questions whether a discount to capacity already contracted at LNG points for 2025 and 2026 is appropriate.

One additional note on the procedure for determining whether an LNG tariff discount applies, SM&T does not believe that historic data is an appropriate proxy for future supplies. Therefore, the historic level of LNG supplies and the average wholesale gas price, in a period that is at least 12 months previous, does not provide an accurate forecast for the upcoming charging period. Therefore, to maximise cost-reflectivity in network tariffs, forward looking forecasts should be used to determine whether any discounts to network tariffs are appropriate.

We hope this response is of assistance. Should you wish to discuss further or have any questions please contact [REDACTED] at [REDACTED]@sefe-mt.com or +44 (0)7585 [REDACTED].

Yours sincerely,

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