

RESPONSE TO THE OPINIONS RECEIVED ON THE CONSULTATION ON THE REFERENCE PRICE METHODOLOGY

COMMISSION REGULATION (EU) 2017/460 on establishing a network code on harmonised transmission tariff structures for gas (the "tariff network code") imposes an obligation to conduct a consultation on the reference price methodology used to determine tariffs. The consultation period was from 16 April to 16 June 2025. Gasgrid thanks the market participants who submitted opinions for their valuable feedback on the material concerning the tariff package. The opinions focused mainly on the proposed new transmission pricing component, the connection capacity charge.

Gasgrid received seven opinions, with both support and opposition expressed regarding the connection capacity charge, although the number of statements opposing the charge was greater. Alongside this response, Gasgrid is publishing the received opinions that have not been deemed confidential. Gasgrid notes that the opinions were of high quality and, based on them, will reassess the principles concerning the connection capacity charge.

This document serves as a response to the opinions received by Gasgrid. The response addresses the themes raised in the opinions and elaborates on the areas that Gasgrid will reassess based on the themes presented in the opinions.

Reassessment of the Basis for Determining the Connection Capacity Charge

In the consultation material, Gasgrid had proposed that the connection capacity charge be based on the connection-specific capacity defined in the connection agreement between Gasgrid and the end users of the transmission network or distribution system operators. Based on the opinions, Gasgrid has reassessed the basis for determining the capacity charge and will not proceed with a model where the charge is based on delivery-point-specific capacities as defined in the connection agreements. Instead of connection capacity charge, Gasgrid is planning a capacity charge based on the total ordered capacity defined by the shipper. Thus, instead of connection capacity charge, the name of the tariff component would be *Capacity Subscription Charge*.

In its total capacity request, the shipper would consider the ordered capacity required by its delivery points (end users of the transmission network and retailers) for the upcoming calendar year. Shippers would order capacity from Gasgrid based, for example, on discussions with their customers or on the shipper's historical deliveries. The total ordered capacity would be defined by the shipper at its own discretion.

A capacity subscription charge based on total ordered capacity would allow the shipper to deliver to its delivery portfolio more flexibly, as the charge would not be based on connection-specific capacity but on the shipper's aggregated hourly delivery capacity. In this model, transmission

service charges would be directed at the shipper for deliveries to both the transmission and distribution networks, and the distribution system operator would not be the billing party.

Gasgrid had previously stated that *“The connection capacity could be reviewed once a year, with the transmission network end users/DSOs report changes to their connection capacity by the end of September, and the updated connection capacities take effect at the beginning of the next calendar year.”* Since the model based on ordered capacity would be administratively lighter than the connection-capacity-based model, the notification of the capacity requirement for the next calendar year could be made by the shippers during December instead of by the end of September.

Gasgrid also stated: *“The actual use of the connection must not exceed the contracted capacity in the connection agreement. If the actual hourly consumption at the delivery point exceeds the contracted capacity, a penalty fee will be charged for the excess. The review and billing period for the penalty fee is the calendar year. The penalty fee in 2026 is three times the capacity charge.”* The penalty-based procedure was proposed because exceeding the contracted connection capacity at a specific delivery point would constitute a breach of contract. In the model based on total ordered capacity planned by Gasgrid, the term “penalty fee” would be abandoned, as the issue is not a breach of the contracted capacity but an exceedance of the total ordered capacity by the shipper. Thus, as part of the planned capacity subscription charge, an “subscription capacity overrun fee” would be introduced, which would be higher than the unit price of the capacity subscription charge but lower than the penalty fee proposed in the consultation material (multiplier 3.0). The overrun fee would guide shippers to reserve subscription capacity according to their estimated actual needs. The total ordered capacity in relation to the shipper’s delivery capacity would be reviewed on an hourly basis.

The total ordered capacity would always be requested for the upcoming calendar year. Therefore, Gasgrid does not see a model based on historical consumption or delivery data as a valid basis for the capacity subscription charge. It may also be so that there may be changes in the delivery relationships which may change the shippers’ need for total subscription capacity.

In the model based on the total ordered capacity, the shipper would order capacity based on its best estimate of the peak consumption of its delivery points. The total ordered capacity would be defined for the next calendar year, but billing would occur monthly. For example, if the total ordered capacity is 100 MW and the unit price of the capacity subscription charge is €1,188,74/MW, this would result in an approximate annual fee of €120 000 for the next calendar year, which would be billed monthly according to the hours in each month (approx. €10,000/month). Any overrun fee would be billed after the calendar year. Gasgrid states that the market participant would not incur additional costs because, due to the clock change in October, one hour per year will be added twice, as the clocks are moved back by one hour.

Mid-Year Review of Ordered Capacity

In the model based on total ordered capacity defined on an annual basis, Gasgrid will carefully assess in which situations shippers would be allowed to review their ordered capacity if significant changes occur in their delivery relationships during the year. Gasgrid considers it important that

shippers avoid situations where the commissioning of new gas consumption points or changes in delivery relationships are delayed due to the capacity subscription charge.

Principles for Determining the Capacity Subscription Charge

In the consultation document, Gasgrid stated that *“Gasgrid’s goal is for the connection capacity charge to collect part (approx. 20% in 2026) of the transmission service revenues through this tariff component.”* After reassessment, Gasgrid states that the targeted revenue to be collected through the newly proposed capacity subscription charge would be moderated from the proposed 20%. Additionally, Gasgrid states that it will consider the annual target revenue to be collected through the capacity subscription charge based on the overall market situation, rather than setting a target based on a specific revenue level. Thus, for example, a downward change in total ordered capacity would not automatically mean an increase in the unit price of the capacity subscription charge

Gasgrid clarifies that the main rationale for the newly proposed capacity subscription charge is to balance the payments for transmission infrastructure and services among user groups to better reflect the service and value provided by the infrastructure. At the same time, the capacity subscription charge contributes to the stability of transmission pricing. Gasgrid emphasizes that all gas consumption is equally valuable and that a key objective is the highest possible utilization rate of the transmission infrastructure. Gasgrid’s pricing is based on the allowed revenue regulated by the Energy Authority, and the revenues from the proposed capacity subscription charge would be part of the allowed revenue.

In Conclusion

The EU Agency for the Cooperation of Energy Regulators (ACER) will publish its analysis of the consultation material on the reference price methodology by 16 August. Once the market participants’ opinions and ACER’s opinion have been evaluated, Gasgrid will engage in discussions with the Energy Authority on what changes will be made to the transmission pricing package presented in the consultation material. Gasgrid will organize an event for market participants in the autumn to review the themes related to the transmission pricing package.

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Sincerely,
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