**The summary of proposals and comments received within the process of Public Consultation on the Amendments to the Common Regulations for the Use of Natural Gas Transmission System (carried out from 22.11.2024 till 20.12.2024)**

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| **No.** | **Relevant regulation norm** | **Comment or proposal**  | **The opinion of TSOs regarding the comments or proposals** |
|  |  | In the Consultation document it is mentioned that development towards a single market area without Kiemenai entry/exit point "has stalled". Could you provide more precise update on this? Is this still in the plans of TSOs or this idea is abandoned as such? And if it is still in the plans, then when it will be realized?Work towards joint Baltic market area which includes also Lithuania, should be the top priority of the TSOs and Regulators to ensure a secure and stable regional gas market, which also must be harmonized with the electricity markets of all three Baltic states, when heading for synchronous connection with Continental Europe. | *In 2020, a single gas market area was created by Latvia and Estonia, which together with Finland formed a common tariff zone. As from 2020, a zero transmission price has been introduced for the interconnection with Finland, and the common tariff zone entry prices have been aligned. In 2020-2021, the studies regarding alternative option of the integration of the Lithuanian, Latvian, Estonian and Finnish natural gas markets were carried out and an alternative analysis was prepared in relation to potential Inter-TSO Compensation mechanism. However, upon the occurrence of new geopolitical circumstances, such as the war in Ukraine, suspension of gas flows from Russia for the needs of the EU, development of infrastructure in the EU countries for alternative supply sources etc., the countries decided to postpone the creation of the common tariff zone, which will also include Lithuania. It is not excluded that when the geopolitical situation becomes stable, the Baltic States and Finland will renew the coordination of their positions regarding a further market integration in order to create the cooperation model for the operators that would be acceptable to all parties. The regional market is expected to continue to integrate, with operators cooperating with each other both to address technical challenges and to develop market mechanisms.* *We invite you to express market needs also to Lithuanian representatives (NRA, Ministry, TSO), in order to facilitate Lithuania’s future integration in FinEstLat market area.* |
|  |  | In the Consultation document it is also mentioned that Kiemenai capacity booking changes will take place from October 1st, 2025. In previous communications with TSOs, Latvenergo has stressed multiple times that the TSOs should change the Kiemenai capacity calendar from gas year to calendar year. In the Batlic-Finnish area, Kiemenai is the only transmission point that still operates by gas year principles. Any other regional security infrastructure assets – Klaipeda LNG terminal and Inkoo LNG terminal, are operating on a calendar year basis. For system users to be able to ensure continuous gas flows and proper utilization of these assets, it is highly important that the calendars of the interconnection points (Kiemenai) are aligned with the gas system entry points (Klaipeda and Inkoo). | *Not applicable.**Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (NC CAM) specifically defines gas year and that capacity auctions are held during the gas year, therefore this requirement stems from NC CAM* |
|  |  | Latvenergo also strongly disagrees with the Consultation document proposal that in cases of capacity interruptions, capacities will be restricted proportionally with disregard for capacity period. Traders who are booking annual or any other long term capacity products are planning the booking based on the TSO maintenance plans and specifically considering the quantity of necessary transmission capacities to ensure safe and continuous flows of natural gas for Baltic energy system operational stability and safety. The proposed regulation will result in unpredictability of flows via Kiemenai and will impose threat to Baltic energy system safety. | *Taken into account* |
|  |  | If Narva and Varska entry points are taken out of the Regulation and for Luhamaa entry point a special transit capacity allocation mechanism is introduced, it is unclear, for which entry/exit points the TSOs plan to use the described First-Come-First-Serve principles, if for Kiemenai capacity booking an auction will be used and Balticconector bookings are based on implicit capacity allocation.The proposal is for TSOs to stay with the currently approved Regulations until the new ones come into force and keep both as separate documents, instead of trying to include new and old norms in the same document at once, considering that some of these norms will become obsolete once new Regulations will come into effect. This creates a huge confusion for the system users.  | *Both capacity principles for Kiemenai entry/exit point must be in force at the same time, therefore it is impossible to make separate documents. However TSO’s acknowledge the issue and plan to resubmit amendments for approval after specific sections of rules will become obsolete.* |
|  | 5.11 | Unfortunately, the proposed changes in Capacity allocation procedure at Kiemenai entry/exit point (Article 5.11. of the Regulations), do not foresee the dates (or days) of particular product allocation auctions. It has reference to an "auction calendar" whereas the calendar itself is not available. In this case it would be necessary to set particular periods for the TSOs (in the current Regulation it is "days before"), when auctions for each product should take place. This is extremely important for traders for planning their LNG cargoes and pipeline flows. The capacity auctions should take place at least three (3) months before the start of the product period (at least for long term products), as three (3) months is the period that corresponds to LNG terminal spot slot bookings. And for a trader to book a slot, he must first make sure that he will have enough capacities to transport the gas, for example, to Inčukalns Undergound Gas Storage. | *Capacity auction calendar publication is obligation to ENTSO-G. Every year capacity auction calendar is published by ENTSO-G as defined in Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (NC CAM) Article 3 (15). Current auction calendar publication for 2025/2026 year can be found here -* [Press Releases | ENTSOG](https://www.entsog.eu/press-releases), [Capacity Allocation Mechanisms NC | ENTSOG](https://www.entsog.eu/capacity-allocation-mechanisms-nc%22%20%5Cl%20%22cam-nc-early-implementation-documents-and-auction-calendar) |
|  |  | Finally, it is unclear what auction platforms the TSOs will use for Kiemenai capacity bookings, it is also not described how these platforms will operate etc. It would be appreciated that before submitting any changes for Regulations to Regulators, TSOs would consult with the market participants and explain them, what will be changed and how it will eventually happen, so the market participants have a bigger picture, are better informed and can provide more valuable suggestions for a safer and smoother operations of the regional natural gas transmission system. | *As the procurement has not been carried out yet, the TSOs cannot provide information which auctioning platform will be used. However - the capacity auctioning principles are the same regardless of auctioning platform chosen, as auctioning platform only provides interface to auctioning process which is set in Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (NC CAM) Articles 11-18.*  |
|  | 5.8.8 | Article 5.8.8.6 of the Project provides that firm capacity shall be restricted proportionally among network users with disregard for capacity period: „In the case of the unavailability of the booked capacity due to the planned or unplanned unavailability of technical capacity at the Kiemenai entry/exit point, capacity shall be restricted proportionally among network users in the following order: first, interruptible capacity of the shortest period; followed by interruptible capacity of a longer period. If the capacity demand still exceeds the supply, all firm capacity shall be restricted proportionally among network users with disregard for capacity period.” As a principle, when shorter capacity products are restricted firstly is currently applied at all interconnection points in Lithuania this change can cause a situation when network users in both sides of theinterconnection point will be limited differently and will reduce the possibility to use Kiemenai entry/exit point. The Company proposes to retain Article 5.8.8.6 in its current wording, i.e., stipulating that shorter firm capacity products are restricted first, and, if necessary, longer capacity products are restricted thereafter:“In the case of the unavailability of the booked capacity due to the planned or unplannedunavailability of technical capacity at the Kiemenai entry/exit point, capacity shall be restricted proportionally among network users in the following order: first, interruptible capacity of the shortest period; followed by interruptible capacity of a longer period. If the capacity demand stillexceeds the supply, firm capacity of a shorter period will be restricted, and if necessary, firm capacity of a longer period.” | *Taken into account.* |
|  |  | After implementation of auction procedure at Kiemenai interconnection point, the Company proposes to foresee the possibility, that at those entry and exit points where capacity booking platform is used for capacity allocation, secondary capacity market is organized on capacity booking platform as well. This would allow system users to execute all capacity transactions on the same auction platform, while the Company would be able to automatically receive information on executed transactions only from the auction platform. | *Taken into account* |
|  |  | According to the definition in the Estonian Natural Gas Act § 2, point 13, an LNG terminal is a facility used for the liquefaction, importation, offloading, and regasification of liquefied natural gas, along with ancillary services. The definition explicitly excludes gas storage facilities. Notably, this definition does not require an LNG terminal to provide services to third parties. Any facility that performs the regasification or importation of LNG qualifies as an LNG terminal under the Estonian Natural Gas Act.Similarly, EU Regulation 2024/1789, on which the Estonian legislation is based, defines LNG terminals based on their technical and operational characteristics rather than the provision of services to third parties. To our knowledge, there is no interpretation of EU Regulation 2024/1789 that allows LNG terminals to be excluded from third-party access obligations based on whether or not they provide services to third parties. Nor does it differentiate between temporary, permanent, one-time, or recurring operations.The Estonian Natural Gas Act also does not explicitly define the specific services that would determine whether a facility qualifies as an LNG terminal or simply an LNG facility under the meaning of the proposed Amendments. Consequently, it remains unclear on what basis the distinction between an LNG facility and an LNG terminal is made. This ambiguity raises the question of what is meant by "terminal services" and how the provision or non-provision of such services is determined under the Amendments.In our assessment, the presentation of the terms "LNG terminal" and "LNG facility" in the proposed Amendments creates a significant risk that the Common Regulations may not comply with EU Regulation 2024/1789. Furthermore, the Amendments in their current form are impracticable to implement, as they lack clear criteria for distinguishing between an LNG terminal and an LNG facility. In light of the above, we kindly ask clarification and legal precision regarding the following:- **What specific legal basis supports the position that an FSRU temporarily connected to the transmission network does not qualify as an LNG terminal if it does not provide terminal services?****- What is meant by "terminal services" and how is the provision or non-provision of such services determined under the Amendments?** | *Thank you for presenting your understanding of the legal regulation on LNG Terminals. Elering has based its position on the Estonian NRA Konkurentsiamet memo and the Estonian Ministry of Climate's letter from 13.05.2024 to Konkurentsiamet titled "Vastus selgitustaotlusele, kuidas käsitleda lühiajalist FSRU-d." As this letter is marked as internal use only, we hereby invite market participants to contact the Estonian NRA or Ministry directly to seek answers to your raised questions.**The general summary position of the Estonian NRA and the ministry, based on the Natural Gas Act, is that if an FSRU is brought to Pakrineeme port on a short-term basis, where only one cargo of liquefied gas is regasified and delivered to the transmission network and then the FSRU departs, this is considered a free market service rather than a liquefied gas terminal service. Additionally, market participants have expressed that there is a need for such a one-time connection and network service at the Pakrineeme connection point due to the presence of other terminals in the area.* |
|  | 5.5 | According to sub-paragraph 5.5.2 of the Amendments, when offering and allocating capacity at the entry point from Pakrineeme, the impact of flows arising from announced annual service schedules of regional LNG terminals (including Inkoo LNG, Hamina LNG, Pakrineeme LNG, and Klaipeda LNG entry points) must be considered, in the order that the annual service schedules were published. This means that the confirmed regasification schedules of regional LNG terminals are factored into capacity planning at the Pakrineeme entry point.Under "The one-time connection conditions to the gas transmission network at Pakrineeme by Elering AS", the transmission system operator guarantees firm capacity for gas entry at the Pakrineeme connection point. For instance, if gas consumption in the Finnish region is lower than estimated at the time Pakrineeme entry capacity was confirmed, and this leads to higher-than-expected flows from Balticconnector towards the Inčukalns storage facility, the capacity of Balticconnector may be restricted to ensure the flow from the Pakrineeme connection point towards Inčukalns via the Karksi connection point. As a result, LNG terminal users and other market participants are required to adjust their activities to accommodate the capacity allocated at the Pakrineeme connection point.In such cases, users of the Inkoo terminal, for example, may face disruptions, as they would be unable to regasify LNG according to their planned and confirmed schedules. This would also impact subsequent regasification and delivery schedules at the terminal. If terminal storage tanks become overly full before the arrival of the next LNG cargo, users could incur direct financial losses.We believe that LNG terminal users and other market participants should be able to regasify LNG according to their confirmed schedules. Expecting them to adjust their activities based on capacity allocated at the Pakrineeme connection point is unreasonable and could undermine their operations and financial stability.To address this issue, **we propose that the capacity allocated for gas entry at the Pakrineeme connection point be offered as interruptible capacity, which could be restricted as needed to accommodate changes in system demand and flow dynamics. This solution would provide greater flexibility for the transmission system operator while minimizing disruptions for LNG terminal users and market participants.** | *Elering seeks equal treatment of entry points to the Estonian gas transmission system. If the system is unable to physically accommodate all the requested flows (physical congestion), TSOs have proposed an allocation mechanism to maintain system security and stability.**The TSOs' proposal is that, when offering and allocating capacity at the Pakrineeme entry point, the impact of flows arising from the announced annual service schedules of regional LNG terminals (including Inkoo LNG, Hamina LNG, Pakrineeme LNG, and Klaipeda LNG entry points) shall be considered in the order in which the annual service schedules were published. This means that we consider it important to minimize any impact on already planned cargos.**Your proposal to offer only interruptible capacity at Pakrineeme would introduce more risk when planning cargos to Pakrineeme compared to other entry points. Therefore, for the sake of equal treatment, Elering considers it important to offer firm capacity at the Pakrineeme entry point.* |
|  |  | We acknowledge the need to improve the current allocation mechanism at the Kiemenai entry/exit point to address recurring capacity congestion and ensure equal access for system users. However, we believe the proposed implementation of auctions requires further consideration.While auctions are a recognized capacity allocation method under EU Regulation 2017/459, their introduction at the Kiemenai entry/exit point will significantly increase complexity and impose additional administrative burdens on market participants. This, in turn, may lead to higher gas prices for consumers, potentially undermining the goals of enhancing liquidity and ensuring efficient market operation.In our view, the objectives of addressing congestion and improving capacity allocation can be achieved more effectively by enhancing the offering of interruptible capacity. This approach would allow the system operator to manage temporary congestion flexibly and efficiently, without the added administrative and financial burdens associated with auctions. | *As current capacity allocation mechanism was prepared for short-term, congestion-free operation of Kiemenai entry-exit point which is outdated at this point. Improving existing capacity booking procedure would be investing resources and time in finding solution, which has been already developed and used by majority transmission system operators of Europe. Therefore as TSOs acknowledge short term administrative burden for both all market participants, in long term this change will bring benefits as harmonised and standardised operation in all Europe will be implemented.* |
|  | 5.11 | Regarding the auction regulation presented in the Amendments, we have the following clarifying proposals:a) in sub-paragraph 5.11.2.3 it should be specified that, in addition to the date, the time of the auctions will also be published;b) the deadline specified in sub-paragraph 5.11.3.1 should be extended to 30 days;c) provisions regarding the publication of the auction calendar should be added to sub-paragraph 5.11.2. | *a) and c) Capacity auction calendar publication is obligation to ENTSO-G. Every year capacity auction calendar is published by ENTSO-G as defined in Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (NC CAM) Article 3 (15). Current auction calendar publication for 2025/2026 year can be found here -* [Press Releases | ENTSOG](https://www.entsog.eu/press-releases), [Capacity Allocation Mechanisms NC | ENTSOG](https://www.entsog.eu/capacity-allocation-mechanisms-nc#cam-nc-early-implementation-documents-and-auction-calendar)*b)* *taken into account* |
|  | 19.4 and 19.5 | The requirement in sub-paragraph 19.4 for network users to provide "all such information that the TSO considers relevant" could benefit from further clarification. Without a precise definition of "relevant information," this provision may create uncertainty and could impose unnecessary burdens on network users. Additionally, sub-paragraph 19.5, which allows information sharing between TSOs and regulatory authorities even when not explicitly required by law, raises questions about the protection of commercially sensitive data and compliance with confidentiality obligations.**We kindly request clarification on the legal basis for both the collection of such information and its exchange between TSOs and regulatory authorities. We also suggest considering adjustments to ensure that requests and information sharing are proportionate, clearly justified, and aligned with REMIT-related monitoring or investigations.** | *According to REMIT regulation 1227/2011 (amended with regulation 2024/1106) Article 15 (3) the persons referred to in paragraphs 1 and 2 (as TSOs are)* ***shall establish and maintain effective arrangements, systems and procedures to****:* *(a) identify potential breaches of Article 3, 4 or 5; (b) guarantee that their employees carrying out surveillance activities for the purpose of this Article are preserved from any conflict of interest and act in an independent manner;* *(c)* ***detect*** *and report suspicious orders and transactions.**According to Article 15(1) of REMIT regulation the information obligation in case of becoming aware of the suspicious event is towards Agency for the Cooperation of Energy Regulators and relevant national regulatory authority.* *By adding sub-paragraphs 19.4 and 19.5, the TSOs propose arrangements for requesting clarifications from market participants/network users to identify and detect suspicious orders in cases where there is suspicion of a potential breach of REMIT regulation. Please note that Elering and Conexus are cooperating within a common balancing zone, and as such, cooperation and data sharing for REMIT monitoring must also be arranged. For the sake of clarity, we would like to emphasize sub-paragraph 19.5: “that Information received in accordance with sub-paragraph 19.4 shall only be used for the purpose of monitoring under this Regulation and applicable law, including the investigation of suspected breaches...”* |