

The logo for EFET, consisting of the letters 'EFET' in a bold, red, sans-serif font.

European Federation
of Energy Traders
SO YOU CAN RELY ON THE MARKET

Enhancing connectivity and market integration

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Pawel Lont, European Gas Markets Manager

Market entry barriers need to be tackled

Flexibility that the market offers should be used to the fullest extent possible

- ✓ EnC CPs and the neighbouring MSs need to strengthen the efforts to ensure gas can move freely (bidirectionally) to the region that needs it most.
 - ✓ This calls not only for IAs but also removing the market entry barriers that prevent shippers from using their portfolios optimally;
 - ✓ Tariffs can both hinder gas flows and distort cooperation in the region if they do not reflect the costs incurred by the TSO;
 - ✓ Access to capacities must be ensured and there is scope for improvement.

Restrictions to gas trading – new challenges

Changes to RO legislation over the course of 2022:

- Severely damaging liquidity
- Creating considerable confusion around the intended scope
- Going against regional solidarity

Changes to PL legislation over the course of 2022

- Market entry barriers still not addressed (although a good draft amendment to storage obligations has been proposed in Q2)
- The obligation on the incumbent to trade via the exchange can now be removed overnight via a Ministerial decision

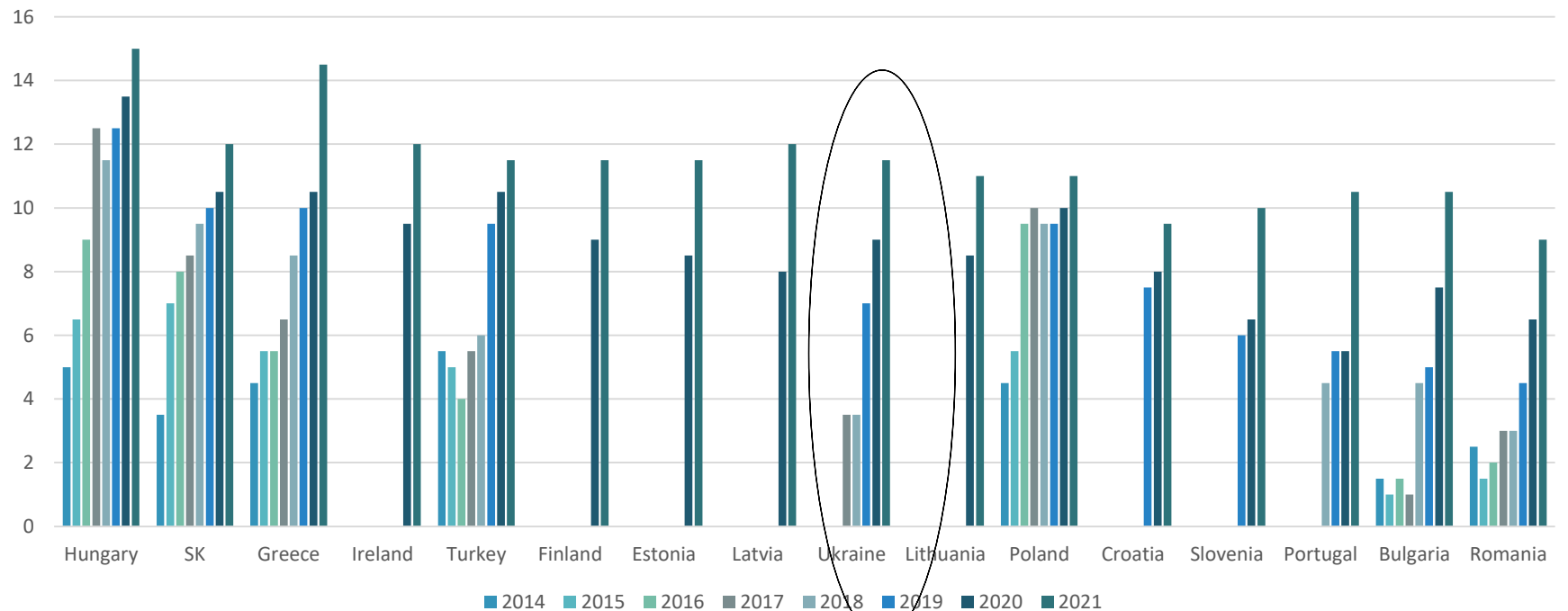


It is the intention behind legislation that matters

Despite several years of head start, proximity of liquid hubs and numerous advantages stemming from being part of the internal EU market...

...Ukraine's gas hub already outperforms many EU hubs.

EFET 2021 Gas Hub Benchmarking Study



Market integration is important for supply security

The current energy crisis shows how important markets are in efficient allocation of resources, particularly at times of scarcity.

- Capping the gas market cannot be easily done and the lower the cap the greater the damage;
- Market signals facilitate the flow of gas to areas where it is needed most;
 - They are not easily replaceable, distortions should be avoided;
- Caution is needed so that the emergency measures envisaged do not foreclose markets and reinforce national monopolies for the coming years;
- Market integration binds national interests together.

Thank You

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Pawel Lont 

+48 668 817 497 

p.lont@efet.org 

www.efet.org 