

NMa Energiekamer
Bedrijfsvoering en Informatiemanagement (B&I)
Postbus 16326
2500 BH Den Haag

GasTerra B.V.
Postbus 477
9700 AL Groningen
Rozenburglaan 11
T 050 364 86 48
F 050 364 86 00
E communicatie@gasterra.nl
BTW NL814409325B01
Handelsregister Groningen
02089290
www.gasterra.nl

Datum
8 juli 2011

Doorkiesnummer
(050) 364 88 76

Ons kenmerk
J 11.0071

Uw kenmerk
nr. 103650

Onderwerp

Reactie op "Market Consultation on the Research into gas flexibility services"

Geachte heer/mevrouw,

Naar aanleiding van de uitnodiging gepubliceerd op uw website treft u hierbij de reactie aan van GasTerra B.V. op de marktconsultatie naar flexibilitieitsdiensten.

In uw uitnodiging stelt u een aantal vragen over het rapport van de Brattle Group en een aantal vragen over de flexibilitieitsmarkt.

De reactie van GasTerra op het rapport van de Brattle Group van 6 juni 2011 en de vragen hierover treft u aan in een aparte **bijlage**. Deze bijlage is in zijn geheel vertrouwelijk. Mocht u een niet-vertrouwelijke versie willen ontvangen, dan verzoeken wij u vriendelijk dit aan te geven.

De antwoorden van GasTerra op de vragen over de flexibilitieitsmarkt zijn als volgt:

7. *How do you perceive the functioning of the market for short-term flexibility in the Netherlands?*

There seems to be sufficient short-term flexibility on the market, since there are no major price spikes in spot prices on TTF. Furthermore, since the introduction of the new balancing regime only a few months ago, the within day market has started developing. Under the previous balancing regime that was not the case yet.

8. *Do you think that the recently introduced day-ahead and within-day products on TTF will significantly improve the market for short-term flexibility on TTF in the foreseeable future?*

The intraday products traded on TTF (starting two days ahead until 40 minutes to delivery) make it possible for companies to pool flexibility, so that the short term flexibility available on the market can be used efficiently. By introducing such intra-day products, GasTerra ensures there is sufficient supply to respond to growing demand. As

already mentioned, companies are starting to trade with intra-day products, which demonstrates that the newly introduced products indeed improve the market for short-term products. Given that this market has essentially started its developments with the introduction of the new balancing regime on 1 April 2011 and thus has only been functional in the summer season, it is reasonable to expect further substantial growth in the winter. However, it is reasonable to assume that the within day market will develop far more quickly and decisively if the Nomflex product offered by GTS would no longer be available as an alternative to within day and other short term trades.

9. In your opinion what is still needed in order for the market to source their short-term flexibility needs from TTF (without having to resort to the GTS flexibility product)?

First and foremost the market has to become confident that TTF is indeed a reliable source of short-term flexibility. This is mostly a matter of time. Similarly, trust in commodity markets has only developed over time. It is GasTerra's firm belief that when demand for these kind of products picks up, there will be enough supply to meet this demand. As a matter of fact, this has already happened for mid- and long-term products (with-in month to with-in year flexibility). Actually, the very existence of the GTS flexibility product provides a threshold for the development of demand for short-term flexibility products through TTF.

GasTerra strongly believes that continuation of the existing Nomflex product constitutes an impediment to the further development of trade in short term products on TTF, irrespective of whether the flex product is effectively provided to GTS by GasTerra or a competitor of GasTerra. In this regard GasTerra would like to urge the NMa to thoroughly review the feedback to the present questions from the market.

10. With sufficient availability of short-term flexibility in the market would you still have a reason to use the GTS flexibility product? If so, please explain.

No. GasTerra sees no reason why anyone would want to source flexibility through the TSO, when it is also possible to either purchase it directly from the supplier, or buy it on the TTF. The involvement of the TSO as an extra in between may create issues of double marginalisation.

Hoogachtend,



H.J. Van Zijll De Jong
Manager Juridische Zaken & Regulering