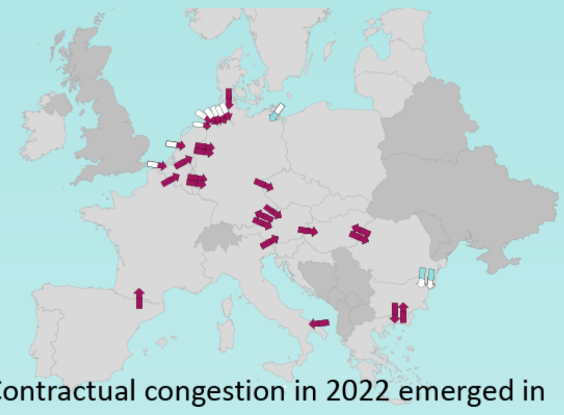
ACER
European Union Agency for the Cooperation of Energy Regulators

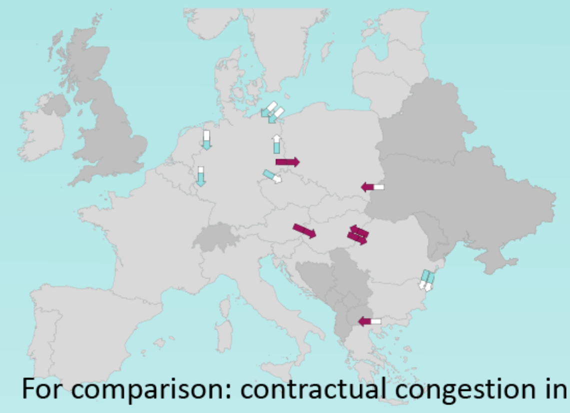
ACER Special Report addressing congestion in North-West European gas markets

Network congestion in EU gas markets tripled in 2022.
The most acute bottlenecks were in North-West Europe (NWE).

Exit · Entry · Auction premia · Non-offer

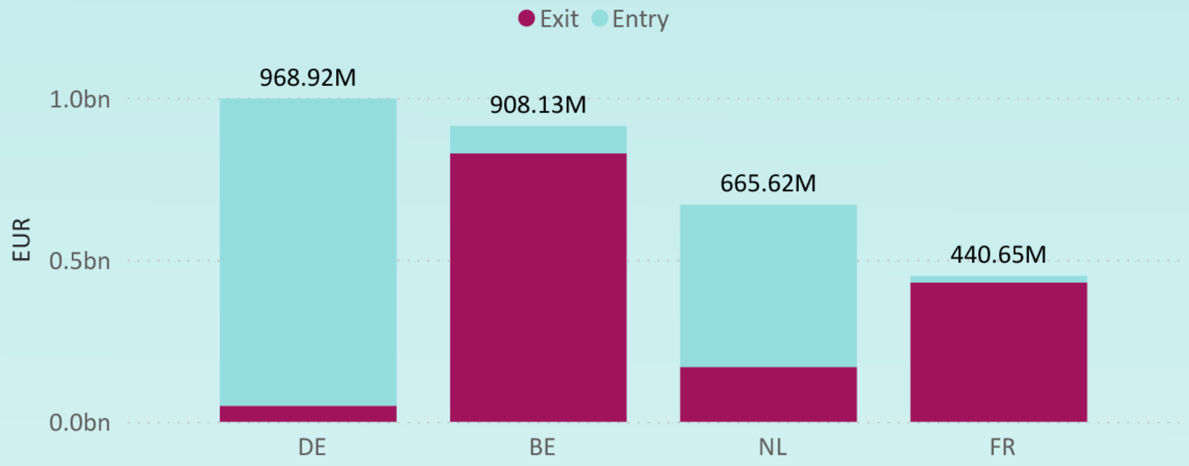


Contractual congestion in 2022 emerged in North-West Europe on west-east flow paths



For comparison: contractual congestion in 2021 limited to Central and South-East Europe

TSOs' gas congestion revenues from auctions held in 2022 for Belgium (BE), France (FR), Germany (DE) and the Netherlands (NL)



- Congestion on the gas network in NWE drove hub spreads high.
- EU gas TSOs recorded €3.4 billion in congestion revenues in 2022 (compared to €55 million in 2021), of which €2.98 billion or nearly 90% was earned by NWE TSOs.
- EU's integrated gas market proved to be resilient to the crisis, ensuring gas would flow to where it is most needed.
- TSOs made commendable efforts to address the bottlenecks.

Learning from the experience in NWE, ACER formulates recommendations on addressing congestion.

ACER RECOMMENDATIONS

Joint optimisation by network operators of gas capacity

Neighbouring TSOs to jointly maximise firm and interruptible capacities in support of flow optimisation. Neigbouring NRAs to coordinate and remove any regulatory obstacles.

Careful assessment of investment needs, avoid stranded assets

Neighbouring TSOs and NRAs to carefully assess the need for investment to resolve remaining bottlenecks while considering security of supply, the Union's energy and climate policies, and the risk of asset stranding.

Better information on gas network use

TSOs and ENTSOG to improve the availability of information on the use of the network.

Fine-tune the rules on gas transmission capacity

ACER and NRAs to propose amendments to the Network Code on Capacity Allocation Mechanisms, the European Commission Guidelines on Congestion Management Procedures and the Commission Guidelines on Transparency.