



Incremental Proposal

-initial GIE remarks-

**Philipp Daniel Palada: ENTSOE kick off WS, 14
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- GIE supports market based identification of capacity and GIE is in favour of an economic test as such
 - Infrastructure operators will build new capacity if there is sufficient demand and a predictable regulation
 - network users need clarity on future capacity and future prices
- Some remarks on economic test:
 - long regulatory depreciation periods vs. increasingly short term orientation of shippers
 - Who shall bear the part of investments not covered by users' commitments (1-f)? Non viable projects with positive externalities should be tackled in the Infrastructure Package
 - The "f" factor should be high enough to avoid economically non-viable investments

- Allocation of capacity should be a transparent process and not a complex process
 - How to ensure that process will deliver what involved parties (TSO and shipper) expect to receive
 - How to avoid unintended gambling
 - How to deal with price differences for „old“ and „new“ capacity
- Open Season procedures needed for big and complex projects
- Final remark: substantial interactions between Incremental Capacity and Tariff NC



Thank you for your attention.

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