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Approval of TAP Network Code

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On 17 June 2020, the Greek energy regulatory authority issued Decision 1036/2020 on the approval of the Trans-Adriatic Pipeline (TAP) Network Code, in compliance with the joint decision of the energy regulators of Italy, Albania and Greece, respectively. By respective decisions of the three foreign regulatory authorities issued in 2013, the TAP has, in compliance with EC Directive 2009/73, approved exemptions to the application of certain directive provisions for the period of 25 years from the beginning of its operations. The exemptions are from:

- the provisions of article 9 of EC Directive 2009/73, regarding the ownership unbundling;
- the provisions of article 32 of EC Directive 2009/73, regarding third-party access only to the TAP's initial capacity of 10 billion cubic metres; and
- the provisions of article 41(6), article 41(8) and article 41(10) of EC Directive 2009/73, regarding the regulated tariffs for the total capacity of the pipeline (ie, on both the TAP's initial and expansion capacities).

This decision also obligates the TAP to issue the network code, which should be approved by the authorities before the beginning of the TAP's operations. The TAP Network Code particularly regulates the following subjects:

- third-party access to the TAP – only registered parties can have access, upon the condition that such parties have purchased one or more TAP capacity products and have therefore entered into a gas transport agreement with the TAP;
- credit limits – if a registered party has a credit rating, the TAP will set a credit limit, otherwise such a party should procure a guarantee or pay the required amount into a cash collateral account;
- capacity products – forward firm capacity will be offered, when available, independently at each interconnection point in the form of annual, quarterly, monthly or daily products;
- commercial reverse capacity – this will be offered as a combination of equal amounts of reserved capacity at one entry point and one exit point. Physical reverse flow is provided only for emergency operations;
- capacity bookings – except in respect of the initial capacity allocation mechanism and capacity products booked pursuant to a market test, if a registered party wants to book reserved capacity, it must do so through auctions performed by a capacity booking platform;
- secondary markets – these will be allowed both in case of transfers and assignments;
- balancing – shippers' nominations must be balanced (ie, intakes are equal to offtakes), otherwise, the TAP will charge for the imbalance;
- planned maintenance – planned maintenances are announced by 30th September of each gas year or no less than 42 days before the day on which the planned maintenance takes place; and
- other issues – the code also addresses:
 - nominations;
 - virtual trading points;
 - congestion management;
 - gas;
 - electric power;
 - unaccounted for gas; and
 - redistribution.

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