Gas wholesale markets representing up to 80% of EU gas consumption are working well

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According to the latest Gas Wholesale Market Volume of the annual Market Monitoring Report (MMR) of the EU Agency for the Cooperation of Energy Regulators (ACER), well-functioning European gas hubs in Member States representing 80% of EU gas consumption are driving the continued improvement of the internal gas market. However, progress in some of the least developed national gas markets in the EU, remains limited.

The MMR volumes covering electricity wholesale markets, retail markets and consumer empowerment will be published at the end of October.

The latest Gas Wholesale Market Volume​ covering developments in 2018 shows that the divergence between the most liquid hubs – mainly in the North and West of Europe - and the less developed hubs persists, mainly due to the different level of implementation of the Third Energy Package, in particular of the gas network codes, and to the presence of specific barriers to trading in some Member States. In addition, while spot liquidity is increasing in most countries, forward liquidity seems to be concentrated especially at the TTF hub, the natural gas virtual trading point in the Netherlands, and, to a lesser extent, at the NBP hub in the United Kingdom.

The Gas Wholesale Market Volume also shows that in 2018 the differences in gas supply sourcing costs across Member States were in most cases below 1 euro/MWh, highlighting increased competition in the market across Europe, which brings tangible benefits to consumers.

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The Volume also contains an in-depth assessment of the market effects of gas network codes, which, among others, shows that gas network users are taking advantage of new transmission capacity allocation rules to profile their capacity bookings. This, in turn, gives them the flexibility to respond more effectively to changing fundamentals and market conditions. This is true in particular for North West European and neighbouring gas wholesale markets.

This year’s Volume also includes an assessment of the likely effects of the implementation of the gas network code on harmonised transmission tariff structures, which shows that the flexibility provided by the network code implies that some level of tariff competition among Member States will remain.

Access the ACER Market Monitoring Report 2018 - Gas Wholesa​​le Markets Volume​.