ACER adopts Decision on gas interconnection between Hungary and Austria

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ACER publishes today its Decision on the incremental capacity project proposal for the Mosonmagyaróvár gas interconnection point - the “HUAT project"- between Hungary and Austria, which was adopted on 9 April after receiving the favourable opinion of the ACER Board of Regulators.

Following the completion of the steps foreseen in the EU Regulation establishing a network code on capacity allocation mechanisms in gas transmission systems, the Transmission System Operators in Austria and Hungary - Gas Connect Austria GmbH (GCA) and Földgázszállitó Zártkörüen Müködö Részvénytársaság Zrt (FGSZ) - submitted separately their proposals for the HUAT project for approval to their corresponding National Regulatory Authorities (NRAs) Magyar Energetikai és Közmüszabályozási Hivatal (MEKH) and E-Control (ECA).

On 27 April 2018, ECA issued a decision approving the HUAT project proposal, and on 5 October 2018 MEKH issued a decision rejecting the HUAT project proposal. Since a coordinated decision was not reached within 6 months of receipt of the HUAT project proposal by the last receiving NRA (ECA, 9 April 2018), the Agency became responsible for issuing a decision on the HUAT project proposal.

The Agency was not called to decide on the technical or economic merits of the HUAT project, nor on whether an investment in the HUAT project is to be made, but to define the parameters of the economic test of the HUAT project, so that it can be tested on the market. The Agency has defined the parameters of the economic test to keep the TSOs' risk and financial position similar to their current state, to ensure, for example, that there are no further risks or potential detrimental effects, including those of stranded assets, and that captive customers are not exposed to undue risks of the investment.

The Agency notes that, as required by the network code on capacity allocation mechanisms in gas transmission systems, the HUAT project shall be initiated only if the economic test has a positive outcome on both sides of the Mosonmagyarövár interconnection point for at least one of the two offer levels proposed by the project promoters. With its Decision, the Agency aims to ensure that the HUAT project is tested on the market and possibly implemented on the basis of rules and conditions that are consistent with those of other incremental capacity projects of GCA and FGSZ, regardless of whether those projects are competing or complementary.