Application of an entry-exit tariff model to the gas transport system in Spain

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Abstract-

Under an entry– exit gas tariff system, reservation of capacity is split into entry capacity, to transport gas from the injection points to a virtual balancing point, and exit capacity, to transport gas from the balancing point to the exit points in the system. Entry– exit tariff for gas transport systems have been recommended by the 3rd EU Energy Package, since they are cost reflective, facilitate gas trade and can provide signals for the location of gas injections or off-takes. The advisability of applying an entry– exit tariff system is discussed in this paper. Apart from this, authors propose an entry–exit tariff model and apply it to compute charges for the Spanish gas transport system in 2009. Results produced by the model are presented as coefficients which should multiply the current postal transport tariff. The paper concludes that entry–exit tariffs would be useful location signals which would result in a better use of the gas transport system in Spain. In those cases where demand exceeds available capacity, as it occurs at the congested connection with France, entry– exit tariffs could be supplemented by capacity charges at entry points resulting from auctions.

Index Terms- Gas network tariffs; Entry-exit system; Gas transport

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