

Autorità di regolazione per Energia, Reti e Ambiente (ARERA, Italy)
Enti Rregullator i Energjise (ERE, Albania)
Ρυθμιστική Αρχή Αποβλήτων, Ενέργειας και Υδάτων (RAAEY, Greece)

Approval of an amendment to
“TAP Network Code”

Proposed by TAP AG on 12 May 2025

30 June 2025

Whereas¹:

On August 29th 2011, TAP AG submitted to the Italian Ministry of Economic Development and on August 31st 2011 to the Regulatory Authority for Energy [former RAE of Greece, recently renamed to Regulatory Authority for Energy, Waste and Water, (RAAEY)] an “Exemption Application for Trans Adriatic Pipeline”, as foreseen by Article 36 of the Gas Directive 2009/73/EC. On September 1st 2011, TAP AG submitted to the Energy Regulatory Entity (ERE) of Albania an “Exemption Application for Trans Adriatic Pipeline”, in accordance with Article 22 of the Gas Directive 2003/55/EC.

In June 2013 the Italian Ministry, RAE and ERE took the decision on the exemption, adopting the *Final Joint Opinion* (hereafter: “the FJO”), a document jointly written by ARERA, ERE and RAE (hereafter: “the Authorities”) and amended to comply with the Commission Decision [C(2013)2949 final] dated 16th of May 2013 and to take note of the Opinion 1/2013 of the Energy Community Secretariat dated 14th of May 2013.

In the aforementioned document an exemption from the provisions of Articles 9 (Unbundling), 32 (TPA) for the Initial Capacity of 10bcm/y, and 41.6, 41.8, 41.10 (Regulated Tariffs) of the Gas Directive has been granted to TAP AG for a period of 25 years starting from the beginning of the Commercial Operation Date, under several conditions.

Among others, according to Article 4.7.1 of the FJO, TAP AG is obliged to submit for approval to the Authorities the *TAP Network Code* no later than 12 months prior to its Commercial Operation Date. The TNC shall be compatible with the European regulatory framework on gas, provided that it is not in conflict with the terms of the FJO.

The TNC shall be applicable to all Shippers on a non-discriminatory basis, both Shippers who hold Initial Capacity and possible future Shippers for the Expansion Capacity.

Following FJO obligations, after the public consultation, the Network Code was first approved by the Authorities in 2020 (ARERA Deliberation 218/2020/R/gas, ERE Decision N. 97 dated 15.06.2020) RAE (Decision 1036/2020 - Government Gazette B’ 2928/17.07.2020).

The TAP Network Code was then further amended in 2022 (ARERA Deliberation 104/2022/R/gas, ERE Decision N. 45 dated 18 March 2022, RAE Decision 265/2022 - Government Gazette B’1768/12.4.2022), in 2023 (ARERA Deliberation 127/2023/R/gas, ERE Decision N. 115 dated 30 March 2023, RAE Decision 199/2023 - Government B’2438/12.4.2023), and 2024 (ARERA Deliberation 455/2024/R/gas, ERE Decision N. 237 dated 5 Novembre 2024, RAAEY Decision E-242/2024 - Government Gazette B’6867/16.12.2024).

¹ Hereafter the definitions of the *Final Joint Opinion* and of EU Regulation 2017/459 apply.

With letter dated 12 May 2025, (TAP's reference: LT-TAP-NRA-00066) TAP AG requested to the Authorities the approval of amendments to the TNC as set out in the attached TAP AG's Final Decision and its annexes.

TAP undertook a public consultation on the Revision Proposal for the TNC lasting 30 days and closing on 14 April 2025. TAP has not received any comments on the Revision Proposal during public consultation. This Revision Proposal seeks to enable more than one physical entry point to TAP, to include an amended fuel gas allocation methodology and the implementation of a shipper registration portal.

The main intended revisions of TNC are summarised hereafter:

- a. *Nea Mesimvria as physically bidirectional IP*: TAP currently has one physical entry and three exit points. Nea Mesimvria is expected to become a physically bidirectional IP following completion of works by DESFA and therefore will be added in Table A of Appendix 2 both as an Entry Point and as an Exit Point for Forward Capacity in the Forward IP Direction; The changes in this section become effective on the "NM Bidirectionality Date", which is the date that Nea Mesimvria has become operationally bidirectional as published on TAP's website, or at the latest on 1 October 2026;
- b. *Capacity Products in Nea Mesimvria*: Currently, TAP is offering interruptible reverse flow products including Commercial Reverse Route Nea Mesimvria to Komotini as well as Day-Ahead virtual entry capacity often used in combination with firm exit capacity in Melendugno. Once TAP and DESFA are able to offer bundled firm capacity for both entry and exit, interruptible capacity may (as per regulation) only be offered after firm capacity is sold out. Therefore TAP can not continue to offer the current interruptible reverse flow products mentioned above. Hence the possibility to book Forward Interruptible Capacity in the Reverse IP Direction in Nea Mesimvria and the Commercial Reverse Route with Nea Mesimvria as an entry point have been removed from the TNC;
- c. *Amendments concerning the Minimum Flow Rate for Nea Mesimvria*: situation where Forward Firm bookings and nominations in opposing directions result in a netted flow being below the Minimum Flow Rate is now a possibility that TAP needs to be able to address: in a bidirectional point, a situation of a netted flow resulting in a flow below Minimum Flow Rate may be handled operationally through OBA and/or batch flow. However, should TAP have to do that, the TNC allows TAP to "revise the Confirmed Quantities" and bring the flow rate down to zero (without necessarily setting the Confirmed Quantities to zero).
- d. *Changes to the fuel gas allocation*: TAP is implementing a flow weighted distance approach for fuel gas allocation, which ensures that fuel gas costs are allocated to shippers based on all forward flows entering or exiting TAP. However, with the allocation methodology applicable so far, Allocated Quantities for Interconnection Points other than Kipoi and Melendugno do not trigger any fuel gas charges to the relevant shippers. With the proposed update, Allocated Quantities instead of capacity and Fuel Gas quantities instead of Target Revenue

are used. Distance weighting applies for both entry and for exit. The calculation is to be done for every shipper and every month, based on actual daily quantities. The cap on fuel gas allocation is kept, but rather than being 2% per Fuel Gas Facility as today, it is now reformulated to apply as 2% for entry and exit respectively. The new methodology (i) avoids cross-subsidies, that could occur under the previous methodology, as now all shippers with flows entering the pipeline in the forward direction will be allocated fuel gas costs, (ii) is broadly cost reflective, the drivers of usage costs being quantity and distance, and (iii) align with tariff regulation, as the capacity weighted distance (CWD) approach is widely accepted by EU regulators as a legitimate approach to pricing.

- e. *Changes related to emission charges (ETS)*: The definition of Fuel Gas Price is amended to make the inclusion of emission charges explicit. The Shipper's Annual Statement is also amended to make explicit that emission charges are allocated.
- f. *Changes related to possible future electrification*: in light of the foreseen electrification through a future TAP expansion project, a provision is introduced defining electrification as an explicit trigger for review of the fuel gas mechanism;
- g. *Registration portal*: Seeking to partly automate the process for registering new potential Shippers and to improve the user experience for registered parties, TAP has developed a registration portal, which requires a number of amendments to the TNC.

Whereas:

The proposed TAP Network Code is compliant with the FJO and with relevant provisions of European Gas Network Codes, as required by Article 4.7.1 of the FJO.

The changes take immediate effect after the publication of the approved amendments of the TAP Network Code on TAP AG website

the Authorities jointly

approve, to the extent applicable, the amended "*TAP Network Code*" proposed by TAP AG with letter 12 May 2025 and attached as Annex B.